ERBUD S.A.

Current Report No. 21/2018
Report date: 2018-05-14

Topic:

Information on signing a significant contract for construction works worth PLN 55.5 million – erection of a combined use building in Lublin on Berylowa Street, consisting of kindergarten, community centre, primary school with a gymnasium, together with providing the financing of the project by transfer of receivables due to the Contractor against the Customer for the completion of Works for the benefit of the Bank or another financial institution.

Legal basis:

Article 17(1) of the MAR – confidential information

Content of report:

The Management Board of ERBUD S.A. informs that on 14 May 2018 ERBUD S.A. as the leader of the consortium signed a contract worth PLN 55.5 million for construction of a combined use building located in Lublin on Berylowa Street, consisting of kindergarten, community centre, primary school with a gymnasium, together with providing the financing of the project by transfer of receivables due to the Contractor against the Customer for the completion of Works for the benefit of the Bank or another financial institution, on the following terms and conditions:

1. Contract data: 14.05.2018.
2. Investor: Gmina Lublin, Plac Króla Władysława Łokietka 1, 20-109 Lublin.
3. Contract value: PLN 55,539,000 net / PLN 68,298,570 gross.
4. Contract subject: construction of a combined use building located in Lublin on Berylowa Street, consisting of kindergarten, community centre, primary school with a gymnasium, together with providing the financing of the project by transfer of receivables due to the Contractor against the Customer for the completion of Works for the benefit of the Bank or another financial institution.
5. Site location: 20-582 Lublin, Berylowa Street.
6. Completion date: 30.06.2020.
7. Terms of payment: partial invoices issued quarterly with the credit period of 30 days from the date of invoice delivery; payment made by the Bank (financing institution) by way of buy-back of receivables.
8. Performance Bond: PLN 6,829,857 (form 14.05.2018 to 16.08.2020).
9. Defects Liability Bond: PLN 2,048,957.10 (from 17.08.2020 to 16.09.2025).
10. Other guarantees: Full insurance of Works against any damages that may occur in connection with specific random events and civil liability insurance in respect of persons, works, site devices and equipment, and insurance of all movable property directly connected with the performance of works against theft, fire and other random events, as well as civil liability insurance for damages and employees and third parties casualty insurance, arising in connection with the conducted construction works, including motor vehicles traffic (from the date of the agreement on repayment of receivables until the date of final acceptance).
11. Penalties: PLN 1000 for each day of failure to meet the deadline for performance of obligations specified in the contract; 2.5% of gross remuneration in the event of withdrawal from the contract by the Customer due to circumstances for which the Contractor is responsible; PLN 30,000 for each identified case of introducing the Subcontractor or further Subcontractor to the construction site and entrusting it to perform the works covered by the contract without acceptance of the Subcontracting Agreement by the Customer, or performance of works other than those specified in the Contract; PLN 10,000.00 for each case of non-payment or late payment to Subcontractors or further Subcontractors.
12. Notes: The contract carried out in the Consortium with ERBUD RZESZÓW Sp z.o.o.; NIP: 813-32-07-661; seated 36-002 Jasionka; Jasionka 942 (ERBUD SA as Consortium Leader - 99% of Works value, i.e. PLN 54.983,610, Erbud-Rzeszów Sp. z o.o. as Consortium Partner - 1% of Works value, i.e. PLN 555.390.00).

Erbud Rzeszów Sp. z o.o. is a subsidiary of ERBUD S.A. where ERBUD S.A. owns 79% of the equity share capital and holds the same number of votes at the AGM.