ELECTROARGES SA
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TO: BUCHAREST STOCK EXCHANGE
THE FINANCIAL REGULATOR

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: 09.09.2022

Issuer's name: Electroarges SA

Trade Register Registration Code: RO156027

Trade Register Registration Number: J40/8487/2022

Share capital: 6.976.465,00 lei

Important events to report:

EGMS Summoning – 17.10.2022 – Issue of Bonds Electroarges SA

Electroarges SA Board of Directors informs the shareholders and potential investors of the summoning of the Electroarges SA Extraordinary General Meeting of Shareholders for 17.10.2022, 8.00 am (first summoning) and 18.10.2022, 8.00 am (second summoning) in Curtea de Arges, str. Albesti, nr. 12, jud. Arges.

All shareholders nominally registered in the Register of Shareholders at the end of **03.10.2022, which is the reference date**, have the right to attend and vote in the extraordinary and ordinary general meetings.

If at the first summoning the legal quorum conditions will not be met, the Extraordinary General Meeting is reconvened for 18.10.2022, 08.00 am, in Curtea de Arges, str. Albesti, nr.12, jud. Arges.

We attach herewith the Summoning notice containing the agenda related to the Electroarges SA extraordinary general meetings of the shareholders **(Annex 1)**.

VICE-CHAIRMAN
BOARD OF DIRECTORS,
ROXANA SCARLAT

SUMMONING NOTICE

Electroarges SA Board of Directors, in accordance with the provisions of Law 31/1990, of Law 24/2017, of the ASF Regulation no. 5/2018 and with the provisions of the **Electroarges SA** Articles of Incorporation, summons in **Curtea de Arges, Str. Albesti nr. 12, Jud. Arges:**

The Extraordinary General Meeting of Shareholders on 17.10.2022, 08.00 am.

All shareholders nominally registered in the Register of Shareholders at the end of 03.10.2022, which is the reference date according to art. 2, paragraph 2 letter g of the ASF Regulation 5/2018, have the right to attend and vote in the extraordinary and ordinary general meetings.

If at the first summoning the legal quorum conditions will not be met, the Extraordinary General Meeting is reconvened for 18.10.2022, 08.00 am, in Curtea de Arges, str. Albesti, nr.12, Jud. Arges.

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS has the following AGENDA:

1. Approval, under the conditions below, of the issue of bonds by Electroarges SA in dematerialized form, which will not be listed on the stock exchange, with a maximum total nominal value of 15,000,000 lei, nominal value of 2.5 lei, with an annual interest of 4.75% and with a due date (maturity) of 5 (five) years, calculated from the date of each issue ("Bonds"), in one or more issues and/or tranches (whether they have the same and/or different characteristics, including regarding the form of the bonds, the nominal value, the interest rate, the method of payment of the interest and the principal, the possibility of early redemption and/or the maturity date).

The bonds will be placed to investors in accordance with one or more private placements through an offer addressed to qualified investors and/or to a number of less than 150 natural or legal persons, other than qualified investors, in compliance with the legal provisions. The private placement will not address shareholders presumed to be acting together, who are nominated in the ASF Decision no. 3501/25.11.2015, which thus will not be able to subscribe bonds.

The above approval is valid in relation to the Bonds with the above maximum maturity, up to the maximum total nominal value of 15,000,000 lei, regardless of whether the issue of these Bonds will be completed during one or more calendar years.

Electroarges SA has the possibility to later decide the conversion of the bonds into shares, after at least 6 months from the date of completion of the bonds subscription, by adopting a decision to this effect in the extraordinary general meeting, according to the provisions of art. 113 paragraph 1 letter k of the Law no. 31/1990.

In case of conversion of bonds into shares, this will be done taking into account the total nominal value of the subscribed bonds, respectively for a 2.5 lei bond that is subscribed, a corresponding number of new shares will be issued.

The company will grant preferential rights to shareholders in case of conversion of bonds into shares, in accordance with the provisions of art. 216 index 1 of the Law no. 31/1990, following that the exercise of the right of preference should be done in accordance with the provisions of art. 216 of the Law no. 31/1990 proportional to the number of shares held. The conversion will be carried out only for newly issued shares for which the right of preference is not exercised, proportional to the existing bond holdings. In case of exercising the right of preference, a partial conversion of bonds will be carried out; the rest of the bonds that have not been converted will continue to confer all legal rights to the holders.

