

Wikana Group

Consolidated quarterly report for the period 1 January - 30 September 2014

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I. Selected financial data from the condensed consolidated interim financial statements

The selected financial data was translated into EUR in accordance with the following principles:

Selected asset and equity and liability items - using the average exchange rate on 30 September 2014: EURPLN 4.1755 (31 December 2013: EURPLN 4.1472)

Items in the statement of comprehensive income for the first three quarters of 2014 - using the arithmetic mean of average exchange rates established by the National Bank of Poland as at the last day of each month in Q1-Q3 2014: EURPLN 4.1803 (2013: EURPLN 4.2231).

Items in the statement of comprehensive income for quarterly periods - using the arithmetic mean of average exchange rates established by the National Bank of Poland as at the last day of each month in Q3 2014: EURPLN 4.1841 (2013: EURPLN 4.2415).

Selected items from the condensed consolidated interim balance sheet

Balance sheet item	31 Sep 2014		31 Dec 2013	
	PLN	EUR	PLN	EUR
<i>in 000s</i>				
Total assets	242 398	58 052	273 060	65 842
Non-current assets	112 024	26 829	127 010	30 625
Current assets	130 374	31 224	146 050	35 217
Total equity and liabilities	242 398	58 052	273 060	65 842
Equity	45 619	10 925	60 831	14 668
Non-current liabilities	104 987	25 144	99 275	23 938
Current liabilities	91 792	21 983	112 954	27 236

Selected items from the condensed consolidated interim statement of comprehensive income

Item in the condensed consolidated interim statement of comprehensive income

	01 Jan 14 30 Sep 14		01 Jul 14 30 Sep 14		01 Jan 13 30 Sep 13		01 Jul 13 30 Sep 13	
	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR
<i>in 000s</i>								
Revenue from sales	42 374	10 137	11 912	2 847	37 703	8 928	8 769	2 067
Cost of sales	(39 548)	(9 461)	(12 389)	(2 961)	(30 456)	(7 212)	(6 514)	(1 535)
Gross profit on sales	2 826	676	(477)	(114)	7 247	1 716	2 255	532
Selling costs	(1 463)	(350)	(275)	(66)	(3 696)	(875)	(1 020)	(240)
Administrative expenses	(5 278)	(1 263)	(2 030)	(485)	(5 395)	(1 277)	(1 937)	(457)
Other operating revenue	2 758	660	990	237	3 636	861	1 539	363
Other operating expenses	(13 380)	(3 201)	(1 804)	(431)	(5 135)	(1 216)	(397)	(94)
Gain on investments	(3 127)	(748)	(3 036)	(726)	846	200	301	71
Operating loss	(17 664)	(4 226)	(6 632)	(1 585)	(2 497)	(591)	741	175
Net finance costs	(9 330)	(2 231)	(2 009)	(480)	(6 451)	(1 528)	(1 565)	(369)
Loss before tax	(26 994)	(6 457)	(8 641)	(2 065)	(8 948)	(2 119)	(824)	(194)
Income tax	(562)	(135)	(145)	(35)	82	20	(283)	(67)
Net loss on continuing operations	27 556	(6 592)	(8 786)	(2 100)	(8 866)	(2 099)	(1 107)	(261)
Net gain (loss) on discontinued operations	-	-	-	-	-	-	-	-
Net loss on continuing operations	(27 556)	(6 592)	(8 786)	(2 100)	(8 866)	(2 099)	(1 107)	(261)

II. Selected financial data from the condensed separate interim financial statements

The selected financial data was translated into EUR in accordance with the following principles:

Selected asset and equity and liability items - using the average exchange rate on 30 September 2014: EURPLN 4.1755 (31 December 2013: EURPLN 4.1472)

Items in the statement of comprehensive income for the first three quarters of 2014 - using the arithmetic mean of average exchange rates established by the National Bank of Poland as at the last day of each month in Q1-Q3 2014: EURPLN 4.1803 (2013: EURPLN 4.2231).

Items in the statement of comprehensive income for quarterly periods - using the arithmetic mean of average exchange rates established by the National Bank of Poland as at the last day of each month in Q3 2014: EURPLN 4.1841 (2013: EURPLN 4.2415).

Selected items from the condensed separate interim balance sheet

Balance sheet item	31 Sep 2014		31 Dec 2013	
	PLN	EUR	PLN	EUR
<i>in 000s</i>				
Total assets	116 126	27 812	133 185	32 114
Non-current assets	48 451	11 604	30 214	7 285
Current assets	67 675	16 208	102 971	24 829
Total equity and liabilities	116 126	27 811	133 185	32 115
Equity	43 526	10 424	42 133	10 159
Non-current liabilities	32 785	7 852	28 933	6 977
Current liabilities	39 815	9 535	62 119	14 979

Selected items from the condensed separate interim statement of comprehensive income

Item in the condensed separate interim statement of comprehensive income

	01 Jan 14 30 Sep 14		01 Jul 14 30 Sep 14		01 Jan 13 30 Sep 13		01 Jul 13 30 Sep 13	
	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR
<i>in 000s</i>								
Revenue from sales	26 786	6 408	11 176	2 671	14 379	3 405	10 325	2 434
Cost of sales	24 735	(5 917)	(11 031)	(2 636)	(12 951)	(3 067)	(9 518)	(2 244)
Gross profit on sales	2 051	491	145	35	1 428	338	807	190
Selling costs	(675)	(161)	(290)	(69)	(581)	(138)	(58)	(14)
Administrative expenses	(2 830)	(677)	(982)	(235)	(2 837)	(672)	(1 103)	(260)
Other operating revenue	1 317	315	209	50	754	179	157	37
Other operating expenses	(7 382)	(1 767)	(1 204)	(288)	(2 124)	(503)	(239)	(56)
Gain on investments	843	202	387	92	1 485	352	313	74
Operating loss	(6 676)	(1 597)	(1 735)	(415)	(1 875)	(444)	(123)	(29)
Net finance costs	(4 213)	(1 008)	(1 006)	(240)	(2 637)	(624)	(490)	(116)
Loss before tax	(10 889)	(2 605)	(2 741)	(655)	(4 512)	(1 068)	(613)	(145)
Income tax	(62)	(15)	(62)	(15)	(42)	(10)	(273)	(64)
Net loss on continuing operations	(10 951)	(2 620)	(2 803)	(670)	(4 554)	(1 078)	(886)	(209)
Net gain (loss) on discontinued operations	-	-	-	-	-	-	-	-
Net loss on continuing operations	(10 951)	(2 620)	(2 803)	(670)	(4 554)	(1 078)	(886)	(209)

III. Information about the parent, Wikana S.A., and its subsidiaries included in the consolidated financial statements

1. Data about the Parent

Wikana S.A. (the “Company,” the “Parent”) is a public limited company registered in Poland. The Company's registered office is located in Lublin, ul. Cisowa 11, as is the office of its Management Board.

The Parent was founded in January 1994 under the name ZPO ELPO S.A. and was entered into the register maintained by the District Court in Legnica, 5th Commercial Division, under number RHB 1085. In August 1999, the Parent changed its name to Masters S.A. On 20 January 2003, the Parent was registered at the District Court in Lublin, 11th Commercial Department of the National Court Register, under number KRS 0000144421. Pursuant to a resolution of Masters S.A.'s Extraordinary General Meeting on 12 January 2009, a merger was arranged between Masters S.A., registered at the District Court in Lublin, 11th Commercial Division, under KRS number 0000144421, and Wikana S.A., registered at the District Court in Lublin, 11th Commercial Division, under KRS number 0000296052. Pursuant to a resolution of Masters S.A.'s Extraordinary General Meeting on 12 January 2009 on the merger of Masters S.A. and Wikana S.A., the Parent changed its name to Wikana S.A. The District Court in Lublin, 11th Commercial Division, registered the merger on 12 March 2009. The Parent has been established for an indefinite time and operates pursuant to the articles of association of 13 January 1995, as amended. Currently, the Company's registration files are stored at the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register.

According to the respective articles of association / founding agreements, the Parent's and subsidiaries' economic activities are as follows:

- Property development
- Management of real estate on a fee or contract basis
- Renting of real estate
- Production of energy from renewable sources
- Retail sale of footwear and leather goods
- Accounting and bookkeeping activities

The condensed consolidated interim financial statements for the period ended 30 September 2014 cover the financial statements of the Parent and its subsidiaries (together the "Group"). The uppermost parent company is Wikana S.A.

