ERBUD S.A.

Current Report No. 19/2018
Report date: 2018-04-26

Topic:

Conclusion of a PLN 25.1 million contract by the Consortium involving Erbud Rzeszów Sp. z o.o., a subsidiary of ERBUD S.A. (“Issuer”).

Legal basis:

Article 17(1) of the MAR – confidential information

Content of report:

The Issuer's Management Board has been notified that on 26 April 2017, the Issuer's subsidiary Erbud Rzeszów Sp. z o.o. signed in a consortium with Fast Group sp. o.o. a contract for construction works on the following terms and conditions:

1. Contract data: 26.04.2018.
2. Investor: Uniwersytet Medyczny w Łodzi seated in Łódź, Al. Kościuszki 4; NIP 725-18-43-739.
3. Contract value: PLN 25,108,291.22 of which Erbud Rzeszów Sp. z o.o. has 63.03%, i.e. PLN 15,825,755.96.
4. Contract subject: Building works involving the construction of a Specialist Clinic and Server Room in the A2 building of the Teaching and Clinical Centre at the Medical University of Łódź, 251 Pomorska Street, as part of the second phase of construction of the Teaching and Clinical Centre.
5. Site location: Łódź, 251 Pomorska Street.
6. Completion period: 07.05.2018 - 20.02.2019.
7. Terms of payment: The following part of the remuneration will be paid to the Contractor for the completion of Stages of Work:
   a) after completing the Works of Phase I - according to the actual progress, but no more than up to 25% of the total amount of remuneration;
   b) after completing the Works of Phase II - according to the actual progress, but no more than up to 50% of the total remuneration, cumulatively from the beginning of the contract execution;
   c) after completing the Works of Phase III - according to the actual progress, but no more than up to 75% of the total remuneration, cumulatively from the beginning of the contract execution;
   d) after completing the Works of Phase IV - according to the actual progress, but no more than up to 80% of the total remuneration, cumulatively from the beginning of the contract execution;
   e) after completing the Works of Phase V - according to the actual processing and deliveries, but no more than up to 90% of the total remuneration, cumulatively from the beginning of the contract execution;
   f) after completing the Works of Phase VI and after the completion of the whole range of Works - the remaining part of the total amount of remuneration indicated in Art. 8(1).
8. Performance Bond: 10% of net remuneration for a period of 30 days beyond the deadline for completion of Works.
9. Defects Liability Bond: Insurance guarantee of 3% of the net remuneration for a period of minimum 15 days over the warranty period.
10. Other guarantees: none.
11. Penalties: The aggregate amount of all penalties stipulated in the contract may not exceed 35% of the expected gross remuneration.
12. Note: Project performed by a consortium of Erbud-Rzeszów Sp. z o.o. seated 36-002 Jasionka 942 and Fast Group Sp. o.o. seated Warsaw, 3 Maja 12.

Erbud Rzeszów Sp. z o.o. is a 79 percent subsidiary of the Issuer.