

# **Separate preliminary financial statements as of December 31, 2024 (unaudited)**

Prepared in accordance with  
Minister of Finance no. 2844/2016 for the approval of the Accounting Regulations compliant with the  
International Financial Reporting Standards adopted by the European Union

**ELECTROMAGNETICA S.A.**

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**ELECTROMAGNETICA S.A.**  
**PRELIMINARY SEPARATE STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**AS OF DECEMBER 31, 2024 (UNAUDITED)**  
(all amounts are expressed in RON, unless otherwise specified)

	<b>12- MONTH PERIOD ENDED ON DECEMBER 31, 2024</b>	<b>12- MONTH PERIOD ENDED ON DECEMBER 31, 2023</b>
<b>Revenues</b>	<b>97,667,983</b>	<b>195,013,303</b>
Investment income	5,820,666	1,070,840
Other net income and expenses	3,098,513	(15,579,988)
Changes in inventories of finished goods and work in progress	(2,447,031)	7,841,706
Own work capitalized	-	2,219,694
Raw materials and consumables used	(56,028,654)	(102,147,473)
Employee-related expenses	(25,297,143)	(39,300,725)
Expenses related to depreciation and impairment	(10,733,561)	(33,639,220)
Other expenses	(16,970,682)	(52,616,839)
Financial income	1,886,960	1,012,559
Financial expenses	(221,171)	(461,737)
<b>Profit / (Loss) before tax</b>	<b>(3,224,120)</b>	<b>(36,587,880)</b>
Income tax	(4,183,024)	5,554,791
<b>Profit / (Loss) of the period</b>	<b>(7,407,144)</b>	<b>(31,033,088)</b>
<b>Other comprehensive income:</b>		
of which:		
- other comprehensive income that cannot be reclassified to profit or loss, of which:		
- revaluation surplus for tangible assets	55,118,967	249,333
- deferred tax recognized in equity	(8,737,070)	(39,893)
<b>Comprehensive income for the period</b>	<b>38,974,753</b>	<b>(30,823,648)</b>
<b>Basic/diluted earnings per share</b>	<b>(0.0110)</b>	<b>(0.0459)</b>

These preliminary separate financial statements were approved for issue by management as of **February 28, 2025**:

**DANIELA CUCU**  
**Managing Director**

**MARIA GÂRZU**  
**Chief Accountant**

**ELECTROMAGNETICA S.A.**  
**PRELIMINARY SEPARATE STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 (UNAUDITED)**  
(all amounts are expressed in RON, unless otherwise specified)

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	296,843,904	284,561,365
Investment property	18,780,265	17,709,588
Intangible assets	359,541	566,310
Investments in related entities	842,008	842,008
Other long-term non current assets	4,512,037	6,606,482
Assets related to the rights of use	1,329,540	1,399,694
<b>Total non-current assets</b>	<b><u>322,667,295</u></b>	<b><u>311,685,446</u></b>
<b>Current assets</b>		
Inventories	7,234,948	18,715,189
Trade receivable	12,924,372	35,380,716
Cash and cash equivalents	83,532,273	25,138,900
Deposits placed with banks	10,000,000	-
Other current assets	3,284,963	1,666,030
Assets classified as held for sale	841,296	-
Current tax assets	1,703,829	1,703,829
<b>Total current assets</b>	<b><u>109,521,681</u></b>	<b><u>82,604,665</u></b>
<b>Total assets</b>	<b><u>432,188,976</u></b>	<b><u>394,290,111</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	67,603,870	67,603,870
Reserves and other equity	223,114,466	215,108,527
Retained earnings	94,004,175	63,035,361
<b>Total equity attributable to company's shareholders</b>	<b><u>384,722,511</u></b>	<b><u>345,747,758</u></b>
<b>Non-current liabilities</b>		
Trade payables and other liabilities	1,717,399	867,718
Investment subsidies	-	3,757,433
Deferred tax liabilities	28,903,190	15,983,096
Leasing debts	737,735	724,064
<b>Total non-current liabilities</b>	<b><u>31,358,324</u></b>	<b><u>21,332,310</u></b>
<b>Current liabilities</b>		
Trade payables and other liabilities	12,724,364	24,920,540
Investment subsidies	-	163,219
Provisions	2,511,532	1,405,436
Leasing debts	872,245	720,847
<b>Total current liabilities</b>	<b><u>16,108,141</u></b>	<b><u>27,210,043</u></b>
<b>Total liabilities</b>	<b><u>47,466,465</u></b>	<b><u>48,542,353</u></b>
<b>Total equity and liabilities</b>	<b><u>432,188,976</u></b>	<b><u>394,290,111</u></b>