2. Group entities (entities included in the condensed consolidated financial statements)

Parent

Wikana S.A.	% share	
Subsidiaries	30 Sep 2014	31 Dec 2013
Wikana Bioenergia Sp. z o.o.	100%	100%
Wikana Project Sp. z o.o.	100%	100%
Wikana Nieruchomości Sp. z o.o. w likwidacji ¹	100%	100%
Multiserwis S.A. ²	94%	94%
Wikana Nieruchomości Sp. z o.o. Krosno S.K.A. ³	100%	100%
Wikana Nieruchomości Sp. z o.o. Legnica S.K.A. ³	100%	100%
Zielone Tarasy S.A. ⁴	100%	100%
Wikana Nieruchomości Sp. z o.o. Komercc S.K.A. ³	100%	100%
Wikana Nieruchomości Sp. z o.o. 02 S.K.A. ³	100%	100%
Wikana Nieruchomości Sp. z o.o. 03 Miasteczko S.K.A. ³	100%	100%
Wikana Nieruchomości Sp. z o.o. 04 Osiedle S.K.A. ³	100%	100%
Wikana Bioenergia Sp. z o.o. 01 S.K.A. ⁵	100%	100%
Wikana Nieruchomości Sp. z o.o. 05 Marina S.K.A. ³	100%	100%
Wikana Nieruchomości Sp. z o.o. Alfa S.K.A. ⁶	100%	100%
Wikana Property Sp. z o.o. Beta S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Delta S.K.A. ⁸	100%	100%
Towarzystwo Budownictwa Społecznego „Nasz Dom” Sp. z o.o. ⁹	100%	100%
Wikana Property Sp. z o.o.	100%	100%
Wikana Property Sp. z o.o. Panorama S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Podpromie S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Zielone Tarasy S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Krosno S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. ACER S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Alfa S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Betula S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Corylus S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Gamma S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Jota S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Kappa S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Lamda S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Larix S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Zeta S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Sigma S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Rosa S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Magnolia S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Omega S.K.A. ⁷	100%	100%
Wikana Property Sp. z o.o. Omikron S.K.A. ⁷	100%	100%
Wikana Management Sp. z o.o. ¹⁰	100%	100%

- (1) On 30 September 2014, the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, made an entry in the register of subsidiary Wikana Nieruchomości Sp. z o.o. regarding commencement of liquidation proceedings pursuant to the Company's request filed on 5 September 2014. Appointed as liquidators for the company were: Sławomir Horbaczewski, Robert Pydzik and Agnieszka Maliszewska.
- (2) Wikana S.A. holds a total of 94.19% of shares in Multiserwis S.A., including 86.61% directly and 7.58% through Wikana Property Sp. z o.o. Delta S.K.A., an entity wholly owned by Wikana Project Sp. z o.o., which is wholly owned by Wikana S.A.
- (3) Indirectly owned by Wikana S.A. through investment certificates issued by WIKANA FIZ, which owns 100% of the subsidiary's shares. The general partner is Wikana Nieruchomości Sp. z o.o. w likwidacji, an entity 100% owned by Wikana S.A.
- (4) Indirectly owned by Wikana S.A. through investment certificates issued by WIKANA FIZ, which owns 100% of the subsidiary's shares.
- (5) Indirectly owned by Wikana S.A. through investment certificates issued by WIKANA FIZ, which owns 100% of the subsidiary's shares. The general partner is Wikana Bioenergia Sp. z o.o., an entity 100% owned by Wikana S.A.
- (6) The company's general partner is Wikana Nieruchomości Sp. z o.o., an entity 100% owned by Wikana S.A.
- (7) The general partner is Wikana Property Sp. z o.o., an entity 100% owned by Wikana S.A.

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- (8) Wikana S.A.'s indirect ownership through Wikana Project Sp. z o.o., an entity 100% owned by Wikana S.A. The company's general partner is Wikana Property Sp. z o.o., an entity 100% owned by Wikana S.A.
- (9) The company's name has been changed from Towarzystwo Budownictwa Społecznego "Wikana" Sp. z o.o. to Towarzystwo Budownictwa Społecznego "Nasz Dom" Sp. z o.o.
- (10) The company was formed on 13 August 2014 by Wikana S.A.

IV. Basis for presenting and preparing the condensed interim financial statements

1. Statement of compliance with IFRS

The condensed consolidated financial statements of the Group and the condensed separate financial statements of Wikana S.A. (the “condensed interim financial statements”) cover the three-month period ended 30 September 2014.

The presented condensed interim financial statements are in compliance with IAS 34 Interim Financial Reporting, a standard relating to interim financial statements, and do not contain all of the information that is applicable to annual financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements (consolidated and separate, respectively).

The condensed consolidated interim financial statements of the Group are published together with the condensed separate interim financial statements. To obtain a complete understanding of the Issuer's results and financial situation, Wikana S.A.'s condensed separate interim financial statements should be read in conjunction with the Group's condensed consolidated interim financial statements.

Preparing financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the management to use own judgement in applying the Group's adopted accounting principles. The matters that require a higher dose of judgement, more complex matters or those involving assumptions and estimates that are significant from the viewpoint of the financial statements did not change in relation to the most recent year-end.

2. Basis for preparing the condensed interim financial statements

The condensed consolidated interim financial statements have been prepared on the assumption that Wikana Group will continue operating as a going concern for at least 12 months from the end of the reporting period. During the reporting period and until the date on which the financial statements were prepared, there were no indications of a threat to continuing operations.

The Management Board of Wikana S.A. has assessed the Group's expected liquidity situation for the 12 months from the date of the consolidated financial statements.

The main objective of this analysis was specifying the sources for repayment of the Group's current liabilities, which mainly result from issued bonds, credit facilities, loans and trade payables (including liabilities resulting from property projects).

At 30 September 2014, total Group liabilities due and payable within the next 12 months (i.e. current liabilities) and current provisions amounted to PLN 91 792 000. This item mainly consisted of credit facilities, leasing, bonds and deferred revenue (the PLN 31 237 000 in deferred revenue corresponds to the amounts paid by clients based on apartment purchase agreements in completed and on-going development projects). Within the total of PLN 91 792 000 in current liabilities, the company will actually have to repay up to PLN 60 555 000, i.e. after subtracting the amount of provisions and deferred revenue, which according to the accounting methodology for development projects (as specified in IAS 18), will be recognised in revenue from the sale of apartments after delivery to clients. The repayment of these liabilities towards apartment buyers would be necessary in the event of non-performance of the executed apartment sales agreements, e.g. as a result of discontinuing or major delays in construction, which according to the management board should definitely be excluded.

As a result of the analysis, the management board has specified the main repayment sources for current liabilities:

- a) Proceeds from new sale agreements concerning apartments, parking spaces, storage spaces and service facilities on offer.
- b) Proceeds from payments under sales agreements concerning apartments, parking spaces, storage spaces and service facilities in on-going development projects, which were executed prior to 30

September 2014 - and which will be made by clients in accordance with the timetables specified in such agreements.

- c) Proceeds from lease of space in the Group's commercial properties.
- d) Divestment process, which covers the sale of selected assets under a plan adopted by the management board for optimisation of the asset structure by sale of certain fixed assets of substantial market value (e.g. existing properties or certain non-residential projects).
- e) Capital raised from subsequent bond issues.
- f) Grants and preferential credit facilities for renewables operations.
- g) Funds raised from share capital increases.

In addition, Wikana S.A.'s management board is analysing a number of solutions aimed at raising additional capital, to be used for repaying financial liabilities and trade payables and improving the Group's liquidity.

The Group sells apartments in its on-going investments at a scale that enables the uninterrupted continuing of operations, including repayment of financial liabilities. In addition, the Group operates the profitable commercial space lease segment.

According to the Management Board, there are no material threats to the Group's operation in the 12 months from the date on which these financial statements were prepared. The management board believes that it will be able to provide the Group with sufficient capital to service its financial and trade payables and to continue operations uninterrupted, including property development projects.

The condensed consolidated financial statements of the Group and the condensed separate financial statements of Wikana S.A. have been approved by the Management Board for publication on 7 November 2014.

The enclosed condensed interim financial statements have been prepared using the same accounting principles as in the case of the annual financial statements for the year ended 31 December 2013.

All amounts presented in the condensed interim financial statements are presented in PLN 000s, unless otherwise stated. The data presented in this report has been rounded. Because of this, the sum totals of rows and columns in tables may slightly differ from the total values presented for each row or column.

3. Significant judgements and estimates

Preparing EU IFRS-compliant condensed interim financial statements requires the Company's Management Board to apply judgements and estimates that have an impact on the adopted accounting policy and the presented assets, liabilities, revenues and costs. Judgements and estimates are verified on an on-going basis. Changes in estimates are recognised in profit or loss for the period in which they occurred.

Information regarding areas that are particularly susceptible to judgements and estimates having an impact on the interim financial statements did not change from the information presented in the annual financial statements as at 31 December 2013.

4. Seasonality

The Group is exposed to sales revenue seasonality throughout the financial year, mainly determined by seasonality in the property development segment, connected with weather conditions, which have an impact on the capacity and speed of construction works, and seasonality in the retail segment, relating to footwear sales. Demand in this segment is largely dependent on weather conditions and changes in seasons. Comparing with the second quarter, Q3 features decreased demand for apartments.

5. Changes in accounting principles

No such changes were recorded since the most recent annual financial statements were published.

6. Opening balance adjustments

As a result of analysis at 31 December 2013, the Parent's management board performed adjustments to the opening balance, appropriately restating comparative data, as described in detail in notes to the annual financial statements as at 31 December 2013. As a result of these adjustments at 31 December 2013, certain items changed in the statement of comprehensive income, statement of changes in equity and statement of cash flows as at 30 September 2013. The interim financial statements at 30 September 2013 have been restated accordingly.

7. Standards and interpretations endorsed by the EU and pending endorsement

Standards and interpretations applied for the first time in 2014

The accounting principles (policy) used in preparing these financial statements are consistent with those used to prepare the entity's financial statements for the year ended 31 December 2013, except for the following amendments to standards and new interpretations issued by the IASB and endorsed by the EU, effective for annual periods beginning on or after 1 January 2014:

- IFRS 10 Consolidated Financial Statements, endorsed by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014).
- IFRS 11 Joint Arrangements, endorsed by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014).
- IFRS 12 Disclosure of Interests in Other Entities, endorsed by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014).
- IAS 27 (as amended in 2011) Separate Financial Statements, endorsed by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014).
- IAS 28 (as amended in 2011) Investments in Associates and Joint Ventures, endorsed by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities - clarifications on transition guidance, endorsed by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - investment entities, endorsed by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities, endorsed by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets, endorsed by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, endorsed by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

Application of the above amendments to standards did not have a significant impact on the entity's existing accounting policy.

