

WIKANA GROUP
whose parent entity is
Wikana S.A.
ul. Cisowa 11, 20-703 Poland

Opinion and report
of an independent statutory auditor
on audit of consolidated financial statements
for the period from 1 January to
31 December 2015

Opinion of an independent statutory auditor for the General Meeting and Supervisory Board of Wikana S.A.

We reviewed the enclosed consolidated financial statements of Wikana Group ("Group"), whose parent entity is Wikana S.A. ("Parent"), based in Lublin, ul. Cisowa 11, consisting of:

- consolidated statement of comprehensive income for the period from 1 January to 31 December 2015,
- consolidated statement of financial position as at 31 December 2015,
- consolidated statement of changes in equity for the period from 1 January to 31 December 2015,
- consolidated statement of cash flows for the period from 1 January to 31 December 2015,
- additional information and explanations.

The Parent's Management Board is responsible for preparing the Group's consolidated financial statements and report on the Group's operations in compliance with the existing regulations.

The Parent's Management Board and members of the Supervisory Board are required to ensure that the financial statements and report on the Group's operations meet the requirements specified in International Financial Reporting Standards and the Accounting Act of 29 September 1994 (Polish Journal of Laws of 2014, item 330, as amended), hereinafter the "Accounting Act."

Our objective was to audit and express an opinion on the compliance of these consolidated financial statements with the applicable accounting rules (policy) and on whether they reliably and clearly present, in all significant respects, the Group's asset position, financial standing and financial results.

The audit of the consolidated financial statements was carried out in accordance with the provisions of:

- 1/ section 7 of the Accounting Act,
- 2/ national financial audit standards issued by the National Chamber of Statutory Auditors in Poland.

We planned and carried out the audit so as to obtain rational certainty allowing us to express an opinion on the consolidated financial statements.

In particular, the audit covered assessment of the validity of the Parent's and its subsidiaries' adopted accounting principles (policy) and significant estimates, verification - largely on a test basis - of documentation being the source of figures and information contained in the consolidated financial statements, as well as an overall assessment of the consolidated financial statements.

We consider that the audit provided us with sufficient basis to issue an opinion.

We consider that the audited consolidated financial statements, in all significant aspects:

- a) reliably and clearly present information that is significant from the viewpoint of assessing Wikana Group's asset and financial situation as at 31 December 2015 as well as its financial results for the period from 1 January to 31 December 2015,
- b) are prepared in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations issued in the form of Commission Regulations, and in the scope not addressed in these standards - pursuant to the requirements of the Accounting Act and secondary legislation issued on its basis,
- c) comply with legal regulations applicable to the Group that could have impact on the content of the consolidated financial statements.

The management report on the Group's operations is complete in the meaning of art. 55 of the Accounting Act and takes into considerations the provisions of the Ordinance of the Minister of Finance of February, 19 2009 on current and periodic information disclosed by issuers of securities and the terms for recognising as equivalent information required by the laws of a non-member state (Polish Journal of Laws of 28 January 2014, item 133), and the information contained therein, derived from the audited consolidated financial statements, is compatible with the report.

Warsaw, 21 March 2016

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warsaw

Entity authorised to audit financial statements no. 3355

Lead statutory auditor conducting the audit:

Acting on behalf of BDO Sp. z o.o.:

Krzysztof Maksymik
Statutory Auditor
no. 11380

dr André Helin
President of the Management Board
Statutory Auditor no. 90004

Report
on audit of consolidated financial statements
OF WIKANA GROUP
whose parent entity is
Wikana S.A.

for the period from 1 January to
31 December 2015

I. General part of the report

1. Parent's data

The parent entity of Wikana Group ("Group") is Wikana S.A. ("Parent," "Company").

The Parent's registered office is in Lublin, ul. Cisowa 11.

According to the Parent's register entry and Articles of Association, its primary economic activities are:

- activities of head offices and holding companies, except for financial holdings
- development of building projects
- renting and operating of own or leased real estate
- accounting and bookkeeping

The Parent operates pursuant to:

- Articles of Association, drafted in the form of a notarial deed on 13 January 1994 (Rep. A nr 552/94), as amended,
- Polish Commercial Companies Code,

On 20 January 2003, the Company was entered into the National Court Register at the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Department, Registry Section, under KRS number 0000144421.

The Company has tax identification number NIP: 6910019382, and REGON: 390284802.

At 31 December 2015, share capital amounted to PLN 40 030 000 and was divided into 20 014 797 shares with nominal value of PLN 2.00 each.

In 2015 and until the audit was concluded, no changes to share capital took place.

As at 31 December 2015, according to Management Board information, the Company's shareholders were as follows:

SHAREHOLDING STRUCTURE	shares	votes at general meeting
AGIO RB FIZ	6 320 124	31.6%
Ipnihome Limited	4 935 222	24.7%
Dekra Holdings Limited	3 027 026	15.1%
Other	5 732 425	28.6%

At 31 December 2015, the Parent's equity amounted to PLN 38 051 000.

The Parent's Management Board is the Group's lead managing authority.

At 31 December 2015, the Management Board comprised:

- Robert Pydzik – President of the Management Board
- Agnieszka Maliszewska – Member of the Management Board

During the audited period and until the audit was concluded, the Management Board composition did not change.

2. Composition of the Group

The separate financial statements of the Parent for the financial year ending 31 December 2015 were audited by BDO Sp. z o.o., with an unqualified opinion.

Data of related parties whose financial statements were audited by the statutory auditor:

The following entities comprised WIKANA Group (directly and indirectly) as at 31 December 2015:

Name of entity	Entity authorised to audit	Type of audit opinion	Consolidation method
WIKANA BIOENERGIA Sp. z o.o.	BDO Sp. z o.o.	No opinion issued until report date	Full
WIKANA PROJECT Sp. z o.o.	n/a	Not subject to audit	Full
WIKANA NIERUCHOMOŚCI Sp. z o.o. w likwidacji	n/a	Not subject to audit	Full
Multiserwis S.A.	BDO Sp. z o.o.	No opinion issued until report date	Full
WIKANA PROPERTY Sp. z o.o. KROSNO S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. KROSNO S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. LEGNICA S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. LEGNICA S.K.A.)	n/a	Not subject to audit	Full
ZIELONE TARASY S.A.	BDO Sp. z o.o.	No opinion issued until report date	Full
WIKANA PROPERTY Sp. z o.o. KOMERC S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. KOMERC S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. 02 S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. 02 S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. 03 MIASTECZKO S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. 03 MIASTECZKO S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. 04 OSIEDLE S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. 04 OSIEDLE S.K.A.)	n/a	Not subject to audit	Full
WIKANA BIOENERGIA Sp. z o.o. 01 S.K.A.	n/a	Not subject to audit	Full
WIKANA NIERUCHOMOŚCI Sp. z o.o. 05 MARINA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. 05 MARINA S.K.A.)	n/a	Not subject to audit	Full

WIKANA PROPERTY Sp. z o.o. ALBA S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. ALFA S.K.A.)	n/a	Not subject to audit	Full
WIKANA PRIM Sp. z o.o. BETA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. BETA S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. DELTA S.K.A.	n/a	Not subject to audit	Full
Towarzystwo Budownictwa Społecznego "Nasz Dom" Sp. z o.o. (formerly Towarzystwo Budownictwa Społecznego „Wikana” Sp. z o.o.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o.	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o. PANORAMA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. PANORAMA S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. PODPROMIE S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. ZIELONE TARASY S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. SALIX S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. KROSNO S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. ACER S.K.A.	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o. ALFA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. ALFA S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. BETULA S.K.A.	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o. CORYLUS S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. CORYLUS S.K.A.)	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. GAMMA S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. JOTA S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. KAPPA S.K.A.	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o. LAMDA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. LAMDA S.K.A.)	n/a	Not subject to audit	Full

WIKANA MERITUM Sp. z o.o. LARIX S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. LARIX S.K.A.)	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o. MAGNOLIA S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. OMEGA S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. OMIKRON S.K.A.	n/a	Not subject to audit	Full
WIKANA PROPERTY Sp. z o.o. ROSA S.K.A.	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o. SIGMA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. SIGMA S.K.A.)	n/a	Not subject to audit	Full
WIKANA MANAGEMENT Sp. z o.o.	n/a	Not subject to audit	Full
WIKANA MERITUM Sp. z o.o.	n/a	Not subject to audit	Full
WIKANA PRIM Sp. z o.o.	n/a	Not subject to audit	Full

