

INFORMATION

RETRASIB S.A, Romanian legal entity, manufacturer of medium and high power electric transformers, member of the SGB-SMIT Group informs the shareholders and all the participants in the capital market about the measures taken so far in order to prevent the spread and influence of COVID-19 on the current activity of the Company and its employees.

Both the management of the Group of which we belong, as well as of the Company RETRASIB SA, looks at the situation calmly and has implemented, since the end of February this year, firm measures to protect and prevent the spread of COVID-19 in accordance with the information and recommendations transmitted by the competent authorities.

The RETRASIB S.A. plant operates so far within budgeted parameters and there is no significant fluctuation in market demand.

The main additional risks identified at this time concern the continuity of the supply of raw materials (the main suppliers of copper for the active parts are located in Italy and, at the moment, we are experiencing difficulties in its timely supply, due to the difficulty of the logistics between the countries and of the measures taken by all the states that are transiting), the transport of the transformers produced to the different electric stations located in Romania or outside the territory of our country, in the context of the temporary closure of some state border crossing points.

Both the representatives of RETRASIB S.A. as well as of the Group of which we are part, are in constant contact with its main suppliers, and they constantly receive the same message, namely that their production is working and there are no worries. As an additional assurance both the Group and the Company RETRASIB SA, has issued orders to alternative suppliers of raw materials in order not to risk supply interruptions.

Also, we are in permanent contact with our clients from Romania and outside Romania and we have no signs that in the very short term (Q1, 2020) the demand for products manufactured by RETRASIB SA would be significantly affected.

At RETRASIB SA level, measures were taken to continue the activity, measures that have been updated according to the present situation.

From the measures taken from the end of February to the present, March 20, 2020, at the level of RETRASIB SA, we list:

1) Identification of the employees who, due to the specific activity and related facilities can carry out the specific activities provided in the job descriptions at home, drawing up the necessary documents. For those employees who cannot perform their work from home but fulfill the conditions provided by Law no. 19/2020, regarding the granting of paid free days for the supervision of children during the temporary suspension of the courses in pre-university education, the Company respects the legal rights of the applicants. So far, we have no sick leave issued for home or quarantine isolation, and those colleagues who had symptoms of respiratory infections were sent to medical control.

2) Training of all personnel regarding mandatory measures of hygiene, protection and prevention at work. At the same time, information on the protection and prevention procedures were displayed at the registered office of RETRASIB SA and were made available to employees for disinfection and enhanced protection. Disinfection of exposed surfaces from workspaces is rigorously performed periodically.

3) Procedures have been imposed to avoid crowding by limiting the use of common spaces (canteen, changing rooms, etc.). The transport of the employees to and from the workplace is accomplished both by means of self-employed means of transport, of the Company, but also by means of public transport.

4) Limiting the interaction of the employees of the Company, of the whole Group of which we are part, with external personnel and the implementation of a procedure of its interaction with the personnel of

the Company (eg loading / unloading cargo). External staff interacting with representatives / employees of the Company, during this period are provided additional measures of protection and hygiene.

5) Use of online, teleconferencing, or telephony systems for the interaction of the Company's personnel with third parties (collaborators, suppliers, clients, etc.)

6) Prioritizing the production capacities and training the production personnel according to the operating plan under the given conditions. At the same time, optimal management measures for the procurement of raw materials, auxiliaries and inventory management are implemented. The immediate way, approached by us, was placing orders in other non-European countries, or outside the continent, still looking for solutions so as not to endanger the deliveries to our customers.

These measures are valid for the whole period in which the state of emergency is decreed, and will be extended, depending on the political-economic evolution. Moreover, the members of the Company's operational management meet daily to monitor and analyse existing situations throughout the Company, imposing new decisions if necessary, taking into account the state of affairs at the time of the meeting, the official information from the authorities, as well as the status implementation of the measures in force.

Considering the geographical layout of the Company, the fact that we do not have established secondary offices, branches, subsidiaries, other such ones that will be dispersed throughout Romania or abroad, RETRASIB SA, through its management bodies, analyses locally the evolution COVID19, availability of raw / auxiliary materials, utility supply, order status, etc. Currently, RETRASIB S.A. They operate in normal parameters, and the Company's business has so far not been affected by the evolution of the COVID19 spread.

The priorities during this period are the fulfilment of the budget even under the given conditions. To this end, we, as a Company, see that the cooperation with the authorities and the application of all necessary measures for the safety of the employees and the continuity of the business are paramount.

The action plan for business continuity also takes into account high risk scenarios, promotes and assumes a prudent and responsible attitude.

RETRASIB S.A. management assures shareholders, investors that at the Company level there is a responsible attitude that is based on concrete information.

RETRASIB S.A. monitors the evolution of the situation caused by COVID-19 and is prepared to impose additional measures if the situation so requires.

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