ERBUD S.A.

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Topic:

Disclosure of delayed confidential information – execution by the Issuer of a letter of intent regarding the possibility of acquiring up to 100 percent of shares in IVT Weiner+Reimann GmbH seated in Oberhausen, including 100% shares of its subsidiary IVT Menzenbach GmbH seated in Oberhausen.

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

Content of report:

Legal basis: Article 17(1) of Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (MAR) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

The Management Board of ERBUD SA with its registered office in Warsaw ("Issuer") informs that on 22 May 2017 it decided to delay the disclosure of confidential information in accordance with Art. 17(4) of Regulation No 596/2014 on Market Abuse (MAR) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC. The reason for the disclosure of delayed confidential information is the inability to continue to ensure the confidentiality of this information by the Issuer due to the necessity of its delivery to the staff representative bodies of IVT in accordance with the provisions of German law.

The content of the delayed confidential information was the execution of the letter of intent on 22 May 2017 regarding the Issuer's purchase of a 100 percent stake in IVT Weiner+Reimann GmbH with its registered office in Oberhausen, including 100% shares of its subsidiary IVT Menzenbach GmbH with its registered office in Oberhausen (collectively referred to as "IVT") ("Letter of Intent"). The Letter of Intent concerns the agreeing on basic terms and conditions of the transaction, in particular it defines the basic terms and conditions of the transaction to acquire shares ("Transaction").

The initial valuation of ITV was based on the assumptions specified in detail in the Letter of Intent, including implementation of specific business assumptions, lack of negative findings in the course of due diligence, and specific order portfolio. It was decided that the purchase price of shares in IVT will be calculated taking into account the cash balance, the level of debt and debt obligations.

In order to fully evaluate the Transaction, the due diligence will be carried out, including finance, legal, tax, commercial and technical issues ("DD").

The transaction is a conditional one and the basic conditions are: (i) obtaining the Issuer’s corporate acceptance; (ii) satisfactory due diligence results; (iii) no resignation from the position of CEO of IVT; (iv) negotiating a share purchase agreement satisfying the Issuer, agreements with members of the IVT Management Board and all other documents relevant to the completion of the Transaction.

The parties determined the exclusivity period for the Issuer by 31.12.2017, and then extended this time limit to 31.03.2018, which means that the seller will not have talks of a similar economic nature with third parties. The seller also undertook not to transfer, pledge or otherwise dispose of the enterprise, its part or shares or not perform legal transactions with a similar effect.

The parties to the Letter of Intent undertake to preserve the confidentiality.
The Letter of Intent is subject to German law.

The Issuer will provide information on the next stages of the Transaction in the form of current reports in accordance with applicable regulations.