

ELECTROMAGNETICA S.A.

Quarterly report as of September 30, 2024

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ELECTROMAGNETICA S.A.

**SEPARATE QUARTERLY REPORT FOR
3RD QUARTER OF 2024**

**Separate financial results for the third quarter of 2024 (Q3 2024)
compared to the third quarter of 2023 (Q3 2023)
(unaudited)**

SEPARATE QUARTERLY REPORT FOR THE 3RD QUARTER OF 2024

Key issues for the 3-month period ended September 30, 2024 (Q3 2024)

- The company's turnover of RON 24.2 million in Q3 2024 is 48% lower compared to Q3 2023;
- Rental income decreased marginally in Q3 2024 by 5% compared to Q3 2023;
- Sales related to the manufacturing business decreased by 36% in Q3 2024 compared to the same period of 2023, mainly due to lower revenues generated by the led lighting fixtures and services (CIL) and electric vehicle charging stations (SIVE) business lines, amid measures taken to streamline the company's operations;
- The production activity was downsized in the context of the decrease in turnover, generated by the reduction of projects carried out through government programs with slow debt collection;
- Licensed activities, in particular energy supply, decreased by about 61%, due to the decrease in energy sales, as a result of the significant drop in electricity prices and the effects induced by the current legislation on capping and compensation of energy related to final customers (GEO 119/01.09.2022)
- The result of the licensed business has been affected by the existence of power purchase agreements entered into in 2022 from which the Company cannot exit without incurring significant costs;
- In the auction of August 7, 2024, the asset consisting of 11 Small Hydroelectric Power Plants (SHPPs) located in the Suceava River catchment area, consisting of land, buildings and equipment, all owned by the Company, was sold at the price of 33,550,000 RON.

Indicator	Q3	Q3	Q1 -Q3	Q1 -Q3
	2024	2023	2024	2023
Income from unlicensed activities (RON thousands)	14,271	20,996	48,762	84,021
Revenues from licensed activities (RON thousand)	9,885	25,060	26,831	68,795
Turnover (thousand RON)	24,155	46,056	75,593	152,815
Net result (Ron thousands)	11,902	-9,977	2,929	-1,546
Earnings per share (RON)	0.0176	-0.0148	0.0043	-0.0023

Sales

Electromagnetica is a company that operates in several areas, the most important of which are:

- Activities in the field of energy efficiency (production of led lighting fixtures, electric car charging stations);
- Other manufacturing activities (plastic injection moulding parts, electrical switchgear, railway safety components);
- Letting of office space, industrial space, land and provision of utilities;
- Renewable electricity generation (produced in small hydropower plants until Q3 2024) and electricity supply.

The Company has used the nature of the regulatory environment as an aggregation criterion for reporting by business segments and has identified the following business segments for which it discloses information separately:

