

Translation from Romanian

OFFICIAL STATEMENT

**on the availability of the Report for the First Semester of 2020
For the attention of ELECTROARGES SA's shareholders and investors,
regarding its publication
on the www.electroarges.ro website, the communicate-elgs section**

We hereby inform the shareholders that we publish the Report for the First Semester of 2020, according to the provisions of ASF Reg. 5/2018, on the abovementioned website, beginning with 26.08.2020, 18:00. Also, the Report for the First Semester of 2020 is submitted to BVB SA Issuers Department and the Financial Regulator through the SIR electronic reporting system.

The report shall include:

- Board of Directors' Report, containing the information provided in Annex 14 of the ASF Reg. 5/2018;
- Declaration from the issuer's persons in charge;
- Accounting Reporting Forms on 30.06.2020: F10, F20, F30;
- Situation of the Financial Position and the Comprehensive Income;
- The Situation of Changes in Equity on 30.06.2020;
- The Cash Flow Situation on 30.06.2020;
- Economic and financial indicators mentioned in Annex 30B;
- Explanatory notes on the statement of assets, receivables, payables and investments on 30.06.2020;
- Official Statement on the availability of the Report for the First Semester of 2020.

We mention that the Financial Statements related to the First Semester of 2020 have not been audited.

For further details, please contact the persons in charge within the company on telephone 0248 724 000, fax: 0248 724 004 and email: electroarges@electroarges.ro, roxana.scarlat@electroarges.ro.

**Legal Representative,
Chairman of the Board of Directors
Constantin Stefan**

PROFIT & LOSS ACCOUNT ON 30.06.2020

INDICATORS	30.06.2020	30.06.2019	% 2020/2019
Net turnover – Total, out of which:	118,603,125	95,275,416	124.48
- Income from the sell of finished goods	117,970,020	95,090,818	124.06
- Income from works and services provided	128,174	173,033	74.07
- Income from the sell of merchandise	511,914	28,792	1777.97
- Trade discounts granted	-6,983	-17,227	40.54
Operating income – Total, out of which:	121,482,506	98,313,293	123.57
- Turnover	118,603,125	95,275,416	124.48
- Changes in inventories	288,065	1,590,303	*
- Other operating income	2,591,316	1,447,574	179.01
Operating expenses – Total, out of which:	114,147,140	97,807,053	116.71
- Expenses on raw materials and consumables	86,589,289	75,983,983	115.02
- Other material expenses (inventory objects)	126,154	297,308	42.43
- Expenses regarding the merchandise	485,925	32,981	1473.35
- Trade discounts received	-168,088	-17,147	*
- Expenses on personnel	12,313,623	11,405,381	107.96
- Expenses on amortizations	3,951,216	2,340,302	168.83
- Other operating expenses	10,849,021	7,764,245	139.73
I. OPERATING PROFIT	7,335,366	506,240	1448.99
Financial income	124,847	4,091,519	*
Financial expenditure	16,917,817	232,599	7273.38
II. FINANCIAL RESULT	-16,792,970	3,858,920	-435.17
III. CURRENT RESULT – LOSS	-9,457,604	4,365,160	-216.66
TOTAL INCOME	121,607,353	102,404,812	118.75
TOTAL EXPENDITURE	131,064,957	98,039,652	133.69
IV. GROSS BUSINESS INCOME – LOSS	-9,457,604	4,365,160	-216.66

Having regard to **the entry in insolvency procedure of the company Mobila Radauti SA**, starting with 10th.02.2020, it was necessary the assessment of the shares held by the company Electroargeş SA, from the latest market price assessed to the price of acquisition cost. By this assessment, Electroarges SA has registered a **financial loss of 16,167,399.71 lei**.

**CHAIRMAN OF THE BOARD OF DIRECTORS,
 CONSTANTIN STEFAN**

**PREPARED BY,
 IULIA-ELENA NICUT**

The Report can also be accessed at the following link: