ELECTROMAGNETICA S.A.
ADMINISTRATORS' REPORT FOR 2024

- CONSOLIDATED STATEMENTS -

according to the provisions of art.63 of law 24/2017, annex 15 to ASF Regulation No. 5/2018 and the Bucharest Stock Exchange Code

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1. IDENTIFICATION DATA OF ELECTROMAGNETICA S.A.

Company Name:	**ELECTROMAGNETICA S.A.**
Registered Office:	**Bucharest, 5th district, Calea Rahovei no. 266-268, postal code 050912**
Phone / Fax:	**021 404 21 02/ 021 404 21 95**
Unique registration no.	**414118**
Trade Registry number	**J40/19 / 1991**
Regulated market:	**Bucharest Stock Exchange, Capital securities department, Shares, Premium category**
Market symbol:	**ELMA**
Number of shares:	**676,038,704**
Nominal value:	**0.1000 RON**
Share capital:	**67,603,870.40 RON**
LEI code:	**254900MYW7D8IGEFRG38**

2. PRESENTATION AND HISTORY OF THE GROUP

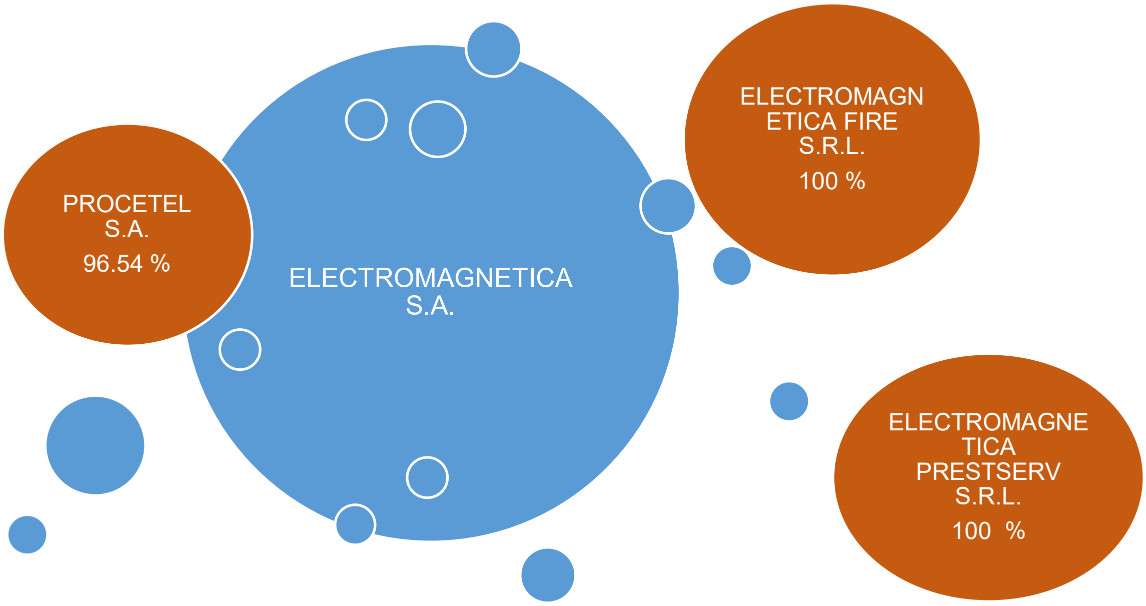
The parent company was established in 1930 under the original name of "Standard Electrica Romana". The other entities within the Group were established as follows: As for the other entities within the Group, they have been set up as follows:

Procetel S.A. - was established in 1991, having as main object of activity research-development in other natural sciences and engineering.

Electromagnetica Prestserv S.R.L. - was established in 2003 by outsourcing cleaning services within ELMA.

Electromagnetica Fire S.R.L. - was established in 2006, by outsourcing technical assistance services for fire prevention and extinguishing and private emergency services for civil protection.

3. GROUP STRUCTURE IN 2024



4. OVERVIEW OF THE GROUP'S ACTIVITIES

4.1. General presentation of Electromagnetica S.A.

Electromagnetica SA is a joint stock company, founded in 1930, with Romanian legal personality and unlimited lifetime, which is organized and operates according to the statute and on the basis of Law no. 31/1990 republished, in compliance with the legislation on the capital market and Law no. 24/2017 on issuers of financial instruments and market operations.

The share capital of the company is 67,603,870.40 lei, divided into 676,038,704 common shares, nominative and dematerialized, registered in electronic account in the register of shareholders kept by Depozitarul Central S.A. According to the company's statute, the main object of activity is the manufacture of instruments and devices for measurement, verification, control, navigation (NACE code 2651).

Electromagnetica S.A., as a trading company whose shares are admitted on a regulated market (Bucharest Stock Exchange, Premium category, Elma symbol) adopted IFRS (International Financial Reporting Standard) starting with the financial year of 2012. The financial statements for 2023 were prepared in accordance with the Ordinance of the Public Finances Ministry no. 2844/2016 for the approval of Accounting regulations in accordance with the International Financial Reporting Standards adopted by the European Union.

The company prepares consolidated financial statements as the parent company of a group of companies.

4.2. Overview of subsidiaries

Electromagnetica Prestserv S.R.L. is a limited liability company with headquarters in Calea Rahovei 266-268, 5th district, Building 1, 2nd floor, axes A-B, poles 1-2, registered at the Trade Register Office attached to the Bucharest Court with no. J40 / 1528 / 2003, Unique registration number 15182750, which provides cleaning services. Electromagnetica SA owns 100% of the company's capital.

Electromagnetica Fire S.R.L. is a limited liability company with headquarters in Calea Rahovei No. 266-268, 5th district, Building 2, ground floor, axes R-D, poles 6 - 7, registered with the Trade Register Office attached to the Bucharest Court with no. J40 / 15634 / 2006, Unique registration number 19070708, which carries out activities in the field of fire defense, fire prevention and extinguishing technical assistance and private emergency services on civil protection. Electromagnetica SA owns 100% of the share capital.

Procetel S.A. is a joint stock company with headquarters in Calea Rahovei 266-268, Bucharest, 5th district, trade registry number J40 / 10437 / 1991, Unique registration number 406212, phone number: 031.700.2614, fax: 031.700.2616, having as main activity research and development in other natural sciences and engineering (NACE code 7219). Currently, the company's revenues come mostly from the rental business. Electromagnetica SA's holding in Procetel SA is 96.54% of the capital. The company is managed by a sole administrator, Mr. Cristian - Iulian RADU.

5. MERGERS, REORGANIZATIONS AND LIQUIDATIONS OF SUBSIDIARIES

In view of the decision of the sole administrator of April 30, 2024 and the fulfillment of the necessary legal conditions, the shareholders Electromagnetica Prestserv S.R.L. and Electromagnetica Fire S.R.L. have initiated the process of dissolution and liquidation of the companies, appointing Business Recovery BD&A S.P.R.L. as liquidator. The administration of Electromagnetica Fire S.R.L. and Electromagnetica Prestserv S.R.L. is carried out by Business Recovery BD&A S.P.R.L., as sole administrator. At 31.12.2024 the process was ongoing.

The General Shareholders' Meeting of Procetel S.A. held on 18.11.2024 approved the dissolution of Procetel S.A., the dissolution date being set at 30 days from the publication of the decision of the General Shareholders' Meeting in the Official Gazette. At 31.12.2024 the process was ongoing.

6. TRANSACTIONS OF THE PARENT COMPANY WITH RELATED PARTIES

Sales of goods and services to subsidiaries, totaling RON 75,221, include deliveries of various materials, rents and utilities. Purchases from subsidiaries, totaling RON 2,087,609, mainly comprise the provision of services (repairs, cleaning and transportation services, security and fire protection).