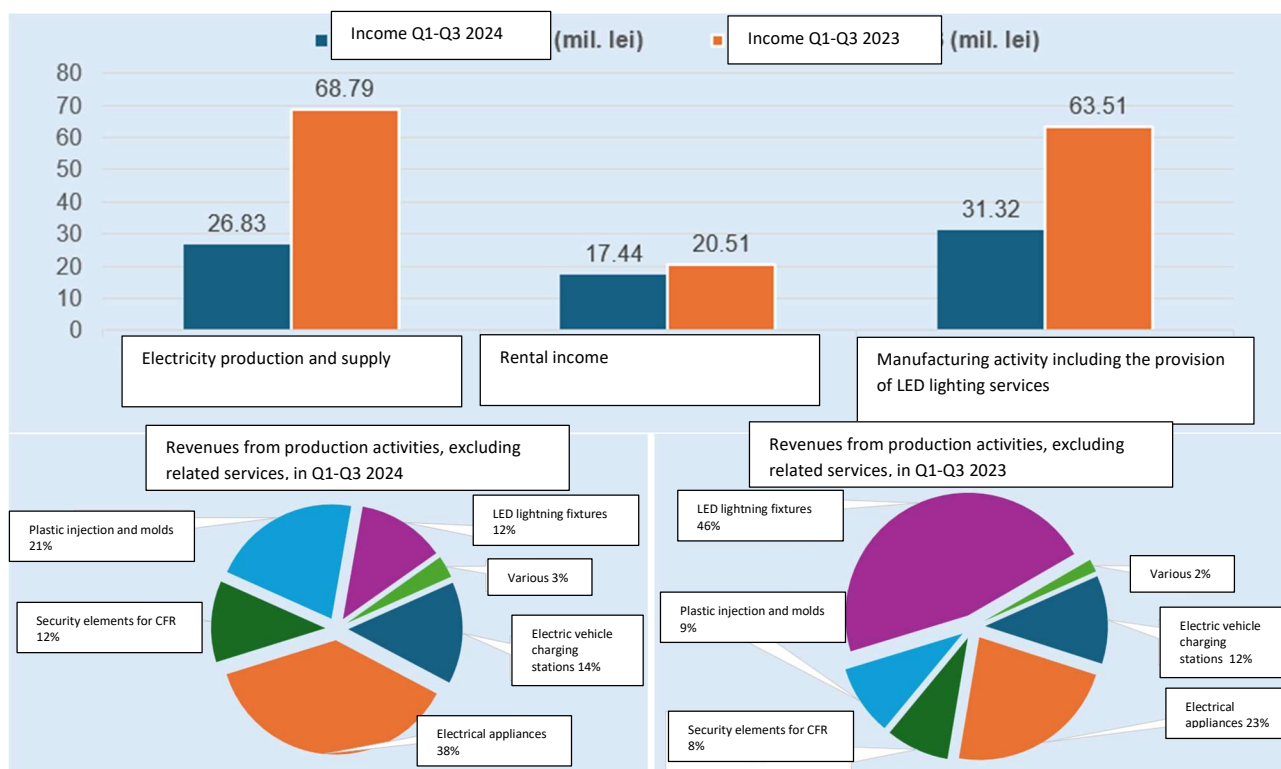
- Licensed activity - supply and production of electricity;
- Unlicensed activity - industrial production and rental of premises.

The aggregation criterion is based on the license to carry out certain activities as well as the conditions imposed by the license, including the presentation of individual financial statements. .

- RON -

Q1-Q3 2024	Unlicensed activity	% Total company	Licensed activity	% Total company	Total company
Net Profit / Loss	-1,750,703	-60%	4,679,555	160%	2,928,852
Total assets	347,161,768	91%	34,553,825	9%	381,715,593
Total liabilities	28,607,319	87%	4,431,665	13%	33,038,984
Customer revenue	48,761,984	65%	26,830,867	35%	75,592,851
Depreciation and amortization	7,418,335	85%	1,277,524	15%	8,695,859

Q1-Q3 2023	Unlicensed activity	% Total company	Licensed activity	% Total company	Total company
Net loss	-7,534,560	487%	5,988,000	-387%	-1,546,560
Total assets	344,974,728	80%	84,340,628	20%	429,315,356
Total liabilities	46,093,391	83%	9,469,781	17%	55,563,172
Customer revenue	84,020,702	55%	68,794,614	45%	152,815,316
Depreciation and amortization	6,710,095	81%	1,557,269	19%	8,267,365



SEPARATE INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

Q3 2024	Q3 2023		Q1-Q3 2024	Q1-Q3 2023
24,155,265	46,055,293	Revenue	75,592,851	152,815,316
3,723,621	176,797	Investment income	5,339,779	855,894
10,458,992	-9,522,696	Other net income	9,130,703	-7,592,255
-1,022,803	1,368,714	Variation of the stock of finished products and production in progress	-2,987,590	8,278,749
2,649	1,443,872	Activity performed by the entity and capitalized	68,538	2,199,191
-13,645,149	-25,259,958	Raw materials and consumables used	-42,925,477	-78,896,434
-5,159,882	-9,532,536	Employee expenses	-19,854,216	-29,989,050
-2,762,398	-2,763,245	Depreciation and amortization expense	-8,695,859	-8,267,365
-4,383,956	-13,651,877	Other expenses	-14,139,932	-40,858,290
61,279	-113,261	Financial expenses	-74,935	-387,633
11,427,618	-11,798,897	Profit/loss before tax	1,453,862	-1,841,876
474,708	1,822,324	Corporate tax	1,474,990	295,317
11,902,326	-9,976,574	Period profit/loss	2,928,852	-1,546,560

SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION AT SEPTEMBER 30, 2024 (UNAUDITED)

