

WIKANA Group
Extended consolidated quarterly report
for the period 01.01.2016-30.09.2016



Lublin, 14 November 2016

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

Selected financial data is translated into EUR in accordance with the following principles:

Selected asset and equity and liability items - using the average exchange rate on 30 September 2016: EUR/PLN 4.3120 (31 December 2015: EUR/PLN 4.2615)

Items in the statement of comprehensive income - using the arithmetic mean of average exchange rates established by the National Bank of Poland as at the last day of each month in the third quarter of 2016: EUR/PLN 4.3688 (after Q3 2015: EUR/PLN 4.1585).

Balance sheet item	30.09.2016		31.12.2015	
	PLN	EUR	PLN	EUR
<i>in 000s</i>				
Total assets	220 697	51 182	200 368	47 018
Non-current assets	103 047	23 898	104 267	24 467
Current assets	117 650	27 284	96 101	22 551
Total equity and liabilities	220 697	51 182	200 368	47 018
Equity	37 939	8 798	42 305	9 927
Non-current liabilities	64 986	15 071	85 091	19 967
Current liabilities	117 772	27 313	72 972	17 124

Item in the Group's condensed consolidated statement of comprehensive income	01.01.2016 30.09.2016		01.07.2016 30.09.2016		01.01.2015 30.09.2015		01.07.2015 30.09.2015	
	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR
<i>in 000s</i>								
Revenue from sales	31 804	7 280	9 341	2 138	64 905	15 608	35 537	8 546
Gross profit (loss) on sales	5 760	1 318	1 846	423	11 522	2 771	7 154	1 720
Operating profit (loss)	2 358	540	1 979	453	5 104	1 227	5 093	1 225
Profit (loss) before tax	(3 944)	(903)	1 236	283	(1 648)	(396)	2 670	642
Net profit / (loss) on continuing operations	(4 647)	(1 064)	888	203	(1 648)	(396)	2 670	642
Net profit (loss) on discontinued operations	86	20	230	53	-	-	-	-
Total comprehensive income	(4 380)	(1 003)	1 299	297	(2 016)	(485)	2 536	610
Profit (loss) per share								
Basic profit (loss) per share	(0.23)	(0.05)	0.05	0.01	(0.10)	(0.02)	0.13	0.03
Diluted profit (loss) (PLN)	(0.23)	(0.05)	0.05	0.01	(0.10)	(0.02)	0.13	0.03

Item in the condensed consolidated interim statement of cash flows	01.01.2016 30.09.2016		01.01.2015 30.09.2015	
	PLN	EUR	PLN	EUR
<i>in 000s</i>				
Net cash from operating activities	2 564	587	7 229	1 738
Net cash from investing activities	(1 095)	(251)	623	150
Net cash from financing activities	(3 065)	(701)	(8 550)	(2 056)
Total cash flows	(1 596)	(365)	(698)	(168)

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincencowicz
/Person responsible for
bookkeeping/

2. Selected financial data from the separate interim financial statements

Selected financial data is translated into EUR in accordance with the following principles:

Selected asset and equity and liability items - using the average exchange rate on 30 September 2016: EURPLN 4.3120 (31 December 2015: EURPLN 4.2615)

Items in the statement of comprehensive income - using the arithmetic mean of average exchange rates established by the National Bank of Poland as at the last day of each month in the third quarter of 2016: EURPLN 4.3688 (after Q3 2015: EURPLN 4.1585).

Balance sheet item	30.09.2016		31.12.2015	
	PLN	EUR	PLN	EUR
<i>in 000s</i>				
Total assets	76 597	17 764	83 961	19 702
Non-current assets	36 508	8 467	41 016	9 625
Current assets	40 089	9 297	42 945	10 077
Total equity and liabilities	76 597	17 764	83 961	19 702
Equity	35 411	8 212	38 051	8 929
Non-current liabilities	22 772	5 281	23 739	5 571
Current liabilities	18 414	4 271	22 171	5 203

Item in the condensed separate interim statement of comprehensive income	01.01.2016 30.09.2016		01.07.2016 30.09.2016		01.01.2015 30.09.2015		01.07.2015 30.09.2015	
	PLN	EUR	PLN	EUR	PLN	EUR	PLN	EUR
<i>in 000s</i>								
Revenue from sales	6 683	1 530	454	104	14 058	3 381	6 827	(1 642)
Gross profit (loss) on sales	189	43	29	7	(36)	(9)	(143)	(34)
Operating profit (loss)	(262)	(60)	(130)	(30)	(616)	(148)	(103)	(25)
Profit (loss) before tax	(2 786)	(638)	(767)	(176)	(2 886)	(694)	(782)	(188)
Net profit / (loss) on continuing operations	(2 786)	(638)	(767)	(176)	(2 886)	(694)	(782)	(188)
Total comprehensive income	(2 640)	(604)	(767)	(176)	(2 886)	(694)	(782)	(188)
Profit (loss) per share								
Basic profit (loss) per share	(0.14)	(0.03)	(0.04)	(0.01)	(0.14)	(0.03)	(0.03)	(0.01)
Diluted profit (loss) (PLN)	(0.14)	(0.03)	(0.04)	(0.01)	(0.14)	(0.03)	(0.03)	(0.01)

Item in the condensed interim statement of cash flows	01.01.2016 30.09.2016		01.01.2015 30.06.2015	
	PLN	EUR	PLN	EUR
<i>in 000s</i>				
Net cash from operating activities	(1 143)	(262)	(1 889)	(454)
Net cash from investing activities	6 015	1 377	7 633	1 835
Net cash from financing activities	(5 024)	(1 150)	(5 796)	(1 393)
Total cash flows	(152)	(35)	(52)	(12)

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

3. Information about the Parent and its subsidiaries included in the consolidated financial statements

3.1. Data about the Parent

Wikana S.A. ("Company," "Parent," "Issuer") is a public limited company registered in Poland. The Company's registered office is located in Lublin. Company address: ul. Cisowa 11, 20-703 Lublin.

According to the articles of association / founding agreements of the Parent and its subsidiaries, their economic activities in the period covered by this report were as follows:

- Property development
- Renting of real estate
- Management of real estate on a fee or contract basis
- Production of energy from renewable sources
- Activities of head offices and holdings, except for financial holdings

The condensed consolidated interim financial statements for the period ended 30 September 2016 cover the financial statements of the Parent and its subsidiaries (together the "Group").

3.2. Group entities (subject to consolidation in the condensed consolidated interim financial statements)

Parent

WIKANA S.A.

Subsidiaries	% share	
	30.09.2016	31.12.2015
WIKANA FORTEM Sp. z o.o.	100%	0%
WIKANA FORTEM Sp. z o.o. ACER Sp.k. (formerly: WIKANA PROPERTY Sp. z o.o. ACER S.K., previously: WIKANA PROPERTY Sp. z o.o. ACER S.K.A.) ⁽¹⁾	100%	100%
WIKANA MERITUM Sp. z o.o.	100%	100%
WIKANA MERITUM Sp. z o.o. ALFA Sp.k. (formerly: WIKANA PROPERTY Sp. z o.o. ALFA S.K., previously: WIKANA PROPERTY Sp. z o.o. ALFA S.K.A.) ⁽¹⁾	100%	100%
WIKANA MERITUM Sp. z o.o. CORYLUS S.K.A. (formerly: WIKANA PROPERTY Sp. z o.o. CORYLUS S.K.A.) ⁽³⁾	100%	100%
WIKANA MERITUM Sp. z o.o. LAMDA S.K.A. (formerly: WIKANA PROPERTY Sp. z o.o. LAMDA S.K.A.) ⁽³⁾	100%	100%
WIKANA MERITUM Sp. z o.o. LARIX S.K.A. (formerly: WIKANA PROPERTY Sp. z o.o. LARIX S.K.A.) ⁽³⁾	100%	100%
WIKANA MERITUM Sp. z o.o. MAGNOLIA Sp.k. (formerly: WIKANA MERITUM Sp. z o.o. MAGNOLIA S.K.A. previously: WIKANA PROPERTY Sp. z o.o. MAGNOLIA S.K.A.) ⁽²⁾	100%	100%
WIKANA MERITUM Sp. z o.o. PANORAMA Sp.k. (formerly: WIKANA MERITUM Sp. z o.o. PANORAMA S.K.A., previously: WIKANA PROPERTY Sp. z o.o. PANORAMA S.K.A.) ⁽²⁾	100%	100%
WIKANA MERITUM Sp. z o.o. SIGMA Sp.k. (formerly: WIKANA MERITUM Sp. z o.o. SIGMA S.K.A. previously: WIKANA PROPERTY Sp. z o.o. SIGMA S.K.A.) ⁽²⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. ⁽⁴⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. 03 MIASTECZKO S.K.A. (formerly: Wikana Nieruchomości Sp. z o.o. 03 MIASTECZKO S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. 04 OSIEDLE S.K.A. (formerly: Wikana Nieruchomości Sp. z o.o. 04 OSIEDLE S.K.A.) ⁽⁵⁾	100%	100%

WIKANA PROPERTY Sp. z o.o. ALBA S.K.A. (formerly: Wikana Nieruchomości Sp. z o.o. ALFA S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. DELTA S.K.A. ⁽⁶⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. BETULA Sp.k. (formerly: WIKANA PROPERTY Sp. z o.o. BETULA S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. GAMMA S.K.A. ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. JOTA Sp.k., formerly: WIKANA PROPERTY Sp. z o.o. JOTA S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. KAPPA S.K.A. ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. KOMERC Sp.k. ⁽⁵⁾ (previously: WIKANA PROPERTY Sp. z o.o. KOMERC S.K.A.; formerly: Wikana Nieruchomości Sp. z o.o. KOMERC S.K.A.)	100%	100%
WIKANA PROPERTY Sp. z o.o. KROSNO S.K.A. ⁽⁵⁾ (formerly: Wikana Nieruchomości Sp. z o.o. KROSNO S.K.A.)	100%	100%
WIKANA PROPERTY Sp. z o.o. LEGNICA S.K.A. (formerly: Wikana Nieruchomości Sp. z o.o. LEGNICA S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. OMEGA S.K.A. ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. OMIKRON S.K.A. ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. PODPROMIE S.K.A. ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. ROSA Sp.k. (formerly: WIKANA PROPERTY Sp. z o.o. ROSA S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. SALIX Sp.k. (formerly: WIKANA PROPERTY Sp. z o.o. SALIX S.K.A., previously: WIKANA PROPERTY Sp. z o.o. KROSNO S.K.A.) ⁽⁵⁾	100%	100%
WIKANA PROPERTY Sp. z o.o. ZIELONE TARASY S.K.A. ⁽⁵⁾	100%	100%
WIKANA PRIM Sp. z o.o. (formerly: PRIM Sp. z o.o.)	100%	100%
WIKANA PRIM Sp. z o.o. BETA Sp.k. (formerly: WIKANA PRIM Sp. z o.o. BETA S.K.A., previously: WIKANA PROPERTY Sp. z o.o. BETA S.K.A.) ⁽⁷⁾	100%	100%
WIKANA NIERUCHOMOŚCI Sp. z o.o. w likwidacji	100%	100%
WIKANA NIERUCHOMOŚCI Sp. z o.o. w likwidacji 02 S.K.A. (formerly: WIKANA PROPERTY Sp. z o.o. 02 S.K.A., previously: Wikana Nieruchomości Sp. z o.o. 02 S.K.A.) ⁽⁸⁾	100%	100%
WIKANA NIERUCHOMOŚCI Sp. z o.o. w likwidacji 05 MARINA S.K.A. (formerly: WIKANA PROPERTY Sp. z o.o. 05 MARINA S.K.A., previously: Wikana Nieruchomości Sp. z o.o. 05 MARINA S.K.A.) ⁽⁸⁾	100%	100%
WIKANA PROJECT Sp. z o.o.	100%	100%
WIKANA MANAGEMENT Sp. z o.o.	100%	100%
Towarzystwo Budownictwa Społecznego „Nasz Dom” Sp. z o.o. (formerly: Towarzystwo Budownictwa Społecznego „Wikana” Sp. z o.o.)	100%	100%
BIOENERGIA PLUS Sp. z o.o. (formerly: WIKANA BIOENERGIA Sp. z o.o.)	100%	100%