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**Managing Director**

**MARIA GÂRZU**  
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**ELECTROMAGNETICA S.A.**  
**PRELIMINARY SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**AS OF DECEMBER 31, 2024 (UNAUDITED)**  
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Tangible assets revaluation reserve</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Other equity items</u>	<u>Total equity</u>
<b>Balance as of January 1, 2024</b>	<b>67,603,870</b>	<b>63,035,361</b>	<b>146,040,464</b>	<b>79,826,174</b>	<b>12,541,942</b>	<b>(23,300,053)</b>	<b>345,747,758</b>
<b>Comprehensive income for the period:</b>							
Current result	-	(7,407,144)	-	-	-	-	(7,407,144)
<b>Other comprehensive income:</b>	<b>-</b>	<b>38,375,958</b>	<b>46,631,580</b>	<b>(31,033,087)</b>	<b>-</b>	<b>(7,592,554)</b>	<b>46,381,897</b>
Revaluation surplus for tangible assets	-	-	55,118,967	-	-	-	55,118,967
Deferred tax recognized in equity	-	-	-	-	-	(8,737,070)	(8,737,070)
Setup of legal reserve	-	-	-	-	-	-	-
Transfer of revaluation reserve to retained earnings	-	8,487,387	(8,487,387)	-	-	-	-
Transfer deferred tax recognized in equity to retained earnings	-	(1,144,516)	-	-	-	1,144,516	-
Transfer of the retained loss to reserves	-	31,033,087	-	(31,033,087)	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>30,968,814</b>	<b>46,631,580</b>	<b>(31,033,087)</b>	<b>-</b>	<b>(7,592,554)</b>	<b>(38,974,753)</b>
<b>Transactions with shareholders, directly registered to equity:</b>							
Dividends distributed	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024</b>	<b>67,603,870</b>	<b>94,004,175</b>	<b>192,672,044</b>	<b>48,793,087</b>	<b>12,541,942</b>	<b>(30,892,607)</b>	<b>384,722,511</b>

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**ELECTROMAGNETICA S.A.**  
**PRELIMINARY SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**AS OF DECEMBER 31, 2024 (UNAUDITED)**  
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Tangible assets revaluation reserve</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Other equity items</u>	<u>Total equity</u>
<b>Balance as of January 1, 2023</b>	<b>67,603,870</b>	<b>115,884,803</b>	<b>149,935,370</b>	<b>57,975,275</b>	<b>12,541,942</b>	<b>(23,989,660)</b>	<b>379,951,600</b>
<b>Comprehensive income for the period:</b>							
Current result	-	(31,033,088)	-	-	-	-	(31,033,088)
<b>Other comprehensive income:</b>		<b>(18,436,160)</b>	<b>(3,894,906)</b>	<b>21,850,899</b>		<b>689,607</b>	<b>209,443</b>
Revaluation surplus for tangible assets	-	-	249,333	-	-	-	249,333
Deferred tax recognized in equity	-	-	-	-	-	(39,893)	(39,893)
Setup of legal reserve	-	(1,401,865)	-	1,401,865	-	-	-
Transfer of revaluation reserve to retained earnings	-	4,144,240	(4,144,240)	-	-	-	-
Transfer deferred tax recognized in equity to retained earnings	-	(663,078)	-	-	-	663,078	-
Transfer of the retained earnings to reserves	-	(20,449,034)	-	20,449,034	-	-	-
Other elements	-	(66,422)	-	-	-	66,422	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(49,469,248)</b>	<b>(3,894,906)</b>	<b>21,850,899</b>	<b>-</b>	<b>689,607</b>	<b>(30,823,651)</b>
<b>Transactions with shareholders, directly registered to equity:</b>							
Dividends distributed	-	(3,380,194)	-	-	-	-	(3,380,194)
Other items	-	-	-	-	-	-	-
<b>Balance as of December 31, 2023</b>	<b>67,603,870</b>	<b>63,035,365</b>	<b>146,040,464</b>	<b>79,826,174</b>	<b>12,541,942</b>	<b>(23,300,053)</b>	<b>345,747,758</b>