7. CONTRIBUTION OF THE PARENT COMPANY TO THE RESULT OF THE GROUP

In the table below we can see the reduced weight of the other companies in the group to the consolidated results

	December 31, 2024			December 31, 2023		
	Group	**Parent company**	**% parent company**	**Group**	**Parent company**	**% parent company**
	RON	**RON**		**RON**	**RON**	
Non-current assets	328,195,029	322,667,295	98.32%	316,804,323	311,685,446	98.38%
Current assets	111,784,876	109,521,681	97.98%	88,644,343	82,604,665	93.19%
Attributable equity to shareholders of the company	392,786,747	384,722,511	97.95%	357,390,646	345,747,758	96.74%
Long term liabilities	31,119,293	31,358,324	100.77%	20,863,669	21,332,310	102.25%
Current liabilities	15,731,612	16,108,141	102.39%	26,801,943	27,210,043	101.52%

8. DESCRIPTION OF THE ACTIVITY OF THE GROUP AND THE PARENT COMPANY

In 2024 Electromagnetica S.A. had the following main lines of business:

PRODUCTION OF GOODS
LED lighting systems, AV charging stations, electrical equipment, CFR relays, plastic injection

PRODUCTION AND SUPPLY OF ELECTRICITY

RENTAL SPACES AND REAL ESTATE DEVELOPMENT

Electromagnetica SA provides rental and utility services to subsidiaries. Description of its electromagnetic activity is found in **Annual Report 2024 - Separate statements** published alongside the present report.

PROCETEL S.A. operates mainly rental activities to its Electromagnetica. Another activity was the delivery, installation and maintenance of air conditioners. The rental services received by Electromagnetica SA from Procetel SA are carried out with the right to rent to independent entities because the subsidiaries do not have sufficient and specialized personnel to manage these rental contracts. Sublease of spaces is done without applying a profit margin and without charging a commission for these services provided to affiliates.

ELECTROMAGNETICA PRESTSERV S.R.L. provides cleaning services in relation to Electromagnetica S.A.

ELECTROMAGNETICA FIRE S.R.L. carries out in relation to Electromagnetica S.A. activities in the field of fire defense, private emergency services regarding civil protection

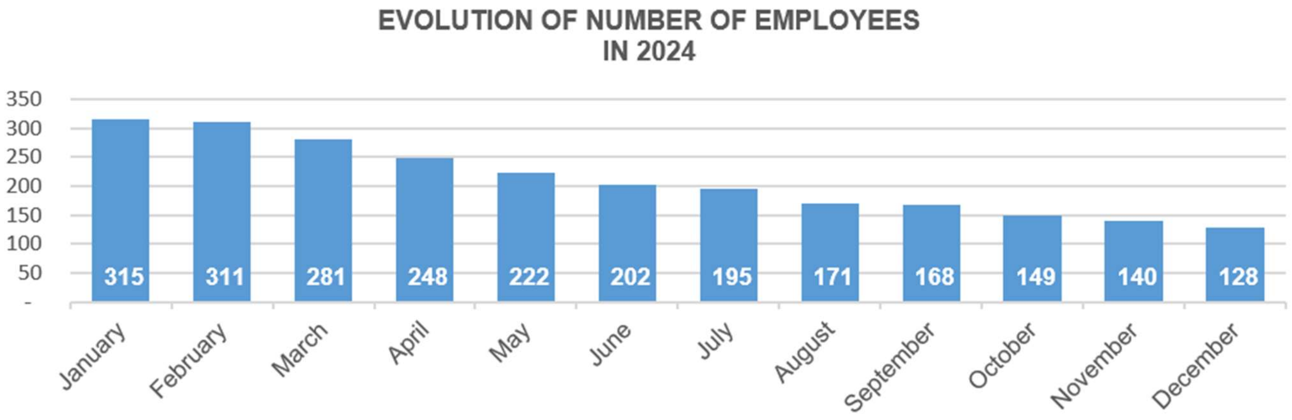
9. THE MAIN EVENTS WITH A SIGNIFICANT IMPACT IN THE FUNCTIONING OF THE GROUP

There were no events with impact in the functioning of the Group. The significant events in the development of Electromagnetica S.A. have been described in the Activity Report on the separate financial statements of the company.

10. ASSESMENT OF ASPECTS RELATED TO EMPLOYEES OF THE COMPANIES

ELECTROMAGNETICA S. A.

In 2024 the average number of employees was 211.



The decrease in the number of employees is due to the consolidation of internal processes and flows in terms of the profitability of the business lines and the optimization of the product portfolio to maximize the profit achieved.

The process of streamlining operations has helped to stabilize the company's financial performance in the face of global economic challenges, and the strategy of consolidating the business and aligning with the most profitable market segments is at the core of the progress made in recent times.

The high level of training and qualification of employees enables both the production of new milestones and job changes within the company, as needed. During 2024, the company's employees received various social benefits, mainly due to medical emergencies.

Relations between management and employees are normal. Union density is around 55% and there have been no industrial disputes between employers and trade unions.

For other group companies :

Company	Average employees no.
ELECTROMAGNETICA FIRE S.R.L.	10
ELECTROMAGNETICA PRESTSERV S.R.L.	10
PROCETEL S.A.	4

In 2024 there were no new cases of occupational diseases or events with major impact on the health and safety of people.

11. IMPACT OF THE GROUP'S WORK ON THE ENVIRONMENT

Electromagnetica S.A. has all the legal environmental authorizations necessary to carry out the activity. The company does not carry out activities with a significant impact on the environment and has no litigation regarding violations of environmental protection legislation.

The other companies in the group operate in the same premises (ELECTROMAGNETICA BUSINESS PARK), do not have activities that by their nature pollute the environment and comply with the same rules on environmental compliance.

12. RISK MANAGEMENT OBJECTIVES AND POLICIES. RISK FACTORS

For Electromagnetica S.A., the detail of the risks and how they are managed is described in the Directors' Report - Separate Financial Statements. The market, default and cash-flow risks of the other group companies are closely linked to Electromagnetica S.A., for which they almost exclusively perform activities.

Independently, there remain risks related to sanctions (including GDPR), lack of qualified human resources and medical risks. In order to minimize these risks the group companies participate in the compliance courses organized by Electromagnetica S.A. and rely on the same working procedures and actions in special cases, developed by Electromagnetica S.A.

13. PERSPECTIVE ELEMENTS OF THE GROUP COMPANIES

Being dependent mostly on commercial relations with Electromagnetica SA, the perspective of the group companies depends on its evolution. In **Administrators report- Separate statements** the market trends and commercial policies of Electromagnetica S.A. are presented

14. CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

Note: The results of the group are strongly influenced by the results of Electromagnetica SA, having the same trend.

14.1 Financial position

	December 31 2024	December 31 2023
ASSETS		
Non-current assets		
Property, plant and equipment	298,383,201	285,980,090
Investment property	24,903,878	23,569,292
Intangible assets	360,237	567,327
Other non-current assets	4,519,717	6,606,482
Rights of use assets	27,996	81,132
Total non-current assets	**328,195,029**	**316,804,323**
Current assets		
Inventories	7,308,363	18,753,989
Trade receivables	12,933,198	35,412,343
Cash and cash equivalents	75,704,694	30,888,179
Deposits placed with banks	10,000,000	-
Other current assets	3,320,621	1,889,429
Assets classified as held for sale	841,296	-
Current tax receivables	1,676,704	1,700,402
Total current assets	**111,784,876**	**88,644,343**
Total assets	**439,979,905**	**405,448,666**
EQUITY AND LIABILITIES		
Equity		
Share capital	67,603,870	67,603,870
Reserves and other equity items	223,797,142	217,810,770
Retained earnings	101,385,735	71,976,006
Total equity attributable to shareholders	**392,786,747**	**357,390,646**
Non-controlling interests	**342,253**	**392,409**
Total equity	**393,129,000**	**357,783,055**
Long term liabilities		
Trade and other payables	1,717,399	867,718
Investment subsidies	-	3,757,433
Deferred tax liabilities	29,214,286	16,208,824
Lease liabilities	187,608	29,694
Total long-term liabilities	**31,119,293**	**20,863,669**
Current liabilities		
Trade and other payables	13,148,776	25,178,506
Investment subsidies	-	163,219
Provisions	2,511,532	1,405,436
Lease liabilities	71,304	54,781
Total current liabilities	**15,731,612**	**26,801,943**
Total liabilities	**46,850,905**	**47,665,611**
Total equity and liabilities	**439,979,905**	**405,448,666**

14.2 Profit or loss result

	Period of 12 months ended at December 31 2024	Period of 12 months ended at December 31 2023
Revenue	97,670,343	195,145,330
Investment income	1,334,586	160,574
Other income and expenses	3,139,468	(14,321,439)
Change in inventories of finished products and work in progress	(2,447,031)	7,841,706
Capitalized workings	-	2,219,694
Raw materials and consumables used	(56,061,510)	(102,353,203)
Employees benefits expenses	(26,257,762)	(43,463,220)
Depreciation and amortization expense	(9,682,080)	(32,401,726)
Other expenses	(16,231,672)	(49,018,553)
Financial income	1,998,133	1,297,115
Financial expenses	(135,104)	(567,171)
Profit / (Loss) before tax	**(6,672,629)**	**(35,460,893)**
Income tax	(4,321,350)	5,502,777
Profit / (Loss) for the period	**(10,993,979)**	**(29,958,115)**

14.3 Statement of cash flows

	Period of 12 months ended at December 31 2024	Period of 12 months ended at December 31 2023
Net cash from operating activities	10,895,027	22,770,180
Net cash used in investment activities	34,120,607	(4,445,118)
Net cash used in financing activities	(199,119)	(2,854,271)
Net increase / (decrease) in cash and cash equivalents	44,816,515	15,470,791
Cash and cash equivalents at the beginning of the period	30,888,179	15,417,388
Cash and cash equivalents at end of period	75,704,694	30,888,179

15. DIVIDEND POLICY

Electromagnetica S.A.:

Considering that a negative result was recorded in 2024, the proposal of the Board of Directors is to cover the loss by using the "other reserves" account.