BIOENERGIA PLUS Sp. z o.o. 01 S.K.A. (formerly: WIKANA BIOENERGIA Sp. z o.o. 01 S.K.A.) ⁽⁹⁾	100%	100%
ZIELONE TARASY S.A.	100%	100%
Multiserwis S.A. w likwidacji ⁽¹⁰⁾	94%	94%

⁽¹⁾ The company's general partner is WIKANA FORTEM Sp. z o.o., a wholly owned subsidiary of the Company.

⁽²⁾ The company's general partner is WIKANA MERITUM Sp. z o.o., a wholly owned subsidiary of the Company.

⁽³⁾ 50% of shares was provided as security for bondholder claims in connection with the issue of series B bonds by WIKANA MERITUM Sp. z o.o. CORYLUS S.K.A. The general partner is WIKANA MERITUM Sp. z o.o., a wholly owned subsidiary of the Company.

⁽⁴⁾ Entity wholly owned by the Company, of which 24.94% is held directly by the Company, while 75.06% through subsidiary WIKANA PROPERTY Sp. z o.o. LEGNICA S.K.A. (formerly Wikana Nieruchomości Sp. z o.o. LEGNICA S.K.A.)

⁽⁵⁾ The company's general partner is WIKANA PROPERTY Sp. z o.o., a wholly owned subsidiary of the Company, including directly and indirectly.

⁽⁶⁾ Indirect stake held by the Company via WIKANA PROJECT Sp. z o.o., a wholly owned subsidiary of the Company. The company's general partner is WIKANA PROPERTY Sp. z o.o., a wholly owned subsidiary of the Company.

⁽⁷⁾ The company's general partner is WIKANA PRIM Sp. z o.o., (formerly PRIM Sp. z o.o.) - a wholly owned subsidiary of the Company.

⁽⁸⁾ The company's general partner is Wikana Nieruchomości Sp. z o.o. w likwidacji, an entity 100% owned by Wikana S.A.

⁽⁹⁾ The company's general partner is BIOENERGIA PLUS Sp. z o.o. (formerly WIKANA BIOENERGIA Sp. z o.o.) - a wholly owned subsidiary of the Company.

⁽¹⁰⁾ The Company holds a total of 94.38% of shares in Multiserwis S.A. w likwidacji, including 86.80% 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.

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

4.1. Statement of compliance with IFRS

The condensed consolidated financial statements of the Group and the condensed separate financial statements of Wikana S.A. ("condensed interim financial statements") are prepared for the nine-month period ended 30 September 2016.

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), published on 21 March 2016.

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 Company's Management Board to apply own judgement in using the Group's adopted accounting principles. 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 previous year-end.

4.2. Basis for preparing the condensed interim financial statements

The condensed consolidated interim financial statements are 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.

During the report period, no infringement of credit or loan agreement provisions were recorded such as would require corrective actions either before or on the balance sheet date.

The condensed separate interim financial statements are prepared on the assumption that the Company 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 condensed consolidated interim financial statements of the Group and the condensed separate interim financial statements of Wikana S.A. were approved by the Management Board for publication on 14 November 2016.

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

4.3. Significant judgements and estimates

Preparing EU IFRS-compliant condensed interim financial statements requires the Company's management 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.

4.4. Other atypical events in the reporting period having impact on the financial statements

According to the Company's Management Board, no atypical events took place during the presented period such as could have an impact on the condensed consolidated interim financial statements of the Group and the condensed separate interim financial statements of WIKANA S.A.

4.5. 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.

4.6. Changes in accounting principles

No changes were recorded since the annual financial statements were published, other than those described in point 4.7.

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

Effect of new accounting standards and changes in accounting policy

The accounting principles (policy) used in preparing the condensed consolidated interim financial statements and condensed separate interim financial statements for the third quarter of 2016 are consistent with those used to prepare the entity's annual consolidated financial statements for 2015, except for the amendments described below.

The same principles are used for the current and comparative period. A detailed description of the accounting principles adopted by the Parent and subsidiaries ("Group") is presented in the 2015 annual consolidated financial statements, published on 21 March 2016.

Changes resulting from IFRS amendments

The following new or amended standards and interpretations issued by the IASB are effective from 1 January 2016:

- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to IAS 16 and IAS 38 *Acceptable methods of depreciation and amortisation*
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*
- Amendments to IAS 27: *equity method in separate financial statements*
- Amendments to IFRS 10, IFRS 12 and IAS 28: *Investment Entities: Applying the Consolidation Exception*
- Amendments to various standards resulting from *Annual Improvements 2012-2014*
- Amendments to IAS 1: *Disclosure Initiative*

Application of the above amendments to standards did not have an impact on the Group's results and financial situation, and only resulted in changes to the adopted accounting principles or expansion of the scope of mandatory disclosures or change in terminology.

The main consequences of applying the new regulations are as follows:

- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 were published on 6 May 2014 and are effective for annual periods beginning on or after 1 January 2016. The amendments aim to clarify the approach to account for the acquisition of an interest in a joint operation that is a business. The amendments require application of the same principles as in the case of business combinations.

The application of the amended standard has had no material impact on the Group's financial statements.

- Amendments to IAS 16 and IAS 38 *Acceptable methods of depreciation and amortisation*

The amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* were published on 12 May 2014 and are effective for annual periods beginning on or after 1 January 2016. The amendment provides further explanation as to the permitted amortisation methods. The aim of the amendment is to show that a revenue-based method is not considered to be appropriate for property, plant and equipment, but for intangible assets it can be appropriate under certain circumstances.

The application of the amended standard has had no material impact on the Group's financial statements.

- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

The amendments to IAS 16 and IAS 41 were published on 30 June 2014 and are effective for annual periods beginning on or after 1 January 2016. The change clarifies that bearer plants should be recognised as property, plant and equipment under IAS 16. Therefore, bearer plants should be incorporated into IAS 16 instead of IAS 41. Agricultural produce from bearer plants remain subject to IAS 41.

The application of the amended standard has had no material impact on the Group's financial statements.

- Amendments to IAS 27: *equity method in separate financial statements*

The amendments to IAS 27 were published on 12 August 2014 and are effective for annual periods beginning on or after 1 January 2016. The amendments reinstate to the IFRS the choice of using the equity method for the measurement of investments in subsidiaries, joint ventures and associates. If this method is chosen, it must be applied for each investment within a given category.

The application of the amended standard has had no material impact on the Group's financial statements.

- Amendments to IFRS 10, IFRS 12 and IAS 28: *Investment Entities: Applying the Consolidation Exception*

The amendments to IFRS 10, IFRS 12 and IAS 28 were published on 18 December 2014 and are effective for annual periods beginning on or after 1 January 2016. Their aim is to clarify the accounting requirements for investment entities.

The Group applied the amendments on the date set by the European Union as the effective date for the standard, i.e. 1 January 2016.

The application of the above standards has no material impact on the Group's financial statements.

- Amendments to various standards resulting from *Annual Improvements 2012-2014*

The following small amendments to four standards were introduced on 25 September 2014 as a result of the IFRS review:

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, as regards reclassification of an asset or group for disposal from held for sale to held for distribution or vice versa;
- IFRS 7 *Financial Instruments: Disclosures*, clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements;
- IAS 19 *Employee Benefits*, as regards the currency of "high quality corporate bonds" used in estimating the discount rate;
- IAS 34 *Interim Financial Reporting*, clarifies means for presenting that the disclosures required by par. 16A IAS 34 were presented elsewhere in the interim report.

The amendments are usually effective for annual periods beginning on or after 1 January 2016. The Group considers that the application of the amended standards will not have material impact on its financial statements, except for the amendment to IAS 34, which might result in additional disclosures in the Group's interim financial statements.

- Amendments to IAS 1: *Disclosure Initiative*

Amendments to IAS 1 were published on 18 December 2014 as part of an overall disclosure initiative aimed at improving presentation and disclosures in financial reports. These amendments are aimed at further encouraging entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments clarify that materiality applies to the whole financial statements and that irrelevant information can obscure relevant financial disclosures. Furthermore, they make it clear that preparers should exercise judgement in determining where and in what order to present information in disclosures.

The amendments are accompanied by a draft amendment to IAS 7 Statement of Cash Flows, which increases the disclosure obligations concerning the entity's cash flows from financing activities and cash and cash equivalents.

The application of the amended standard has had no material impact on the Group's financial statements.

Changes introduced independently by the Group

The Group did not introduce a presentation adjustment to comparative data for the first half of 2015 and as at 31 December 2015.

Standards not in effect (new standards and interpretations)

In these financial statements, the Group did not decide on the early application of any published standards or interpretations before their entry into force.

The following standards and interpretations were issued by the IASB but were not yet effective as of the balance sheet date:

- IFRS 9 *Financial Instruments*

The new standard was published on 24 July 2014 and is effective for annual periods beginning on or after 1 January 2018. The standard aims to clarify the classification of financial assets and introduce a new impairment model for all financial instruments. The standard also introduces a new general hedge accounting model in order to streamline rules for presenting information on risk management in financial statements.

The Group will apply the new standard from 1 January 2018.

At the date on which these financial statements were prepared, a reliable assessment of the impact of this new standard was not possible. The Group is analysing the effects of introducing the new standard.