	September 30, 2024	December 31, 2023
Assets		
Non-current assets		
Tangible fixed assets	248,698,392	284,561,365
Real estate investment	17,709,588	17,709,588
Intangible assets	408,566	566,310
Investments in affiliated entities	842,008	842,008
Other long-term non-current assets	3,969,876	6,606,482
Rights of use assets	1,615,610	1,399,694
Total non-current assets	273,244,040	311,685,446
Current assets		
Stocks	9,136,324	18,715,189
Trade receivables	17,116,247	35,380,716
Cash and cash equivalents	76,387,033	25,138,900
Other current assets	4,128,120	1,666,030
Current tax claim	1,703,829	1,703,829
Total current assets	108,471,553	82,604,665
Total assets	381,715,593	394,290,111
EQUITY AND LIABILITIES		
Equity		
Share capital	67,603,870	67,603,870
Reserves and other equity items	210,304,524	215,108,527
Retained earnings	70,768,216	63,035,361
Total equity attributable to shareholders of the company	348,676,610	345,747,758
Long-term debt		
Commercial and other liabilities	1,129,662	867,718
Investment subsidies	-	3,757,433
Deferred tax liabilities	14,508,106	15,983,096
Lease liabilities	881,717	724,064
Total long-term liabilities	16,519,485	21,332,310
Current liabilities		
Commercial and other liabilities	14,181,983	24,920,540
Investment subsidies	-	163,219
Provisions	1,324,778	1,405,436
Current corporate tax liabilities	-	-
Lease liabilities	1,012,738	720,847
Total current liabilities	16,519,499	27,210,043
Total liabilities	33,038,984	48,542,353
Total equity and liabilities	381,715,593	394,290,111

SEPARATE INTERIM STATEMENT OF CASH FLOWS FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Q3 2024	Q3 2023		Q1-Q3 2024	Q1-Q3 2023
		Cash flows from operating activities:		
33,367,847	63,506,293	Cash receipts from customers	102,721,942	174,508,878
-	-37,560,836	Payments to suppliers	-62,846,291	-98,600,974
19,974,833	-10,475,891	Payments to employees	-20,649,019	-31,662,884
-5,591,427	-10,147,712	Other operating operations	-6,099,854	-32,665,176
-433,284				
7,368,303	5,321,854	Cash generated by / (used in) operating activity	13,126,778	11,579,844
-69,178	-	Interest paid	-69,178	-1,469
-	-539,670	Income tax paid	-	-1,580,290
7,299,125	4,782,184	Cash generated by / (used in) and operating activities	13,057,600	9,998,085
		Cash flows from investment activities:		
-26,458	-2,616,075	Purchase of tangible assets	-82,824	-4,462,486
33,478,823	-	Proceeds from sale of fixed assets	33,567,850	24,490
573,411	140,479	Interest collected	1,158,819	322,940
3,398,640	42,483	Dividends received	4,549,989	534,796
37,424,416	-2,433,114	Cash generated by / (used in) and investment activities	39,193,834	-3,580,260
		Cash flows from financing activities:		
-	-	Cash proceeds from loans	-	1,964,851
-	-	Cash repayments of borrowed amounts	-	-1,964,851
-225,394	-355,437	Lease paid	-855,414	-1,025,081
-13,942	-22,021	Lease interest paid	-69,178	-73,446
-51,523	-3,004,394	Dividends paid	-78,709	-3,010,089
-290,859	-3,381,852	Cash generated by / (used in) and financing activities	-1,003,301	-4,108,616
44,432,682	-1,032,782	Net increase / decrease in cash and cash equivalents	51,248,133	2,309,209
31,954,351	14,055,660	Cash and cash equivalents at the beginning of the period	25,138,900	10,713,669
76,387,033	13,022,878	Cash and cash equivalents at end of period	76,387,033	13,022,878

ELECTROMAGNETICA S.A.