Standards and interpretations issued and endorsed by the EU but not yet in effect

- IFRIC 21 Public Levies (effective for annual periods beginning on or after 1 January 2014).

The entity did not decide on early adoption of any standard, interpretation or amendment that was issued but was not yet in effect.

Standards and interpretations issued by the IASB but not yet endorsed by the EU

IFRSs as endorsed by the EU do not significantly differ from the regulations adopted by the IASB, except for the following standards, amendments to standards and interpretations, which were not yet endorsed by the European Union as of the date on which these financial statements were published (the effective dates below refer to full-version standard):

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018).
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
- Amendments to various standards 'Annual Improvements cycle 2010-2012' - a collection of amendments to IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38) focused primarily on resolving inconsistencies and clarifying terminology, endorsed by the EU on 27 March 2013 (effective for annual periods beginning on or after 1 July 2014).
- Amendments to various standards 'Annual Improvements cycle 2011-2013' - a collection of amendments to IFRSs (IFRS 1, IFRS 3, IFRS 13, IAS 40) focused primarily on resolving inconsistencies and clarifying terminology, endorsed by the EU on 27 March 2013 (effective for annual periods beginning on or after 1 July 2014).

According to the entity's estimates, the above standards, interpretations and amendments would not have a significant impact on the financial statements if they were applied by the entity at the balance sheet date.

Also not yet endorsed by the EU is hedge accounting for portfolios of financial assets and liabilities.

According to the entity's estimates, application of hedge accounting for portfolios of financial assets and liabilities in accordance with IAS 39 Financial Instruments: Recognition and Measurement would not have a significant impact on the financial statements if this were applied at the balance sheet date.

V. Condensed consolidated interim financial statements

Condensed consolidated statement of comprehensive income

for the period 1 January – 30 September 2014

<i>in PLN 000s</i>	Note	1 Jan 2014 30 Sep 2014	1 Jul 2014 30 Sep 2014	1 Jan 2013 30 Sep 2013 <i>restated data</i>	1 Jul 2013 30 Sep 2013 <i>restated data</i>
Continuing operations					
Revenue from sales	2	42 374	11 912	37 703	8 769
Cost of sales		39 548)	(12 389)	(30 456)	(6 514)
Gross profit on sales		2 826	(477)	7 247	2 255
Selling costs		(1 463)	(275)	(3 696)	(1 020)
Administrative expenses		(5 278)	(2 030)	(5 395)	(1 937)
Other operating revenue		2 758	990	3 636	1 539
Other operating expenses	6,12	(13 380)	(1 804)	(5 135)	(397)
Gain on investments		(3 127)	(3 036)	846	301
Operating profit (loss)		(17 664)	(6 632)	(2 497)	741
Share of the profit of jointly controlled entities and associates		-	-	-	-
Finance costs		(9 330)	(2 009)	(6 451)	(1 565)
Loss before tax		(26 994)	(8 641)	(8 948)	(824)
Income tax		(562)	(145)	82	(283)
Net loss on continuing operations for the year		(27 556)	(8 786)	(8 866)	(1 107)
including attributable to:					
Owners of the parent		27 489)	(8 752)	(8 866)	(1 107)
Non-controlling interests		(67)	(34)	-	-
Net loss for the period		(27 556)	(8 786)	(8 866)	(1 107)
Discontinued operations					
Net gain (loss) on discontinued operations		-	-	-	-
Strata netto		(27 556)	(8 786)	(8 866)	(1 107)
Other comprehensive income (net)					
		-	-	-	-
Total comprehensive income		(27 556)	(8 786)	(8 866)	(1 107)
Loss per share					
Basic (PLN)	9	(0.16)	(0.05)	(0.11)	(0.01)
Diluted (PLN)	9	(0.16)	(0.05)	(0.11)	(0.01)

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Bożena Wincentowicz
/Person responsible for book-keeping/

Lublin, 7 November 2014

Condensed consolidated interim balance sheet

At 30 September 2014

in PLN 000s

	Note	30 Sep 2014	31 Dec 2013
Assets			
Non-current assets			
Property, plant and equipment		22 327	23 816
Intangible assets		3 717	947
Investment properties		84 979	93 486
Loans issued	4	-	5 590
Other non-current assets		970	3 171
Deferred income tax assets		31	-
Total non-current assets		<u>112 024</u>	<u>127 010</u>
Current assets			
Inventory	6	108 512	118 663
Income tax receivables		123	29
Trade and other receivables	7	13 493	20 973
Current investments	5	211	840
Cash and cash equivalents		6 941	4 299
Non-current assets held for sale		1 094	1 246
Total current assets		<u>130 374</u>	<u>146 050</u>
Total assets		<u>242 398</u>	<u>273 060</u>

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Lublin, 7 November 2014

Condensed consolidated interim balance sheet

At 30 September 2014

in PLN 000s

	Note	31 Mar 2014	31 Dec 2013
Equity and liabilities			
Equity			
Share capital	8	40 030	33 533
Supplementary capital		103 649	80 503
Retained earnings		(97 976)	(53 188)
Equity attributable to owners of the parent		45 703	60 848
		(84)	
Non-controlling interests			(17)
		45 619	
Total equity			60 831
Liabilities			
Credit and loan liabilities	10	25 598	29 685
Bond liabilities	11	43 202	28 142
Finance lease liabilities		19 695	25 087
Provisions	12	3	69
Deferred income tax provision		12	-
Other liabilities		16 477	16 292
Total non-current liabilities		104 987	99 275
Credit and loan liabilities	10	19 793	29 925
Bond liabilities	11	840	1 118
Finance lease liabilities		864	546
Income tax liabilities		108	-
Trade and other payables		30 390	36 163
Provisions	12	8 560	4 513
Deferred revenue	13	31 237	40 689
Total current liabilities		91 792	112 954
Total liabilities		196 779	212 229
Total equity and liabilities		242 398	273 060

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Lublin, 7 November 2014

Condensed consolidated interim statement of cash flows

for the period 1 January – 30 September 2014

<i>in PLN 000s</i>	1 Jan 2014 31 Sep 2014	1 Jan 2013 31 Sep 2013 <i>restated data</i>
Cash flows from operating activities		
Net loss for the period	(27 556)	(8 866)
<i>Adjustments</i>		
Depreciation	1 747	2 118
Interest income	(22)	-
Change in fair value of investment properties	4 425	(3 099)
Finance costs	6 465	-
Profit (loss) on sale of non-current assets	(270)	3 099
Profit (loss) on investing activities	-	(382)
Gain (loss) on exchange differences	440	227
Gain on sale of investment properties	484	-
Change in inventories	10 151	-
Change in trade and other receivables	6 021	990
Change in provisions and related assets	3 976	(2 750)
Change in current and other liabilities, excluding borrowings	(4 099)	(1 172)
Change in deferred revenue	(9 452)	27 145
Adjustment of car park value	152	(10 143)
Other adjustments	-	4 343
Net cash from operating activities	(7 538)	11 510

Condensed consolidated interim statement of cash flows

for the period 1 January – 30 September 2014

<i>in PLN 000s</i>	1 Jan 2014 30 Sep 2014	1 Jan 2013 31 Sep 2013 <i>restated data</i>
Cash flows from investing activities		
Interest received	-	1
Proceeds from sale of intangible assets and property, plant and equipment	627	23
Proceeds from sale of investment properties	3 598	-
Purchase of investment properties	-	(3 666)
Purchase of intangible assets and property, plant and equipment	(3 384)	(3 376)
Loans repaid	4 850	28
Loans issued	-	(4 985)
Purchase of other financial assets	(293)	-
Net cash from investing activities	5 398	(11 975)
Cash flows from financing activities		
Net proceeds from share issues	6 442	-
Net proceeds from bond issues	15 060	259
Borrowings incurred	438	23 111
Outflows on repayment of borrowings	(8 261)	(15 917)
Repayment of finance lease liabilities	(3 898)	(830)
Interest paid	(4 999)	(4 198)
Net cash from financing activities	4 782	2 425
Total net cash flows	2 642	1 960
Cash and cash equivalents as at the beginning of period	4 299	1 665
Effect of changes in exchange differences on cash and cash equivalents		
Cash and cash equivalents as at the end of period	6 941	3 625
Restricted cash and cash equivalents at the end of period	4 029	2 314

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Lublin, 7 November 2014

Condensed consolidated interim statement of changes in equity

for the period 1 January – 30 September 2014

in PLN 000s

	Share capital	Supplementary capital	Retained earnings (losses)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity as at 1 January 2013	33 533	77 230	30 675)	80 088	-	80 088
Total revenue and costs recognised	-	-	(8 866)	(8 866)	-	(8 866)
Profit distribution	-	(1 267)	1 267	-	-	-
Other changes	-	-	(1 299)	(1 299)	-	(1 299)
Equity as at 30 September 2013	33 533	75 963	(39 573)	69 923	-	69 923
Equity as at 1 January 2014	33 533	80 503	(53 188)	60 848	(17)	60 831
Total revenue and costs recognised	-	-	(27 489)	(27 489)	(67)	(27 556)
Share issue	6 497	5 847	-	12 344	-	12 344
Profit distribution	-	17 299	(17 299)	-	-	-
Equity as at 30 September 2014	40 030	103 649	(97 976)	45 703	(84)	45 619

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Lublin, 7 November 2014

VI. Notes to the condensed consolidated interim financial statements

1. Segment reporting

Segment reporting is presented by operating segments. The Group operates mainly in south-eastern Poland. The main reporting pattern is operating segments, which results from the Group's management structure and internal reporting.

Prices used in inter-segment settlements are based on market prices.