- IFRS 14 *Regulatory Deferral Accounts*

The new standard was published on 30 January 2014 and is effective for annual periods beginning on or after 1 January 2016. The new standard is temporary, given the IASB's work on means of accounting when prices are subject to rate regulation. The standard introduces rules for recognising assets and liabilities arising on transactions at a price that is subject to rate regulation when the entity decides to adopt IFRSs.

The Group will apply the new standard not sooner than on the date set by the European Union as the effective date for the standard. Given the temporary nature of the standard, the European Commission decided not to launch a formal approval procedure for the standard, opting instead to wait for the final standard.

The application of the amended standard will have no impact on the Group's financial statements.

- IFRS 15 *Revenue from Contracts with Customers*

The new harmonised standard was published on 28 May 2014 and is effective for annual periods beginning on or after 1 January 2018, and early application is permitted. The standard sets out a framework for recognising revenue and contains rules that will supersede most of the detailed revenue recognition guidance currently found in IFRS, particularly in IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. On 11 September 2015, the IASB published draft changes in the adopted standard, deferring the standard's entry into force by one year.

At the date on which these financial statements were prepared, a reliable assessment of the impact of this new standard was not possible. The Group is analysing the effects of introducing the new standard.

- IFRS 16 *Leases*

The new standard was published on 13 January 2016 and is effective for annual periods beginning on or after 1 January 2019, and early application is permitted (on the condition that IFRS 15 is also applied). The standard supersedes existing regulations concerning leases (IAS 17) and substantially changes the approach to lease contracts of different types, requiring lessees to recognise assets and liabilities from lease contracts on their balance sheets, regardless of their type.

At the date on which these financial statements were prepared, a reliable assessment of the impact of this new standard was not possible. The Group is analysing the effects of introducing the new standard.

- Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to IFRS 10 and IAS 28 were published on 11 September 2014 and are effective for annual periods beginning on or after 1 January 2016 (deferred, with no effective date provided). The amendments clarify recognition for transactions where the parent loses control over a subsidiary that does not constitute a business as defined in IFRS 3 Business Combinations through the sale of all or some shares in that subsidiary to an equity-accounted associate or joint venture.

The Group will apply the amendments to standards not sooner than on the date set by the European Union as the effective date for the standard. Currently, the European Commission decided to defer a formal procedure to approve the standard.

At the date on which these financial statements were prepared, a reliable assessment of the impact of this new standard was not possible.

- Amendments to IAS 12: *Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments to IAS 12 were published on 19 January 2016 and are effective for annual periods beginning on or after 1 January 2017. Their aim is to clarify requirements for recognising deferred tax assets that are related to debt instruments measured at fair value.

The application of the amended standard will have no material impact on the Group's financial statements.

- Amendments to IAS 7: *Disclosure Initiative*

The amendments to IAS 7 were published on 29 January 2016 and are effective for annual periods beginning on or after 1 January 2017. The aim of the amendments was to increase the scope of information provided to the readers of financial statements concerning the entity's financing activities through additional disclosures of changes in the balance sheet value of liabilities connected with the entity's financing.

The application of the amended standard will have no material impact on the Group's financial statements, other than a change in the scope of disclosures presented in financial statements.

- Clarifications to IFRS 15: *Revenue from Contracts with Customers*

Clarifications to IFRS 15 were published on 12 April 2015 and apply to annual periods beginning on or after 1 January 2018 (date on which the entire standard enters into force). The amendments aim to clarify doubts arising in pre-adoption analyses regarding how to: identify a performance obligation, determine whether a company is a principal or an agent and revenue from licensing regarding intellectual property as well as transitional relief provisions for first-time adoption of the new standard.

The application of the amended standard will have no material impact on the Group's financial statements.

- Amendments to IFRS 2: *Classification and measurement of share-based payment transactions*

The amendments to IFRS 2 were published on 20 June 2016 and are effective for annual periods beginning on or after 1 January 2018.

The aim of the changes in the standard is to clarify the method of recognition for certain types of share-based payment transactions.

The application of the amended standard will have no material impact on the Group's financial statements.

- Amendments to IFRS 4: Use of IFRS 9 *Financial Instruments* in IFRS 4 *Insurance Contracts* published on 12 September 2016.

The amendments are usually effective for annual periods beginning on or after 1 January 2018.

According to the Group, the application of the amended standard will have no impact on its financial statements.

IFRSs as approved by the EU do not meaningfully differ from the regulations adopted by the IASB, except for the following standards, interpretations and amendments, which were not yet adopted by the EU as of the date on which these financial statements were approved:

- IFRS 9 *Financial Instruments*, published on 24 July 2014;
- IFRS 14 *Regulatory Deferral Accounts*, published on 30 January 2014;
- IFRS 16 *Leases*, published on 13 January 2016;
- Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, published on 11 September 2014;
- Amendments to IAS 12: *Recognition of Deferred Tax Assets for Unrealised Losses*, published on 19 January 2016;
- Amendments to IAS 7: *Disclosure Initiative*, published on 29 January 2016,
- Clarifications to IFRS 15: *Revenue from Contracts with Customers*, published on 12 April 2016,
- Amendments to IFRS 2: *Classification and measurement of share-based payment transactions*, published on 20 June 2016.
- Amendments to IFRS 4: Use of IFRS 9 *Financial Instruments* in IFRS 4 *Insurance Contracts* published on 12 September 2016.

5. Condensed consolidated interim financial statements

Condensed consolidated statement of comprehensive income

for the period 01.01.2016-30.09.2016

in PLN 000s	Note	01.01.2016	01.07.2016	01.01.2015	01.07.2015
		30.09.2016	30.09.2016	30.09.2015	30.09.2015
Continuing operations					
Revenue from sales	6.2	31 804	9 341	64 905	35 537
Cost of sales		(26 044)	(7 495)	(53 383)	(28 383)
Gross profit (loss) on sales		5 760	1 846	11 522	7 154
Selling costs		(1 823)	(673)	(2 372)	(760)
Administrative expenses		(4 221)	(1 299)	(4 700)	(1 462)
Other operating revenue		4 089	2 761	2 465	678
Other operating expenses		(1 502)	(696)	(1 993)	(340)
Gain (loss) on investments		55	40	182	(177)
Operating profit (loss)		2 358	1 979	5 104	5 093
Finance costs		(6 302)	(743)	(6 752)	(2 423)
Profit (loss) before tax		(3 944)	1 236	(1 648)	2 670
Income tax		(703)	(348)	(368)	(134)
Net profit (loss) on continuing operations for the year		(4 647)	888	(2 016)	2 536
Net profit (loss) on discontinued operations for the year		86	230	-	-
Net profit (loss)		(4 561)	1 118	(2 016)	2 536
Other comprehensive income (net)		181	181	-	-
Total comprehensive income		(4 380)	1 299	(2 016)	2 536

Net profit (loss) attributable to:

Owners of the parent		(4 702)	965	(1 978)	2 548
Non-controlling interests		141	153	(38)	(12)

Total comprehensive income attributable to:

Owners of the parent		(4 521)	1 146	(1 978)	2 548
Non-controlling interests		141	153	(38)	(12)

Net profit (loss) per share

Basic profit (loss) per share	6.7	(0.23)	0.05	(0.10)	0.13
Diluted profit (loss) (PLN)	6.7	(0.23)	0.05	(0.10)	0.13

Net profit / (loss) on continuing operations per share

Basic profit (loss) per share		(0.23)	0.05	(0.10)	0.13
Diluted profit (loss) (PLN)		(0.23)	0.05	(0.10)	0.13

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

Condensed consolidated interim balance sheet

At 30.09.2016

in PLN 000s

	Note	30.09.2016	31.12.2015
Assets			
Non-current assets			
Property, plant and equipment		14 965	17 633
Intangible assets		8 302	8 919
Investment properties	6.3	78 578	76 552
Other non-current assets		628	334
Deferred income tax assets		574	829
Total non-current assets		103 047	104 267
Current assets			
Inventory	6.4	98 377	75 696
Income tax receivables		56	26
Trade and other receivables	6.5	7 376	7 823
Current financial assets		881	-
Cash and cash equivalents		10 960	12 556
Total current assets		117 650	96 101
Total assets		220 697	200 368

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/Member of the Management Board/

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Condensed consolidated interim balance sheet

At 30.09.2016 in PLN 000s	Note	30.09.2016	31.12.2015
Equity and liabilities			
Equity			
Share capital	6.6	40 030	40 030
Supplementary capital		112 229	104 604
Revaluation reserve		181	-
Retained earnings		(114 507)	(102 194)
Equity attributable to owners of the parent		37 932	42 440
Non-controlling interests		7	(135)
Total equity		37 939	42 305
Liabilities			
Credit and loan liabilities	6.8	21 463	23 335
Bond liabilities	6.9	-	17 604
Finance lease liabilities		18 508	18 880
Provisions	6.12	7	7
<i>including employee benefit provision</i>	6.12	7	7
Deferred income tax provision		915	853
Other liabilities	6.10	16 188	15 902
Grants	6.13	7 905	8 510
Total non-current liabilities		64 986	85 091
Credit and loan liabilities	6.8	16 413	13 210
Bond liabilities	6.9	44 971	33 257
Finance lease liabilities		808	963
Income tax liabilities		413	667
Trade and other payables	6.10	32 452	18 487
Provisions	6.12	1 029	617
<i>including employee benefit provision</i>	6.12	172	130
Deferred revenue	6.13	21 686	5 771
<i>including grants</i>	6.13	1 141	1 104
Total current liabilities		117 772	72 972
Total liabilities		182 758	158 063
Total equity and liabilities		220 697	200 368