Subsidiaries:

In the context of the process of dissolution and liquidation of the three subsidiaries, the dividend policy will be adapted according to the evolution of this process. In this respect, the distribution of dividends will be suspended for subsidiaries until the liquidation process is completed, given that their assets and liabilities will be managed according to legal procedures.

16. INDEPENDENT EXTERNAL AUDITOR

Following the Ordinary General Meeting of April 2023, it was decided to mandate Deloitte Audit SRL in order to audit the financial statements related to the years 2023 and 2024 The audit company is represented by Răzvan Ungureanu-audit partner. Identification data of **Deloitte Audit SRL** are the following:

Fiscal Identification Number RO 7756924, Registration number with the Trade Register 40/6775/1995

Authorization Chamber of Financial Auditors of Romania no.25/25.06.2001

Company headquarters-Bucharest, 1st district , Calea Grivitei 82-98, building ,,The Mark”

Phone number 021/222.16.61, Fax 021/319. 51. 00

Note: In this material are presented only the elements characteristic of the consolidated statements respectively, those related to the group of companies controlled by Electromagnetica S.A. The parent company is the only one that carries out production activities. Since the activity of the group is mostly determined by the activity of the parent company (> 99 % of income), all other aspects described in Administrators’ Report - Separate statements are also valid for Administrators’ Report - Consolidated Statements, without being repeated in this material.

President of the Board of Directors /General Director	**Chief Accountant**
Daniela-Adi CUCU	**Maria Gârzu**

SOCIETATE COMERCIALA PE ACTIUNI
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Calea Rahovei 266-268 Sector 5 Bucuresti 050912
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www.electromagnetica.ro

DECLARATION

This declaration is made in accordance with the provisions of Article 31 of the Accounting Law no. 82/1991, republished, and Article 65 paragraph (2) letter c) of Law no. 24/2017 (R) on issuers of financial instruments and market operations, regarding the consolidated financial statements of Electromagnetica S.A. prepared as of December 31, 2024, concerning the extent to which these statements present a true and fair view, in all material respects, of the financial position of Electromagnetica S.A. and its subsidiaries included in the consolidation perimeter as of December 31, 2024, as well as the results of its operations for the year ended on that date, in accordance with the applicable accounting regulations in Romania, namely:

Accounting Law no. 82/1991, republished;

Ministry of Public Finance Order no. 2844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union;

Law no. 24/2017 (R) regarding issuers of financial instruments and market operations, according to which the company is required to prepare and submit to the F.S.A. consolidated annual financial statements, in accordance with the International Financial Reporting Standards adopted by the European Union, no later than 4 months after the end of the financial year.

By this declaration, we confirm that, in our view, the annual financial statements prepared in accordance with the applicable accounting standards present a true and fair view of the assets, liabilities, financial position, and profit and loss account of Electromagnetica S.A. and its subsidiaries included in the consolidation process, as a whole, and that the report of the Board of Directors includes an accurate analysis of the development and performance of Electromagnetica S.A. and the companies involved in the consolidation, as well as a description of the main risks and uncertainties specific to the activities carried out.

We assume responsibility for the true and fair presentation of the consolidated financial statements as of December 31, 2024, in accordance with the legal regulations mentioned above.

Daniela CUCU	**Maria GÂRZU**
General Manager	**Chief Accountant**

ELECTROMAGNETICA SA

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024

Prepared in accordance with
Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting regulations in accordance with the International Financial Reporting Standards adopted by the European Union
and
according to the provisions of art.63 of Law 24/2017, annex 15 to the Financial Supervisory Authority Regulation No. 5/2018 and Bucharest Stock Exchange Code

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Bucharest, Romania

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
ELECTROMAGNETICA S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of ELECTROMAGNETICA S.A. and its subsidiaries ("the Group"), with registered office in Bucharest, district 5, 266-268 Calea Rahovei, identified by unique tax registration code 414118, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

2. The consolidated financial statements as at 31 December 2024 are identified as follows:

   - Net assets / Equity — RON 393,129,000
   - Net loss for the financial year — RON 10,993,979

3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by the EU, with subsequent amendments.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined that there are no key matters to be communicated in our report.

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Other Information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' Consolidated Report and the Remuneration report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements for the year ended 31 December 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   Other reporting responsibilities with respect to other information – Administrators' consolidated report

   With respect to the Administrators' Consolidated Report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by the EU, with subsequent amendments.

   On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

   a) the information included in the Administrators' Consolidated Report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements;

   b) the Administrators' Consolidated Report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by the EU, with subsequent amendments.

   Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at 31 December 2024, we are required to report if we have identified a material misstatement of this Administrators' Consolidated Report. We have nothing to report in this regard.

   Other reporting responsibilities with respect to other information – Remuneration report

   With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by the EU, with subsequent amendments and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Deloitte.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. We were appointed by the General Meeting of Shareholders on 27 April 2023 to audit the financial statements of ELECTROMAGNETICA S.A. for the financial year ended 31 December 2024. The uninterrupted total duration of our commitment is 9 years, covering the financial years ended 31 December 2016 until 31 December 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Group that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

Report on Other Legal and Regulatory Requirements – Report on the Information Regarding Income Tax

16. For the financial year preceding the financial year for which the financial statements were prepared, the Group was not required under Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by the EU, with subsequent amendments, articles 60^4-60^6 to publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor’s report is Răzvan Ungureanu.

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (“Law 162/2017”), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard (“ESEF”)

We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the consolidated financial statements included in the annual financial report of ABC (“the Company”) as presented in the digital files which contain the unique LEI code 254900MYW7D8IGEFRG38 (“**Digital Files**”).

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

Management is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;

- the selection and application of appropriate iXBRL mark-ups;

- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with Order 2844/2016, with subsequent amendments.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor’s Responsibilities for Audit of the Digital Files

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 (“ISQM1”), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;

- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Company to be submitted in accordance with Order 2844/2016, with subsequent amendments;

- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;

- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the consolidated financial statements for the year ended 31 December 2024 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our qualified opinion relating to the consolidated financial statements of the Company for the year ended 31 December 2024 is set out in the "*Report on the audit of the consolidated financial statements*" section above.