**SIMPLIFIED SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(UNAUDITED)**

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Note	Period of 9 months ended at September 30 2024	Period of 9 months ended at September 30 2023
Revenue	4	75,592,851	152,815,316
Investment income		5,339,779	855,894
Other income and expenses, net	4	9,130,703	-7,592,255
Change in the stock of finished products and production in progress		-2,987,590	8,278,749
Activity performed by the entity and capitalized		68,538	2,199,191
Expenses on raw materials and consumables	5	-42,925,477	-78,896,434
Employee expenses	5	-19,854,216	-29,989,050
Depreciation and amortization expense	5	-8,695,859	-8,267,365
Other expenses	5	-14,139,932	-40,858,290
Financial expenses	5	-74,935	-387.633
Profit before tax		1,453,862	-1,841,876
Corporate tax	6	1,474,990	295,317
Period profit		2,928,852	-1,546,560
Other comprehensive income:			
of which:			
other comprehensive income items that cannot be reclassified to the profit and loss account		-	-
Comprehensive period result		2,928,852	-1,546,560
Number of shares		676,038,704	676,038,704
Basic/diluted earnings per share	7	0.0043	-0.0023

These individual financial statements were approved to be issued by management on November 10, 2024.

DANIELA CUCU

General Manager

ROBERT ION

Commercial Director

NIȚU MARIANA

Chief Accountant

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION AT SEPTEMBER 30, 2024

	Note	September 30, 2024	December 31, 2023
Assets			
Non-current assets			
Tangible fixed assets	8	248,698,392	284,561,365
Real estate investment		17,709,588	17,709,588
Intangible assets		408,566	566,310
Investments in affiliated entities		842,008	842,008
Other long-term non-current assets		3,969,876	6,606,482
Rights of use assets	9	1,615,610	1,399,694
Total non-current assets		273,244,040	311,685,446
Current assets			
Stocks	10	9,136,324	18,715,189
Trade receivables	11	17,116,247	35,380,716
Cash and cash equivalents	12	76,387,033	25,138,900
Other current assets		4,128,120	1,666,030
Current tax claim		1,703,829	1,703,829
Total current assets		108,471,553	82,604,665
Total assets		381,715,593	394,290,111
EQUITY AND LIABILITIES			
Equity			
Share capital		67,603,870	67,603,870
Reserves and other equity items		210,304,524	215,108,527
Retained earnings		70,768,216	63,035,361
Total equity attributable to shareholders of the company		348,676,610	345,747,758
Long-term debt			
Commercial and other liabilities		1,129,662	867,718
Investment subsidies		-	3,757,433
Deferred tax liabilities		14,508,106	15,983,096
Lease liabilities		881,717	724,064
Total long-term liabilities		16,519,485	21,332,310
Current liabilities			
Commercial and other liabilities	13	14,181,983	24,920,540
Investment subsidies		-	163,219
Provisions		1,324,778	1,405,436
Current corporate tax liabilities		-	-
Lease liabilities		1,012,738	720,847
Total current liabilities		16,519,499	27,210,043
Total liabilities		33,038,984	48,542,353
Total equity and liabilities		381,715,593	394,290,111

These individual financial statements were approved to be issued by management November 10, 2024.

DANIELA CUCU
General Manager

ROBERT ION
Commercial Director

NIȚU MARIANA
Chief Accountant

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

SEPARATE INTERIM STATEMENT OF CASH FLOWS FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	<u>Note</u>	<u>Period of 9 months ended at September 30 2024</u>	<u>Period of 9 months ended at September 30 2023</u>
Cash flows from operating activities:			
Cash receipts from customers		102,721,942	174,508,878
Payments to suppliers		-62,846,291	-98,600,974
Payments to employees		-20,649,019	-31,662,884
Other operating operations		-6,099,854	-32,665,176
		<u>13,126,778</u>	<u>11,579,844</u>
Cash generated by / (used in) operating activity			
Interest paid		- 69.178	-1,469
Income tax paid		-	-1,580,290
		<u>13,057,600</u>	<u>9,998,085</u>
Net cash used in operating activities			
Cash flows from investment activities:			
Purchase of property, plant and equipment		-82,824	-4,462,486
Proceeds from sale of fixed assets		33,567,850	24,490
Interest accrued		1,158,819	322,940
Dividends received		4,549,989	534,796
		<u>39,193,834</u>	<u>-3,580,260</u>
Net cash used in investment activities			
Cash flows from financing activities:			
Cash proceeds from loans		-	1,964,851
Cash repayments of borrowed amounts		-	-1,964,851
Lease paid		-855.414	-1,025,081
Lease interest paid		-69,178	-73,446
Dividends paid		-78,709	-3,010,089
		<u>-1,003,301</u>	<u>-4,108,616</u>
Net cash used in financing activities			
Net decrease in cash and cash equivalents		<u>51,248,133</u>	<u>2,309,209</u>
Cash and cash equivalents at the beginning of the period	12	<u>25,138,900</u>	<u>10,713,669</u>
Cash and cash equivalents at end of period	12	<u>76,387,033</u>	<u>13,022,878</u>

These individual financial statements were approved to be issued by management on November 10, 2024.

