28/11/2019 Current Report No. 60/2019 (03:16 p.m.)

Topic:
Disclosure of delayed confidential information - conclusion of a significant agreement of the net value of 56.89 million PLN for the construction of the Dębowa Łąka Wind Farm and fulfilment of the condition precedent.

Legal basis:
Article 17(1) MAR - confidential information.

Content of the Report:
The Management Board of ERBUD S.A. with its registered office in Warsaw (the "Issuer") informs, that on 6 November 2019 it decided to delay provision of confidential information in accordance with Article 17(4) of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

The reason for disclosure of the confidential information is fulfilment of the condition precedent provided for in the agreement.

On 6 November 2019 the company PBDI S.A from Toruń (90% subsidiary of the Issuer) concluded a significant Agreement for execution of comprehensive construction and electrical works on the construction of the Dębowa Łąka Wind Farm consisting of 14 wind power plants with a total capacity of 33.3 MW.

1. Date of the contract conclusion: 6 November 2019;
2. Investor (exact name and registered office): GB Dębowa Łąka 402 Sp. z o. o. with its registered office in Warsaw at Konstruktorska 12A, 02-673 Warsaw;
3. Total net value of the contract: PLN 56,892,405.61 net;
4. Agreement completion date: 15.02.2021 ;
5. Payment terms: partial invoicing in accordance with milestones. Invoices payable within 30 days from the date of receipt of a correctly issued VAT invoice by the Investor;
6. Performance bond: 10 % of the net value of the contract in the form of an insurance guarantee for the duration of the contract + 30 days;
7. Guarantee of repair of defects and faults: 5% of the net value of the contract in the form of an insurance guarantee for 36 months from the date of signing of the Final Acceptance Protocol and then 2% of the net value of the contract in the form of an insurance guarantee for further 24 months after the elapse of the 36-month-period from the date of signing of the Final Acceptance Protocol.
8. Penalties:
    - for termination of the Contract for reasons attributable to the Contractor - up to 30% of the Contract value;
    - for delays in the execution of milestones - up to 0.3% of the contract value for each day of delay;
    - the total amount of contractual penalties will not exceed 30% of the net remuneration.
9. Comments: The Parties' commencement of the execution of the subject of the Contract was conditional upon a written instruction to commence the works given to the Contractor by the Employer. The deadline for obtaining the instruction is 28.02.2020.

At the same time, the Issuer reports that as a consequence of the fulfillment of the condition precedent, i.e. the receipt of a written instruction to commence work today, PBDI S.A. with its registered office in Toruń has commenced performance of the Agreement.