ERBUD S.A.

Current Report No. 44/2018
Report date: 2018-08-14

Topic:

Signing of a significant construction contract worth PLN 41.9 million – erection of a commercial and retail building with underground garage and on-grade parking spaces.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 14 August 2018 it concluded a construction contract on the following terms and conditions:

1. Contract date: 14.08.2018.
2. Customer: ASO MR spółka z ograniczoną odpowiedzialnością spółka komandytowa, 26-600 Radom, 68/70 Kielecka St, NIP: 948-239-89-38
3. Contract value: PLN 41,900,000 net.
4. Contract subject: "Construction of a commercial and retail building with underground garage, on-grade parking spaces, shared zone, down ramp, sidewalks structural landscaping; building service systems: electrical wiring, water piping (for domestic uses and fire), sewage piping (combined storm and sanitary), air-conditioning; on-site sections of electrical, water supply and sewage systems; civil engineering structures: retaining walls, trafo stations, storm water retention tank, drainage gullies, oil/water separator, built heat exchanger, circulation systems and development works on site located in Kraków on Zakopiańska Street – Project Phase I" ; and "Construction of exit lane and reconstruction of exit road from Zakopiańska Strret (the G-class county road), incl. reconstruction of the bus bay and pavement, construction of drainage, diversion of water mains and power lines and street lighting Phase III".
5. Site location: Kraków, 68 Zakopiańska Street.
6. Completion period: 24.08.2018 - 23.12.2019 (16 months).
7. Payment terms - monthly invoicing payable within 30 days.
8. Performance Bond: 5% of net remuneration, i.e. PLN 2,095,000 in the form of a bank or insurance guarantee valid till 03.01.2020.
9. Defects Liability Bond: 2.5% of net remuneration, i.e. PLN 1,047,500 in the form of a bank or insurance guarantee for the period of 61 months.
10. Other guarantees: None.
11. Penalties: for delay in handing over the Work - 0.07% of net remuneration for each day of delay; in case of withdrawal from the contract by any of the Parties - 7.5% of net remuneration; limit of contractual penalties - up to 10% of net remuneration for both Parties.