**ERBUD S.A.**

*Current Report No.52 /2019*
*Report date: 2019-10-24*

*Topic:*
Conclusion of a significant construction contract worth PLN 115 million to build Novum III Apartments in Krakow.

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

*Content of report:*

The Management Board of Erbud SA (the "Issuer") informs that on 24 October 2019, the Company signed a construction contract on the following terms and conditions:

1. Contract date: 24.10.2019.
2. Customer: AN3 Spółka z ograniczona odpowiedzialnością, ul. 68 Prosta St., 00-838 Warszawa, NIP: 525 270 88 24.
3. Total net contract value: PLN 115,045,000
   1st Task: PLN 44,544,500
   2nd Task: PLN 70,500,500.
4. Contract subject: Construction of one multi-story residential building with an underground garage under it ("1st Task) and construction of three multi-story buildings with one underground garage under them ("2nd Task).
5. Site location: Kraków, Rakowicka Street.
6. Completion period: 1st Task - from 24 October 2019 to 31 October 2021; 2nd Task - 26 months from the delivery of the final building permit.
7. Payment terms: Invoicing once a month, net days: 30.
8. Performance Bond: in the form of a bank or insurance guarantee - 5% of the contractual remuneration for the:
   1st Task - i.e. PLN 2,227,225 with the validity period until 31.01.2022
   2nd Task – i.e. PLN 3,525,025 valid for 29 months.
9. Defects Liability Bond: In the form of deductions from interim invoices in the amount of 5% for Tasks 1st Task and 2nd Task respectively. Convertible to bank or insurance guarantee after final acceptance.
10. Other guarantees: None.
11. Penalties: For exceeding the deadline - 0.05% of net remuneration for each day of delay. The total amount of contractual penalties may not exceed 8% of net remuneration.
12. Remarks: None.