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Condensed consolidated interim statement of cash flows

for the period 01.01.2016-30.09.2016 in PLN 000s	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Cash flows from operating activities		
Net loss for the period	(4 561)	(2 016)
<i>Adjustments</i>		
Depreciation	2 203	1 859
Interest income	(55)	(182)
Change in fair value of investment properties	(2 324)	(182)
Finance costs	4 660	5 440
Costs connected with liquidation of Wikana FIZ	1 256	-
Gain (loss) on exchange differences	276	(92)
Gain (loss) on investing activities	(144)	(101)
Change in inventories	(22 681)	9 944
Change in trade and other receivables	447	(859)
Change in provisions and related assets	474	681
Change in current and other liabilities, excluding borrowings	7 407	(6 694)
Change in deferred revenue	15 606	(569)
Net cash from operating activities	2 564	7 229
Cash flows from investing activities		
Proceeds from sale of intangible assets and property, plant and equipment	244	56
Proceeds from sale of investment properties	-	4 228
Proceeds from sale of financial assets	-	50
Other finance inflows	2	-
Purchase of intangible assets and property, plant and equipment	(110)	(3 711)
Costs connected with purchasing subsidiaries from Wikana FIZ	(356)	-
Other investment expenditures	(875)	-
Net cash from investing activities	(1 095)	623
Cash flows from financing activities		
Net proceeds from bond issues	5 000	6 500
Net proceeds from promissory note liabilities	7 300	4 200
Borrowings incurred	2 890	305
Outflows on repayment of borrowings	(1 713)	(4 885)
Repayment of finance lease liabilities	(711)	(685)
Interest paid	(5 459)	(5 611)
Bond buyback	(10 265)	(10 265)
Other financial inflows (mainly proceeds from grants)	310	2 060
Other finance outflows	-	(169)
One-off payments of income tax in connection with transformation of subsidiaries from partnership limited by shares (S.K.A.) to limited partnership (S.K.)	(417)	-
Net cash from financing activities	(3 065)	(8 550)
Total net cash flows	(1 596)	(698)
Cash and cash equivalents as at the beginning of period	12 556	13 482
Effect of changes in exchange differences on cash and cash equivalents	-	-
Cash and cash equivalents as at the end of period	10 960	12 784
Restricted cash and cash equivalents at the end of period	7 579	10 114

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Condensed consolidated interim statement of changes in equity

for the period 01.01.2016-30.09.2016

Equity attributable to owners of the parent

<i>in PLN 000s</i>	Share capital	Own shares	Supplementary capital	Revaluation reserve	Retained earnings (losses)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity as at 01.01.2015	40 030	(1)	103 624	-	(101 338)	42 315	(90)	42 225
Comprehensive income	-	-	-	-	(1 978)	(1 978)	(38)	(2 016)
– <i>Result for the period</i>	-	-	-	-	(1 978)	(1 978)	(38)	(2 016)
– <i>Other income</i>	-	-	-	-	-	-	-	-
Profit distribution	-	-	928	-	(934)	(6)	-	(6)
Equity as at 30.09.2015	40 030	(1)	104 552	-	(104 249)	40 332	(128)	40 205
Equity as at 01.01.2016	40 030	-	104 604	-	(102 194)	42 440	(135)	42 305
Comprehensive income	-	-	-	181	(4 688)	(4 507)	141	(4 366)
– <i>Result for the period</i>	-	-	-	-	(4 702)	(4 702)	141	(4 561)
– <i>Other income</i>	-	-	-	181	14	195	-	195
Profit distribution	-	-	7 625	-	(7 625)	-	-	-
Equity as at 30.09.2016	40 030	-	112 229	181	(114 507)	37 933	7	37 939

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6. Additional information to the condensed consolidated interim financial statements

6.1. Segment reporting

Segment reporting is presented by operating segments. The Group operates mainly in south-eastern Poland (except for the property rent segment - the retail and service facilities rented to tenants are located in the following provinces: Lubelskie, Małopolskie, Łódzkie, Kujawsko-Pomorskie, Wielkopolskie, Lubuskie). The main reporting pattern is operating segments and results from the Group's management structure and internal reporting.

Prices used in settlements between segments 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 rational indications. Other revenue recognised in the segment cover items that are included in other operating revenue and gains on investments subordinated to the given segment. Other costs recognised in the segment cover administrative expenses and other operating costs that are assigned to the given segment.

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

Operating segments

In the first three quarters of 2016, the Group reported the following operating segments:

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

Segment combination criteria

- Property development - the segment comprises companies executing property development projects. The characteristics of the entities in this segment allow it to combine them in one segment based on the following criteria: sales (key revenue category is sales of residential units, service units, parking spaces and underground parking lots), assets (key asset items are land and expenditure on property development projects).
- Renting of real estate - this segment includes companies holding commercial properties for rent as well as a company operated pursuant to the Act of 26 October 1995 on certain forms of support for residential construction, whose activities include construction of residential homes and their management via renting, provision of management and administration services as well as activities relating to residential construction and accompanying infrastructure. The characteristics of the entities in this segment allow it to combine them in one segment based on the following criteria: sales (key revenue category is revenue from rental of real estate), assets (key asset items are investment properties for rent).
- Production of energy from renewable sources - this segment includes companies involved in renewable energy. The characteristics of the entities in this segment allow it to combine them in one segment based on the following criteria: sales (key revenue category is sales of electricity, heat and other products manufactured from renewable sources), assets (key asset items are buildings and installations used for manufacturing products from renewable sources, land and expenditure on construction of such installations).

Following a decision to initiate a dissolution process for Multiserwis S.A., the Group no longer reports the retail segment from the beginning of 2016. The Parent's Management Board notes that no revenue from this activity will be generated in future reporting periods. In segment reporting, the revenue, results, assets and equity and liabilities of Multiserwis S.A. w likwidacji are presented as 'other.'

Segment reporting (continued)

<i>in PLN 000s</i>	Property development		Renting of real estate		Production of energy from renewable sources		Other (*)		Eliminations		Consolidated	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Continuing operations												
External revenue	23 955	55 301	6 064	5 952	1 784	3 216	-	435	-	-	31 803	64 905
Inter-segment revenue	16 410	10 267	57	51	433	308	-	-	(16 900)	(10 626)	-	-
Total revenue	40 364	65 568	6 121	6 003	2 218	3 525	-	435	(16 900)	(10 626)	31 803	64 905
Segment result	2 260	4 615	3 815	4 043	(2 138)	554	-	(63)	-	-	3 937	9 150
Other revenue assigned to the segment	3 058	1 811	155	222	931	485	-	130	-	-	4 144	2 647
Other costs assigned to the segment	(4 188)	(4 897)	(591)	(633)	(943)	(662)	-	(501)	-	-	(5 723)	(6 693)
Operating profit for the segment	1 130	1 529	3 379	3 633	(2 150)	376	-	(434)	-	-	2 358	5 104
Finance costs	(4 697)	(5 323)	(1 452)	(1 145)	(152)	(204)	-	(81)	-	-	(6 302)	(6 752)
Income tax	(754)	(192)	51	(152)	-	(24)	-	-	-	-	(703)	(368)
Net profit (loss) on continuing operations for the segment	(4 322)	(3 986)	1 978	2 336	(2 303)	149	-	(515)	-	-	(4 647)	(2 016)
Result on discontinued operations	-	-	-	-	-	-	86	-	-	-	86	-
Other comprehensive income	181	-	-	-	-	-	-	-	-	-	181	-
Other comprehensive income (net)	181	-	-	-	-	-	-	-	-	-	181	-
Total comprehensive income	(4 141)	(3 986)	1 978	2 336	(2 303)	149	86	(515)	-	-	(4 380)	(2 016)

* presented as Retail until 31 December 2015.

Segment reporting (continued)

	Property development		Renting of real estate		Production of energy from renewable sources		Other (*)		Eliminations		Consolidated	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015	30.09.2016	31.12.2015	30.09.2016	31.12.2015	30.09.2016	31.12.2015	30.09.2016	31.12.2015
Segment assets	279 541	223 534	71 826	71 492	27 349	29 034	402	1 368	(170 012)	(138 465)	209 106	186 963
Unallocated assets											11 591	13 405
Total assets											220 697	200 368
Segment liabilities	239 447	184 427	21 874	21 699	26 365	25 013	266	3 899	(165 933)	(136 482)	122 020	98 556
Unallocated liabilities											60 738	59 506
Total liabilities											182 758	158 062

* presented as Retail until 31 December 2015.

6.2. Revenue from sales

<i>in PLN 000s</i>	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Revenue from sale of property development products*	23 812	47 240
Revenue from sale of land	-	3 744
Revenue from sale of unfinished investments	-	4 200
Rent income	5 952	6 266
Revenue from sale of energy and renewables	1 482	1 315
Revenue from retail sale of goods (footwear)	-	312
Revenue from provision of other services	558	1 828
Revenue from continuing operations	31 804	64 905
Revenue from discontinued operations	675	-
Total revenue	32 479	64 905

* i.e. residential units, service units, storage units, garage spaces, parking lot spaces, technical facilities

6.3. Investment properties

The fair value of investment properties is classified as level 3 in the fair value hierarchy under a cyclical measurement. Presented below are the opening and closing balances of fair value:

<i>in PLN 000s</i>	Fair value
Net value at the beginning of 2016	76 552
Transfer from PP&E	1 250
Transfer to inventory	(1 607)
Change in fair value	2 383
Net value at 30.09.2016	78 578
Net value at the beginning of 2015	79 985
Transfer from inventory	(5)
Disposal of investment property	(4 116)
Change in fair value	953
Return of land under perpetual usufruct to municipality	(265)
Net value at the end of 2015	76 552
Net value at the beginning of 2015	79 985
Disposal of investment property	(4 116)
Change in fair value	(127)
Net value at 30.09.2015	75 742

<i>in PLN 000s</i>	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Recognised in comprehensive income		
Rent income on investment properties	5 835	5 747
Direct operating expenses (together with the cost of construction, repairs and maintenance) concerning investment properties that yielded rent income during the reporting period	891	781

Investment properties cover:

- Land located in Lublin, ul. Łukasza Rodakiewicza (land parcels 32/6, 33/6, 34/6, 35/6);
- Two apartments located in Lublin, ul. Przyjaźni and ul. Nowy Świat;
- Commercial properties located in: Kalisz, ul. W. Polskiego 135 (plots 18/2, 20/3, 21/2, 38/6, 38/7, 38/9), and in Łódź, ul. Włókniarzy 236 (plot 13/2), Gorzów Wielkopolski, ul. Piłsudskiego 57 (plot 662/1), Kraków, ul. Wadowicka 9 (plots 157/5, 157/6, 155, 156, 317), Inowrocław, ul. Górnicza 21 (plot 125/2), Milejów, ul. Partyzancka 11A (plot 515/40);
- 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.
- Land property with commercial buildings located in Zamość, ul. Fabryczna 1.