DANIELA CUCU
General Manager

ROBERT ION
Commercial Director

NIȚU MARIANA
Chief Accountant

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

SEPARATE INTERIM STATEMENT OF CHANGE IN EQUITY FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Revaluation reserves tangible assets</u>	<u>Other elements</u>	<u>Legal reserve</u>	<u>Deferred tax recognized in reserves</u>	<u>Total equity</u>
Balance at 01 January 2024	67,603,870	63,035,361	146,040,464	79,826,174	12,541,942	-23,300,053	345,747,758
Comprehensive income for the period:							
Result for the financial year	-	2,928,852	-	-	-	-	2,928,852
Other comprehensive income:	-	4,804,004	-5,718,869			914,865	-
Legal reserve and other reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to retained earnings following the amortization and derecognition of revalued tangible assets	-	5,718,869	-5,718,869	-	-	-	-
Transfer of revaluation reserve tax to retained earnings	-	-914.865	-	-	-	914,865	-
Transfer of net profit to reserves	-	-	-	-	-	-	-
Total comprehensive income for the period	-	7,732,856	-5,718,869	-	-	914,865	2,928,852
Transactions with shareholders, recorded directly in equity:							
Dividends distributed	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	-	-
Balance at September 30, 2024	67,603,870	70,768,216	140,321,595	79,826,174	12,541,942	-22,385,188	348,676,610

These individual financial statements were approved to be issued by management on November 10, 2024:

DANIELA CUCU
General Manager

ROBERT ION
Commercial Director

NIȚU MARIANA
Chief Accountant

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

SEPARATE INTERIM STATEMENT OF CHANGE IN EQUITY FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2023

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Revaluation reserves tangible assets</u>	<u>Other elements</u>	<u>Legal reserve</u>	<u>Deferred tax recognized in reserves</u>	<u>Total equity</u>
Balance at 01 January 2023	67,603,870	115,568,232	149,935,370	57,975,275	12,541,942	-23,989,660	379,635,030
Comprehensive income for the period:							
Result of financial year	-	-1,546,560	-	-	-	-	-1,546,560
Other comprehensive income:	-	-19,234,512	-3,114,746	21,850,899	-	498,360	-
Setting up legal reserve and other reserves	-	-1,401,865	-	1,401,865	-	-	-
Transfer from revaluation reserve to retained earnings following the amortization and derecognition of revalued tangible assets	-	3,114,747	-3,114,746	-	-	-	-
Transfer tax related revaluation reserve to retained earnings	-	-498.360	-	-	-	498,360	-
Transfer of net profit to reserves	-	-20,449,034	-	20,449,034	-	-	-
Total comprehensive income for the period	-	-20,781,072	-3,114,746	21,850,899	-	498,360	-1,546,560
Transactions with shareholders, recorded directly in equity:							
Dividends distributed	-	-3,380,194	-	-	-	-	-3,380,194
Other elements	-	-956.083	-	-	-	-	-956.083
Balance at September 30, 2023	67,603,870	90,450,881	146,820,624	79,826,174	12,541,942	-23,491,300	373,752,193

These individual financial statements were approved to be issued by management on November 10, 2024:

DANIELA CUCU
General Manager

ROBERT ION
Commercial Director

NITU MARIANA
Chief Accountant

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

1. GENERAL INFORMATION

Electromagnetica S.A. ("the Company" or "Electromagnetica") is a joint-stock company established in 1930 and is active in several fields, the most important being:

- Activities in the field of energy efficiency (production of led lighting fixtures, electric car charging stations);
- Other manufacturing activities (plastic injection moulding parts, electrical switchgear, railway safety components);
- Letting of office space, industrial space, land and provision of utilities;
- Renewable electricity generation (produced in small hydropower plants until Q3 2024) and electricity supply.

