ERBUD S.A.

Current Report No. 74/2018
Report date: 2018-11-16

Topic:

Signing of a significant conditional construction contract worth PLN 28.5 million for the construction of a multi-family residential building with retail units located in Szczecin at 23 Chmielewskiego Street, Phase 1, on plots with a cadastral number 3/8 and 3/10, cadastral district 1058, including the above-ground infrastructure and buried services necessary for the exploitation of this building, site development and retaining walls to the extent required for this project.

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

Content of report:

The Management Board of Erbud SA (the "Issuer") informs that on 16 November 2018 it concluded a significant conditional construction contract on the following terms and conditions:

1. Contract range of works: Construction of a multi-family residential building with retail units located in Szczecin at 23 Chmielewskiego Street, Phase 1, on plots with a cadastral number 3/8 and 3/10, cadastral district 1058, including the above-ground infrastructure and buried services necessary for the exploitation of this building, site development and retaining walls to the extent required for this project. The Contract is concluded under the condition precedent that the Customer will be granted a loan for the performance of the project by 15 February 2019.
2. Contract date: 16.11.2018.
3. Customer: BEST DEWELOPER Sp. z ograniczoną odpowiedzialnością seated in Szczecin, 71-001 Szczecin, 27D Południowa Street.
4. Completion period: 22.11.2018 - 26.08.2020.
5. Volume: 25,147.00 m^3.
6. Area: Net Sellable Area of 6953 m^2 and Gross Building Area of 11,744 m^2.
7. Contract subject: Construction works including MEP works, site development and accompanying technical infrastructure.
8. Net contract value: PLN 28,500,000.
9. Site location: Szczecin, 23 Chmielewskiego Street.
10. Performance Bond: 5% of net remuneration.
11. Defects Liability Bond: 2.5% of net remuneration.
12. Penalties:
    a) for delay in completing Works - 0.06% of the net remuneration for each day of delay:
    b) for delay in remedying defects found during the (Final) Acceptance or within the Warranty Period - 0.02% of the net remuneration for each day of delay;
    c) for withdrawal from the Contract by one of the Parties due to circumstances for which the other Party is responsible - 10 % of the net remuneration
    d) Health and Safety penalties - PLN 500 for each case.

    The total sum of contractual penalties may not exceed 10% of the remuneration
13. Guarantee/Warranty periods: Guarantee of quality and warranty for defects:
    a) 60 months for works;
    b) for plant, machinery and equipment in accordance with the manufacturer's warranty but no less than 12 months.

The contract is carried out by the Szczecin Branch.