In exercising the right of preference, the prohibition provided by art. 69 paragraphs 1 and 2 of the ASF Regulation no. 5/2018 according to which "*Prohibition of acquisition, through other operations, of the same issuer's shares provided for in art. 37 paragraph (2) of the Law no. 24/2017 refers to any acquisition operation, including the prohibition on the acquisition of some shares within exercising the right of preference*." In this sense, the shareholders presumed to act together who are nominated in the ASF Decision no. 3501/25.11.2015 will not be able to exercise any right of preference in connection with the operation of converting bonds into shares.

In case of conversion of the bonds into shares, the company will pay the bondholders the pro rata interest related to the bond holding period.

Issuing the bonds is justified by the need to ensure the financing of Electroarges under favorable conditions, considering its current or future needs. In this sense, the termination of the collaboration with the main client Alfred Karcher SE & Co. determined in the first semester of 2022 a decrease in turnover by 60%, on 30.06.2022 a net loss was recorded in the amount of 5,353,281 lei, as it results from the Half-Yearly

Report S1 2022 published on the BSE, situation which claims the need for the company to finance these current losses in order to continue the activity normally and to access new clients in order to return to profit. We mention that currently the Board of Directors of the National Bank of Romania decided on 02.08.2022 to increase the monetary policy interest rate to 5.50% per annum, from 4.75% per annum, as well as the increase in the interest rate for the credit facility (Lombard) at 6.50% per annum, from 5.75% per annum. Also, the NBR increased the interest rate on the deposit facility to 4.50%, from 3.75% per annum, starting on August 8, a situation that causes the interest rates on the banking market to be at a much higher level, Electroarges having the interest to access financing by issuing bonds at the lowest possible interest rate and, at the same time, to convert, if deemed necessary, the liability into shares, so that the cost of financing is as low as possible and the company to have several options depending on its evolution and the market.

2. Board of Directors' approval, authorization and empowering for the following:

- to issue any decision and to carry out all the necessary, useful and/or opportune legal documents and actions for the implementation of the decisions to be adopted by Electroarges SA EGMS, without being limited to, the negotiation as well as the establishment and approval of the following operations related to each issue or tranche of Bonds:

(a) the value of the issue or tranche, as the case may be;

(b) any other Bonds terms and conditions, including, without limitation, the form of the bonds, maturity, early redemption, interest, taxes and commissions;

(c) intermediaries for the issuance and sale of Bonds, as the case may be;

- to negotiate, approve and sign any contracts and/or arrangements regarding the Bonds and/or on the basis of which the Bonds are issued and/or sold, offer documents, any subscription, sale, agency, trust, or consultancy contracts, certificates, statements, registers, notifications, additional acts and any other necessary acts and documents, to carry out any steps and to authorize and/or execute any other actions necessary to give full effect to the issue of the Bonds and/or the offer in connection with them and their sales and to negotiate, approve and sign any other documents and carry out any other operations and/or steps that are necessary or useful to implement and give full effect to the aforementioned and the issuance of Bonds;

- to decide, negotiate, approve and sign any document and carry out any necessary operations and/or steps, if applicable;

- to negotiate and approve and sign any contracts and/or arrangements regarding the operations mentioned above, and to carry out any actions and/or steps that are necessary in connection with these operations;

- to decide the use of the obtained funds, as a source of financing for current activity and/or current and future investments, or/and for the refinancing of balance sheet financial obligations and/or for securing the working capital necessary to support the company's strategic business plan.

3. Approval of the date of 04.11.2022 as the registration date, according to art. 87 paragraph 1 of the Law no. 24/2017 and the date of 03.11.2022 as ''ex date'', according to art. 2 paragraph 2 letter l of the ASF Regulation no. 5/2018, as well as the date of 07.11.2022, as the payment date according to art. 178 paragraph 1 of the ASF Regulation no. 5/2018.

4. Mandating the Chairman of the Board of Directors and/or the Vice-Chairman of the Board of Directors, to authorize the person or persons who will carry out the steps at Trade Register and wherever necessary, for the registration of the decision and other documents approved by the Extraordinary General Meeting of Shareholders.

The shareholders' right to attend the general meetings

Shareholders nominally registered in the Register of Shareholders on the date of reference may personally attend the general meeting, by legal representatives (in the case of legal persons) or by a representative based on a Special or General Power of Attorney, or may vote by Absentee Ballot (by written form or by electronic means). The shareholders may be assisted by attorneys/legal advisers in the general meeting of shareholders.

The access of the shareholders entitled to attend the general meeting of shareholders is allowed by the mere proof of their identity, made in the case of the natural person shareholders with the identity card or, in the case of legal persons and the represented legal person shareholders, with the Power of Attorney offered to the natural person representing them, in compliance with the applicable legal provisions and the provisions contained in this Summoning Notice.