The details of the company's investments in subsidiaries as of September 30, 2024 and December 31, 2023 are as follows:

Branch name	No. titles	Percentage of ownership and voting rights (%)	Value
Electromagnetica Prestserv SRL	300	100%	30,000
Electromagnetica Fire SRL	800	100%	80.000
Procetel SA	42.483	96.548%	732.008
TOTAL			842.008

2. BASICS OF DRAWING UP

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IAS 34, "Interim Financial Reporting".

The functional and presentation currency is the Romanian leu (RON).

The financial information as of September 30, 2024 has not been audited and has not been subject to review by an external auditor.

3. MAIN ACCOUNTING POLICIES

The same accounting policies and methods of computation have been used in the preparation of this quarterly report as those applied in the preparation of the December 31, 2023 annual financial report, except for the adoption of new standards effective January 1, 2024. Their adoption did not have a material impact on the disclosures nor on the amounts reported in these financial statements. Standards, interpretations or amendments issued (but not yet effective) have not been adopted in the current reporting.

ELECTROMAGNETICA S.A.
SEPARATE INTERIM SITUATION (UNAUDITED)
FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2024
(all amounts are in RON, unless otherwise stated)

4. REVENUE

REVENUE FROM CUSTOMER CONTRACTS	Q1-Q3 2024	Q1-Q3 2023
<i>Revenue from the production of electricity from renewable sources and from the supply of electricity</i>	26,830,867	68,794,614
<i>Income from sales of finished products, goods and other goods (LED lighting fixtures, electric vehicle charging stations, plastic injectors and moulds, low-voltage electrical equipment, rail traffic safety elements)</i>	27,471,778	43,450,005
<i>Revenue from services rendered (mainly works on systems and solutions for lighting and charging electric vehicles)</i>	3,850,698	20,056,673
TOTAL REVENUE FROM CUSTOMER CONTRACTS	58,153,343	132,301,292
RENTAL INCOME*	17,439,508	20,514,024
TOTAL REVENUE	75,592,851	152,815,316

* Rental income includes both rental income and income from re-invoicing of utilities and services.

Timing of recognition of revenue from contracts with customers

	Q1-Q3 2024	Q1-Q3 2023
Goods and services transferred at a given time	51,716,007	43,450,005
Goods and services transferred over time	23,876,844	109,365,311
Total revenue from customer contracts	75,592,851	152,815,316

Most of the revenue is generated in Romania.

Income disaggregation at product level is:

	Q1-Q3 2024	Q1-Q3 2023
Electric vehicle charging stations	4,511,596	7,384,811
Electrical equipment	11,732,926	14,414,359
Security elements for CFR	3,602,968	5,291,267
Plastic injections and moulds	6,602,298	5,899,615
LED lighting fixtures and solutions	3,893,031	29,449,069
Other income	979,657	1,067,557
TOTAL PRODUCTION	31,322,476	63,506,678

OTHER INCOME AND EXPENSES, NET

	Q1-Q3 2024	Q1-Q3 2023
Income from green certificates	797,560	1,127,267
Income / (expense) on provisions	-950,034	-8,834,157
Net exchange rate difference	-22,014	-69,287
Subsidy income*	3,920,652	122,414
Net income from sale of tangible assets	4,892,493	-2,694
Other net income	492,046	64,202
TOTAL	9,130,703	-7,592,255

* the subsidies related to the transferred activity (fixed assets sold related to the 11 micro-hydropower plants) were fully recognized as subsidy revenue at the time of the sale of the assets to which they related. Until then, subsidies were recognised as income as assets were depreciated.

The attached notes form an integral part of the separate interim financial statements.

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5. EXPENSES

	<u>Q1-Q3 2024</u>	<u>Q1-Q3 2023</u>
Expenses on raw materials and consumables	42,925,477	78,896,434
- Expenses on raw materials and consumables	12,976,846	35,900,954
- Expenses on goods	24,677,083	37,445,296
- Expenses on energy, water, gas	5,271,548	5,550,544
Employee expenses	19,854,216	29,989,050
Other expenses	14,139,932	40,858,290
- Transport and travel expenses	498,386	808,633
- Subcontracted work expenses	442,536	5,073,067
- Expenses other taxes and fees	1,258,107	21,413,952
- Expenses on green certificates	1,503,716	1,192,656
- Other operating expenses	10,437,187	12,369,983
Depreciation and amortization expense	8,695,859	8,267,365
- Depreciation expense	8,695,859	8,267,365
- Impairment loss	-	-
Financial expenses	74,935	387,633
Total expenses	85,690,419	158,398,772

6. CORPORATE TAX

	<u>Q1-Q3 2024</u>	<u>Q1-Q3 2023</u>
Current income tax		
Current income tax expense	-	1,561,670
Deferred income tax		
Deferred tax income	-1,474,990	-1,856,987
Total corporation tax	-1,474,990	-295.317

7. EARNINGS PER SHARE

	<u>Q1-Q3 2024</u>	<u>Q1-Q3 2023</u>
Net profit attributable to shareholders	2,928,852	-1,546,560
Weighted average number of ordinary shares	676,038,704	676,038,704
Earnings per share	0.0043	-0.0023

Basic and diluted earnings are identical, as the company does not have Securities with dilution potential.

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8. TANGIBLE FIXED ASSETS

As of September 30, 2024, tangible assets had a variation of RON 35,862,973 compared to the end of 2023:

- sale of non-current assets related to the 11 small hydropower plants located in the Suceava river basin in the amount of RON 28,659,859;
- depreciation for the 9-month period ended September 30, 2024 in the amount of RON 7,672,442.

9. RIGHTS OF USE ASSETS

	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Cost			
As of December 31, 2023	2,340,104	230,821	2,570,924
Entries	1,206,899	-	1,206,899
Outflows	-373.806	-118.838	-492.644
Transfers	-	-	-
As of September 30, 2024	3,173,197	111,982	3,285,179
Cumulative depreciation			
As of December 31, 2023	-1,021,542	-149,688	-1,171,230
Year depreciation	-822,159	-43,804	-865,963
Cumulative depreciation on outflows	248,786	118,838	367,624
As of September 30, 2024	-1,594,915	-74,654	-1,669,569
Net book value			
As of December 31, 2023	1,318,562	81,132	1,399,694
As of September 30, 2024	1,578,282	37,328	1,615,610

The following amounts were recognised in the profit and loss account:

	<u>Q1-Q3 2024</u>	<u>Q1-Q3 2023</u>
Depreciation expense related to the rights to use leased assets	865,963	1,013,889
Interest on lease liabilities	69,178	78,422
Expenses related to low-value leases.	76,692	12,151
Total amounts recognized in the profit and loss account	1,011,833	1,104,462

At September 30, 2024, the lease liabilities amounted to RON 1,894,455, of which short-term RON 1,012,738 and long-term RON 881,717.

At December 31, 2023, the lease liabilities amounted to RON 1,444,911, of which short term RON 720,847 and long-term RON 724,064.

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10. STOCKS

	September 30 2024	December 31 2023
Raw materials	8,136,969	8,719,964
Consumables	1,714,241	2,500,351
Finished products	11,727,324	13,799,830
Products in progress	432,614	2,064,672
Other stocks	881,373	949,286
Adjustments for impairment of stocks	-13,756,197	-9,318,915
Total	9,136,324	18,715,189

11. TRADE RECEIVABLES

Trade receivables decreased compared to December 31, 2023 primarily as a result of lower sales and reduced electricity supply activity but also as a result of the collection of past due receivables.

In cases where debt recoveries could not be amicably achieved, the company initiated legal action.

	September 30 2024	December 31 2023
Trade receivables in Romania	22,993,538	44,568,062
Trade receivables from other countries	4,060,438	4,620,663
Adjustments for impairment of trade receivables	-9,937,729	-13,808,010
Total	17,116,247	35,380,716

12. CASH AND CASH EQUIVALENTS

	September 30 2024	December 31 2023
Cash in the cash department	9,264	16,639
Cash at banks	66,376,767	25,110,929
Collateral deposit*	10,000,000	-
Cash equivalents	1,002	11,332
Total	76,387,033	25,138,900

* amount of RON 10,000,000 represents collateral deposit for the purpose of issuing bank guarantees.