6.4. Inventory

<i>in PLN 000s</i>	30.09.2016	31.12.2015
Materials	558	1 119
Production in progress	82 778	50 964
Finished products	14 626	23 198
Goods	415	415
	98 377	75 696

Inventories by category, at 30.09.2016

<i>in PLN 000s</i>	Materials	Production in progress	Finished products	Goods
Osiedle Marina investment, Lublin	-	10 689	125	-
Kamienica Misjonarska investment, Lublin	-	4 771	-	-
Miasteczko Wikana investment, Lublin	-	8 706	930	-
Niecała investment, Lublin	-	3 206	-	-
Sky House investment, Lublin	-	16 732	315	-
Osiedle Cetnarskiego investment, Łańcut	-	-	489	-
Tęczowe Osiedle investment, Rzeszów	-	-	784	-
Zielone Tarasy investment, Rzeszów	-	19 451	1 646	-
Podpromie investment, Rzeszów	-	5 113	-	-
Osiedle Panorama investment, Rzeszów	-	-	2 815	-
Klonowy Park investment, Janów Lubelski	-	1 907	-	-
Osiedle Leszczyńskiego investment, Przemyśl	-	2 956	-	-
Świerkowa Aleja investment, Zamość	-	-	5 706	-
Al. Kraśnickie investment, Lublin	-	5 907	-	-
Oranżeria investment, Lublin	-	-	454	-
Osiedle Generalskie investment, Krosno	-	-	1 035	-
Nova Targowa investment, Tarnobrzeg	-	3 278	-	-
Renewables	558	-	312	-
Other	-	62	15	415
	558	82 778	14 626	415

Impairment losses on inventories amounted to PLN 1 878 000 as of 30 September 2016 (PLN 1 935 000 on 31 December 2015). The PLN 57 000 change resulted from the sale of impaired inventories. The Group did not recognise impairment losses during the period covered by the statements.

6.5. Trade and other receivables

<i>in PLN 000s</i>	30.09.2016	31.12.2015
Trade receivables	2 222	1 939
Other receivables	984	2 557
Tax receivables	3 532	2 996
Prepayments	638	331
	7 376	7 823

Impairment losses on trade and other receivables did not substantially change from 31 December 2015.

6.6. Shares and shareholders

Shareholding structure at date on which report was prepared/published

Shareholder	Number of shares	Number of votes at GM	Nominal value per share	Stake in share capital	Stake in GM votes
VALUE FIZ z wydzielonym Subfunduszem 1*	13 209 766	13 209 766	26 419 532	66.00%	66.00%
Palametra Holdings Limited**	1 612 000	1 612 000	3 224 000	8.05%	8.05%
Other entities	5 193 031	5 193 031	10 386 062	25.95%	25.95%
TOTAL:	20 014 797	20 014 797	40 029 594	100.00%	100.00%

* According to information from the shareholder dated 7 September 2016. Including 0.05% directly and 31.57% indirectly through MWM Investments Limited and 34.37% indirectly through Sarmira Limited.

(**) as per shareholder information dated 25 April 2016

The Company's share capital amounts to PLN 40 029 594.00 and is divided into 20 014 797 ordinary bearer shares series G and H, with a nominal value of PLN 2.00 each.

Changes in WIKANA S.A.'s shareholding structure during and after the reporting period

During the period from the date at which the previous quarterly report was published, i.e. 13 May 2016, to the date at which this report was published, the only change in significant shareholders of the Company resulted from a tender offer for the sale of the Company's shares on 26 July 2016, announced by VALUE Fundusz Inwestycyjny Zamknięty Subfundusz 1, based in Warsaw, acting pursuant to art. 73 sec. 2 point 1) of the Act of 29 July 2005 on Public Offerings As a result of the above, VALUE Fundusz Inwestycyjny Zamknięty Subfundusz 1, based in Warsaw, which prior to the tender offer held indirectly through subsidiaries (MWM Investments Limited - 31.57%, Sarmira Limited - 34.37%) 13 200 384 shares of the Company, which constituted 65.95% of the Company's share capital and entitled to 13 200 384 votes at the Company's general meeting, which constituted 65.95% of total votes, directly purchased 9 382 shares of the Company, thus increasing its (direct and indirect) stake to 13 209 766 shares, which constituted 66% of the Company's share capital and entitled to 13 209 766 votes at the Company's general meeting, i.e. 66% of all votes.

Dividends paid

During the period 1 January - 30 September 2016 and in the comparative period as well as until this report was published, none of the Group's companies, including the Parent, paid a dividend.

6.7. Earnings per share

Earnings per share for the period ended 30 September 2016

Basic earnings per share as at 30 September 2016 and 30 September 2015 were based on the net profit for the period attributable to the Company's common shareholders in the following amounts:

	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Profit / (loss) per share	(4 561)	(2 016)

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

	30.09.2016	30.09.2015
Number of ordinary shares as at the beginning of period	20 014 797	20 014 797
Number of shares at the end of period (fully paid-in)	20 014 797	20 014 797
	30.09.2016	30.09.2015
Weighted average number of ordinary shares during the period	20 014 797	20 014 797
Weighted average (diluted) number of ordinary shares at the end of period	20 014 797	20 014 797
Basic profit (loss) per share in PLN	(0.23)	(0.10)
Diluted profit (loss) per share in PLN	(0.23)	(0.10)

6.8. Credit and loan liabilities

Breaches of deadlines for principal and interest payments as well as other credit agreement terms did not occur during the period covered by this report.

Borrowings by type	30.09.2016	31.12.2015
<i>in PLN 000s</i>		
Credit facilities	24 333	22 825
Loans	13 543	13 719
<i>including:</i>		
Long-term part	21 463	23 335
Short-term part	16 413	13 210
Borrowings with repayment period from the balance sheet date	30.09.2016	31.12.2015
<i>in PLN 000s</i>		
up to 12 months	16 413	13 210
from 1 to 3 years	5 172	6 882
from 3 to 5 years	3 901	3 230
over 5 years	12 390	13 222
Total borrowings	37 876	36 544
Borrowings (currency structure)	30.09.2016	31.12.2015
<i>in PLN 000s</i>		
in PLN	33 630	31 945
in foreign currencies	4 246	4 599
Total borrowings	37 876	36 544

List of credit facilities, including credit limits

Lender	Agreement number, agreement date	Issued amount (in PLN 000s)	Amount of liability in PLN 000s	Repayment date	Interest	Collateral
Deutsche Bank PBC S.A.	KNK/1207991 26.04.2012	4 515	3 194	30.04.2027	Variable	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.	KNK/1300999 17.01.2013	1 868	1 051	01.02.2021	Variable	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
BGK	12001745/233/2000 15.12.2000	1 719	1 610	20.08.2045	Variable	deposit mortgage up to PLN 2 579 000 on property belonging to borrower, 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	2 089	25.01.2037	Variable	deposit mortgage up to PLN 4 380 000 on property belonging to borrower, 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	12001745/152/2002 27.09.2002	4 000	3 668	25.12.2038	Variable	deposit mortgage up to PLN 6 000 000 on property belonging to borrower, 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	4 499	25.08.2030	Variable	deposit mortgage up to PLN 10 950 000 on property belonging to borrower, 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	1 552	25.04.2030	Variable	deposit mortgage up to PLN 3 681 000 on property belonging to borrower, 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	12001745/10 59/2006 05.09.2006	4 164	2 672	25.07.2030	Variable	deposit mortgage up to PLN 6 246 000 on property belonging to borrower, 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/IN W/EKO/EK O 13.09.2012	7 420	1 249	16.08.2019	Variable	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.
Raiffeisen Polbank S.A.	CRD/46948/ 16 27.07.2016	9 000	2 749	29.09.2017	Variable	joint contractual mortgage up to PLN 13 500 000 on properties and pledge contracts up to the same amount on the company's assets, equity rights at Wikana S.A. and the company's general partner, submission for enforcement, power of attorney for bank accounts, assignment of receivables under contract with general contractor, assignment of rights under subordinated loans, assignment of rights under the project's insurance policy, guarantee from Wikana S.A.
mBank Hipoteczny S.A.	15/0105 23.09.2016	17 569	0	27.08.2021	Variable	joint contractual mortgage up to PLN 35 137 000 on the properties that are to be used for the investment, statement submission for enforcement by the company, general partner and Wikana S.A., as well as registered pledge contracts up to the loan amount on the company's assets and the general partner's shares, assignment of rights under the project's insurance policy, assignment of rights under contract with general contractor, power of attorney for bank accounts
Total		62 940	24 333			

List of loans

Lender	Agreement date	Issued amount in PLN 000s	Amount of liability in PLN 000s	Repayment date	Interest	Collateral
Agnieszka Buchajska	05.07.2013	300	378	31.12.2016	Variable	Own promissory note issued by borrower
	22.05.2013	70	82	31.12.2016	Variable	Own promissory note issued by borrower
	31.12.2015	95	100	31.12.2016	Variable	
Renale Management Limited	13.09.2013	3 530	3 350	31.12.2016	Variable	Own promissory note issued by borrower
	04.03.2014	150	173	31.03.2017	Variable	Own promissory note issued by borrower
Ipihome Limited	30.10.2012	1 300	1 192	31.12.2016	Variable	In-blanco own promissory note issued by borrower
	04.03.2014	100	115	31.03.2017	Variable	In-blanco own promissory note issued by borrower
	31.12.2015	110	116	31.12.2016	Variable	

National Fund for Environmental Protection and Water Management	231/2011/Wn 03/OA-MO-KU/P 14.06.2011 as amended	4 062	2 420	20.12.2020	Variable	Promissory note, mortgage on properties, assignment of rights, court-ordered pledge
Sanwil Holding S.A.	21.11.2013	700	831	31.01.2017	Variable	Own promissory note issued by the borrower
	03.07.2013	357	432	31.12.2016	Variable	Own promissory note issued by the borrower
Sanwil Holding S.A.	30.12.2013	1 000	1 183	31.01.2017	Variable	Own promissory note issued by borrower
Sanwil Holding S.A.	03.07.2012	2 000	2 661	31.12.2016	Variable	Own promissory note issued by borrower
BIOWAT	02.02.2015 08.05.2015	275	291	31.12.2016	Variable	Own promissory note issued by borrower
Other			219			n/a
Total		14 049	13 543			

6.9. Bond liabilities

<i>in PLN 000s</i>	01.01.2016 30.09.2016	01.01.2015 31.12.2015
Bond liabilities at the beginning of period	50 861	49 085
Issuance costs at the beginning of period	115	569
<i>Proceeds from bond issues</i>	<i>5 000</i>	<i>11 216</i>
<i>Issuance costs in the period</i>	<i>-</i>	<i>-</i>
Net proceeds from bond issues	5 000	11 216
Cost of bond issues settled over time	(53)	(115)
Discount (adjusted purchase price)	-	784
Accrued interest in the period	3 348	4 248
Repayment of interest accrued in previous periods	(1 143)	(1 558)
Repayment of interest accrued in current period	(2 892)	(3 103)
Bond buyback	(10 265)	(10 265)
Total	44 971	50 861
Short-term part	44 971	33 257
Long-term part	-	17 604
Bond liabilities at the end of period	44 971	50 861

Debt instruments by type

	Nominal amount	Terms of interest	Guarantees / collateral	Maturity date
Series B ordinary bonds issued by Wikana S.A.	7 612	WIBOR 6M + margin	Unsecured	18.01.2017
Series A ordinary bonds issued by WIKANA PROPERTY Sp. z o.o. OMEGA S.K.A.	4 000	WIBOR 6M + margin	Contractual mortgage up to PLN 6 000 000, registered pledge up to 6 000 000 on company shares, surety issued by Wikana S.A.	20.01.2017
Series B ordinary bonds issued by WIKANA PROPERTY Sp. z o.o. OMEGA 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.	20.01.2017

