02/10/2020 Current Report No. 56/2020 (08:44 a.m.)

Topic:
Signing of a significant Agreement of the net value of PLN 42.83 million PLN for construction works at the construction of the wind farm Kąty.

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

Content of the Report:
The Management Board of Erbud S.A. (Issuer) informs that on 1 October 2020 the consortium of the firms PBDI S.A from Toruń (90%-subsidiary of the Issuer) and P&Q Sp. z o.o. with its registered office in Białystok concluded a significant Agreement for construction works with the following terms.

1. Contract conclusion date: 1 October 2020;
2. Investor (exact name and registered office): Baltic Green I Spółka z ograniczoną odpowiedzialnością, ul. Skaryszewska 7, 03-802 Warsaw;
3. Total net value of the contract: PLN 42,825,138.23 net; including the value assigned to PBDI S.A. – PLN 28,455,100.73 net;
4. Subject matter of the contract: construction works at the construction of the wind farm Kąty;
5. Final deadline for Agreement performance: 15 March 2022;
6. Payment terms: partial invoicing according to milestones implementation. Invoices payable within 21 days from invoice delivery date;
7. Performance bond: 10 % of the net value of the remuneration in the form of an insurance guarantee valid until 60 days after signing of the Final Works Delivery Protocol;
8. Warranty for repair of defects and faults: 5 % of the net value of the remuneration in the form of an insurance guarantee valid for 2 years and 45 days from the day of expiry of the performance bond and 2.5% of the net value of the remuneration in the form of an insurance guarantee for further 3 years and 45 days;
9. Penalties:

- for termination of the Agreement by the Employer for reasons attributable to the Contractor - 10% of the net remuneration;
- for delay in the implementation of individual milestones:
  PLN 9,000 for each day of delay in the completion of foundation and access roads executive designs;
  PLN 22,500 for each day of delay in the completion of electrical designs;
  PLN 67,500 for each day of delay in achieving readiness of foundations for turbine assembly;
  PLN 45,000 for each day of delay in achieving readiness for power engineering;
  PLN 67,500 for each day of delay in submitting as-built documentation;
  PLN 67,500 for each day of delay in obtaining a permit for use;
  PLN 67,500 for each day of delay in signing of the Final Works Delivery Protocol;

The maximum amount of contractual penalties for delay will not exceed 20% of the total net contract price.