Răzvan Ungureanu, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 4866

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Grivițlei, 9th Floor, District 1
Bucharest, Romania
24 March 2025

	Note	Period of 12 months ended at December 31 2024	Period of 12 months ended at December 31 2023
Revenue	**21**	**97,670,343**	**195,145,330**
Investment income		1,334,586	160,574
Other net incomes and expenses	**21**	3,139,468	(14,321,439)
Change in inventories of finished products and work in progress		(2,447,031)	7,841,706
Capitalized workings		-	2,219,694
Raw materials and consumables used	**22**	(56,061,510)	(102,353,203)
Employees benefits expenses	**22,25**	(26,257,762)	(43,463,220)
Depreciation and amortization expense	**22**	(9,682,080)	(32,401,726)
Other expenses	**22**	(16,231,672)	(49,018,553)
Financial income	**23**	1,998,133	1,297,115
Financial expenses	**23**	(135,104)	(567,171)
Profit / (Loss) before tax		**(6,672,629)**	**(35,460,893)**
Income tax	**24**	(4,321,350)	5,502,777
Profit / (Loss) for the period		**(10,993,979)**	**(29,958,115)**
Other comprehensive income:		**46,461,440**	**209,440**
of which:			
- items which will not be reclassified subsequently to profit or loss, of which:			
- surplus from revaluation of property, plant and equipment		55,198,510	249,333
- deferred tax recognized in equity	**26**	(8,737,070)	(39,893)
Total Other comprehensive income		**35,467,461**	**(29,748,675)**
Profit/(loss) of the year attributable to:			
Owners of the Group		(11,065,339)	(29,986,511)
Non-controlling interests		71,360	28,396
Earnings per share			
Earnings per diluted share		**n / a**	**n / a**

These consolidated financial statements have been approved to be issued by management at **March 24, 2025**:

DANIELA CUCU	**GÂRZU MARIA**
General Director	**Chief Accountant**

ELECTROMAGNETICA SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
(all amounts are in RON, unless otherwise stated)

	Note	December 31 2024	December 31 2023
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	298,383,201	285,980,090
Investment property	**6**	24,903,878	23,569,292
Intangible assets	**7**	360,237	567,327
Other non-current assets	**9**	4,519,717	6,606,482
Rights of use assets	**8**	27,996	81,132
Total non-current assets		**328,195,029**	**316,804,323**
Current assets			
Inventories	**10**	7,308,363	18,753,989
Trade receivables	**11**	12,933,198	35,412,343
Cash and cash equivalents	**13**	75,704,694	30,888,179
Deposits placed with banks	**13**	10,000,000	-
Other current assets	**12**	3,320,621	1,889,429
Assets classified as held for sale		841,296	-
Current tax receivables	**24**	1,676,704	1,700,402
Total current assets		**111,784,876**	**88,644,343**
Total assets		**439,979,905**	**405,448,666**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	67,603,870	67,603,870
Reserves and other equity items	**15**	223,797,142	217,810,770
Retained earnings	**16**	101,385,735	71,976,006
Total equity attributable to shareholders		**392,786,747**	**357,390,646**
Non-controlling interests		**342,253**	**392,409**
Total equity		**393,129,000**	**357,783,055**
Long-term debts			
Trade and other payables	**19**	1,717,399	867,718
Investment subsidies	**17**	-	3,757,433
Deferred tax liabilities	**24**	29,214,286	16,208,824
Lease liabilities		187,608	29,694
Total long-term liabilities		**31,119,293**	**20,863,669**
Current liabilities			
Trade and other payables	**19**	13,148,776	25,178,506
Investment subsidies	**17**	-	163,219
Provisions	**18**	2,511,532	1,405,436
Lease liabilities		71,304	54,781
Total current liabilities		**15,731,612**	**26,801,943**
Total liabilities		**46,850,905**	**47,665,611**
Total equity and liabilities		**439,979,905**	**405,448,666**

These consolidated financial statements have been approved to be issued by management at **March 24, 2025**:

DANIELA CUCU	**GÂRZU MARIA**
General Director	**Chief Accountant**

	Period of 12 months ended at December 31 2024	Period of 12 months ended at December 31 2023
Profit/(loss) for the period	**(10,993,979)**	**(29,958,115)**
Adjustments:		
Dividend income	-	-
Net movement of provisions and impairment adjustments for:		
- receivables	5,011,322	6,988,570
- inventories	(3,261,991)	8,891,190
- employee benefits	(71,460)	(811,254)
- provisions for guarantees to customers and other provisions	1,177,556	(31,440)
Depreciation and amortization of non-current assets, including reversals	8,431,626	10,191,423
Investment subsidies	(3,920,652)	(163,218)
Revaluation of fixed assets and investment property	(84,132)	22,960,542
Net gains on disposal of non-current assets	(1,169,524)	5,916
Interest expense	12,503	1,604
Interest income	(1,905,780)	(824,566)
Deferred tax expense (income)	4,183,024	(6,486,443)
Income tax expense	138,326	983,666
Cash generated by operating activities before changes in working capital	**(2,453,161)**	**11,747,875**
Payments for deposits over a period of more than 3 months	(10,000,000)	-
(Increase)/decrease in inventories	6,434,304	1,686,664
(Increase) / decrease in receivables and other assets	27,883,657	21,957,623
Increase / (decrease) of debts	(10,852,575)	(11,004,799)
Income tax paid	(117,198)	(1,617,183)
Net cash from operating activities	**10,895,027**	**22,770,180**
Cash flows from investment activities		
Purchase of tangible fixed assets	(1,412,612)	(5,226,304)
Proceeds from sale of fixed assets	33,627,439	29,510
Interest accrued	1,905,780	751,676
Dividends received	-	-
Net cash used in investment activities	**34,120,607**	**(4,445,118)**
Cash flows from financing activities		
Proceeds from loans	-	1,964,851
Loans repayments	-	(1,964,851)
Repayment of lease liability	(144,466)	(90,259)
Interest paid	(12,503)	(42,884)
Dividends paid	(42,150)	(2,721,128)
Net cash used in financing activities	**(199,119)**	**(2,854,271)**
Net increase / (decrease) in cash and cash equivalents	**44,816,515**	**15,470,791**
Cash and cash equivalents at the beginning of the period	**30,888,179**	**15,417,388**
Cash and cash equivalents at end of period	**75,704,694**	**30,888,179**

These consolidated financial statements have been approved to be issued by management at **March 24, 2025**:

DANIELA CUCU	**MARIA GÂRZU**
General Director	**Chief Accountant**

ELECTROMAGNETICA SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024
(all amounts are in RON, unless otherwise stated)

	Share capital	Retained earnings	Revaluation reserves tangible assets	Other elements	Legal reserve	Deferred tax recognized in reserves	Non-controlling interests	Total equity
Balance as of January 01, 2024	**67,603,870**	**71,976,006**	**147,390,995**	**81,371,341**	**12,563,942**	**(23.515.508)**	**392,409**	**357,783,055**
Total result related to the period:								
Profit or loss for the financial year	-	(11,065,339)	-	-	-	-	71,360	(10,993,979)
Other comprehensive income	**-**	**40,475,068**	**46,757,182**	**(33,178,256)**	**-**	**(7,592,554)**	**-**	**46,461,440**
Net surplus from revaluation of fixed assets	-	-	55,198,510	-	-	-	-	55,198,510
Deferred tax related to revaluation	-	-	-	-	-	(8,737,070)	-	(8,737,070)
Legal reserve and other reserves	-	-	-	-	-	-	-	-
Transfer of reserves to retained earnings	-	8,441,328	(8,441,328)	-	-	-	-	-
Transfer of related deferred tax from revaluation reserve to retained earnings	-	(1,144,516)	-	-	-	1,144,516	-	-
Transfer of reserves to retained earnings		33,178,256	-	(33,178,256)	-	-	-	-
Total result related to the period:	**-**	**29.409.729**	**46,757,182**	**(33,178,256)**	**-**	**(7,592,554)**	**71,360**	**35,467,461**
Transactions with shareholders, recorded directly in equity:								
Dividends distributed to shareholders	-	-	-	-	-	-	(121,516)	(121,516)
Other elements	-	-	-	-	-	-	-	-
Balance as of December 31, 2024	**67,603,870**	**101,385,735**	**194,148,177**	**48,193,085**	**12,563,942**	**(31,108,062)**	**342,253**	**393,129,000**

These consolidated financial statements have been approved to be issued by management at **March 24, 2025**:

