

**To: Bucharest Stock Exchange
Financial Supervisory Authority (ASF), Financial Instruments and
Investments Sector**

CURRENT REPORT

Report date: 05.01.2018

Pursuant to:

- The Romanian National Securities Commission (CNVM) Regulation no. 1/2006 regarding the issuers of and the operations with securities
- Law no. 297/2004 on capital market
- Law no. 24/2017 on issuers

Entity name: ELECTROMAGNETICA S.A.

Address: 266-268 CALEA RAHOVEI STREET, DISTRICT 5, BUCHAREST

Telephone: 404.21.02; 404.21.08 FAX: 404.21.95; 404.21.94

Order number in the Trade Register: J 40/19/1991

Sole Registration Code: 414118

Subscribed share capital: 67 603 870.4 lei

Regulated market where the issued securities are traded: Premium Tier, BVB

Important events to be reported: Sanction imposed by The Competition Council

Electromagnetica SA took note of the Competition Council's minute of December 20, 2017, file no. 10/2017, by which it decided the sanction of the company with the amount of lei 10.024.824,88 representing 4,23% of the 2016 turnover for an alleged infringement of Art. 5 (1) of the Competition Law and Art. 101 (1) of TFEU.

The investigation was triggered by Order No. 577/23.09.2015 on the market for the production and trading of electricity meters and related equipment for energy measurement and on the market of services related to the measurement of electricity.

We hereby announce to the shareholders that, on the date Electromagnetica receives the reasoned decision of the Competition Council's, we will challenge the sanction decision in court.

Regards,
Eugen Scheusan
CEO