Segment results, assets and liabilities include the items that are directly related, as well as those that are used jointly, which can be attributed to specific segments based on reasonable indications. Items not allocated to segments cover mainly: loans issued and cash, credit and loans incurred, together with the related costs, as well as income tax assets and liabilities.

Capital expenditure within a segment constitutes the entire cost incurred to purchase property, plant and equipment, excluding goodwill.

Operating segments

The Group reports the following operating segments:

- Property development
- Renting of real estate
- Production of energy from renewable sources
- Retail

1. Segment reporting (continued)

Segments as per IAS 34

in PLN 000s

	Property development		Property renting		Renewables		Retail		Eliminations		Consolidated	
	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
Continuing operations												
External revenue	28 033	19 970	8 197	7 253	3 115	2 205	3 029	8 275	-	-	42 374	37 703
Inter-segment revenue	749	89	16	28	6	8	5 756	2	(6 527)	(127)	-	-
Total revenue	28 782	20 059	8 213	7 281	3 121	2 213	8 785	8 277	(6 527)	(127)	42 374	37 703
Segment result	1 222	97	4 815	4 127	(1 191)	(67)	(1 093)	(606)	-	-	1 363	3 551
Other operating revenue											2 758	3 636
Unallocated costs											(18 658)	(10 530)
Gain (loss) on investments											(3 127)	846
Operating loss											(17 664)	(2 497)
Finance costs											(9 330)	(6 451)
Income tax											(562)	82
Net loss on continuing operations											(27 556)	(8 866)
Discontinued operations											-	-
Net gain (loss) on discontinued operations											-	-
Net loss											(27 556)	(8 866)
Other comprehensive income											-	-
Other comprehensive income (net)											-	-
Total comprehensive income											(27 556)	(8 866)

Segments as per IAS 34

<i>in PLN 000s</i>												
	Property development		Property renting		Renewables		Retail		Eliminations		Consolidated	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Segment assets	157 995	253 654	80 859	91 821	27 123	26 379	4 273	11 421	(34 947)	(119 816)	235 303	263 459
Unallocated assets											7 095	9 601
Total assets											242 398	273 060
Segment liabilities	98 414	198 756	78 971	87 976	25 761	23 646	3 950	13 449	(34 947)	(120 953)	172 149	202 874
Unallocated liabilities											24 630	9 355
Total liabilities											196 779	212 229

2. Revenue

<i>in PLN 000s</i>	1 Jan 2014 30 Sep 2014	1 Jan 2013 30 Sep 2013
Revenue from sale of apartments	24 677	17 443
Revenue from sale of land	2 847	1 375
Revenue fro sale of unfinished Investments	1 560	330
Rent income	7 718	7 000
Revenue from sale of energy	2 525	2 181
Revenue from retail sale of goods (footwear)	2 781	7 990
Revenue from provision of other services	266	1 384
	42 374	37 703

3. Investment properties

in PLN 000s

	30 Sep 2014	31 Dec 2013
Net value as at the beginning of period	93 48	119 748
Transfer from tangible assets	-	318
Transfer from inventories	-	142
Disposal of investment property	(4 082)	(23 493)
Change in fair value	(4 425)	(3 229)
Net value as at the end of period	84 979	93 486

Investment properties cover:

- 1) Land located in Lublin, ul. Łukasza Rodakiewicza (plots of land no. 32/6, 33/6, 34/6, 35/6), in the vicinity of the streets Hetmańska and Szaserów (plots of land no. 37/14, 38/6, 37/8) and in Tarnobrzeg, ul. M. Kopernika (plots of land no. 3732/2, 3732/3, 3732/4, 3732/5, 3732/6, 3732/7, 3732/8, 3732/9, 3732/11) and ul. Targowa 11 (plots of land no. 1998/3, 2000, 2002/5),
- 2) Two apartments located in Lublin, ul. Przyjaźni and ul. Nowy Świat.;
- 3) Commercial properties located in Kalisz, ul. W. Polskiego 135 (plots 18/2, 20/3, 21/2, 38/6, 38/7, 38/9), Leszno, ul. 17 Stycznia 7 (plots 75/8, 75/10), Łódź, ul. Włókniarzy 236 (plot 13/2), Gorzów Wielkopolski, ul. Piłsudskiego 57 (plot 662/1), Krakow, ul. Wadowickiej 9 (plots 157/5, 157/6, 155, 156, 317), Milejów, ul. Partyzancka 11A (plot 515/40) and Nowy Sącz, ul. I Brygady 4A;
- 4) Land properties with residential multi-family buildings (TBS buildings) located in Lublin, ul. Kaskadowa 7, ul. Nowy Świat 34A, ul. Pergolowa 2 and ul. Relaksowa 4, and located in Kraśnik, ul. Piaskowa 30 and ul. Rumiankowa 9.

On 27 June 2014, the Group sold an investment property located in Krasnobroda, ul. 3 Maja 49 (plot 371). This property was the subject of a finance lease therefore prior to the transaction, on 27 June 2014, it was purchased from PKO Bankowy Leasing Sp. z o.o.

On 9 September 2014, the Group sold an apartment located at the Świerkowa Aleja investment, building H, in Zamość, which had been recognised as an investment property.

Following the end of the reporting period, on 6 November 2014, the Group sold an investment property at ul. 17 Stycznia in Leszno (plots 75/8, 75/10). The funds raised from this disposal were used, among others, to repay a credit facility in respect of which the above property was as collateral.

Measurement of investment properties was carried out using the comparative approach by average price adjustment, paired comparison analysis or investment method, income approach. The valuation is based on cost estimates prepared internally by the Company, which are based on estimates drafted by independent property appraisers (the most recent estimates were prepared as at 31 December 2013).

4. Loans issued

in PLN 000s

	30 Sep 2014	31 Dec 2013
JTR INWESTYCJE Sp. z o.o.	-	5 590
	<u>-</u>	<u>5 590</u>

The receivable from a loan made by Wikana Group to JTR Inwestycje Sp. z o.o. was sold in June 2014.

5. Current financial assets (loans issued - principal and interest)

in PLN 000s

	30 Sep 2014	31 Dec 2013
Individual person	77	71
Europrojekt	67	67
Lublin Science Foundation	30	33
Wikana Invest Sp. z o.o.	22	22
SWÓJ DOM Siembida	6	583
KE-Net	5	-
Polish Ecology Foundation	4	4
KKH Kaszowski	-	50
Akrab	-	10
	<u>211</u>	<u>840</u>

The loans are secured with promissory notes.

6. Inventories

in PLN 000s

	30 Sep 2014	31 Dec 2013
Materials	1 829	1 851
Production in progress	85 702	98 725
Finished products	20 312	15 018
Goods	669	3 069
	<u>108 512</u>	<u>118 663</u>

Inventories by category, at 30 September 2014

	Materials	Production in progress	Finished products	Goods
Apartamenty Misjonarska investment, Lublin	-	1 327	291	-
Osiedle Marina investment, Lublin	-	9 898	384	-
Miasteczko Wikana investment, Lublin	-	7 722	925	-
Niecała investment, Lublin	-	3 199	-	-
Sky House investment, Lublin	-	6 593	13 608	-
Osiedle Cetnarskiego investment, Łańcut	-	-	1 147	-
Tęczowe Osiedle investment, Rzeszów	-	-	1 298	-
Zielone Tarasy investment, Rzeszów	-	17 552	38	-
Podpromie investment, Rzeszów	-	4 355	-	-

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Osiedle Panorama investment, Rzeszów	-	3 861	51	-
Klonowy Park investment, Janów Lubelski	-	1 612	584	-
Investment in Przemyśl	-	2 788	-	-
Investment in Piaseczno	-	2 774	-	-
Świerkowa Aleja investment, Zamość	-	3 967	473	-
Al. Kraśnickie Grey Residence investment	-	5 801	-	-
Nowy Świat (Oranżeria) investment	-	4 218	-	-
Osiedle Generalskie investment, Krosno	-	2 907	639	-
Sikorskiego investmet, Krosno	-	-	372	-
Osiedle Olimpijskie investment, Puławy	-	-	445	-
Commercial property investment in Jarosław	-	6 039	-	-
Koncertowa	-	-	-	-
Investment in Krynica Górską	-	810	-	-
Renewables	1 829	-	-	-
Retail products	-	-	-	452
Other	-	276	57	217
	1 829	85 702	20 312	669

The Management Board verified the value of land held by the Group at 30 September 2014 and concluded that there was no impairment due to the following:

- 1) the value of land recorded in the financial statements is below current market value,
- 2) the investments on-going on this land will enable to yield positive returns,

The management board verified the value of the Group's production in progress at 30 September 2014 and concluded that there was impairment on three investments. The impairment losses amounted to PLN 2 203 000.

The management board verified the value of finished products at 30 September 2014, concluding that one investment was subject to impairment because the cost to manufacture 1 sqm of residential and service premises exceeded the average offered price for residential units available for sale. The impairment loss amounted to PLN 282 000.

7. Trade and other receivables

<i>in PLN 000s</i>	30 Sep 2014	31 Dec 2013
Trade receivables	3 718	4 308
Other receivables	2 922	4 661
Tax receivables	6 075	4 971
Prepayments	778	1 833
Receivables from JTR INWESTYCJE Sp. z o.o.	-	5 200
	13 493	20 973

On 20 December 2013, an agreement was executed through a notarial deed between Wikana Invest Sp. z o.o. and JTR INWESTYCJE Sp. z o.o., pursuant to which JTR INWESTYCJE Sp. z o.o. assumed the debtor's rights with respect to repayment of capital contributions of PLN 5 200 000 towards Wikana Invest Sp. z o.o., which was sold by Wikana Group in 2013. The PLN 5 200 000 receivable was secured with a mortgage of up to PLN 5 500 000 on a property located in Lublin. In April 2014, JTR INWESTYCJE Sp. z o.o. repaid part of the contributions, in the amount of PLN 2 900 000. The remaining part of the receivable has been sold to M47 Sp. z o.o. for PLN 2 252 000.