Series B ordinary bonds issued by WIKANA MERITUM Sp. z o.o. CORYLUS S.K.A. (formerly WIKANA PROPERTY Sp. z o.o. CORYLUS S.K.A.)	22 000	Fixed interest	Declaration on submission to enforcement proceedings, surety issued by select WIKANA Group companies, including WIKANA S.A., assignment of parts of shares in select WIKANA Group companies owned by WIKANA S.A.	16.12.2016
Series A ordinary bonds issued by WIKANA PROPERTY Sp. z o.o. ROSA S.K.	5 000	Fixed interest	Declaration on submission to enforcement proceedings	24.08.2017

Bond liabilities by maturity

<i>in PLN 000s</i>	30.09.2016	31.12.2015
up to 12 months	44 971	33 257
from 1 to 3 years	-	17 604
from 3 to 5 years	-	-
over 5 years	-	-
Bond liabilities	44 971	50 861

6.10. Trade and other payables

<i>in PLN 000s</i>	30.09.2016	31.12.2015
Other non-current liabilities	16 188	15 902
Retained deposits - long-term part	2 384	2 158
Accounting of credit write-off and participation - long-term part	8 902	8 992
Long-term participation contributions provided	4 752	4 752
Other non-current liabilities	150	-
Current trade and other payables	32 452	18 487
Trade payables	15 494	7 541
Retained deposits - short-term part	1 254	1 570
Liabilities towards public authorities	1 286	1 728
Other liabilities	14 318	7 548
Accounting of credit write-off and participation - short-term part	100	100
Total	48 640	34 389

6.11. Contingent liabilities

Group companies have mutual contingent liabilities concerning credit, loans and bonds. Information regarding contingent liabilities is presented in notes 6.8 and 6.9.

Legal disputes

According to the Issuer's best knowledge, on the date on which these financial statements were prepared, the Issuer and its subsidiaries were parties to on-going proceedings in court, arbitration body or public administration authority in aggregate worth PLN 8 133 000, of which:

- PLN 4 312 000 constituted the total value of proceedings concerning receivables due to the Issuer and its subsidiaries. The highest-value proceeding was instigated by Wikana S.A. on 17 March 2014 against ABM Greiffenberger Polska Sp. z o.o., based in Lublin. On 23 December 2014, the Company modified the suit's legal basis, demanding a refund from the suit company of PLN 4 189 000. The claim is viewed as justified.
- PLN 3 821 000 constituted the total value of proceedings concerning the Issuer's and its subsidiaries' liabilities. The highest-value item in this group is a lawsuit received on 23 November 2011 by WIKANA S.A., based in Lublin, for the payment of PLN 874 000 towards a commercial law company which the Company is not disclosing in order not to deteriorate the Company's lawsuit situation. The claim is viewed as unjustified.

According to the management board, the risk of an unfavourable outcome of the above disputes is lower than 50%, and therefore no provisions were recognised.

6.12. Provisions

in PLN 000s	Legal	Liabilities	Employee	Total
At 01.01.2016	74	413	137	624
Increases / recognition	168	240	42	450
Decreases / use	-	(38)	-	(38)
At 30.09.2016	242	615	179	1 036
Long-term part	-	-	7	7
Short-term part	242	615	172	1 029
At 31.12.2015	74	413	137	624
Long-term part	-	-	7	7
Short-term part	74	413	130	617

6.13. 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. This item also includes grants amounting to PLN 9 046 000.

in PLN 000s	30.09.2016	31.12.2015
Sky House investment	6 666	37
Zielone Tarasy investment	5 741	389
Osiedle Marina investment	8	501
Świerkowa Aleja investment	4 194	758
Miasteczko Wikana investment	1 033	1 002
Osiedle Panorama investment	2 264	846
Osiedle Generalskie investment	597	289
Osiedle Cetnarskiego investment	-	224
Oranżeria investment	22	320
Tęczowe Osiedle investment	20	-
Grants	9 046	9 614
<i>including long-term</i>	<i>7 905</i>	<i>8 510</i>
<i>including short-term</i>	<i>1 141</i>	<i>1 104</i>
Advance on sale of land	-	125
Other	-	176
Total	29 951	14 281

6.14. Remuneration for Management Board and Supervisory Board members

Aside from base salaries and social security contributions to ZUS (pension benefit contributions) and tax office, 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>	01.01.2016	01.01.2015
	30.09.2016	30.09.2015
Management Board remuneration	154	163
<i>in PLN 000s</i>	01.01.2016	01.01.2015
	30.09.2016	30.09.2015
Supervisory Board remuneration	122	137

6.15. Related-party transactions

Other related-party transactions as defined in IAS 24

in PLN 000s	Transaction value during the period		Outstanding balance as at	
	01.01.2016 30.09.2016	01.01.2015 30.09.2015	30.09.2016	31.12.2015
<i>Agnieszka Buchajska</i>	6	6	3	2
<i>Draszba</i>	735	-	3	-
<i>Zambud</i>	31	74	7	-
Sale of products and services	772	80	13	2

in PLN 000s	Transaction value during the period		Outstanding balance as at	
	01.01.2016 30.09.2016	01.01.2015 30.09.2015	30.09.2016	31.12.2015
<i>Agnieszka Buchajska</i>	325	341	66	69
<i>Draszba</i>	720	-	-	-
<i>Zambud</i>	8	-	-	-
<i>Related parties of Management Board members</i>	514	457	13	-
Purchase of products and services	1 567	798	79	69

in PLN 000s	Outstanding balance as at 31.12.2015	Transaction value during the period			Outstanding balance as at 30.09.2016	
		Issue	Repayment of principal	Accrual of interest		Repayment of interest
<i>Agnieszka Buchajska</i>	581	-	-	26	-	607
<i>Adam Buchajski</i>	43	-	-	-	-	43
<i>Sanwil Holding S.A.</i>	4 878	-	-	231	-	5 109
<i>Renale Management Limited</i>	3 362	211	(9)	9	(42)	3 531
<i>Ipnihome Limited</i>	1 359	79	(11)	17	(17)	1 427
<i>AGIO RB FIZ</i>	455	-	(140)	-	(315)	-
Loans received (principal and interest)	10 678	290	(160)	283	(374)	10 717

in PLN 000s	Transaction value during the period:		Outstanding balance as at	
	01.01.2016 30.09.2016	01.01.2015 30.09.2015	30.09.2016	31.12.2015
<i>Ipnihome Limited</i>	-	-	270	270
<i>Adam Buchajski</i>	(179)	-	-	179
<i>Robert Buchajski</i>	14	-	14	-
<i>Krzysztof Misiak</i>	(210)	-	-	210
<i>Agnieszka Buchajska</i>	(50)	-	-	50
<i>FIZ WIKANA*</i>	(7)	-	-	7
<i>Zambud</i>	(55)	-	1 770	1 825
<i>VALUE FIZ</i>	7 666	4 200**	11 952	4 286
Other liabilities	7 179	4 200	14 006	6 827

* Entity removed from the register of investment funds as at the date on which this report was prepared.

** As at 22 April 2016. VALUE FIZ purchased a receivable from RDI LLC, which purchased the receivable from AGIO RB FIZ on 20 April 2016.

6.16. Impairment of property, plant and equipment and intangible assets

The value of impairment of property, plant and equipment and intangible assets did not change from 31 December 2015.

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

7. Condensed separate interim financial statements

Condensed separate statement of comprehensive income

for the period 01.01.2016-30.09.2016

in PLN 000s	Note	01.01.2016	01.07.2016	01.01.2015	01.07.2015
		30.09.2016	30.09.2016	30.09.2015	30.09.2015
Continuing operations					
Revenue from sales	6.2	6 683	454	14 058	6 827
Cost of sales		(6 494)	(425)	(14 094)	(6 970)
Gross profit (loss) on sales		189	29	(36)	(143)
Selling costs		(133)	(46)	(520)	(68)
Administrative expenses		(1 019)	(301)	(1 530)	(446)
Other operating revenue		93	19	1 067	419
Other operating expenses		(54)	(14)	(249)	(80)
Gain (loss) on investments		661	182	651	215
Operating profit (loss)		(262)	(130)	(617)	(103)
Finance costs		(2 524)	(637)	(2 269)	(679)
Profit (loss) before tax		(2 786)	(767)	(2 886)	(782)
Income tax		-	-	-	-
Net profit (loss) on continuing operations for the year		(2 786)	(767)	(2 886)	(782)
Discontinued operations					
Net profit (loss) on discontinued operations		-	-	-	-
Net profit (loss)		(2 786)	(767)	(2 886)	(782)
Other comprehensive income (net)					
Revaluation of available-for-sale assets		146	-	-	-
Total comprehensive income		(2 640)	(767)	(2 886)	(782)
Net profit (loss) per share					
Basic profit (loss) per share		(0.14)	(0.04)	(0.14)	(0.03)
Diluted profit (loss) (PLN)		(0.14)	(0.04)	(0.14)	(0.03)
Net profit / (loss) on continuing operations per share					
Basic profit (loss) per share		(0.14)	(0.04)	(0.14)	(0.03)
Diluted profit (loss) (PLN)		(0.14)	(0.04)	(0.14)	(0.03)

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

Condensed separate interim balance sheet

At 30.09.2016				
<i>in PLN 000s</i>				
	Note	30.09.2016	31.12.2015	
Assets				
Non-current assets				
Property, plant and equipment		73	110	
Intangible assets		30	82	
Investment properties		5 329	5 332	
Loans issued		16 174	22 020	
Other non-current investments		11 460	10 031	
Other non-current assets		3 442	3 441	
Total non-current assets		36 508	41 016	
Current assets				
Inventory	8.1	18 313	23 564	
Trade and other receivables		21 774	19 227	
Cash and cash equivalents		2	154	
Total current assets		40 089	42 945	
Total assets		76 597	83 961	

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

Condensed separate interim balance sheet

At 30.09.2016			
<i>in PLN 000s</i>	Note	30.09.2016	31.12.2015
Equity and liabilities			
Equity			
Share capital		40 030	40 030
Revaluation reserve		504	358
Supplementary capital		67 067	67 067
Retained earnings (losses)		(72 190)	(69 404)
Total equity		35 411	38 051
Liabilities			
Credit and loan liabilities		20 635	13 982
Provisions	8.2	7	7
<i>including employee benefit provision</i>	8.2	7	7
Bond liabilities		-	7 612
Other non-current liabilities		2 130	2 138
Total non-current liabilities		22 772	23 739
Credit and loan liabilities		6 691	6 067
Bond liabilities		7 727	10 857
Trade and other payables		2 850	4 111
Provisions	8.2	1 109	1 066
<i>including employee benefit provision</i>	8.2	148	106
Deferred revenue	8.3	37	70
<i>including grants</i>	8.3	37	70
Total current liabilities		18 414	22 171
Total liabilities		41 186	45 910
Total equity and liabilities		76 597	83 961

