ERBUD S.A.

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Topic:

Signing of a significant contract for construction works with a value of PLN 44 million – carrying out of Promenady Wrocławskie Residential Development Project in Wrocław, Phase VII.I

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 10 November 2017 it signed with Promenade VIII KD spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Wrocław (the "Client") two contracts of a total net value of PLN 44 million to perform as general contractor construction works at the Promenady Wrocławskie Residential Development Project in Wrocław, Phase VIII.

Under the first contract, the Issuer will erect two residential buildings numbered A and B, comprising of 181 flats with a total area of 8 892 m^2 and 6 retail units with a total area of 445 m^2, including the necessary services and utilities, site development, circulation system and essential roads. The value of the contract is PLN 37.4 million.

Under the second contract, the Issuer will construct the residential building numbered C, consisting of 22 flats with a total area of 1 123 m^2, including the necessary services and utilities, site development, circulation system and essential roads. The value of this contract amounts to PLN 6.6 million.

Both contracts were concluded for the time required to fulfil all obligations arising therefrom, but for not more than 106 weeks after the date of receipt Notice to Proceed with the Works in the case of the contract for buildings A and B and 77 weeks after the date of receipt Notice to Proceed for the contract concerning the building numbered C. The Notice to Proceed with the Works was submitted by the Client to the Issuer immediately after the conclusion of the contracts.

The aggregate amount of all contractual penalties shall not exceed 15% of the contract remuneration. The Client is entitled to claim remedies in excess of the contractual penalty available under the provisions of Civil Code.

The legal basis: Article 17(1) of the MAR – confidential information.