01/10/2020 Current Report No. 54/2020 (09:37 a.m.)

Topic:
Disclosure of delayed confidential information – conclusion of a significant Agreement of the net value of PLN 154.64 million PLN for construction works at the construction of the wind farm Biały Bór and fulfilment of a condition precedent.

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

Content of the Report:
The Management Board of Erbud S.A. (Issuer) informs that on 4 June 2020 it decided to delay provision of confidential information in accordance with Article 17(4) of 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 the disclosure of delayed confidential information is the fulfilment of the condition precedent provided for in the agreement.

On 4 June the Issuer acting in the Consortium with the firm PBDI S.A from Toruń (90%-subsidiary of the Issuer, Consortium Leader) concluded a significant Agreement for construction works with the following terms.

1. Contract conclusion date: 4 June 2020;
2. Investor (exact name and registered office): Biały Bór Farma Wiatrowa Spółka z ograniczoną odpowiedzialnością, ul. Chmielna 101/102, 80-748 Gdańsk;
3. Total net value of the contract: PLN 154,644,187.79 net;
4. Subject matter of the contract: construction works at the construction of the wind farm Biały Bór;
5. Deadline for Agreement performance: 28 February 2022;
6. Payment terms: partial invoicing according to milestones implementation. Invoices payable within 30 days from invoice delivery date;
7. Performance bond: 10 % of the net value of the remuneration in the form of a bank guarantee valid until 15 March 2022;
8. Warranty for repair of defects and faults: 3 % of the net value of the remuneration in the form of a bank guarantee valid until 15 March 2027;
9. Penalties:

- for termination of the Agreement for reasons attributable to the Contractor - 10% of the contract value;
- for delay in the implementation of individual milestones - 0.1 % of the contract value for each calendar day of delay;
- for delay in the contract implementation - 0.1 % of the contract value for each calendar day of delay;
- for delay in the delivery of documents concerning contract implementation – PLN 3,000 for each day of delay;
- for delay in removal of defects and faults – PLN 5,000 for each day of delay;

The maximum admissible amount of contractual penalties for delay will not exceed 25% of the total contract price.

10. Comments:

- the Parties' commencement of the execution of the subject matter of the Contract was subject to a written order to start the works submitted to the Contractor by the Employer. The deadline for obtaining the order was 30.09.2020.
- the value of works performed by the Issuer will not exceed 25% of the contract value.

At the same time, the Issuer informs that on 30 September 2020, at night, acting in the Consortium with PBDI S.A. with its registered office in Toruń (90% subsidiary of the Issuer, Consortium Leader) they received a written order from the Employer - Biały Bór Farma Wiatrowa 3 Sp. z o.o. to commence work.

Accordingly, the condition for the Agreement to enter into force has been fulfilled.