Impairment losses on trade and other receivables did not substantially change from 31 December 2013.

8. Equity

Share capital structure at 30 September 2014

Shareholder	Number of shares held	Number of votes at GM	Nominal value	% in share capital	% in votes at GM
Ipnihome Limited (*)	69 352 218	69 352 218	13 870 444	34.65%	34.65%
AGIO RB FIZ (**)	43 201 241	43 201 241	8 640 248	21.58%	21.58%
Dekra Holdings Limited (***)	30 270 259	30 270 259	6 054 052	15.12%	15.12%
Other entities	57 324 259	57 324 259	11 464 852	28.64%	28.64%
	200 147 977	200 147 977	40 029 595	100.00%	100.00%

(*) as per information from the shareholder dated 23 September 2014

(**) as per information from the shareholder dated 22 September 2014

(***) as per information from the shareholder dated 23 September 2014

The Company's share capital amounts to PLN 40 029 595.40 and is divided into 200 147 977 ordinary bearer shares series G and H, with a nominal value of PLN 0.20 each.

Share capital increase

On 29 August 2014, WIKANA S.A.'s Extraordinary General Meeting passed resolution 4/VIII/2014 regarding an increase in the Company's share capital by PLN 6 496 476.20 (i.e. from PLN 33 533 119.20 to PLN 40 029 595.40) by way of issue of 32 482 381 ordinary bearer shares series H, with a nominal value of PLN 0.20 each, with the issue being carried out via a private subscription. The above change in amount and structure of the Company's share capital was registered by the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, on 18 September 2014.

Changes in Wikana S.A.'s shareholding structure during the reporting period

As a result of a share disposal transaction on 29 January 2014, consisting of payment for investment certificates in AGIO RB FIZ (the "Fund"), managed by AgioFunds TFI S.A., based in Warsaw, Ipnihome Limited decreased its share in votes at the Company's general meeting to 49.36%. Prior to the above transaction, Ipnihome Limited held 99 533 218 shares, constituting 59.36% of the Company's share capital and entitling to 99 533 218 votes, constituting 59.36% of all votes at the Company's general meeting. Following the above transaction, Ipnihome Limited held 82 767 218 shares in the Company, constituting 49.36% of the Company's share capital and entitling to 82 767 218 votes, which accounted for 49.36% of votes at the Company's general meeting.

AGIO RB FIZ, managed by AgioFunds TFI S.A., based in Warsaw, on 29 January 2014 purchased shares in the Company, using payments for series 002 investment certificates, as a result of which the Fund exceeded the 5% threshold of votes at the Company's general meeting. As a result of the above transaction, the Fund held 16 766 000 shares in the Company, entitling to 9.99% of votes at the Company's general meeting, which accounted for 9.99% in the Company's share capital and votes at its general meeting.

As a result of a share disposal transaction on 5 June 2014, consisting of payment for investment certificates in AGIO RB FIZ, managed by AgioFunds TFI S.A., based in Warsaw, Ipnihome Limited decreased its share in votes at the Company's general meeting to 41.36%. Prior to the above transaction, Ipnihome Limited held 82 767 218 shares in the Company, constituting 49.36% of the Company's share capital and entitling to 82 767 218 votes, which accounted for 49.36% of votes at the Company's general meeting. Following the transaction, Ipnihome Limited held 69 352 218 shares in the Company, constituting 41.36% of the Company's share capital and entitling to 69 352 218 votes, which accounted for 41.36% of votes at the Company's general meeting.

AGIO RB FIZ, managed by AgioFunds TFI S.A., based in Warsaw, on 5 June 2014 purchased shares in the Company, using payments for series 003 investment certificates, as a result of which the Fund exceeded the 15% threshold of votes at the Company's general meeting. Prior to the above transaction, the Fund held 16 766 000 shares in the Company, entitling to 9.99% of votes at the Company's general meeting, which accounted for 9.99% in the Company's share capital and votes at its general meeting. As a result of the above transaction, the

Fund held 30 181 000 shares in the Company, entitling to 18.00% of votes at the Company's general meeting, which accounted for 18.00% in the Company's share capital and votes at its general meeting.

AGIO RB FIZ, managed by AgioFunds TFI S.A., based in Warsaw, on 31 July 2014 sold shares in the Company, as a result of which the Fund decreased its holding to less than 10% of votes at the Company's general meeting. Prior to the above transaction, the Fund held 30 510 666 shares in the Company, entitling to 18.20% of votes at the Company's general meeting, which accounted for 18.20% in the Company's share capital and votes at its general meeting. Following the transaction, the Fund held 13 220 505 shares in the Company, entitling to 7.89% of votes at the Company's general meeting, which accounted for 7.89% in the Company's share capital and votes at its general meeting.

As a result of acquiring the Company's newly-issued shares and registration, on 18 September 2014, by the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, of the change in amount and structure of the Company's share capital in connection with the share capital increase procedure being carried out by the Company, the stake held by AGIO RB FIZ, a closed-ended fund managed by AgioFunds TFI S.A., increased from 7.89%, i.e. 13 220 505 of shares in the Company, entitling to 13 220 505 votes at the Company's general meeting and constituting 7.89% of all votes, to 21.58%, i.e. 43 201 241 shares, entitling to 43 201 241 votes at the Company's general meeting, i.e. 21.58% of all votes.

As a result of registration, on 18 September 2014, by the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Division of the National Court Register, of the change in amount and structure of the Company's share capital in connection with the share capital increase procedure being carried out by the Company, the stakes of all other shareholders changed, in particular:

- Ipnihome Limited's stake decreased to 34.65%; the entity now holds 69 352 218 shares, entitling to 69 352 218 votes at the Company's general meeting, which constitutes 34.65% of all votes;
- Dekra Holdings Limited's stake decreased to 15.12%; the entity now holds 30 270 259 shares, entitling to 30 270 259 votes at the Company's general meeting, which constitutes 15.12% of all votes;

Changes in Wikana S.A.'s shareholding structure after the reporting period

On 5 November 2014, pursuant to an authorisation issued by the Company's Extraordinary General Meeting convened for 31 October 2014 and continued on 5 November 2014 after adjournment, the Company's Management Board accepted a proposal to execute a donation agreement concerning shares in the Company, which was made on 30 October 2014 by one of the Company's shareholders. Pursuant to the agreement referred to in the preceding sentence, the Company acquired seven shares, i.e. six series G shares, listed on the WSE's main market, and one series H share, not listed on the WSE's main market. The shares were acquired free of charge in order to be redeemed and, subsequently, to establish a new amount of share capital in connection with the planned procedure for a share consolidation and establishing a new nominal amount of the Company's shares, changing it from PLN 0.20 to PLN 2.00.

Dividends paid

During the period 1 January 2014 – 30 September 2014 and until this report was published, Wikana S.A. did not pay out a dividend.

9. Earnings per share

Basic earnings per share

Basic earnings per share as at 30 September 2014 were based on the net profit for the period attributable to the Company's common shareholders in the following amounts:

	30 Sep 2014	31 Dec 2013
Basic earnings	(27 556)	(19 240)

and the weighted average number of shares as at the date on which the consolidated financial statements were prepared, as below:

Weighted average number of ordinary shares

	30 Sep 2014	31 Dec 2013
Number of ordinary shares at the beginning of period	167 665 596	167 665 596
Capital increase	32 482 381	-
Number of shares (fully paid-in) at the end of period	200 147 977	167 665 596
	30 Sep 2014	31 Dec 2013
Weighted average number of ordinary shares during the period	169 098 642	167 665 596
Weighted average number of ordinary shares (diluted) at the end of period	169 098 642	167 665 596
Basic loss per share	-0.16	-0.11
Diluted loss per share	-0.16	-0.11

10. Credit and loan liabilities

Similar to 31 December 2013, the Group breached payment deadlines for principal and interest, as well as other terms of credit agreements. In connection with this, the credit facilities that the breaches concerned have been recognised as current. According to the Parent's management board, the above breaches will not cause the agreements to be terminated. At the date on which these financial statements were prepared, the Group had appropriate arrangements executed as regards the future servicing of the liabilities arising under the credit agreements that the breach events concerned.