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**ELECTROMAGNETICA S.A.**  
**PRELIMINARY SEPARATE STATEMENT OF CASH FLOWS**  
**AS OF DECEMBER 31, 2024 (UNAUDITED)**  
**(all amounts are expressed in RON, unless otherwise specified)**

	<b>12- MONTH PERIOD ENDED ON DECEMBER 31,2024</b>	<b>12- MONTH PERIOD ENDED ON DECEMBER 31,2023</b>
<b>Net profit/(loss) for the reporting period</b>	<b>(7,407,144)</b>	<b>(31,033,088)</b>
<b>Adjustments:</b>		
Dividend income	(4,749,989)	(534,796)
The net movement of provisions and depreciation adjustments for:		
- receivables	5,011,322	6,988,570
- inventories	(3,933,896)	9,563,095
- employee benefits	(71,460)	(762,462)
- provisions for customer warranties and other provisions	1,177,556	(31,440)
Depreciation and impairment adjustments of fixed assets, including reversals	9,483,107	11,351,423
Grants for investments	(3,920,652)	(163,218)
Revaluation of property, plant and equipment and investments	179,777	23,339,352
Net gains from the disposal of fixed assets	(1,128,569)	6,277
Interest expense	98,570	92,589
Interest income	(1,749,607)	(540,011)
Deferred tax expense (income)	4,183,024	(6,486,443)
Income tax expense	-	931,652
<b>Cash generated from operating activities before changes in working capital</b>	<b>(2,872,961)</b>	<b>12,721,500</b>
Payments for deposits placed for a period longer than 3 months	(10,000,000)	-
(Increase)/decrease in inventories	6,468,919	1,653,263
(Increase)/decrease in receivables and other assets	28,352,700	21,272,401
Increase/(decrease) in liabilities	(10,668,960)	(11,269,128)
Income tax paid	-	(1,580,290)
<b>Net cash generated by/ (used in) operating activities</b>	<b>11,279,698</b>	<b>22,797,746</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,326,401)	(5,226,304)
Proceeds from sale of non-current-assets	33,585,014	29,510
Interest received	1,794,607	467,121
Dividends received	4,549,989	534,796
<b>Net cash generated by/(used in) investing activities</b>	<b>38,603,209</b>	<b>(4,194,877)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	-	1,964,851
Cash repayments of amounts borrowed	-	(1,964,851)
Paid leasing	(1,350,768)	(1,365,498)
Interest paid	(98,570)	(91,012)
Dividends paid	(40,196)	(2,721,128)
<b>Net cash generated by/ (used in) financing activities</b>	<b>(1,489,534)</b>	<b>(4,177,638)</b>
<b>Net increase of cash and cash equivalents</b>	<b>48,393,373</b>	<b>14,425,231</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>25,138,900</b>	<b>10,713,669</b>
<b>Cash and cash equivalents at end of period</b>	<b>73,532,273</b>	<b>25,138,900</b>

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