

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 10/2018

Date prepared: 2018-05-30  
Short name of the issuer: ELEKTROTIM S.A.  
Subject: Information on setting up by ELEKTROTIM S.A. a reserve for contractual penalties to the contract concluded with AWBUD S.A.  
Legal grounds: Article 17, section 1 of MAR - Confidential Information

Content of the Report:

The Management Board of ELEKTROTIM S.A. informs that on 29.05.2018 the Company received an accounting note from AWBUD S.A. (herein also referred to as the Ordering Party) in the amount of PLN 963,754.22 for charging ELEKTROTIM S.A. with "contractual penalties for each day of delay in the due performance of the subject of the Contract - completion of works and services constituting the subject of the Contract and for delays in the technical inspection of the Contract (date of note: 24.05.2018).

The contractual penalty has been calculated to the Contract of 30.06.2015, which has as its subject the execution of the following investment task: "The construction of a public building Rehabilitation and Sport Medicine Centre in Wrocław together with the development of the area and necessary technical infrastructure, including an exit from ul. Lekarska" carried out by the Ordering Party for an Investor, i.e. Medico-Investment Sp. z o.o. with its seat in Wrocław.

In the opinion of the Management Board of ELEKTROTIM S.A. the issued accounting note is incorrect.

The Management Board of ELEKTROTIM S.A. informs that it does not agree with the delivered accounting note.

Given the above, the Management Board of the Company, in conformity with the applicable regulations and the Accounting Policy of ELEKTROTIM S.A., sets up a reserve for contractual penalty for the above-mentioned amount of PLN 963,754.22.

Setting up the reserve for the contractual penalty shall have a direct influence on the individual and consolidated financial result of ELEKTROTIM S.A. and ELEKTROTIM Group of Companies for 2018.

The Company publishes the Report due to the fact that the Company qualifies the received accounting note as confidential information in conformity with the definition set forth in Article 7 of MAR Ordination.