In the case of legal person shareholders or entities without legal personality, the capacity of legal representative is established based on the list of shareholders from the Register of Shareholders at the date of reference, and the legal representative's identity card. If, at the date of reference, the Register of Shareholders does not contain data on the legal representative's capacity, this capacity shall be proved by a certificate issued by the Trade Register, submitted in original, or a certified true copy, issued no more than 30 days prior to the publication of the Summoning Notice of the general meeting of shareholders.

Shareholders, who are not able to exercise their rights, as well as the legal persons, may be represented by their legal representatives, who in turn may authorize other persons.

Shareholders may be represented in the general meeting by other persons, on the basis of a Special or General Power of Attorney.

Natural or legal person shareholders registered at the date of reference may be represented in the general meeting by persons other than the shareholders based on a Special Power of Attorney.

For this type of voting, the Special Power of Attorney forms must be used, which will be provided by the company's Board of Directors, or a General Power of Attorney, prepared in accordance with the Law 24/2017 and of the ASF Regulation no. 5/2018.

Legal person shareholders or entities without legal personality who participate in the general meeting by a person other than the legal representative, must use a Special or General Power of Attorney under the abovementioned conditions.

Special Power of Attorney forms will be available from 16.09.2022 at the company's secondary office, and on the company's website, electroarges.ro.

The shareholders will fill in and sign the Special Power of Attorney in three original copies: one for the shareholder, one for the representative and one for the company. The copy for the company, filled in and signed, shall be submitted personally or send:

- by any type of courier, in original, together with the accompanying documents at the company's secondary office so that it could be registered with the company at least 48 hours before the general meeting of shareholders, until 15.10.2022, 08.00 am, under the sanction of losing the voting right.
- by e-mail - with extended electronic signature incorporated according to the Law no. 455/2001 on the electronic signature at electroarges@electroarges.ro and

office@1electroarges.ro at least 48 hours before the general meeting of the shareholders, until 15.10.2022, 08.00 am, under the sanction of losing the voting right.

The company will accept a General Power of Attorney for attending and voting in the general meeting of shareholders, issued for a period of maximum three years, offered by a shareholder, as a client, to an intermediary defined according to art. 2 paragraph (1) section 20 of the Law no. 24/2017, or to an attorney, without requiring additional documents regarding the respective shareholder, if the General Power of Attorney complies with the provisions of art. 105 paragraph 13 of the Law 24/2017, is signed by the respective shareholder and is accompanied by a declaration on his/her own responsibility given by the intermediary's legal representative or by the attorney who received the authorization by General Power of Attorney, from which results that:

(i) authorization is given by that shareholder as a client, to the intermediary or, as the case may be, to the attorney;

(ii) the General Power of Attorney is signed by the shareholder, including by attaching extended electronic signature, if applicable.

The statement made by the intermediary's legal representative or the attorney who received the authorization by General Power of Attorney must be submitted in original to the company, signed and, as the case may be, stamped, at the same time with the General Power of Attorney, no later than 48 hours prior to the general meeting of shareholders on 15.10.2022, 08.00 am, in case of first use.

Shareholders could not be represented in the general meeting of shareholders, based on a General Power of Attorney, by a person who is in a situation of conflict of interest in accordance with the provisions of art. 105 paragraph (15) of Law no. 24/2017.

General Power of Attorney forms are submitted to the company 48 hours before the general meeting from 15.10.2022, 08.00 am, as a certified copy or including the mention of certified true copy, under the representative's signature.

Absentee Ballot

Shareholders have the opportunity to vote by correspondence before the general meeting of shareholders using the Absentee Ballot forms provided by the company.

The Absentee Ballot forms will be available beginning with 16.09.2022, at the company's secondary office or on the company's website at electroarges.ro.

Under the sanction of losing the voting right, the Absentee Ballot forms filled in and signed by the shareholders, together with all the accompanying documents, are submitted to the company's secondary office to be registered until 15.10.2022, 08.00 am as follows:

(i) by any type of courier

- the Absentee Ballot form submitted in original, on paper;

(ii) by e-mail - with extended electronic signature incorporated according to Law no. 455/2001 on the electronic signature, at electroarges@electroarges.ro *and* office@1electroarges.ro.

The Absentee Ballot forms are submitted together with the following documents:

(i) In the case of natural person shareholders, the forms must be accompanied by a copy of the identity card and the account statement which shows the quality of shareholder and the number of shares held, issued by the Register of Shareholders;

(ii) In the case of legal person shareholders, it must be accompanied by an account statement issued by the Register of Shareholders showing the quality of shareholder and the number of shares held together with documents certifying the registration of information on the legal representative in the Register of Shareholders, as well as copy of the legal representative's identity card.