Not all of the consolidated entities have the same balance sheet date as the Parent. WIKANA PROPERTY Sp. z o.o. ACER S.K.A., WIKANA MERITUM Sp. z o.o. ALFA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. ALFA S.K.A.), WIKANA PROPERTY Sp. z o.o. BETULA S.K.A., WIKANA MERITUM Sp. z o.o. CORYLUS S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. CORYLUS S.K.A.), WIKANA PROPERTY Sp. z o.o. GAMMA S.K.A., WIKANA PROPERTY Sp. z o.o. JOTA S.K.A., WIKANA PROPERTY Sp. z o.o. KAPPA S.K.A., WIKANA MERITUM Sp. z o.o. LAMDA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. LAMDA S.K.A.), WIKANA MERITUM Sp. z o.o. LARIX S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. LARIX S.K.A.), WIKANA MERITUM Sp. z o.o. MAGNOLIA S.K.A., WIKANA PROPERTY Sp. z o.o. OMEGA S.K.A., WIKANA PROPERTY Sp. z o.o. OMIKRON S.K.A., WIKANA PROPERTY Sp. z o.o. ROSA S.K.A., WIKANA MERITUM Sp. z o.o. SIGMA S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. SIGMA S.K.A.), prepared their financial statements for the financial year from 1 December 2013 to 30 September 2015, while WIKANA MERITUM Sp. z o.o. - for the financial year from 15 December 2014 to 31 December 2015.

The consolidated financial statements contain financial data of entities subject to consolidation as at 31 December 2015.

The audit of the Group's consolidated financial statements covered select items from the financial statements of subsidiaries not subject to a separate audit.

3. Data identifying the authorised entity and statutory auditor

The audit of WIKANA Group's consolidated financial statements for 2015 was carried out by BDO Sp. z o.o., based in Warsaw, ul. Postępu 12, an entity authorised to audit financial statements, entered onto the list of the National Chamber of Statutory Auditors in Poland under no. 3355.

The statutory auditor was selected by the Parent's Supervisory Board pursuant to written resolution 18/VI/2015 of 11 June 2015.

The audit was carried out pursuant to an agreement of 15 June 2015, led by lead statutory auditor Krzysztof Maksymik (register no. 11380). The audit was carried out at the Parent's registered office and at subsidiaries, from 12 January 2016 to the date on which this opinion was issued, with breaks. It was preceded by a review of consolidated financial statements for the first half of 2015.

We declare that BDO Sp. z o.o., its management board and statutory auditor along with the team auditing the financial statements meet the conditions to issue an impartial and independent opinion on the audited financial statements - in accordance with art. 56 sec. 3 and 4 of the Act on statutory auditors and their self-regulation, entities authorised to audit financial statements and on public supervision (Polish Journal of Laws of 2009, no. 77, item 649, as amended).

The Parent's Management Board provided all of the declarations requested by the statutory auditor as well as explanations and information necessary to perform the audit.

The audit was not limited in scope in any way, and the statutory auditor was not restricted in selecting the appropriate audit methods.

4. Information on the consolidated financial statements for the preceding year

The Group's consolidated financial statements for the period from 1 January to 31 December 2014 were audited by CSWP Audyt Sp. z o.o. Sp. k., and were issued an unqualified audit opinion with an explanation.

The Group's consolidated financial statements for the period from 1 January to 31 December 2014 were approved through resolution 7/VI/2015 of the Ordinary General Meeting of 29 June 2015.

The Group's consolidated financial statements for 2014 were filed with the National Court Register on 13 July 2015.

II. FINANCIAL ANALYSIS OF THE GROUP

Presented below are selected figures from the consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of comprehensive income, as well as key financial ratios, in comparison with the previous years.

1. Key figures from the consolidated financial statements (in PLN 000s)

	31.12.2015	% of balance sheet total	31.12.2014	% of balance sheet total	31.12.2013	% of balance sheet total
Non-current assets	104 267	52.0	105 553	46.6	128 256	47.0
Current assets	96 101	48.0	121 021	53.4	144 804	53.0
Total assets	<u>200 368</u>	100.0	<u>226 574</u>	100.0	<u>273 060</u>	100.0
Equity	42 305	21.1	42 225	18.6	60 831	22.3
Liabilities	158 063	78.9	184 349	81.4	212 229	77.7
TOTAL EQUITY AND LIABILITIES	<u>200 368</u>	100.0	<u>226 574</u>	100.0	<u>273 060</u>	100.0