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

Condensed separate interim statement of cash flows

<i>in PLN 000s</i>	01.01.2016 30.09.2016	01.01.2015 30.09.2015
Cash flows from operating activities		
Net loss for the period	(2 786)	(2 886)
<i>Adjustments</i>		
Depreciation	89	236
Interest income and shares of profit (dividends)	(481)	(1 474)
Change in fair value of investment properties	3	3
Finance costs	1 806	1 874
Gain on investing activities	-	(66)
Change in inventories	5 251	6 593
Change in trade and other receivables	(3 795)	(12 951)
Change in provisions and related assets	44	(22)
Change in current and other liabilities, except for borrowings and leasing	(1 241)	7 661
Change in deferred revenue	(33)	(857)
Net cash from operating activities	(1 143)	(1 889)
Cash flows from investing activities		
Purchase of intangible assets and property, plant and equipment	(3)	(15)
Interest received	706	110
Proceeds from sale of investment properties	-	4 228
Purchase of financial assets	(382)	-
Sale of financial assets	101	44
Loans issued	(573)	(2 493)
Repayment of issued loans	6 166	5 759
Net cash from investing activities	6 015	7 633
Cash flows from financing activities		
Bond buyback	(10 265)	(4 106)
Borrowings incurred	10 267	3 109
Outflows on repayment of borrowings	(3 332)	(2 997)
Interest paid	(1 694)	(1 802)
Net cash from financing activities	(5 024)	(5 796)
Total net cash flows	(152)	(52)
Cash and cash equivalents as at the beginning of period	154	81
Cash and cash equivalents as at the end of period	2	29
Restricted cash and cash equivalents at the end of period	0	0

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

Condensed separate interim statement of changes in equity

for the period 01.01.2016-30.09.2016

<i>in PLN 000s</i>	Share capital	Own shares	Supplementary capital	Revaluation reserve	Retained earnings (losses)	Total equity
Equity as at 01.01.2015	40 030	(1)	67 068	-	(66 245)	40 851
Comprehensive income	-	-	-	-	(2 886)	(2 886)
– <i>Result for the period</i>	-	-	-	-	(2 886)	(2 886)
– <i>Other income</i>	-	-	-	-	-	-
Profit distribution	-	-	-	-	-	-
Equity as at 30.09.2015	40 030	(1)	67 068	-	(69 131)	37 966
Equity as at 01.01.2016	40 030	-	67 067	358	(69 404)	38 051
Comprehensive income	-	-	-	146	(2 786)	(2 640)
– <i>Result for the period</i>	-	-	-	-	(2 786)	(2 786)
– <i>Other income</i>	-	-	-	146	-	146
Profit distribution	-	-	-	-	-	-
Equity as at 30.09.2016	40 030	-	67 067	504	(72 190)	35 411

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/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincentowicz
/Person responsible for
bookkeeping/

8. Additional information to the condensed separate interim financial statements

8.1. Inventory

<i>in PLN 000s</i>	30.09.2016	31.12.2015
Production in progress	18 017	22 948
Finished products	296	616
	18 313	23 564

Inventories by category, at 30.09.2016

<i>in PLN 000s</i>	Production in progress	Finished products
Osiedle Marina investment, Lublin	4 371	-
Osiedle Cetnarskiego investment, Łańcut	-	28
Zielone Tarasy investment, Rzeszów	926	-
Niecała investment, Lublin	3 221	-
Osiedle Leszczyńskiego investment, Przemysł	2 970	-
Al. Kraśnickie investment, Lublin Kraśnicka	5 935	-
Sky House investment, Lublin	293	314
Podpromie investment, Rzeszów	239	-
Other	62	(46)
	18 017	296

Impairment losses on inventories amounted to PLN 125 000 as of 30 September 2016 (PLN 137 000 on 31 December 2015). The PLN 12 000 change resulted from the sale of impaired inventories. The Company did not recognise impairment losses during the period covered by the statements.

8.2. Provisions

<i>in PLN 000s</i>	Legal	Liabilities	Employee	Total
At 01.01.2016	74	886	113	1 073
Increases / recognition	-	-	43	43
Decreases / use	-	-	-	-
At 30.09.2016	74	886	156	1 116
Long-term part	-	-	7	7
Short-term part	74	886	149	1 109
At 31.12.2015	74	886	113	1 073
Long-term part	-	-	7	7
Short-term part	74	886	106	1 066

8.3. Deferred revenue

<i>in PLN 000s</i>	30.09.2016	31.12.2015
Grants	37	70
	37	70

8.4. Related-party transactions

Other related-party transactions as defined in IAS 24

<i>in PLN 000s</i>	Transaction value during the period		Outstanding balance as at	
	01.01.2016 30.09.2016	01.01.2015 30.09.2015	30.09.2016	31.12.2015
Sale of products and services				
Sale of products and services	8 238	11 977	20 325	16 902

<i>in PLN 000s</i>	Transaction value during the period		Outstanding balance as at	
	01.01.2016 30.09.2016	01.01.2015 30.09.2015	30.09.2016	31.12.2015
Purchase of products and services				
Purchase of products and services	225	2 471	956	2 238

	Outstanding balance as at	Transaction value during the period				Outstanding balance as at
	31.12.2015	Issue	Repayment of principal	Accrual of interest	Repayment of interest	30.09.2016
Loans issued (principal and interest)						
Loans issued (principal and interest)	22 022	573	(6 194)	481	(708)	16 174

<i>in PLN 000s</i>	Outstanding balance as at	Transaction value during the period				Outstanding balance as at
	31.12.2015	Incurred	Repayment of principal	Accrual of interest	Repayment of interest	30.09.2016
Loans received (principal and interest)						
Loans received (principal and interest)	19 934	10 266	(3 577)	925	(337)	27 211

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/Member of the Management Board/

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9. Description of the Issuer's group

The Group comprises the parent entity and its subsidiaries. Detailed information about the Group is presented in point III of the consolidated quarterly report for the period 1 January 2015 - 31 September 2016.

10. Changes in Group structure and their impact on the Group's operations

Changes in Group structure that took place in Q3 2016 and until the date on which this report was prepared are as follows:

- return transfer of ownership of shares in selected Group companies, which were assigned as collateral for a bondholder in connection with the series B bond issued by WIKANA MERITUM Sp. z o.o. CORYLUS S.K.A., based in Lublin.
- transfer to the Company of 100% of shares in three entities from the Group, which had been subsidiaries of the Company via WIKANA FIZ,
- dissolution of WIKANA FIZ,
- change in legal form of certain Group companies,

The Company's Management Board notes that the above changes were of a purely organisational nature, connected with the Group's restructuring, initiated in 2014 and aimed at streamlining and improving the Group's effectiveness in accordance with best practices for property developers.

The Company's Management Board also notes that both in the reporting periods as well as until the date on which this report was prepared, the Group was not subject to any of the following changes: business combinations, acquisitions or disposals or loss of control over subsidiaries, except as described above. Moreover, in the period being discussed, no control was lost or gained over long-term investments.

11. Significant events during the reporting period and until this report was published

Aside from the agreements of significance to the Group's operating activities referred to in point 15 of this report, the following events taking place in Q1-Q3 2016 are deemed by the Company's Management Board as significant:

- On 18 February 2016, WIKANA PROPERTY Sp. z o.o. ROSA S.K.A. (currently: WIKANA PROPERTY Sp. z o.o. ROSA Sp.k.) passed a resolution on the issue of up to 5 000 secured dematerialised bearer bonds series A, with total par value of up to PLN 5 000 000; allocation of the bonds took place on 24 February 2016 (details: current reports 6/2016 and 7/2016).
- On 10 November 2016 the Company's Management Board adopted a resolution to establish a bond issue programme under which the Company may issue, in one or more series, ordinary secured bearer bonds in de-materialised form, with issue price equal to par value and total par value of no more than PLN 13.5 million, which will be offered pursuant to the procedure referred to in art. 33 point 2 of the Act on Bonds of 15 January 2015 and a resolution on the issue of up to 13 500 24-month secured bearer bonds series C-01 with par value of PLN 1 000.00 each and total issue value of no more than PLN 13 500 000.00 ("Bonds"), and on the terms of issue for the Bonds (details: current report 5/2016).

The Company's Management Board also considers as significant the following changes in the Company's Supervisory Board that took place until the date on which this report was published:

- resignation by Agnieszka Buchajska on 30 June 2016 as member of the Company's Supervisory Board;
- resignation by Tomasz Dukała on 30 June 2016 as member of the Company's Supervisory Board;
- appointment of Maciej Węgorzewicz to the Company's Supervisory Board as of 1 July 2016;
- resignation by Jakub Leonkiewicz as member of the Company's Supervisory Board as of 27 September 2016;
- appointment of Joanna Grzelczak and Marcin Marczuk to the Company's Supervisory Board as of 28 September 2016.

12. Management's views on previously published guidance for Q3 2016

The Company does not release guidance.

13. Shareholding by Management Board and Supervisory Board members

The following table presents shareholdings by Management Board and Supervisory Board members at the date on which this report was published:

Table: The following table presents shares of WIKANA S.A. held by members of the Management Board and Supervisory Board.

	NUMBER OF SHARES/VOTES	NOMINAL VALUE	SHARE IN CAPITAL/VOTES (%)
MANAGEMENT BOARD	0	0	0
SUPERVISORY BOARD, including:	524 815	1 049 630	2.62
BUCHAJSKI ADAM	524 815	1 049 630	2.62
TOTAL:	524 815	1 049 630	2.62

Members of the Management Board and Supervisory Board hold no special rights to the Issuer's shares.

During the period from when the last quarterly report was published, i.e. 13 May 2016, no changes in shares and rights to shares held by Management Board and Supervisory Board members took place.

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

According to the Issuer's best knowledge, on the date on which these financial statements were prepared, the Issuer and its subsidiaries were parties to on-going proceedings in court, arbitration body or public administration authority in aggregate worth PLN 8 133 000, of which:

- PLN 4 312 000 constituted the total value of proceedings concerning receivables due to the Issuer and its subsidiaries. The highest-value proceeding was instigated by Wikana S.A. on 17 March 2014 against ABM Greiffenberger Polska Sp. z o.o., based in Lublin. On 23 December 2014, the Company modified the suit's legal basis, demanding a refund from the suit company of PLN 4 189 000. The claim is viewed as justified.
- PLN 3 821 000 constituted the total value of proceedings concerning the Issuer's and its subsidiaries' liabilities. The highest-value item in this group is a lawsuit received on 23 November 2011 by WIKANA S.A., based in Lublin, for the payment of PLN 874 000 towards a commercial law company which the Company is not disclosing in order not to deteriorate the Company's lawsuit situation. The claim is viewed as unjustified.