If the Register of Shareholders does not contain data regarding the quality of legal representative, this quality is proved by a certificate issued by the Trade Register, presented in original or certified true copy, issued with a maximum of 30 days before the date the publication of the Summoning Notice of the general meeting, which certifies the quality of legal representative.

In case the shareholder, who voted by correspondence, attends personally or by a representative the general meeting, the vote by correspondence will be canceled. In this case, only the vote cast in person or by the representative will be considered.

If the person who represents the shareholder by personal attendance in the general meeting is different from the one who voted by correspondence, then, for the validation of the vote, he/she will either present in the meeting a written revocation of the vote by correspondence signed by the shareholder or by the representative who voted by correspondence. This is not necessary if the shareholder or his legal representative is attending the general meeting.

CAUTION!

Considering the epidemiological situation determined by the spread of COVID-19 on the Romanian territory and the measures taken by the authorities:

- we recommend the shareholders to use the means of voting by correspondence, as mentioned in this Summoning Notice.
- we ask all shareholders who wish to attend the general meeting by the physical presence at the address mentioned in the Summoning Notice for holding the general meeting to notify the Board of Directors of this intention at least 5 (five) days before the date of the meeting, at the e-mail addresses electroarges@electroarges.ro *and* office@1electroarges.ro, in order to carry out all the necessary preparations to protect the health of the participants, as well as to ensure strict compliance with the measures taken by the authorities.

Shareholders' right to add new items on the agenda of the general meeting and make proposals for decisions on items existing or proposed to be included on the agenda.

According to the provisions of art.117^1 paragraph (1) of Law no. 31/1990 and art.105 paragraph (3) of the Law 24/2017, one or more shareholders representing, individually or together, at least 5% of the Company's share capital, may ask the company's Board of Directors to add additional items on the agenda of the general meeting and/or present draft decisions for the items included or proposed to be included on the agenda of the general meeting, subject to the following conditions:

(i)In the case of natural person shareholders, the requests must be accompanied by a copy of the identity card and the account statement which shows the quality of shareholder and the number of shares held, issued by the Register of Shareholders;

(ii)In the case of legal person shareholders, the requests must be accompanied by an account statement issued by the Register of Shareholders showing the quality of shareholder and the number of shares held together with documents certifying the registration of information on the legal representative in the Register of Shareholders, as well as copy of the legal representative's identity card.

If the Register of Shareholders does not contain data regarding the quality of legal representative, this quality is proved by a certificate issued by the Trade Register, presented in original or certified true copy, issued with a maximum of 30 days before the date the publication of the Summoning Notice of the general meeting, which certifies the quality of legal representative.

(iii)They are accompanied by a justification and/or draft decision to be adopted;

(iv)They are submitted and registered at the company's registered office by any type of courier, with acknowledgment of receipt, within 15 days from the publication of the Summoning Notice, in original, signed and, as the case may be, stamped by the shareholders or their legal representatives.

Shareholders' right to make enquiries on the agenda

Shareholders may ask the company questions through a written document to be submitted and registered at the company's registered office by any type of courier, with acknowledgement of receipt, within five days of the publication of the Summoning Notice in the Official Gazette, in original, signed and, if necessary, stamped by the shareholders or their legal representatives.

The document containing the enquiries must be accompanied by:

(i) In the case of natural person shareholders, the requests must be accompanied by a copy of the identity card and the account statement which shows the quality of shareholder and the number of shares held, issued by the Register of Shareholders;

(ii) In the case of legal person shareholders, the request must be accompanied by an account statement issued by the Register of Shareholders showing the quality of shareholder and the number of shares held together with documents certifying the registration of information on the legal representative in the Register of Shareholders, as well as copy of the legal representative's identity card.

If the Register of Shareholders does not contain data regarding the quality of legal representative, this quality is proved by a certificate issued by the Trade Register, presented in original or certified true copy, issued with a maximum of 30 days before the date the publication of the Summoning Notice of the general meeting, which certifies the quality of legal representative.

The company may answer by posting the answer on its website or in the general meeting.

The Special Power of Attorney forms, the Absentee Ballot forms, as well as the draft decisions of the General Meeting, regarding the issues included on the agenda, will be available and can be consulted by shareholders at the company's secondary office starting with 16.09.2022, on business days, between 09.00 –15.00 or on the company's website electroarges.ro.

VICE-CHAIRMAN

BOARD OF DIRECTORS,

ROXANA SCARLAT