	1.01.2015- 31.12.2015	% of revenue	1.01.2014- 31.12.2014	% of revenue	1.01.2013- 31.12.2013	% of revenue
	93 135	100.0	72 946	100.0	78 915	100.0
Revenue from sales						
Operating costs	(77 110)	(82.8)	(60 333)	(82.7)	(65 755)	(83.3)
	16 025	17.2	12 613	17.3	13 160	16.7
Result on sales						
Selling costs and administrative expenses	(9 454)	(10.2)	(12 981)	(17.8)	(12 079)	(15.3)
						(11.5)
Result on other operating revenues and costs	2 995	3.3	(19 225)	(26.4)	(9 073)	
Result on financing activities	(8 442)	(9.1)	(10 951)	(15.0)	(11 267)	(14.3)
Gross result on financing activities	1 124	1.2	(30 544)	(41.9)	(19 259)	(24.4)
Income tax	(1 048)	(1.1)	(401)	(0.5)	19	0.0
Net result on financing activities	76	0.1	(30 945)	(42.4)	(19 240)	(24.4)

2. Key financial ratios

	2015	2014	2013
Profitability ratios			
Gross sales margin	17.2%	17.3%	16.7%
Net sales margin	0.1%	-42.4%	-24.4%
Return on assets	0.0%	-13.7%	-7.0%
Liquidity ratios			
Liquidity ratio I	1.9	1.6	1.3
Liquidity ratio II	0.4	0.3	0.2
Turnover ratios			
Receivables turnover days	8	17	20
Debt ratios			
Payables turnover days	54	110	157

Debt ratios

78.9%

81.4%

77.7%

3. Commentary

- Non-current assets constituted 52.0% of total assets as at the end of the audited period, up from 46.6% of balance sheet total at the end of 2014;
- The main equity and liabilities item was liabilities, the share of which decreased from 81.4% of balance sheet total in the previous year to 78.9% in the audited period;
- Two profitability ratios improved. Although gross sales margin was 17.2% in the audited period, versus 17.3% in the previous year, net sales margin went up from -42.4% in 2014 to 0.1, while return on assets reached 0.0% in 2015 from -13.7% in the previous year;
- Liquidity ratio I improved from 1.6 in the previous year to 1.9 in the audited period;
- Receivables turnover reached 8 days in 2015, versus 17 days in the previous year;
- Payables turnover was 54 days, an improvement on 2014, when it reached 110 days;
- Debt ratio reached 78.9% and was lower than in the previous year, when it was 81.4%.

III. DETAILED PART OF THE REPORT

1. Basis for preparing the consolidated financial statements

WIKANA Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards as approved by the European Union.

2. Completeness and correctness of consolidation documentation

Consolidation documentation was prepared in accordance with the requirement of the Ordinance of the Minister of Finance dated 25 September 2009 on detailed rules for preparing consolidated financial statements by entities other than banks, insurance companies and reinsurance companies (Polish Journal of Laws of 2015, item 1957).

During the audit, we did not identify any errors in consolidation documentation that could have material impact on the audited consolidated financial statements and that were not subsequently removed, including as regards compliance with conditions that such consolidation documentation should meet.

3. Rules and methods of valuation for assets, liabilities and equity

Entities included in the Group's consolidated financial statements apply harmonised accounting principles and valuation methods for specific items of assets, liabilities and equity.

4. Description of the components of the consolidated financial statements

The structure of the Group's assets, liabilities and equity is presented in the consolidated financial statements for the financial year ended 31 December 2015.

Data presented in the Group's consolidated financial statements is in compliance with the consolidation documentation.

5. Additional information and explanations

Information contained in additional information and explanations to the consolidated financial statements, including a description of the significant accounting principles and other explanatory information, is presented completely and accurately in all significant respects.

6. Declaration of the parent's management

The Parent's management submitted a written declaration to the effect that all data is fully recognised in the consolidated financial statements, as are contingent liabilities and significant events that took place after the balance sheet date.

7. Report on Group operations

The management report on the Group's operations for the financial year ended 31 December 2015 is complete in the meaning of art. 55 of the Accounting Act and takes into considerations the provisions of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information disclosed by issuers of securities and the terms for recognising as equivalent information required by the laws of a non-member state, and the information contained therein, derived from the audited consolidated financial statements, is compatible with the report.

Poznań, 21 March 2016

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warsaw

Entity authorised to audit financial statements no. 3355

Lead statutory auditor conducting the audit:

Acting on behalf of BDO Sp. z o.o.:

Krzysztof Maksymik
Statutory Auditor
no. 11380

dr André Helin
President of the Management Board
Statutory Auditor register number
90004