ERBUD S.A.

Current Report No. 73/2018
Report date: 2018-11-13

Topic:

Conclusion of contracts for the construction of Photovoltaic Farms with special purpose companies belonging to the Modus Energy Group.

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

Content of report:

The Management Board of ERBUD S.A. (the ”Issuer”) informs that on 13 November 2018, PBDI S.A from Toruń (a subsidiary 90% owned by the Issuer) signed next contracts for the construction of Photovoltaic farms with target companies being part of the Modus Energy Capital Group based in Warsaw. As a result of their conclusion, the total value of all contracts signed within last 12 months with entities belonging to the Modus Energy Group is PLN 25,744,588.49.

Terms and conditions of all contracts signed are follows:

1. Payment terms: Invoicing according to the agreed Milestones; payable within 30 days.
2. Performance Bond: 10% of net remuneration in the form of a bank guarantee provided for the whole completion period.
3. Defects Liability Bond: 10% of the net remuneration in the form of a bank guarantee provided for a period of 5 years from the date of the Final Acceptance Certificate.
4. Penalties:
   - in the event of withdrawal from the contract due to the fault of the contractor - 30% of the contract value;
   - for delays in contract performance - 0.33% of contract value for each day of delay.
5. Completion periods: The execution of a single contract does not exceed 7 months on average. The deadline for completing the last task is 1 April 2019.