

Translation from Romanian

ELECTROARGEȘ S.A.

CURTEA DE ARGHEȘ, str. Albești, nr. 12, Județ Argeș, ROMANIA

Tel. 0248724000, fax 0248724004

Share capital 6,976,465.00 lei, subscribed and fully paid; nominal value per share 0.10 lei.

Registered in Argeș Trade Register with No. J03/758/1991

Tax Code: 156027

**FOR THE ATTENTION OF
THE FINANCIAL REGULATOR -
THE FINANCIAL INSTRUMENTS AND INVESTMENT SECTOR**

Issuers, Transaction Monitoring and Market Abuse Department

Fax: 021 6596051/6596436

Current report in accordance with: Law 24/2017 on the issuers of financial instruments and market operations and ASF Regulation no. 5/2018 on the issuers of financial instruments and market operations.

Report date: 16.03.2020

Issuer's name: ELECTROARGES SA, BSE code: elgs

Registered office: Curtea de Argeș, str. Albești, nr. 12, jud. Argeș

Telephone/fax number: 0248724000/0248724004

Trade Register Registration Code: RO156027

Trade Register Registration Number: J03/758/1991

Share capital subscribed and paid: 6,976,465.00 lei

Regulated Market trading the issued securities:

BSE – main market, standard category

Important events to report: In accordance with the Law 24/2017 on the issuers of financial instruments and market operations and ASF Regulation no. 5/2018 on the issuers of financial instruments and market operations:

Electroargeș S.A.'s Board of Directors informs the shareholders and potential investors that, by the Board of Directors' Decision of 16.03.2020, it was approved the summoning of:

- The Ordinary General Meeting of Electroarges SA's Shareholders on 27.04.2020 (first summoning), 10.00 o'clock and 28.04.2020 (second summoning), 10.00 o'clock,
- The Extraordinary General Meeting of Electroarges SA's Shareholders on 27.04.2020 (first summoning), 11.00 o'clock and 28.04.2020 (second summoning), 11.00 o'clock.

The agenda of the two meetings contains as follows:

- For the Ordinary General Meeting of Shareholders:

"1) Approval of the Individual Financial Statement for the financial year 2019 based on the Board of Directors' and the Financial Auditor's Reports.

2) Approval of the distribution of net profit from the financial year 2019

- The Board of Directors' proposal is that the net profit realized in the financial year 2019 to be distributed as follows:

- a) The distribution of 625,249.90 lei from the profit for the year 2019 in "Reserves - Fixed assets from reinvested profit".
- b) Distribution of the profit difference for the year 2019 to its own development sources.

- The Board of Directors informs the shareholders that the Board of Directors' detailed proposal and other proposals of the shareholders that will be made under Art. 117¹ of Law 31/1990R, will be published on the website: www.electroarges.ro in the "Useful Information / Communications" section, will be included in the Special Power of Attorneys and Absentee Ballot papers and will be submitted to the discussion and vote in the Ordinary General Meeting of Shareholders.

3. The distribution of a gross dividend in the amount of 0.06 lei per share, out of the profit undistributed for 2012.

4. Discharge of the Managing Directors for the financial year 2019.

5. Presentation and approval of Electroargeş S.A.'s consolidated financial statement for 2019, prepared according to IFRS.

6. Analysis and approval of the Income and Expenditure Budget for 2020

7. Approval of the Investment Program for 2020 and mandating the Board of Directors to approve the modification of the program according to the specific economic needs of the Company.

8. Approval of the List of depreciable fixed assets and inventory items proposed for disposal and recovery through sale in 2020 and mandating the Board of Directors to approve their sale in 2020, according to the legal provisions, within the Board of Directors' competence provided by applicable laws.

9. The Board of Directors' mandate by the Ordinary General Meeting of Shareholders in 2020 to approve the contracting of loans and extending the current credit lines for production and investment, pledging of assets and assignment of receivables necessary for contracting credits, in accordance with applicable laws, within the Board of Directors' competence provided by applicable laws.



10. Approval of the Amortization of Tangible and Intangible Assets Regime for the financial year 2020, in accordance with the applicable laws.

11. Mandating the Board of Directors, if the Ordinary General Meeting of Shareholders approves the distribution of dividends, to approve and undertake all legal and administrative steps to pay dividends to shareholders within the legal deadline provided by laws and regulations for the capital market.

12. Approval as date of registration, in accordance with the provisions of art. 86, paragraph 1 of Law 24/2017 and ASF Regulation 5/2018 to be 11.06.2020, ex-date 10.06.2020 and payment date 25.06.2020.

13. Ratification of the Electroargeş S.A.'s Board of Directors' Decisions: 227/26.02.2019, 228/15.03.2019, 229/25.03.2019, 230/23.03.2019, 231/08.07.2019, 232/15.07.2019, 233/18.10.2019, 234/28.12.2019, 235/21.01.2020, 236/28.02.2020 and 237/16.03.2020.

14. Approval of SC ELECTROARGES SA's Organizational Chart for 2020 and mandating the Board of Directors to change the Organizational Chart according to the specific economic needs of the Company.

15. The appointment of the Board of Directors' Chairman and/or the Vice-Chairman to authorize the person or the persons to take the necessary steps with Trade Register Office and wherever necessary for registering the decision and other documents approved by the Ordinary General Meeting of Shareholders of 27,28.04.2020.