DANIELA CUCU | **MARIA GÂRZU**

General Director | **Chief Accountant**

	Share capital	Retained earnings	Revaluation reserves tangible assets	Other elements	Legal reserve	Deferred tax recognized in reserves	Non-controlling interests	Total equity
Balance at January 01, 2023	**67,603,870**	**123,908,652**	**151,285,901**	**59,328,628**	**12,563,922**	**(24,205,114)**	**364,013**	**390,849,872**
Total result related to the period:								
Profit or loss for the financial year	-	(29,986,511)	-	-	-	-	28,396	(29,958,115)
Other comprehensive income	**-**	**(18,518,340)**	**(3,894,906)**	**21,999,502**	**-**	**623,185**	**-**	**209,440**
Net surplus from revaluation of fixed assets	-	-	249,333	-	-	-	-	249,333
Deferred tax related to revaluation	-	-	-	-	-	(39,893)	-	(39,893)
Legal reserve and other reserves	-	(1,401,865)	-	1,401,865	-	-		-
Transfer of reserves to retained earnings	-	4,144,240	(4,144,240)	-	-	-	-	-
Transfer of related deferred tax from revlauation	-	(663,078)	-	-	-	663,078	-	-
Transfer net profit to reserves		(20,597,637)	-	20,597,637	-	-	-	
Total result related to the period	**-**	**(48,504,851)**	**(3,894,906)**	**21,999,502**	**-**	**623,185**	**28,396**	**(29,748,675)**
Transactions with shareholders, recorded directly in equity:								
Dividends distributed to shareholders	-	(3,398,422)	-	-	-	-	-	(3,398,422)
Other elements	-	(29,372)	-	43,211	20	66,421	-	80,280
Balance at December 31, 2023	**67,603,870**	**71,976,006**	**147,390,995**	**81,371,341**	**12,563,942**	**(23.515.508)**	**392,409**	**357,783,055**

These consolidated financial statements have been approved to be issued by management at **March 24, 2025**:

DANIELA CUCU — **General Director**

MARIA GÂRZU — **Chief Accountant**

1. GENERAL INFORMATION ABOUT THE GROUP

Electromagnetica S.A. - parent company it is a joint stock company with Romanian legal personality, with unlimited lifetime, which is organized and operates according to the statute and on the basis of Law no. 31/1991 republished in 2004 and amended by Law no.441/2006, GEO no.82/2007 and GEO no.52/2008 and the law on the capital market no.297/2004. The group has its Registered office in Bucharest, Calea Rahovei no. 266-268, 5th district, Bucharest, Romania, postal code 64021, phone number 021.404.21.31, 021.404.21.02, fax 021.404.21.95, website www.electromagnetica.ro, unique registration code RO 414118, business registration number J40/19/1991. The share capital of the group is 67,603,870.40 RON divided into 676,038,704 common shares, nominative and dematerialized, registered in electronic account in the register of shareholders kept by Depozitarul Central S.A. According to the statutes of the group, the main object of activity is the manufacture of instruments and devices for measurement, verification, control, navigation (NACE code 2651).

Electromagnetica Fire S.R.L. it is a limited liability company with headquarters in Bucharest, Calea Rahovei No. 266-268, 5th district, Building 2, ground floor, axes R-D, pillars 6 - 7, registered with the Trade Register Office attached to the Bucharest Court under No. J40/15634/2006, unique registration code 19070708, which carries out activities in the field of fire defense, technical assistance for fire prevention and extinguishing and private emergency services on civil protection (NACE code 8299).

Electromagnetica Prestserv S.R.L. it is a limited liability company with headquarters in Bucharest, Calea Rahovei 266-268, 5t, h district, Building 1, Floor 2, axes A-B, pillars 1-2, registered with the Trade Register Office attached to the Bucharest Court under no J40/1528/2003, unique registration code 15182750, which provides cleaning services (NACE code 4311).

Electromagnetica Prestserv S.R.L. and Electromagnetica Fire S.R.L. were formed by outsourcing some services within Electromagnetica S.A., respectively cleaning services, fire prevention and extinguishing technical assistance and private emergency services regarding civil protection.

In view of the decision of the sole shareholder of April 30, 2024 and the fulfillment of the necessary legal conditions, the shareholders Electromagnetica Prestserv S.R.L. and Electromagnetica Fire S.R.L. have initiated the process of dissolution and liquidation of the companies, appointing Business Recovery BD&A S.P.R.L, as liquidator. The administration of Electromagnetica Fire S.R.L. and Electromagnetica Prestserv S.R.L. is provided by Business Recovery BD&A S.P.R.L., as sole administrator.

Procetel S.A. it is a joint stock company with headquarters in Bucharest, Calea Rahovei 266-268, order number J40/10437/1991, unique registration code 406212, phone number: 031.700.26.14, fax: 031.700.26.16. Procetel S.A. is a closed joint stock company (shares are not traded on the market) which has as main activity research and development in other natural sciences and engineering (NACE code 7219). Currently the research activity has drastically reduced, the results obtained coming mainly from the rental activity. Administrative management is provided by Mr. Radu Cristian-Iulian.

The General Shareholders' Meeting of Procetel S.A. held on 18.11.2024 approved the dissolution of Procetel S.A., the dissolution date being set at 30 days from the publication of the decision of the General Shareholders' Meeting in the Official Gazette. At 31.12.2024 the trial was ongoing.

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

December 31, 2024

Branch name	Number of titles	Percentage of ownership and voting rights (%)	Value
Electromagnetica Prestserv S.R.L.	300	100%	30,000
Electromagnetica Fire S.R.L.	800	100%	80,00
Procetel S.A.	42,483	96.548%	732,008
TOTAL			**842,008**

December 31, 2023

Branch name	Number of titles	Percentage of ownership and voting rights (%)	Value
Electromagnetica Prestserv S.R.L.	300	100%	30,000
Electromagnetica Fire S.R.L.	800	100%	80,00
Procetel S.A.	42,483	96.548%	732,008
TOTAL			**842,008**

During 2023, Electromagnetica S.A. acquired from the affiliated company Electromagnetica Fire S.R.L. a share at the nominal value of 100 RON, as a result, the ownership increased to 100%.

Financial statements are available on the website www.electromagnetica.ro within the applicable legal period.

2. BASICS OF PREPARATION

Declaration of conformity

The Consolidated Financial Statements of Electromagnetica group together with its subsidiaries have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS") in force at the reporting date of the company, namely December 31, 2023 and in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/2016, for the approval of accounting regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications. These provisions comply with the requirements of International Financial Reporting Standards adopted by the European Union.

Financial statements are available on the website www.electromagnetica.ro within the applicable legal period.

Basics of preparation

Consolidated financial statements were prepared on the basis of historical cost, except for property, plant and equipment and investment property where the revaluation method was adopted. Historical cost is generally based on the fair value of consideration made in return for assets.

Basis of consolidation

The group registers accounting records in RON and prepares its statutory consolidated financial statements in accordance with IFRS.

The consolidated financial statements include the financial statements of ELECTROMAGNETICA SA. (Parent company) and entities controlled by ELECTROMAGENTICA SA (together the "Group"). Control is obtained when the company has control over the investee, when it has exposure or rights to variable results based on its participation in the investee and has the ability to use its authority over the investee to influence the value of the results.

Results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of profit or loss and other comprehensive results from the effective date of acquisition or to the effective date of disposal, as applicable.

Where necessary, adjustments shall be made to the financial statements of subsidiaries to align their accounting policies with those applied by the parent company.

All intra-group transactions, balances, income and expenses were eliminated in full upon consolidation.

Non-controlling interests in the net assets (excluding goodwill) of the consolidated subsidiaries is identified separately from the group's equity. Non-controlling interests consist of the value of those interests at the date of the initial business combination and the minority share of changes in equity at the date of the combination. The group will also assign the overall total result to the owners of the parent company and non-controlling interests, even if a deficient balance of non-controlling interests results.

Principle of continuity of activity

The financial statements were prepared based on the principle of business continuity, which implies that the group will be able to realize its assets and pay off its debts under normal business conditions.

Functional and presentation currency

These consolidated financial statements are presented in RON, which is the functional currency of the group.

Foreign currency

Transactions denominated in foreign currency are recorded in RON at the official exchange rate from the settlement date of the transaction. Monetary assets and liabilities registered in foreign currency at the date of the Financial Statement are expressed in RON at the exchange rate of that day. Gains or losses from their settlement and the conversion of monetary

2. BASICS OF PREPARATION (continued)

assets and liabilities denominated in foreign currency using the exchange rate at the end of the period under review shall be recognised in the year-end result. Non-monetary assets and liabilities that are valued at historical cost in foreign

currency are recorded in RON at the exchange rate from the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are recorded in RON at the rate of the date on which the fair value was determined.

Conversion differences are shown in the profit or loss account.

The exchange rates at the end of the period of the main currencies were as follows:

	December 31 2024	December 31 2023
Exchange rate to EUR at the end of the period	4.9741	4.9746
Exchange rate to USD at the end of the period	4.7768	4.4958

The preparation of financial statements in accordance with the IFRS adopted by the European Union implies on the part of management the use of estimates and assumptions that affect the application of accounting policies, as well as the reported value of assets, liabilities, income and expenses.

