

Current report no. 91/2021

Date: 2021-11-24

ERBUD S.A.

Subject:

The judgment in the case filed by the Company against Bank Millennium S.A.

Legal basis:

Article 17(1) MAR - confidential information.

Report content:

In reference to current report No. 69/2018 dated 30 October 2018, the Management Board of Erbud S.A. with its registered office in Warsaw (the "Company") hereby announces that today, the Management Board of the Company has become aware of the issuance, by the Court of Appeal in Warsaw, of a judgment favourable to the Company. The judgment was issued in the case of the Company's claim against Bank Millennium S.A. with its registered office in Warsaw ("Bank") for payment aimed at compensating for damage consisting of amounts debited by the Bank from the Company's bank account, lost profits and costs of legal and financial advisers. The value of the dispute/claim was PLN 71,065,496.00.

Pursuant to the judgment, the Court of Appeal in Warsaw upheld the Company's appeal in part, awarding the Bank the amount of PLN 51,383,600 plus statutory interest from 8 December 2010 to 31 December 2015 and statutory interest for delay from 1 January 2016 to the date of payment. The Company shall bear 29% of the costs of the trial and the Bank 71%. The judgment is legally binding. The Issuer estimates that the income together with interest will amount to approximately PLN 100 million.

The dispute involved the conclusion in 2008 of foreign exchange option transactions to hedge against exchange rate risk on EUR-denominated contracts executed by the Company. The Bank's proposal resulted from the Companies' reported requirement to obtain a hedge adequate to its situation. According to the Company, the product was not optimally adjusted to the Company's needs. In the Q4 2008, as a result of a drastic depreciation of the Polish zloty against the PLN/EUR pair, the Bank informed the Company of the negative valuation of its exposure at that time.

The Issuer would like to remind that the loss incurred in connection with the conclusion of currency option transactions to hedge against the exchange rate risk with respect to EUR-denominated contracts executed by the Issuer was settled in the year in which it was incurred, i.e. 2008. The detailed course of the dispute with the Bank was presented in the Company's periodical reports.

Legal basis: Art. 17(1) 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