ERBUD S.A.

Current Report No.29/2017
Report date: 2017-06-23

Topic:

Entering into a significant contract with a value of EUR 17.6 million (PLN 74.4 million) by a GWI GmbH, subsidiary of ERBUD, for the construction of "Reuter C Ersatz" CHP plant. Share of GWI GmbH In the contract – EUR 8.8 million (PLN 37.2 million PLN)

Legal basis:
Article 17(1) of the MAR – confidential information

Content of report:

The Management Board of Erbud SA (the “Issuer”) informs that on 23 June 2017 the subsidiary GWI GmbH signed a significant contract for construction works under the following terms and conditions:

1. Contract subject: construction of the "Reuter C Ersatz" combined heat and power plant
2. Contract concluded on 23.06.2017.
3. Parties to the contract:
   a. Client: Vattenfall Europe Wärme AG, Puschkinallee 52, 12435 Berlin;
   b. Contractor: Arge GWI/Matthäi, where the participation of GWI Bauunternehmung GmbH, Hansaallee 247 b, 40549 Düsseldorf is 50%.
4. Contract value: EUR 17.6m net (equal to PLN 74,368,800) + applicable MwSt tax, of which contract value for GWI: EUR 8.8m net (equal to PLN 37,184,400) + applicable MwSt tax.
5. Completion period: 23.06.2017 - 31.12.2018.
6. Penalties: For exceeding the Time for Completion and Milestones - 0.2% of the net value of remaining works for each day of delay, but not more than 5% of the Contract Price.
7. Guarantees:
   a. Performance Bond: 10% of the net Contract Price;
   b. Defects Liability Bond: 5% of the Contract Price;

   valid for a 5 years, and 10 years for the roof.

For the conversion of the EUR denominated value, the exchange rate of 4.2255 was adopted - the average exchange rate of the National Bank of Poland as at the date of signing the contract (Table 120/A/NBP/2017 of 2017-06-23).

The Issuer holds 85% of the share capital of GWI GmbH and 85% of votes at a general meeting.