The estimates and associated reasoning are based on historical data and other factors considered to be eloquent in the circumstances and the result of these factors forms the basis for the reasoning used to determine the carrying amount of assets and liabilities for which no other valuation sources are available. Actual results may differ from estimated values.

Estimates and judgments are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the current period and future periods, if the revision affects both the current and future periods.

The effect of the change related to the current period is recognized as income or expense in the current period. If any, the effect on future periods is recognized as income or expense in those future periods.

The company's management believes that any differences from these estimates will not have a significant influence on the financial statements in the near future, for each estimate applying the principle of prudence.

Estimates and assumptions are primarily used for impairment adjustments of non-current assets, estimation of the useful life of fixed assets, for impairment adjustments of receivables and inventories, for provisions, for recognition of deferred tax assets.

In accordance with IAS 36, intangible and property, plant and equipment are analyzed to identify whether they show impairment indications at the balance sheet date. If the net carrying value of an asset is greater than its recoverable value, an impairment loss is recognised to reduce the net carrying value of that asset to the level of recoverable value. If the grounds for recognising the impairment loss disappear in subsequent periods, the net carrying amount of the asset is increased to the level of the net carrying amount, which would have been determined if no impairment loss had been recognised.

The assessment for the impairment of receivables is conducted individually and globally, by categories of receivables with similar characteristics and is based on management's best estimate of the present value of the cash flows expected to be received. The company reviews its trade and other receivables on an annual basis of its financial position to assess whether it needs to record an impairment in value in the profit and loss account. Management's professional reasoning is particularly necessary for estimating value and coordinating future cash flows when determining impairment loss. These estimates are based on assumptions about several factors, and actual results may differ, leading to future changes in adjustments.

By their nature, unforeseen situations will be clarified when the potential future events that may generate them occur. Assessing these situations inherently involves the use of significant assumptions and estimates about the occurrence and outcome of future events.

Deferred tax assets are recognized for tax losses insofar as it is likely that there will be taxable profit from which losses can be covered. It is necessary to exercise professional reasoning to determine the amount of deferred tax assets that can be recognised, based on probability in terms of the period and level of future taxable profit, as well as future tax planning strategies.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New IFRS accounting standards and amendments to existing standards effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union that are mandatorily effective for reporting periods beginning on or after January 1, 2024. Their adoption did not have a material impact on the disclosures nor on the amounts reported in these financial statements.

Standard	Title
Amendments to IAS 1	Classification of debt into short-term debt and long-term debt and long-term debt with financial indicators
Amendments to IAS 7 and IFRS 7	Financing agreements with suppliers
Amendments to IFRS 16	Lease liabilities in a sale and leaseback transaction

New IFRS accounting standards and amendments to existing standards issued and adopted by the EU but not yet entered into force

At the time of approval of these financial statements, the group has not applied the following amended IFRS accounting standards that have been issued by the IASB and adopted by the EU but have not yet entered into force:

Standard	Title	Date of entry into force
Amendments to IAS 21	Lack of convertibility	January 1, 2025

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

Currently, IFRS as adopted by the EU do not differ significantly from IFRS adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU on 31 December 2024:

Standard	Title	EU adoption status
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and evaluation of financial instruments (date of entry into force set by the IASB: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 9 and IFRS 7	Contracts relating to electricity dependent on natural conditions	Not yet adopted by the EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements in IFRS Accounting Standards-Volume 11 (effective date set by IASB: January 1, 2026)	Not yet adopted by the EU
IFRS 18	Presentation and disclosure of information in the financial statements (effective date set by the IASB: January 1, 2027)	Not yet adopted by the EU
IFRS 19	Subsidiaries without public liability: information to be provided (effective date set by the IASB: January 1, 2027)	Not yet adopted by the EU
IFRS 14	Deferral accounts related to regulated activities (effective date set by: 1 January 2016)	The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale of or contribution of assets between an investor and its associates or joint ventures and subsequent amendments (the effective date has been postponed indefinitely by the IASB, but early application is allowed)	The approval process has been postponed indefinitely until the research project on the equity method has been completed.
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and evaluation of financial instruments (date of entry into force set by the IASB: 1 January 2026)	Not yet adopted by the EU

The group anticipates that the adoption of these new standards and amendments to existing standards will not have a material impact on the group's financial statements in the future.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Group's estimates, the use of hedge accounting for a portfolio of financial assets and liabilities in accordance with **IAS 39: "Financial instruments: recognition and measurement"** would not materially affect the financial statements if applied at the balance sheet date.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

BRIEF DESCRIPTION OF NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by the IASB on April 9, 2024 will replace IAS 1 Presentation of Financial Statements. The standard introduces three sets of new requirements for companies to improve their financial performance reporting and to give investors a better basis for analyzing and comparing companies. The main changes in the new standard compared to IAS 1 concern: (a) the introduction of categories (operating, investing, financing, income tax and discontinued operations) and sub-totals defined in the statement of profit or loss; (b) the introduction of requirements for improved aggregations and disaggregations; (c) the introduction of disclosures on Management Performance Measures (MPCs) in the notes to the financial statements.

- **IFRS 19 Non-publicly accountable subsidiaries: disclosures** issued by the IASB on May 9, 2024. The standard allows subsidiaries to provide restricted information when applying IFRS accounting standards to financial statements. IFRS 19 is optional for eligible subsidiaries and sets out information provision requirements for subsidiaries that choose to apply it.

- **Amendments to IFRS 16 Leases - Lease Liabilities in a Sale and Leaseback Transaction**, issued by the IASB on September 22, 2022. Amendments to IFRS 16 require the seller-lessee to subsequently measure lease liabilities arising from a leaseback transaction in such a way that it recognizes no gain or loss on the retained right of use. The new requirements do not prevent a seller-lessee from recognizing gains or losses in the profit and loss account on the partial or total termination of a lease.

- **Amendments to IAS 1 Presentation of Financial Statements - Classification of Debt into Short-term Liabilities and Long-term Liabilities**, issued by the IASB on January 23, 2020, and **Amendments to IAS 1 Presentation of Financial Statements - Long-term Liabilities with Financial Indicators** issued by the IASB on October 31, 2022. The amendments issued in January 2020 provide a more general approach to the debt classification provided for in IAS 1 based on contractual agreements existing at the reporting date. The amendments issued in October 2022 clarify how the conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability and set the date of entry into force for both amendments to annual periods beginning on or after 1 January 2024.

- **Amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments: Disclosures - Financing Arrangements in Supplier Relationships** issued by the IASB on May 25, 2023. The amendments add requirements for information to be provided as well as" indicators " within existing requirements for information to be provided to provide qualitative and quantitative information on financing agreements in relation to suppliers.

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Non-Convertibility** issued by the IASB on August 15, 2023. The amendments contain guidance for entities to state when a currency is convertible and how to determine the exchange rate when it is not convertible.

- **Amendments to IFRS 9 and IFRS 7 - Amendments to Classification and Measurement of Financial Instruments** issued by the IASB on May 30, 2024. The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date at which a financial asset or financial liability is derecognized and introduce additional disclosure requirements about investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent features.

- **Amendments to IFRS 9 and IFRS 7 - Contracts that refer to electricity dependent on natural conditions** issued by the IASB on December 18, 2024. The own-use requirements in IFRS 9 are amended to include factors that an entity shall take into account when applying IFRS 9:2.4 in contracts for the purchase and delivery of electricity from renewable sources for which the source of the electricity depends on natural conditions. The requirements for hedge accounting in IFRS 9 are amended to permit an entity that enters into a contract for renewable electricity from renewable sources that is dependent on natural conditions specified as the hedged item to designate a variable volume of forecast electricity transactions as the hedged instrument if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedged item. Amendments to IFRS 7 and IFRS 19 will introduce disclosure requirements for electricity contracts that are dependent on natural conditions with specified characteristics.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7** - Annual Improvements to IFRS Accounting Standards - Volume 11 issued by the IASB on July 18, 2024. These amendments include clarifications, simplifications, corrections and modifications in the following areas: (a) hedge accounting adopted by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of the deferred difference between fair value and transaction price (IFRS 7); (d) the introduction and disclosures about credit risk (IFRS 7); (e) derecognition of lease liabilities by the lessee (IFRS 9); (f) the transaction price (IFRS 9); (g) the establishment of a 'de facto representative' (IFRS 10); (h) the cost-based method (IAS 7).