Borrowings by type

	30 Sep 2014	31 Dec 2013
<i>in PLN 000s</i>		
Credit facilities	29 458	38 759
Loans	15 933	20 851
including:		
Short-term part	19 793	29 925
Long-term part	25 598	29 685

Long-term borrowings, with repayment period from the balance sheet date

	30 Sep 2014	31 Dec 2013
<i>in PLN 000s</i>		
up to 12 months	19 793	29 925
from 1 to 3 years	4 579	6 402
from 3 to 5 years		
over 5 years	4 579	6 402
up to 12 months	18 667	20 965
Total borrowings	45 391	59 610

Borrowings (currency structure)

	30 Sep 2014	31 Dec 2013
<i>in PLN 000s</i>		
In PLN	38 627	52 367
In foreign currencies	6 764	7 243
Total borrowings	45 391	59 610

List of credit facilities, including credit limits

Lender	Agreement number Date of execution	Issued amount in PLN 000s	Outstanding amount in PLN 000s	Collateral
BGŻ S.A. annex annex annex annex annex arrangement	U/0005208951/000 7/2011/2807 15.04.2011 13.09.2011 31.10.2011 18.11.2011 29.02.2012 31.10.2012 28.11.2012 20.02.2014	5 800	1 645	deposit mortgage on a property in Lublin (KW-LU1I/00253724/7) up to PLN 8 700 000, deposit mortgage on a property in Lublin (KW LU1I/00199196/9) up to PLN 8 700 000, own in-blanco promissory note with declaration, power of attorney to bank accounts at BGŻ, assignment of rights to insurance policy
Deutsche Bank PBC S.A. annex	KNK/1207991 26.04.2012 26.04.2012	4 515	3 683	a EUR 31 000 cash deposit; mortgage up to EUR 1 575 000 on a property; assignment of rights to insurance policy; court-ordered registered pledge on the general partner's shares; power of attorney to other bank accounts; in-blanco promissory note; declaration on submission to enforcement proceedings, surety by Wikana SA; assignment of rights to a bank guarantee
Deutsche Bank PBC S.A. annex	KNK/1220450 12.10.2012 22.10.2012	1 945	1 945	mortgage up to PLN 810 000 on a property owned by the borrower; assignment of rights to insurance policy for the property on which the mortgage was established; court-ordered registered pledge on shares in Wikana Nieruchomości Sp. z o.o.; in-blanco promissory note guaranteed by Wikana S.A.; assignment of rights to a bank guarantee issued as collateral for lease payments
Deutsche Bank PBC S.A.	KNK/1300999 17.01.2013	1 868	1 868	mortgage up to EUR 675 000 on a property owned by the borrower; assignment of rights to a property insurance policy, an amount no lower than PLN 5 060 000; court-ordered registered pledge on shares in Wikana Nieruchomości Sp. z o.o.; in-blanco promissory note guaranteed by Wikana S.A.; declaration on submission to enforcement proceedings; irrevocable power of attorney to current account and other accounts maintained by the bank; indefinite surety by Wikana S.A. pursuant to civil law up to EUR 675 000; assignment of rights to a bank guarantee issued as collateral for repayment of lease agreements, a cash deposit of at least EUR 21 000 000s
Bank PEKAO S.A. annex annex annex annex	2004/28 14.12.2004 30.09.2005 29.09.2006 06.10.2006	2 500	1 465	Mortgage on properties, promissory note, power of attorney to bank account

annex	29.11.2006			
annex	30.09.2008			
annex	29.04.2009			
annex	29.04.2010			
annex	30.04.2011			
annex	30.04.2012			
annex	29.10.2013			
annex	27.03.2014			
annex	30.07.2014			
BGK	12001745/233/2000 15.12.2000	1 719	1 683	deposit mortgage up to PLN 2 579 000 (Nowy Świat - Lublin) assignment of rights to insurance policy for the property being financed assignment of receivables from rent payments, up to a total of PLN 56 000 per year that are sent to any of the bank accounts, insurance agreement for up to PLN 150 000
BGK	12001745/83/2002 24.07.2002	2 900	2 267	deposit mortgage up to PLN 5 128 000 (Piaskowa - Kraśnik) assignment of rights to insurance policy for the property being financed assignment of receivables from rent payments, up to a total of PLN 124 000 per year that are sent to any of the bank accounts
BGK	2001745/152/2002 27.09.2002	4 000	3 904	deposit mortgage up to PLN 6 600 000 (Willowa I - Lublin) assignment of rights to insurance policy for the property being financed assignment of receivables from rent payments, up to a total of PLN 171 000 per year that are sent to any of the bank accounts
BGK	12001745/64/2003 27.05.2003	7 300	5 073	deposit mortgage up to PLN 10 950 000 (Willowa II - Lublin) assignment of rights to insurance policy for the property being financed assignment of receivables from rent payments, up to a total of PLN 335 000 per year that are sent to any of the bank accounts
BGK	12001745/1058/2006 05.09.2006	2 454	1 737	deposit mortgage up to PLN 3 681 000 (Rumiankowa - Kraśnik) assignment of rights to insurance policy for the property being financed assignment of receivables from rent payments, up to a total of PLN 120 000 per year that are sent to any of the bank accounts
BGK	12001745/1059/2006 05.09.2006	4 164	2 984	deposit mortgage up to PLN 6 246 000 (Kaskadowa - Lublin) assignment of rights to insurance policy for the property being financed assignment of receivables from rent payments, up to a total of PLN 196 000 per year that are sent to any of the bank accounts
BOŚ S.A.	S/94/07/2012/1144 /K/INW/EKO/EKO1 3.09.2012	7 420	1 936	mortgage up to PLN 11 130 000 on a property owned by a natural person; consent was given for a fee, a mortgage of up to PLN 11 130 000 was established on a property owned by the borrower; assignment of rights to the insurance policy for the property that the mortgage was established on; power of attorney to the borrower's current account maintained by the lender; in-blanco promissory note guaranteed by Wikana S.A.
Total		46 585	29 458	

List of loans

Lender	Date of execution	Issued amount in PLN 000s	Outstanding amount in PLN 000s	Collateral
Agnieszka Buchajska	05.07.2013	300	332	in-blanco promissory note
	22.05.2013	70	74	own promissory note issued by the borrower
	10.03.2014	88	90	own promissory note issued by the borrower
Renale Management Limited	13.09.2013	3 530	2 967	in-blanco promissory note
	4.03.2014	150	154	in-blanco promissory note
Finanso Consumer Finance	07.20.2013	2 000	1 600	registered pledge on 2918 shares in TBS Wikana Sp. z o.o. contractual mortgage up to PLN 3 000 000 borrower's declaration on submission to enforcement proceedings up to PLN 2 320 000
Ipnihome Limited	30.10.2012	1 300	1 049	in-blanco own promissory note issued by the borrower
	04.03.2014	100	105	in-blanco own promissory note issued by the borrower
	28.02.2014	100	103	in-blanco own promissory note issued by the borrower
National Fund for Environmental Protection and Water Management	231/2011/Wn03/O A-MO-KU/P 14.06.2011	11 230	3 471	promissory note, mortgage on properties, assignment of rights, court-ordered pledge
annex	20.02.2012			
annex	13.08.2012			
annex	28.09.2012			
OIC POLAND	12.04.2011	65	9	in-blanco promissory note, promissory note guarantee from Wikana S.A.
Sanwil Holding S.A.	21.11.2013	700	719	in-blanco promissory note
	04.07.2013	357	373	
Sanwil Holding	30.12.2013	1 000	1 034	own promissory note issued by the borrower

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S.A.				
Sanwil Holding	03.07.2012	2 000	2 337	own promissory note issued by the borrower
S.A.				
annex	31.08.2012			
annex	29.03.2013			
annex	31.12.2013			
AGIO RB FIZ	13.09.2014	6 040	1 298	own promissory note issued by the borrower
individual persons			218	n/a
Total		29 030	15 933	

11. Bond liabilities

	30 Sep 2014	31 Dec 2013
<i>in PLN 000s</i>		
Bond liabilities at the beginning of period	29 260	27 620
Proceeds from issue of ordinary bonds	15 060	28 142
Issue costs	(41)	(868)
Net proceeds from bond issues	15 019	27 274
Cost of bond issues settled over time	41	868
Interest recognised as finance costs	840	1 118
Bond buyback	(1 118)	(27 620)
Bond liabilities at the end of period	44 042	29 260
Short-term part	840	1 118
Long-term part	43 202	28 142
	44 042	29 260

In 2014, Group companies issued bonds totalling PLN 15 060 000.

Debt instruments by type

	Par value	Terms of interest	Guarantees / collateral
Series A ordinary bonds, issued by Wikana S.A.	20 530	WIBOR 6M + margin	contractual mortgage up to PLN 46 800 000
Series B ordinary bonds issued by Wikana S.A.	7 612	WIBOR 6M + margin	unsecured
Series A ordinary bonds issued by Wikana Property Omega Sp. z o.o. S.K.A.	4 000	WIBOR 6M + margin	contractual mortgage up to PLN 6 000 000, registered pledge up to PLN 6 000 000 issued by Wikana S.A.
Series B ordinary bonds issued by Wikana Property Omega Sp. z o.o. S.K.A.	6 000	WIBOR 6M + margin	contractual mortgage up to PLN 9 000 000, registered pledge up to 9 000 000 on company shares, surety issued by Wikana S.A.
Series A ordinary bonds issued by Wikana Property Lamda Sp. z o.o. S.K.A.	5 060	16% annually	declaration on submission to enforcement proceedings, contractual mortgage up to PLN 7 590 000, agreement concerning subordination of debt, restricted bank account

Bond liabilities by maturity

<i>in PLN 000s</i>	30 Sep 2014	31 Dec 2013
up to 12 months	840	1 118
from 1 to 3 years	15 060	-
from 3 to 5 years	28 142	28 142
over 5 years	-	-
Bond liabilities	44 042	29 260

12. Provisions

<i>in PLN 000s</i>	Legal	Liabilities	Employee	Total
Value as at 1 January 2014	4 049	281	252	4 582
Increases / recognition	3 912	734	-	4 646
Decreases / use	(593)	-	(72)	(665)
Value at 31 September 2014	7 368	1 015	180	8 563
Long-term part	-	-	3	3
Short-term part	7368	1 015	177	8 560
	7 368	1 015	180	8 563
Value at 31 December 2013	4 049	281	252	4 582
Long-term part	-	66	3	69
Short-term part	4 049	215	249	4 513

In 2014, a provision was recognised in respect of a dispute regarding damages for undue performance of an obligation. The case is on-going. The costs of the provision were recognised in other operating expenses, while costs relating to interest – in finance costs.

13. Deferred revenue

Deferred revenue comprises mainly advances from customers for apartment purchases and interest charged on overdue payments. Advances received from customers are presented by project, as below. In addition, this item includes grants in the amount of PLN 7 818 000 and other items of PLN 507 000.