-For the Extraordinary General Meeting of Shareholders:

"1. Approval of completing the secondary business activities of Electroarges S.A., with the following activities, respectively completing the list of secondary business activities from art. 6 of the Articles of Incorporation as follows:

Article 6. (...)

Secondary activities:

- (...)
- 2229 - Manufacture of other plastic products;
 - 2550 - Manufacture of metallic products obtained by plastic deformation;
 - 2562 - General mechanics operations;
 - 2573 - Manufacture of tools;
 - 2824 - Manufacture of electrically operated portable machine tools;
 - 2932 - Manufacture of other parts and accessories for motor vehicles and engines;
 - 3240 - Manufacture of games and toys;
 - 4677 - Wholesale of waste and scrap.

2. Approval of the extension of the credit line in the amount of 18,000,000 lei and the contracting of a term credit facility (investment credit) in a maximum amount of 47,160,422 lei, contracted from Raiffeisen Bank S.A.

The credit facility with a maximum amount of 47,160,422 lei will be contracted only in the case of approving the Application for financing with state aid according to GD no. 807/2014 for "Extending



the production capacity of home appliances in Curtea de Argeş", submitted by Electroarges S.A. in January 2020.

3. The approval that, in order to guarantee the extension of the credit facility in the amount of 18,000,000 lei as well as the guarantee of the term credit facility in the amount of 47,160,422 lei, the following guarantees are constituted:

a) movable mortgage on the company's accounts (current and / or other accounts) opened with Raiffeisen Bank SA;

b) movable mortgage on the stock of raw materials, semi-finished and finished products;

c) movable mortgage on the equipment financed from the term facility;

d) movable mortgage on the universality of the debts;

e) mortgage on the cashings related to the guarantee letters for guaranteeing the advance;

f) assignment of the rights resulting from the insurance policy for the mortgaged goods in favor of Raiffeisen Bank, a policy concluded with an approved insurer;

g) real estate mortgage on buildings located in Curtea de Arges, str. Albesti, nr. 12, jud. Arges, the property of Electroarges SA, as follows:

- land within the built-up area - buildings and adjoining areas with an area of 1,555 square meters and the construction C1 built on it, having Land Register no. 81264, registered in the Land Book no. 81264 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 1,152 square meters and the constructions C1, C2 and C3 built on it, having Land Register no. 81267, registered in the Land Book no. 81267 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 4,992 square meters and the constructions C1, C2 built on it, having Land Register no. 81265, registered in the Land Book no. 81265 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 1,411 square meters and the constructions C1, C3 built on it, having Land Register no. 81268, registered in the Land Book no. 81268 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 366 sqm and the construction C1 built on it, having Land Register no. 81266, registered in the Land Book no. 81266 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 3,490 sqm and constructions C1, C2 built on it, having Land Register no. 81269, registered in the Land Book no. 81269 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 8,666 square meters and the constructions C1, C2, C3 built on it, having Land Register no. 81272, registered in the Land Book no. 81272 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 741 square meters and the constructions C1 and C3 built on it, having Land Register no. 81270, registered in the Land Book no. 81270 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 3,687 square meters and the constructions C1, C2, C3, C4, C5, C6, C7, C8 built on it, having Land Register no. 81273, registered in the Land Book no. 81273 of Curtea de Arges.

- land within the built-up area - buildings and adjoining areas with an area of 39,433 square meters and the constructions C1, C2, C4, C9, C11, C12, C21, C23, C24, C28, C29, C30, C31, C33 built on it, having Land Register no. 81271, registered in the Land Book no. 81271 of Curtea de Arges.

4. Approval that, until the date of settlement of all the obligations assumed by the company towards the bank, through the credit facility contracts, the company undertakes to follow the contractual clauses.
5. Mandating the Chairman of the Board of Directors and/or the Vice-Chairman and/or the Economic Adviser and/or the Economic Director, to sign on behalf of the company the credit facility contract, the real estate mortgage contract, the movable mortgage contract on the accounts, the debt assignment contract, the movable mortgage contracts adjacent to the credit facilities, the additional documents for the extension of the facility, as well as any other documents/statements necessary for these documents to validly engage the company in these operations.
6. Mandating the Economic Advisor and/or the Economic Director to sign on behalf of the company any document related to the use of the facility granted by Raiffeisen Bank SA.
7. Approval of the opening of a secondary office/workplace in Bucharest, in order to carry out administrative and management activities for Electroargeş S.A. and mandating the Chairman of the Board of Directors, Mr. Constantin Ştefan for the identification and/or contracting of the space where this workplace will be opened, as well as for its registration at the Trade Register Office. In order to fulfill the mandate, Mr. Constantin Ştefan will be able to issue a decision that will identify the location where the respective secondary office/workplace will be opened.
8. Mandating the Chairman of the Board of Directors and/or of the Vice-Chairman to authorize the person or persons to take the necessary steps with Trade Register Office and wherever necessary for registering the decision and other documents approved by the Extraordinary General Meeting of Shareholders of 27,28.04.2020.

**CHAIRMAN
BOARD OF DIRECTORS,
CONSTANTIN ŞTEFAN**