- **IFRS 14 Deferred Accounts for Regulated Activities** issued by the IASB on January 30, 2014. This standard is intended to enable first-time IFRS adopters that currently recognize defer deferral accounts related to regulated activities under previous GAAP to continue to do so on transition to IFRSs.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale of or Contribution of Assets between an Investor and its Associates or Joint Ventures, issued by the IASB on September 11, 2014. The amendments resolve the inconsistency between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognized when the assets sold or contributed are an enterprise.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS

4.1. Significant accounting policies

The main accounting policies are presented below:

Short-term classification versus long-term classification of assets and liabilities

The group presents its assets and liabilities in the statement of financial position as short-term /long-term.

An asset is classified as short-term (net) if:

- expects to capitalize on the asset, or intends to sell or use it during the normal operating cycle;
- it is held primarily for trading purposes;
- expects to value the asset within 12 months after the reporting date; or
- the asset represents cash or cash equivalents whose use is not restricted to be exchanged or used to settle a liability for a period of at least 12 months after the reporting period.

All other assets are classified as long-term (non-current assets).

A debt is classified as short-term (current) if:

- it is expected to be settled in the normal operating cycle of the company;
- it is owned for the main purpose of being traded;
- it is settled within 12 months after the reporting date;
- there is no unconditional right to defer debt settlement for at least 12 months after the reporting date.

The group classifies all other liabilities as long-term.

Fair value

Fair value is the price that could be received from the sale of an asset or paid to transfer a liability in a transaction conducted in the normal course of business between market participants at the valuation date.

Fair value measurement is based on the presumption that the sale of the asset or the transfer of the liability occurs either:

- in the main market of asset and debt
- in the absence of a main market, the most advantageous market for an asset or liability.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Fair value (continued)

The group evaluates the fair value of an asset or liability based on assumptions that market participants would use when pricing the asset or liability, assuming that participants are acting to achieve maximum economic benefit.
The fair value measurement of a non-financial asset takes into account the ability of market participants to generate economic benefits through the most intensive and best use of the asset or by selling it to another market participant who would in turn grant it the most intensive and best use.

As regards valuation techniques, they shall be appropriate taking into account the circumstances for which sufficient data are available for fair value measurement, maximising the use of observable input data and minimising the use of unobservable input data.

Fair value measurement establishes a fair value hierarchy that classifies into three levels the input data for valuation techniques used to measure fair value:

- Input data **Level 1** - are quoted (unadjusted) prices on active markets for identical assets and liabilities to which the entity has access at the valuation date. This data provides the most reliable evidence of fair value and should be used whenever available

- Input data **Level 2** - are input data different from the quoted prices included in Tier 1 that are directly or indirectly observable for the asset or liability (e.g. quoted prices for identical or similar assets or liabilities in non-active markets)

- Input data **Level 3** - it is unobservable input data for the asset or liability. The group shall draw up unobservable input data on the basis of the best available information in the given circumstances that may comprise the company's own data.

The company's financial department determines the applicable procedures for fair value assessments such as investment property, property, plant and equipment where the fair value model is adopted.

External appraisers are involved in the valuation of tangible assets and investment property. This involvement is determined annually by the financial Department. Selection criteria include the appraiser's market knowledge, reputation, independence and whether professional standards are met.

Revenue from customer contracts

Revenue from customer contracts is recognized when control of goods and services is transferred to a value that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. In general, the group concluded that it is the main beneficiary of the revenue, since it controls the goods or services before transferring them to the customer.

Since previous years, the group has long-term contracts with mayors, which are paid in installments, these according to IFRS 15 have included a significant financing component.

The group has contractual agreements agreed between the seller and the buyer that take away the customer's right to return the products for various reasons. This return of goods operation can generate several situations.

- the customer has the right to refund, in whole or in part, the amount initially paid for the goods;

- the customer may receive a discount invoice that will decrease his future payments in relation to the seller;

- the client has the right to receive another good in exchange, or

- combination of the above

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

In the case of transfers of goods, when there is a right of return, the group recognizes the following:

1. revenue for the transferred goods at the level of value to which the entity considers it entitled, So the group will not recognize the goods that are expected to be returned;

2. debt to be repaid; and

3. an asset, together with the related adjustment of the cost of the goods sold, to reflect the seller's right to recover the goods from the customer in order to constitute the debt to be repaid.

The group also considers that it is possible that the condition of the returned goods will be much different from the one at the time of delivery, there is even a risk that the goods can not be used further. In under these conditions, the value of the recognized asset will have to be made at the book value of the goods at the time of sale, reduced by any other depreciation of value or CSTs necessary for their recovery the group will assess and adjust, correctly, at the date of preparation of the financial statements, the expected level of returns and the related debt to be returned, changing accordingly the level of income. Furthermore, the value of the recognized asset will change whenever the amount of the liability changes or there are indications that there is an impairment of value. If the entity cannot assess the level of returns, the revenue will not be recognized until the date on which the estimate can be reasonably made, the date that may correspond to the end of the period in which the client has the right of return.

In the case of pre-delivery billing agreements in addition to the aforementioned conditions for a customer to gain control over a product in a pre-delivery billing agreement, all of the following criteria must be met :

- the reason for the agreement with billing before delivery must be substantial (there must be written request of the customer);

- the product must be distinctly identified as belonging to the customer;

- the product must be ready for physical transfer to the customer on a current basis;

- the entity delivering the product may not have the ability to use the product or assign it to another customer.

If there is an acceptance clause in the contract concluded with a client, then the moment when a client gains control over a good or service is evaluated according to this clause. If in the contract concluded with a client there is an acceptance clause, then the moment when a client gains control over a good or service is evaluated according to this clause.

More details can be found in Note 21 where the main income generating activities of the company are presented.

Income from other sources

Revenue from other sources includes revenue from commodity transactions (especially energy) that are within the scope of IFRS 9 Financial Instruments, as well as rental income.

Rental income is recognized in the linear profit and loss account for the duration of the lease.

Dividends and interest

Dividend income is recognized when the shareholder's right to receive payment is established. Dividend income is recorded at the gross amount that includes dividend tax, which is recognized as a current expense during the period in which the distribution was approved.

Interest income is recognised on the basis of accrual accounting, by reference to the principal and the effective interest rate, that rate which exactly updates the expected future cash flows over the life of the financial instrument, to the net carrying amount of the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Leasing

Group as lessee

The group evaluates whether a contract is or contains a lease clause at the beginning of the contract.

The group recognizes a right of use of the asset and a corresponding lease liability in relation to all leases in which it is lessee/user, with the exception of short-term contracts (defined as leases for a rental period of 12 months or less) and leases of low-value assets (less than RON 24,500).

For these leases, the group recognizes payments as operating expenses linearly during the lease term. Electromagnetica fits as leases those aimed at renting spaces. Since the rental is made for periods of one year or more they are treated as accounting in a unitary manner by recognizing a right of use of the asset and a lease debt.

Lease liabilities

At the start date of the lease, the Group recognises the lease liabilities, measured at the discounted value with the marginal borrowing rate of the lease payments, over the duration of the lease. Payments include fixed payments minus any incentives to receive, variable lease payments that depend on an index or rate, and amounts that are expected to be paid in the form of residual value.
The group uses a loan rate from information received from the financial-banking area.

The lease payments included in the valuation of the debt arising from the lease agreement include the following payments related to the right to use the underlying asset during the lease that are not paid at the date of commencement of the lease:

a. fixed payments (including fixed payments to the fund), less any lease incentives receivable;

b. variable lease payments that depend on an index or rate, initially assessed on the basis of the index or rate at the start date

c. expected amounts due by the lessee on the basis of collateral related to the residual value;

d. the exercise price of a purchase option if the lessee is reasonably certain to exercise the option); and

e. payments of lease termination penalties if the lease term reflects the lessee's exercise of a lease termination option.

Leasing debt is presented as a separate line in *Statement of financial position*.