<i>in PLN 000s</i>	30 Sep 2014	31 Dec 2013
Sky House investment	12 372	8 500
Zielone Tarasy investment	3 540	3 227
Osiedle Marina investment	1 934	12 774
Miasteczko Wikana investment	1 445	1 890
Osiedle Panorama investment	2 189	273
Osiedle Cetnarskiego investment	1	-
Investment in Krynica Górská	-	411
Świerkowa Aleja investment	1 045	1 497
Tęczowe Osiedle investment	50	17
Oranżeria investment	203	-
Osiedle Generalskie investment	8	-
Klonowy Park investment	-	1 437
Unicity Lublin investment	-	135
Grants	7 818	6 063
Advance on sale of land	125	4 025
Refundable advances from apartment buyers	-	393
Other	507	47

31 237	40 689
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14. Remuneration for management board supervisory board members**Management Board remuneration**

Aside from base salaries and social security contributions to ZUS (pension benefit contributions), the Group pays out remuneration to the management pursuant to agreements for provision of services and remuneration for serving on the management board.

<i>in PLN 000s</i>	1 Jan 2014	1 Jan 2013
	30 Sep 2014	30 Sep 2013
Management board remuneration	454	491

<i>in PLN 000s</i>	1 Jan 2014	1 Jan 2013
	30 Sep 2014	30 Sep 2013
Supervisory board remuneration	105	113

15. Related-party transactions

Other related-party transactions

Related parties include entities controlled by shareholders and management board members

<i>in PLN 000s</i>	Transaction value		Outstanding balance as at	
	1 Jan 2014	1 Jan 2013		
	30 Sep 14	30 Sep 13	30 Sep 2014	31 Dec 2013
Sale of products and services				
Companies controlled by shareholders	-	-	-	-

	Transaction value		Outstanding balance as at	
	1 Jan 2014	1 Jan 2013		
	30 Sep 14	30 Sep 13	30 Sep 2014	31 Dec 2013
Purchase of products and services				
Companies controlled by shareholders	-	-	-	-

<i>in PLN 000s</i>	Outstanding balance as at	Transaction value during the period			Outstanding balance as at
	31 Dec 2013	Issue	Principal repayments	Accrued interest	Interest repayments
					30 Sep 2014
Loans issued (principal and interest)					
Companies controlled by shareholders	-	-	-	-	-

<i>in PLN 000s</i>	Outstanding balance as at	Transaction value during the period			Outstanding balance as at
	31 Dec 2013	Issue	Principal repayments	Accrued interest	Interest repayments
					30 Sep 2014
Loans received (principal and interest)					
Companies controlled by shareholders	7 077	200	(6 040)	272	(252) 1 257

	Transaction value during the period:		Outstanding balance as at	
	1 Jan 2014 30 Sep 2014	1 Jan 2014 30 Sep 2014	30 Sep 2014	31 Dec 2013
	Other liabilities			
Companies controlled by shareholders	293	270	716	570

16. Events after the end of the reporting period

All of the events having material effect on the Group's activities that occurred after 30 September 2014 were disclosed by the Group via current reports. In particular, the Group would like to draw attention to the following events:

On 5 November 2014, pursuant to an authorisation issued by the Company's Extraordinary General Meeting convened for 31 October 2014 and continued on 5 November 2014 after adjournment, the Company's Management Board accepted a proposal to execute a donation agreement concerning shares in the Company, which was made on 30 October 2014 by one of the Company's shareholders. Pursuant to the agreement, the Company acquired seven shares, i.e. six series G shares, listed on the WSE's main market, and one series H share, not listed on the WSE's main market. The shares were acquired free of charge in order to be redeemed and, subsequently, to establish a new amount of share capital in connection with the planned procedure for a share consolidation and establishing a new nominal amount of the Company's shares, changing it from PLN 0.20 to PLN 2.00, in accordance with resolutions adopted by the Company's Extraordinary General Meeting.

On 6 November 2014, the Group sold a commercial property located in Leszno, in line with Wikana Group's strategy, providing for divestments and full focus on core business.

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Bożena Wincentowicz
/Person responsible for book-keeping/

Lublin, 7 November 2014

VII. Condensed separate interim financial statements

Condensed separate statement of comprehensive income

for the period 1 January – 30 September 2014

<i>in PLN 000s</i>	Note	1 Jan 2014 30 Sep 2014	1 Jul 2014 30 Sep 2014	1 Jan 2013 30 Sep 2013 <i>restated data</i>	1 Jul 2013 30 Sep 2013 <i>restated data</i>
Continuing operations					
Revenue from sales		26 786	11 176	14 379	10 325
Cost of sales		24 735)	(11 031)	(12 951)	(9 518)
Gross profit on sales		2 051	145	1 428	807
		(675)	(290)	(581)	(58)
Selling costs					
Administrative expenses		(2 830)	(982)	(2 837)	(1 103)
Other operating revenue		1 317	209	754	157
Other operating expenses	2	(7 382)	(1 204)	(2 124)	(239)
Gain on investments		843	387	1 485	313
Operating profit (loss)		(6 676)	(1 735)	(1 875)	(123)
Share of the profit of jointly controlled entities and associates		-	-	-	-
Finance costs		(4 213)	(1 006)	(2 637)	(490)
Loss before tax		(10 889)	(2 741)	(4 512)	(613)
		(62)	(62)	(42)	(273)
Income tax					
Net loss on continuing operations for the year		(10 951)	(2 803)	(4 554)	(886)
Discontinued operations					
Net gain (loss) on discontinued operations		-	-	-	-
Net loss		(10 951)	(2 803)	(4 554)	(886)
Other comprehensive income (net)					
		-	-	-	-
Total comprehensive income		(10 951)	(2 803)	(4 554)	(886)
Loss per share					
Basic (PLN)		(0.06)	(0.02)	(0.03)	(0.01)
Diluted (PLN)		(0.06)	(0.02)	(0.03)	(0.01)

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/Person responsible for book-keeping/

Lublin, 7 November 2014

Condensed separate interim balance sheet

At 30 September 2014

<i>in PLN 000s</i>	Note	30 Sep 2014	31 Dec 2013
Assets			
Non-current assets			
Property, plant and equipment		173	318
Intangible assets		304	431
Investment properties		9 274	9 278
Loans issued		28 118	7 834
Other non-current investments		10 24	10 191
Other non-current assets		340	2 162
Total non-current assets		48 451	30 214
Current assets			
Inventory	1	32 193	54 755
Trade and other receivables		34 826	33 359
Current financial assets		82	13 262
Cash and cash equivalents		574	349
Non-current assets held for sale		-	1 246
Total current assets		67 675	102 971
Total assets		116 126	133 185

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Lublin, 7 November 2014

Condensed separate interim balance sheet

At 30 September 2014

<i>in PLN 000s</i>	Note	30 Sep 2014	31 Dec 2013
Equity and liabilities			
Equity			
Share capital		40 030	33 533
Supplementary capital		67 072	61 225
Retained earnings (losses)		(63 576)	(52 625)
Equity		43 526	42 133
Total equity		43 526	42 133
Liabilities			
Provisions	2	3	3
Deferred income tax provision		62	-
Bond liabilities		28 142	28 142
Other non-current liabilities		785	788
Total non-current liabilities		32 785	28 933
Credit and loan liabilities		9 419	22 294
Bond liabilities		493	1 118
Trade and other payables		21 370	16 262
Provisions	2	7 423	4 147
Deferred revenue	3	1 110	18 298
Total current liabilities		39 815	62 119
Total liabilities		72 600	91 052
Total equity and liabilities		116 126	133 185

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Lublin, 7 November 2014

Condensed separate interim statement of cash flows

for the period 1 January - 30 September 2014

in PLN 000s

	1 Jan 2014 30 Sep 2014	1 Jan 2013 30 Sep 2013 <i>restated data</i>
Cash flows from operating activities		
Net loss for the period	(10 951)	(4 554)
<i>Adjustments</i>		
Depreciation	284	127
Interest income and shares of profit (dividends)	(705)	(716)
Change in fair value of investment properties	4	-
Finance costs	4 528	2 154
Gain on disposal of property, plant and equipment	57	-
Gain (loss) on disposal of shares	-	(406)
Change in inventories	22 562	8 725
Change in trade and other receivables	(9 665)	(3 383)
Change in provisions and related assets	3 276	59
Change in current and other liabilities, excluding borrowings and leasing	10 111	(1 387)
Change in deferred revenue	(17 189)	5 977
Tax paid	62	-
Net cash from operating activities	2 374	6 596
Cash flows from investing activities		
Interest received	-	333
Proceeds from sale of intangible assets and property, plant and equipment	201	15
Proceeds from sale of investment properties	-	(72)
Purchase of intangible assets and property, plant and equipment	(117)	-
Purchase of financial assets	(344)	(342)
Disposal of financial assets	-	(201)
Loans issued	(6 484)	-
Disposal of assets held for sale	-	(10 018)
Repayment of loans issued	855	2 981
Net cash from investing activities	(5 889)	(7 304)

Condensed separate interim statement of cash flows

for the period 1 January - 30 September 2014

in PLN 000s

	1 Jan 2014 30 Sep 2014	1 Jan 2013 30 Sep 2013
Cash flows from financing activities		
	6 443	-
Net proceeds from equity issuance		
Net proceeds from bond issuance	-	259
Borrowings incurred	416	8 471
Outflows on repayment of borrowings	(1 492)	(6 682)
Repayment of finance lease liabilities	(48)	(45)
Interest paid	(1 579)	(1 696)
Net cash from financing activities	3 740	307
Total net cash flows	225	(401)
Cash and cash equivalents as at the beginning of period	349	541
Cash and cash equivalents as at the end of period	574	140
Restricted cash and cash equivalents at the end of period	187	13

