

Translation from Romanian

FOR THE ATTENTION OF
THE FINANCIAL REGULATOR -
THE FINANCIAL INSTRUMENTS AND INVESTMENT SECTOR
Issuers, Transaction Monitoring and Market Abuse Department

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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: 28.04.2020

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

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

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:

Electroarges S.A. informs the shareholders that, as it is known from the current Report dated 24.04.2020, by the Board of Directors' Extraordinary Decision no. 238/24.04.2020, it was approved the postponement of the Electroarges SA's Ordinary General Meeting of Shareholders and the Electroarges SA's Extraordinary General Meeting of Shareholders summoned for 27.04.2020 (first summons) and 28.04.2020 (second summons), for a date to be announced later.

On 27.04.2020, **after the time set for the OGMS and the EGMS** the following solution was published on the court portal in Case no. 120/1259/2020 of the Arges Specialized Court:

„Orders the correction of the material error slipped in the minute and the decision of the civil sentence no. 205/24.04.2020 pronounced by the Argeş Specialized Court in the Case no. 120/1259/2020, in the sense that the paragraph from line 7 of the minute and decision shall have the following content: Orders the suspension, in the Electroarges SA’s Ordinary General Meeting of Shareholders and within the Electroarges SA’s Extraordinary General Meeting of Shareholders, both of 27.04.2020 (first summons), respectively both of 28.04.2020 (second summons), of the voting rights related to a number of 16,000,000 shares issued by Electroarges SA, representing a percentage of 22.93%... ”, instead of:“ Orders the suspension, in the Electroarges SA’s Ordinary General Meeting of Shareholders of 27.04.2020, 10.00, and in the Electroarges SA’s Extraordinary General Meeting of Shareholders of 28.04.2020, 11.00, of the rights related to a number of 16,000,000 shares issued by Electroarges SA, representing a percentage of 22.93%... ”, as erroneously noted. This conclusion has a common body with the civil sentence no. 205/24.04.2020 pronounced by the Argeş Specialized Court in the Case no. 120/1259/2020. With an appeal within 5 days from the communication for all parties, the appeal request will be submitted to the Argeş Specialized Court. Pronounced in accordance with the provisions of art.396 paragraph (2) of the Code of Civil Procedure, today, 27.04.2020.

Document: Conclusion - correction of material error 27.04.2020. ”

As such, on 27.04.2020, **after the time when the OGMS and EGMS were scheduled**, the court found the existence of an error in the decision of the enforcement order and made public a **solution for correcting the material error in the minute and the decision of the initial order, pronounced on 24.04.2020**, showing only later, after the time at which the meetings were to be held, that in fact the suspension would have been ordered both for the OGMS and for the EGMS of 27.04.2020 (first summons), respectively for both the OGMS and the EGMS of 28.04.2020 (second summons), although this solution did not initially appear in the decision published on the court portal, respectively **there is no mention of the suspension of these voting rights in the EGMS from 27.04.2020 (first summons) as well as in the OGMS from 28.04.2020 (second summons)**, the solution being thus uncertain, as Electroarges showed in the current Report of 24.04.2020.

Furthermore, even against the last solution, it is not known which is the practical way of suspending the voting rights, considering that the provisions of art. 75 paragraph 2 of the ASF Regulation no. 5/2018 shows that the suspended voting rights are verified only against the reference date, which is prior to the pronouncing of the court decision, thus not being clear even at this moment how the voting rights could have been suspended in this case or, as the case may be, if they were to be suspended or not from the content of the court decision on a date other than the reference date.

The correction of the material error in the original decision regarding the voting rights that would in fact have been suspended and the confirmation of the existence of an error in this decision, after the date and time of the OGMS and EGMS were to be held, **thus confirmed that, indeed, the decision of the civil sentence no. 205 / 24.04.2020 was absolutely unclear, as well as its effects**

regarding the voting rights, both on the date of pronouncing on 24.04.2020, as well as on the date the OGMS and EGMS were to be held on 27.04.2020, the postponement of the meeting being necessary to clarify the content and effects of the decision.

Electroarges acted with the utmost diligence ordering the postponement of the meetings, the only possible measure in this situation, given the enforceability of the court decision, as well as the fact that the meetings were to be held on the working day immediately after the court decision, thus confirming the fact that, if the meetings had taken place and voted according to the original decision, respectively by taking into account some voting rights which could later be interpreted as having been suspended by the court, Electroarges would have been subject to unnecessary risks, precisely against the situation of uncertainty generated by the court decision.

The uncertainty could not be verified in due time to ascertain whether or not it was an error, all the more so as, as the decision was not communicated, it is not even known at this time whether or not the court considered the reference date for the suspension of voting rights, or another date, so that Electroarges would comply with the legal provisions and the decision of the court.

Electroarges S.A. informs the shareholders that it will take the necessary measures to summon again the OGMS and the EGMS as soon as possible, taking into account the necessary formalities for the publication of a new summons with an agenda.

**CHAIRMAN
BOARD OF DIRECTORS,
CONSTANTIN STEFAN**