15. Information on WIKANA Group's significant agreements

In Q1-Q3 2016, Group companies were parties to the following commercial agreements, other than agreements transferring ownership of residential units:

- On 14 January 2016, WIKANA PROPERTY Sp. z o.o. ROSA S.K.A. (currently: WIKANA PROPERTY Sp. z o.o. ROSA Sp.k.) executed a construction works agreement with Przedsiębiorstwo Wielobranżowe DOM PLUS Michał Duda, Jacek Całka S.C. ("Contractor"), regarding development of three multi-family residential buildings, together with installations, connections and land development, at ul. Misjonarska 12a in Lublin (details: current report 2/2016),
- On 28 January 2016, WIKANA PROPERTY Sp. z o.o. ACER S.K.A. (currently: WIKANA FORTEM Sp. z o.o. ACER Sp.k.) executed a construction works agreement with INVEST PARTNER ARKADIUSZ MATUŁA - SPÓŁKA KOMANDYTOWA, concerning development of a subsequent phase of the MIASTECZKO WIKANA investment in Lublin, ul. Kasztelańska, i.e. three sets of residential single-family townhouses, together with installations and land development (details: current report 4/2016),
- On 10 February 2016, WIKANA MERITUM Sp. z o.o. MAGNOLIA S.K.A. (currently: WIKANA PROPERTY Sp. z o.o. MAGNOLIA Sp.k.) executed an agreement with SKANSKA S.A. regarding construction work consisting of the development of B3 multi-family residential building with underground carpark, installations and land development, as part of the Sky House investment in Lublin (details: current report 5/2016),
- On 15 July 2016, WIKANA MERITUM Sp. z o.o. LAMDA S.K.A. executed an agreement with the Company's significant shareholder pursuant to which it incurred a promissory note liability of PLN 7.3 million (details: current report 41/2016),
- On 27 July 2016, WIKANA FORTEM Sp. z o.o. ACER Sp.k., based in Lublin, executed a construction loan agreement with RAIFFEISEN BANK POLSKA S.A. for up to PLN 8.6 million in liabilities and a VAT loan of up to PLN 0.4 million in liabilities, which was aimed at securing the financing for the Miasteczko Wikana B13 investment in Lublin (details: current report 43/2016),
- on 18 August 2016, WIKANA PRIM Sp. z o.o. BETA S.K.A. (currently: WIKANA PRIM Sp. z o.o. BETA Sp.k.) executed an agreement with LUBELSKIE PRZEDSIĘBIORSTWO BUDOWLANE Sp. z o.o. concerning comprehensive construction services consisting of the development of a set of residential multi-family buildings with services and closed-off underground parking lot along with essential infrastructure and land management, consisting of buildings A4 and A5, being built in Lublin, in the area of streets Ks. L. Zalewskiego and A. Słomkowskiego under a subsequent phase of the Osiedle Marina investment (details: current report 45/2016),
- On 18 August 2016, WIKANA PROPERTY Sp. z o.o. JOTA S.K.A. (currently: WIKANA PROPERTY Sp. z o.o. JOTA Sp.k.) executed an agreement with REM Sp. z o.o. concerning comprehensive construction services consisting of the development of residential multi-family building A together with underground parking lot and land management as first phase of the Nova Targowa investment in Tarnobrzeg, ul. Targowa (details: current report 46/2016),
- On 29 August 2016, WIKANA PROPERTY Sp. z o.o. BETULA S.K.A. (currently: WIKANA PROPERTY Sp. z o.o. BETULA Sp.k.) executed an agreement with "ST INVEST" Zbigniew Tarłowski, Karol Szczech s.c., concerning construction services

connected with the development of residential multi-family building B and land management under phase II of the Klonowy Park investment in Janów Lubelski (details: current report 47/2016).

- On 23 September 2016, WIKANA PRIM Sp. z o.o. BETA S.K.A. (currently: WIKANA PRIM Sp. z o.o. BETA Sp.k.) executed a construction and mortgage credit agreement with mBank Hipoteczny S.A. up to the amount of liabilities of PLN 17.6 million in order to finance an investment consisting of the construction of two multi-apartment buildings (A4-A5) in Lublin, in the vicinity of streets Ks. L. Zalewskiego and A. Słomkowskiego under a subsequent phase of the Osiedle Marina investment (details: current report 50/2016).
- On 10 November 2016, WIKANA PROPERTY Sp. z o.o. JOTA Sp.k., based in Lublin, executed an agreement with Nadsański Bank Spółdzielczy, based in Stalowa Wola, concerning a non-revolving current capital and property development credit facility of PLN 5.3 million for a property development project consisting of the construction of a residential multi-family building A together with an underground carpark and land development under the first phase of the Nova Targowa investment in Tarnobrzeg, ul. Targowa (details: current report 56/2016).

Given the above, on 31 March 2016, WIKANA PROPERTY Sp. z o.o. KROSNO S.K.A. executed an annex to an agreement pursuant to which it incurred a promissory note obligation of PLN 4 200 000, changing the promissory note redemption date from 31 March 2016, to 31 December 2016 (details: current report 8/2016).

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

No transactions with related parties were executed during the reporting period and until the publication of this report, other than transactions on market terms.

17. Information on credit or loan sureties and guarantees issued

Information regarding significant events concerning loans and credit is presented in point 6.8 of additional information to the condensed consolidated interim financial statements, in the 'insurance' column.

18. Significant information

During the period ended 30 September 2016, Group companies continued their statutory activities. In the first three quarters of 2016, the Group generated a loss of PLN 4 561 000, with PLN 31 804 000 in revenue from operating activities.

The 'other revenue from operating activities' item in the period January-September 2016, amounting to PLN 4 089 000, in particular consisted of the effects of revaluing non-financial assets, as well as grants received, liquidation of social benefit funds at select subsidiaries, gain on disposal of property, plant and equipment items, settlement of participation and redeemed loans, together with received compensation, penalties, fees and other funds, e.g. from arrangements made.

As at 30 September 2016, total Group liabilities due and payable within the next 12 months (i.e. current liabilities) and current provisions amounted to PLN 116 743 000. This item mainly consists of credit facilities, financial leases, bonds, trade payables and deferred revenue (the PLN 21 686 000 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 117 772 000 in current liabilities, the company will actually have to repay up to PLN 96 086 000, 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.

In the first three quarters of 2016 and until the date on which this document was drafted, the Group achieved the following tasks related to property development projects:

- executed contracts concerning development of the following projects: building B3 in the Sky House investment in Lublin, building Misjonarska 12 in Lublin, the 13th task (MW B13) in the Miasteczko Wikana investment in Lublin, buildings A4 and A5 in the Osiedle Marina investment, building A as the first phase of the Nova Targowa investment in Tarnobrzeg and building B in Janowo Lubelskie as the second phase of the Klonowy Park investment;
- preparations for commencement of further development projects located in the Lublin and Sub-Carpathian voivodships.

As at 30 September 2016, the Group's offering included property development projects totalling 365 flats, of which 330 were under construction.

At the same time, the Company's Management Board announces that the value of preliminary and development agreements signed by 30 September 2016, for which units have not yet been delivered to clients, i.e. from which no revenue has yet been recognised, amounted to PLN 35 082 000, including in investments being carried out in: Lublin - PLN 16 793 000, Zamość - PLN 5 059 000, Rzeszów - PLN 12 144 000, and Krosno - PLN 1 085 000.

Rent income (rent segment) in the first three quarters of 2016 reached PLN 5 952 000.

From 1 January to 30 September 2016, the Group's renewables segment generated PLN 1 482 000 in revenue.

The Company's Management Board intends to continue activities aimed at improving the Group's financial standing, including through focusing on the key property-development segment.

According to the Company's Management Board, there are no significant threats to the Group's continuing operations over the 12 months from the date on which this report was prepared. The Company's Management Board is convinced that it is capable of providing the Group with sufficient capital to service its financial and trade liabilities and to continue operations uninterrupted, including property development projects.

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

The Parent's Management Board 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, resulting mainly from issued bonds, credit facilities and trade payables (including liabilities resulting from property projects).

As a result of the analysis, the Company's Management Board outlined the main repayment sources for current liabilities:

- Proceeds from new sale agreements concerning apartments, parking spaces, storage spaces and service facilities, which either are or will be introduced to the Group's portfolio in 2016.
- 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 2016 - and which will be made by clients in accordance with the timetables specified in such contracts.
- Proceeds from lease of space in the Group's commercial properties.
- A divestment process that covers the sale of certain assets that are unused in the Group's core business.

In addition, the Company's Management Board is analysing a number of solutions aimed at raising additional capital to ensure the Group's liquidity, to be used to repay financial and trade payables. As such, the following activities are currently at an advanced stage: new credit facilities, both to re-finance the existing liabilities and to finance property development projects.

The above list is not comprehensive, and the results of the above activities will be dependent on financial-market conditions and the potential benefits for the Group.

According to the Company's Management Board, a visible improvement on the residential property market will make it possible to fulfil apartment sales plans at a level ensuring uninterrupted operations, including repayment liabilities.

The Group expects to continue its present activities in subsequent reporting periods. The majority of property development projects will be executed via special purpose vehicles, therefore the Group's consolidated results will play a key role.

For at least the next 12 months, the growth strategy of the Company and the Group's development companies will focus on the following directions:

- Intensification of activities aimed at a substantial increase in operating scale, re-commencement or commencement of investments on the Group's land.
- Reinforcement of leading position on the property development market, further operational expansion and reinforcement in markets where the Company is present,
- Consistent increase in apartment sales volumes, alongside margin growth,
- Adaptation of the project schedule to current and foreseeable conditions on the property market, with the assumption that optimisation will be continued as regards the Company's expenditures and inflows, as well as the current ratio levels.
- Seeking to ensure an optimal financing structure for the on-going property development projects.

With regard to the retail segment, in which the Group operated until the end of 2015, a decision was made in the first quarter of 2016 to initiate a process to dissolve the one company that operated in this segment.

As regards the renewables segment, the Company's Management Board cannot exclude divestments within an economically justified time-frame. Until the date on which the financial statements were published, no decisions in this regard were made.

Robert Pydzik
/President of the Management Board/

Agnieszka Maliszewska
/Member of the Management Board/

Lublin, 14 November 2016

Bożena Wincetowicz
/Person responsible for
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