Current report no. 18/2022
Date: 2022-05-05
ERBUD S.A.

Subject:
Conclusion of a Memorandum of Understanding to the Significant Construction Contract with AMW Towarzystwo Budownictwa Społecznego “KWATERA” Sp. z o.o.

Legal basisI
Article 17(1) MAR - confidential information.

Report content:
The Management Board of Erbud S.A. (Issuer - Consortium Leader) in reference to the Current Report No. 49/2021 of June 02, 20221 hereby announces that on May 05, 2022 together with the Company ONDE S.A. (Consortium Member) received a signed Memorandum of Understanding to Construction Contract No. 0357.DIR.2021 of June 02, 2021 regarding the limitation of construction works covered by the Contract to the scope of Stage I only.

Due to common and unavoidable disturbances on the construction market resulting from inflation, a sharp increase in prices of construction materials and the situation related to the Russian invasion of Ukraine, the Employer decided to continue the investment only within Stage I, and in the course of discussions the Contractor expressed his readiness to limit the scope of the investment task to the execution of Stage I and to terminate the Contract with respect to Stage II by mutual agreement of the Parties or in the form of an Annex to the Contract with the content agreed between the Parties. The settlement or Annex to the Contract shall include, in particular, amendments to the Contract and an agreement on the scope and value of works that need to be performed in connection with the limitation of works referred to in the concluded Contract. The Contractor undertakes to complete an inventory of the state of progress of the construction works as well as to submit the necessary documents specifying the scope and value of the works by May 31, 2022. The Employer shall undertake to cooperate fully with the Contractor with regard to ongoing arrangements regarding the above and to accept or submit comments within 14 days of the presentation of the above documents.
The parties decided that by June 30, 2022 they will agree on the conditions for the cancellation of Stage II of the Contract, about which the Issuer will inform in a separate Current Report.