

Current report no. 33/2023

Date: 2023-07-31

ERBUD S.A.

Subject:

Decision of the Supreme Court concerning the cassation appeal in the case brought by the Company against Bank Millennium S.A.

Legal basis:

Article 17(1) MAR - confidential information.

Report content:

Following the Current Report No. 91/2021 dated November 24, 2021, the Management Board of Erbud S.A. with its registered office in Warsaw (the "Company") hereby announces that today it became aware of the Supreme Court's decision refusing to accept the cassation appeal of Bank Millennium S.A. with its registered office in Warsaw (the "Bank") against the judgment of the Court of Appeal in Warsaw, dated November 24, 2021, which was favourable to the Company.

The Court of Appeal in Warsaw, in a judgment of November 24, 2021, recognised the Company's appeal in part, awarding the amount of PLN 51,383,600.00 from the Bank to the Company, together with statutory interest from December 8, 2010 to December 31, 2015 and statutory interest for delay from January 1, 2016 to the date of payment. The Company bears 29% of the litigation costs and the Bank 71%.

Therefore, the Supreme Court's decision effectively concludes the dispute between the Company and Bank Millennium.

The dispute concerned the conclusion of foreign exchange option transactions in 2008 to hedge the exchange rate risk on euro-denominated contracts executed by the Company. The Bank's proposal resulted from the Company's reported requirement to obtain collateral adequate to its situation. In the Company's opinion, the product was not optimally suited to the Company's needs. In the Q4 of 2008, as a consequence of the drastic depreciation of the zloty on 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 the exchange rate risk on euro-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 case with the Bank was presented in the Company's interim reports.

Legal basis: Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 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.