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13. TRADE AND OTHER CURRENT LIABILITIES

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Current trade payables		
Domestic trade debts	1,664,267	4,415,839
Foreign trade debts	1,576,835	3,319,816
Estimated trade liabilities	<u>3,966,497</u>	<u>4,719,677</u>
Other current liabilities		
Advances received from customers	1,068,600	1,812,126
Salaries and social insurance	1,513,197	2,822,556
Advance income	1,138,087	1,695,488
Other liabilities	3,254,500	6,135,039
Total commercial and other current liabilities	<u>14,181,983</u>	<u>24,920,540</u>

14. RELATED PARTY TRANSACTIONS

	<u>Q1-Q3 2024</u>	<u>Q1-Q3 2023</u>
Sale of goods and services to subsidiaries		
Electromagnetica Fire S.R.L.	12,644	17,116
Electromagnetica Prestserv S.R.L.	12,220	16,828
Procetel S.A.	<u>39,605</u>	<u>670,730</u>
Total	<u>64,469</u>	<u>704,674</u>

	<u>Q1-Q3 2024</u>	<u>Q1-Q3 2023</u>
Purchases of goods and services from subsidiaries		
Electromagnetica Fire S.R.L.	365,901	1,058,033
Electromagnetica Prestserv S.R.L.	417,301	837,434
Procetel S.A.	<u>990,873</u>	<u>1,041,440</u>
Total	<u>1,774,074</u>	<u>2,936,907</u>

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Commercial and other liabilities to subsidiaries		
Electromagnetica Fire S.R.L.	-	138,121
Electromagnetica Prestserv S.R.L.	-	290,156
Procetel S.A.	<u>125,772</u>	<u>213,013</u>
Total	<u>125,772</u>	<u>641,290</u>

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Commercial and other receivables to subsidiaries		
Electromagnetica Fire S.R.L.	-	-
Electromagnetica Prestserv S.R.L.	1,823	-
Procetel S.A.	<u>3,147</u>	<u>729,876</u>
Total	<u>4,970</u>	<u>729,876</u>

Transactions between affiliated entities take place under normal market conditions.
The affiliated companies do not carry out operations that have an impact on the Company's result.

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15. COMMITMENTS AND POTENTIAL LIABILITIES

Commitments

As of September 30, 2024, the company has commitments granted by a financing bank as follows:

- Non-cash guarantee agreements in the amount of RON 10,000,000.

Also, on September 30, 2024 the company had at its disposal the amount of RON 3,141,139, as unused from the non-cash facilities for letters of guarantee.

Commitments received from customers and tenants in the form of letters of guarantee as of September 30, 2024 amount to 193,330 RON as per the contractual terms.

Disputes

Disputes in which the Company is involved are of amounts that are not likely to affect the financial stability of the Company.

16. EVENTS AFTER THE REPORTING DATE

On the agenda of the Ordinary General Meeting of Shareholders held on October 14, 2024, was included and approved the amendment to the Income and Expenses Budget for the year 2024, approved by the General Meeting of Shareholders held on April 25, 2024.

On October 1, 2024, the Company informed its shareholders and investors that on September 30, 2024 it delivered to ABB (Italy) the last order related to the commercial relationship between the parties, which started in 2007 (contractual relationship generating at least 10% of the net turnover for 2023).

**ECONOMIC AND FINANCIAL INDICATORS IN ACCORDANCE
WITH ANNEX 13°OF FSA REGULATION 5/2018**

Indicator name	Calculation formula	Q1-Q3 2024	Q1-Q3 2023
Current liquidity	Current assets/current liabilities	6.57	3.29
Indebtedness	Long-term borrowed capital / equity x 100	0.003	0.24
	Long-term borrowed capital / committed capital x 100	0.003	0.24
Turnover speed of customer flows (days)	Average customer balance / turnover x 270	93.75	103.25
Turnover rate of fixed assets	(Turnover x 360 / 270) / non-current assets	0.37	0.60

Note:

1. Current liquidity ensures that current liabilities are covered by current assets.
2. Indebtedness expresses the effectiveness of credit risk management, indicating potential funding and liquidity problems, with an impact on the fulfilment of commitments.

Borrowed capital = loans over one year and other interest-bearing loans

Committed capital = borrowed capital + equity

3. The turnover rate of trade accounts receivable expresses the effectiveness of the company in collecting its receivables, i.e. the number of days until the debtors pay their debts to the company.
4. Asset turnover expresses the effectiveness of fixed asset management by examining the turnover generated by a given amount of fixed assets.

DANIELA CUCU

General Manager

ROBERT ION

Commercial Director

NITU MARIANA

Chief Accountant