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Lublin, 7 November 2014

Condensed separate interim statement of changes in equity

for the period 1 January - 30 September 2014

<i>in PLN 000s</i>	Note			Retained	Total equity
	Share capital	Own shares	Supplemen tary capital	earnings (loss) <i>restated</i>	
Equity as at 1 January 2013	33 533	-	57 952	(37 304)	54 181
Profit distribution	-	-	3 273	(3 273)	-
Total revenue and costs recognised	-	-	-	(4 554)	(4 554)
Equity as at 30 September 2013	33 533	-	61 225	(45 131)	49 627
Equity as at 1 January 2014	33 533	-	61 225	(52 625)	42 133
Profit distribution	-	-	-	-	-
					12 344
Share issue	6 497		5 847	-	
Total revenue and costs recognised	-	-	-	(10 951)	(10 951)
Equity as at 30 September 2014	40 030	-	67 072	(63 576)	43 526

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Lublin, 7 November 2014

VIII. Additional information to the condensed separate interim financial statements

1. Inventory

<i>in PLN 000s</i>	30 Sep 2014	31 Dec 2013
Production in progress	31 172	38 551
Finished products	1 021	16 204
	32 193	54 755

Inventory by category, as at 31 March 2013

	Production in progress	Finished products
Apartamenty Misjonarska investment, Lublin	1 320	291
Osiedle Marina investment, Lublin	2 518	368
Miasteczko Wikana investment, Lublin	64	-
Niecała investment, Lublin	3 199	-
Sky House investment, Lublin	4 127	-
Osiedle Cetnarskiego investment, łańcut	-	325
Zielone Tarasy investment, Rzeszów	5 527	-
Podpromie investment, Rzeszów	4 355	-
Osiedle Panorama investment, Rzeszów	896	37
Klonowy Park investment, Janów Lubelski	6	-
Investment in Przemyśl	2 786	-
Rzeszów Grey Residence investment, Lublin	5 801	-
Nowy Świat (Oranżeria) investment	43	-
Koncertowa	38	-
Other	492	-
	31 172	1 021

The Management Board verified the value of land held by the Group at 30 September 2014 and concluded that there was no impairment due to the following:

- 1) the value of land recorded in the financial statements is below current market value,
- 2) the investments on-going on this land will enable to yield positive returns,

The management board verified the value of production in progress at 30 September 2014 and concluded that there was impairment on two investments. The impairment loss amounted to PLN 1 985 000.

The management board verified the value of finished products at 30 September 2014, concluding that there was no impairment of investments because they had been partially sold and the cost to manufacture 1 sqm of residential and service premises was lower than the average price for residential and commercial units.

2. Provisions

<i>in PLN 000s</i>	Legal	Liabilities	Employee	Total
Value as at 1 January 2014	3 000	898	252	4 150
Increases / recognition	3 532	-	-	3 532
Decreases / use	(184)	-	(72)	(256)
Value at 30 September 2014	6 348	898	180	7 426
	6 348	898	177	7 423
Short-term part	-	-	3	3
Long-term part	-	-	-	-

	6 348	898	180	7 426
Value at 31 December 2013	3 000	898	252	4 150
Short-term part	3 000	898	249	4 147
Long-term part	-	-	3	3
	3 000	898	252	4 150

In 2014, a provision was recognised in respect of a dispute regarding damages for undue performance of an obligation. The case is on-going. Costs relating to the provision were recognised as other operating expenses.

3. Deferred revenue

Deferred revenue comprises mainly advances from customers for apartment purchases and interest charged on overdue payments. Advances from customers concerned the following projects:

<i>in PLN 000s</i>	30 Sep 2014	31 Dec 2013
Osiedle Marina investment	273	12 774
Klonowy Park investment, Janów Lubelski	-	1 437
Tęczowe Osiedle investment, Rzeszów	13	17
Advance on sale of land	-	3 500
Grants	393	175
Refundable advances from apartment buyers	430	393
Other	1	2
	1 110	18 298

4. Related-party transactions

<i>in PLN 000s</i>	Transaction value during the period		Outstanding balance as at	
	1 Jan 2014	1 Jan 2013	30 Sep 2014	31 Dec 2013
	30 Sep 2014	30 Sep 2013		
Sale of products and services				
Total transactions with Group entities	11 877	10 515	23 929	14 847
<i>in PLN 000s</i>	Transaction value during the period		Outstanding balance as at	
	1 Jan 2014	1 Jan 2013	30 Sep 2014	31 Dec 2013
	30 Sep 2014	30 Sep 2013		
Purchase of products and services				
Total transactions with Group entities	12 233	1 581	16 733	12 809
<i>in PLN 000s</i>	Transaction value during the period		Outstanding balance as at	
	1 Jan 2014	1 Jan 2013	30 Sep 2014	31 Dec 2013
	30 Sep 2014	30 Sep 2013		
Dividends received				
Total transactions with Group entities	-	2 900	-	-

	Outstanding Balance as at	Transaction value during the period				Outstanding Balance as at
	31 Dec 2013	Issue	Principal repayments	Accrued interest	Interest repayments	30 Sep 2014
Loans received (principal and interest)						
Total transactions with Group entities	4 022	1 910	(3 309)	154	(4)	2 773

	Outstanding Balance as at	Transaction value during the period				Outstanding Balance as at
	31 Dec 2013	Issue	Principal repayments	Accrued interest	Interest repayments	30 Sep 2014
Loans issued (principal and interest)						
Total transactions with Group entities	19 212	12 603	(4 339)	705	(3)	28 118

5. Events after the end of the reporting period

All of the events having material effect on the Company's activities that occurred after 30 September 2014 were disclosed by the Company via current reports. In particular, the Company would like to draw attention to the following events: On 5 November 2014, pursuant to an authorisation issued by the Company's Extraordinary General Meeting convened for 31 October 2014 and continued on 5 November 2014 after adjournment,

the Company's Management Board accepted a proposal to execute a donation agreement concerning shares in the Company, which was made on 30 October 2014 by one of the Company's shareholders. Pursuant to the agreement, the Company acquired seven shares, i.e. six series G shares, listed on the WSE's main market, and one series H share, not listed on the WSE's main market. The shares were acquired free of charge in order to be redeemed and, subsequently, to establish a new amount of share capital in connection with the planned procedure for a share consolidation and establishing a new nominal amount of the Company's shares, changing it from PLN 0.20 to PLN 2.00, in accordance with resolutions adopted by the Company's Extraordinary General Meeting.

Robert Pydzik
/Member of the Management Board/

Sławomir Horbaczewski
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Bożena Wincentowicz
/Person responsible for book-keeping/

Lublin, 7 November 2014

IX. Description of the Issuer's group

The Group comprises the parent company, Wikana S.A., and its subsidiaries. Detailed information about the Group is presented in point III.2 of the consolidated quarterly report for the period 1 January – 30 September 2014.

X. Effects of changes in the entity's organisational structure

According to the management board's best knowledge, this does not apply to the Company.

XI. Management's views on previously published guidance for the year

The Company does not release guidance.

XII. Shareholders directly or indirectly, through subsidiaries, holding at least 5% of votes at the parent's general meeting, at publication of this report

Shareholding structure at 30 September 2014

Shareholder	Number of shares held	Number of votes at GM	Nominal value	% in share capital	% in votes at GM
Ipnihome Limited	69 352 218	69 352 218	13 870 444	34.65%	34.65%
AgioFunds TFI	43 201 241	43 201 241	8 640 248	21.58%	21.58%
Dekra Holdings Limited	30 270 259	30 270 259	6 054 052	15.12%	15.12%
Other entities	57 324 259	57 324 259	11 464 852	28.64%	28.64%
	200 147 977	200 147 977	40 029 595	100.00%	100.00%

According to the Company's Management Board's best knowledge, the list of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of voting rights at the entity's general meeting did not change by the date on which this report was published.

XIII. Changes in ownership of the issuer's shares or rights to shares by management board and supervisory board members at publication of the quarterly report

The Company's management personnel does not hold shares in the issuer. The Company's management board does not have up-to-date information regarding direct holdings of shares in the issuer by its supervisory personnel.

XIV. On-going proceedings in courts, arbitration bodies or public administration authorities

See information in point XII of the half-yearly management report on Wikana Group's operations for the period 1 January - 30 June 2014. According to the Company's Management Board's best knowledge, the information presented in the section specified in the preceding sentence did not materially change by the date on which these financial statements were prepared.

XV. Significant related-party transactions executed by Group companies on terms other than market terms

No transactions were executed on terms other than market terms.

XVI. Information on credit or loan sureties and guarantees issued

This information is presented in point VI, note 10 to the consolidated quarterly report for the period 1 January – 30 September 2014.

XVII. Information significant for assessment of the Issuer's HR, asset and financial situation, its financial results and changes thereof, together with other information significant for assessment of the Issuer's ability to meet

All material information was communicated by the Company via current reports, which are available at its website.

XVIII. Factors that might have effect on results over at least the next three months

The Group expects to continue its current operations in the subsequent reporting periods. The growth strategy of the Company, development companies and other entities within the Group for at least the next 12 months, with consideration given to the factors having effect on its execution, was presented by the Company's management board in point IV of the interim management report on the operations of Wikana Group for 2013 and did not change as of the date on which this report was published.

XIX. Events after the end of the reporting period that were not included in the financial statements

All material events were communicated by the Company via current reports, which are available at its website.

Robert Pydzik
/Member of the Management Board/

Sławomir Horbaczewski
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Bożena Wincentowicz
/Person responsible for book-keeping/

Lublin, 7 November 2014