The group revalues the debt arising from the lease agreement by updating the revised lease payments using a revised discount rate, if either:

a. there is a change in the duration of the lease. The group determines the revised lease payments on the basis of a revised lease term; or

b. there is a change in the valuation of an option to buy the underlying asset, measured against the events and circumstances described in IFRS 16 in the context of an option to buy.

c. The group determines the revised lease payments to reflect the change in amounts due under the purchase option.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Leasing (continued)

The group revalues the debt arising from the lease agreement by updating the revised lease payments in any of the situations below:

a. there is a change in the amounts expected to be due in accordance with the residual value guarantee. The group determines the revised lease payments to reflect the change in amounts expected to be due under the residual value guarantee.

b. there is a change in future lease payments resulting from a change in an index or rate used to determine those payments, including, for example, a change reflecting changes in market rates of rents as a result of a review of market rents. The lessee must reassess the debt arising from the lease to reflect those revised lease payments only when a change in cash flows occurs (i.e. when the adjustment of lease payments occurs). The group determines revised lease payments for the remainder of the lease term on the basis of revised contractual payments.

Right to use assets

Asset use rights include the initial valuation of the corresponding lease liability, lease payments made on or before the commencement day, less lease incentives received and any initial direct costs. They are then assessed on the basis of cost less accumulated depreciation and impairment losses.

The rights of use are amortized for the shortest period between the lease term and the useful life of the underlying asset, thus:

Right of use assets	Depreciation duration (years)
Buildings	1-5
Vehicles	3-5

Group as lessor

The group concludes rental contracts as lessor for the spaces in buildings registered both as property, plant and equipment and as investment property.

All leases are recognized as operational leases.

Rental income from operating leases is recognized linearly over the duration of that lease.

The group determined, on the basis of an assessment of the terms and conditions of the agreements, such as the lease term which does not constitute a major part of the economic life of the property and on the basis of the current present value of the minimum lease payments which do not amount to the fair value of the property, that it retains substantially all the risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Borrowing costs

Borrowing costs consist of interest on loans that are directly attributable to the acquisition, construction or production of a long production cycle asset and are capitalized until the asset is ready for pre-determined use or sale.

All other borrowing costs are recognized as expenses in the profit and loss account of the period in which they arise.

Interest expense is recorded using the effective interest method.

During the year ended December 31, 2024 and December 31, 2023, respectively, the group did not capitalize on interest expense in the value of the assets, as it did not take out any loans for investments.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Employee benefits

Short - term benefits to employees include wages, premiums and Social Security contributions.

The group makes payments on behalf of its employees to the Romanian state pension system, health insurance and unemployment fund, in the course of normal activity. All employees of the company are members and have the obligation to contribute to the pension system of the Romanian state. All related contributions are recognised in the profit and loss account of the period when they are made. The group has no further obligations. Obligations with short-term benefits granted to employees are not updated and are recognized in profit and loss as the related service is provided.

The group is not engaged in any independent pension scheme and therefore has no obligations to do so.

The group is not employed in any other post-employment benefits scheme. The group has no obligation to provide subsequent services to former or current employees.

The group does not currently provide benefits in the form of employee participation in profits.

There is currently no plan to require the group to provide benefits in the form of the entity's own shares (or other equity instruments).

Taxation

Current corporate tax

The current payment fee is determined on the basis of the taxable profit of the year. Tax profit is different from the profit reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years, and it also excludes items that will never become taxable or deductible. The company's debt related to the current corporation tax is calculated using tax percentages that were prescribed by law or in a bill at the end of the year. Currently the tax rate is 16%.

Deferred tax

Deferred tax is made up of temporary differences in assets and liabilities.

Deferred tax receivables are recognized only to the extent that taxable profit is likely to be obtained in the future, after offsetting with the tax loss of previous years and with the income tax to be recovered.

The tax loss carried forward is included in the calculation of the deferred income tax claim.

Currently, tax losses incurred by companies in Romania are recovered from taxable profits earned, up to a limit of 70%, over the next 5 consecutive years.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred income tax receivables and liabilities are presented net if this right exists and when they are related to the same entity and if they are due to the same tax authority.

Current and deferred tax

Current and deferred tax are recognized in the statement of profit and loss unless they relate to items that are recognized in *Other comprehensive income* or directly in equity, in which case the current and deferred tax are also recognized in *Other comprehensive income* equity, respectively.

Value Added Tax (VAT)

Income, related expenses assets are recognized net of VAT except:

- the situation in which the tax related to the acquisition of an asset or the provision of a service is not recoverable from the tax authority, in which case the VAT is recognized as part of the acquisition cost of the asset or service, as the case may be;
- the situation in which the receivables and debts are recognized with VAT included, when the net amount to be paid or recovered from the Tax Authority is included in the receivables or debts in *Statement of financial position*.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are represented by land, buildings, technological equipment, appliances and installations, means of transport and others, initially recognized at the cost of acquisition or production.

The cost of purchased property, plant and equipment is represented by the amount of consideration incurred for the acquisition of those assets as well as the amount of other costs directly attributable to bringing the assets to the location and condition necessary for them to operate in the manner desired by management.

The cost of self-built assets includes wage, material, indirect production costs and other costs directly attributable to bringing the assets to their current location and condition.

The group opted to use for valuation after initial recognition of property, plant and equipment *the model of reassessment.*

Land and buildings used in the production activity or for the supply of goods and services, or for administrative purposes are presented in *Statement of financial position* at cost minus cumulative depreciation and minus cumulative impairment losses.
If the cost of the land includes costs of decommissioning, removal, restoration, these costs are amortized during the period when benefits are obtained as a result of carrying out these costs.

Other property, plant and equipment (equipment, appliances, installations) are measured at cost minus the cumulative depreciation and the cumulative impairment loss.

Property, plant and equipment in execution to be used in production or administration are valued at cost less cumulative impairment loss. These assets are classified into the appropriate categories of property, plant and equipment when they are finished or ready to be used for the purposes for which they were intended.

Depreciation also begins when assets are available for use.

Land and buildings are separable assets and are accounted for separately even when acquired together.

Owned land does not pay off.

The residual value, estimated useful life and depreciation method shall be reviewed at the end of each reporting period, any change of which shall be accounted for prospectively.

For all assets acquired as of January 1, 2015, the group opted to use as a method of depreciation, the linear method which involves the systematic allocation of depreciation value over the entire economic life of the assets.

The management of the company estimated as appropriate the following useful life for different categories of property, plant and equipment as follows:

Property, plant and equipment	Duration (years)
Construction	20 - 100
Technological equipment	5 - 12
Measuring, control and adjustment apparatus and installations	3 - 8
Means of transport	4 - 8
Furniture, office equipment, protective equipment human values and materials	8 - 15

An item of property, plant and equipment is no longer recognized as a result of disposal or when future economic benefits are no longer expected from the continued use of the asset. Any gain or loss resulting from the disposal or disposal of an item of property, plant and equipment is determined as the difference between the proceeds from sales and the net book value of the asset and is recognized in the statement of profit and loss at the date of derecognition.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Investment property

The investment property of the Group are initially valued at cost which is formed by the purchase price plus any directly attributable expenses (professional fees for legal services, fees for the transfer of ownership, etc.).

After initial recognition, investments properties are recognized in financial statements at fair value. Investment property is not depreciated, and gains or losses arising from changes in their fair value are included in the profit or loss of the period in which they occur.

Intangible assets

Intangible assets acquired separately

Finite life intangible assets that are purchased separately are initially recognized at cost and are subsequently accounted for at cost minus cumulative depreciation and impairment loss. Depreciation is recognized linearly throughout their useful lives. The useful life for this group of fixed assets is from 3 to 5 years. Their useful life and depreciation method are reviewed at the end of each reporting period, with the effect that any changes in estimates are accounted for on a forward-looking basis.

Intangible assets of indefinite useful life that are purchased separately are accounted for at cost less cumulative impairment losses.

Internally generated intangible assets-research and development expenses

Expenses for research activities are recognized as such in the period in which they were carried out.

An internally generated intangible asset resulting from development (or from the development stage of an internal project) is recognized if all of the following criteria have been demonstrated:

- technical feasibility necessary to complete the intangible asset so that it will be available for use or sale;
- intent to complete the intangible asset and use or sell it;
- ability to use or sell intangible assets;
- how intangible assets will generate likely future economic benefits;
- availability of adequate technical, financial and other resources to complete the development of the intangible asset and for its use or sale;
- ability to reliably assess costs attributable to intangible assets during its development.

The value initially recognised for internally generated intangible assets is the sum of the costs incurred from the date on which the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenses are recognized in profit and loss during the period in which they are incurred.

After initial recognition, internally generated intangible assets are incurred at cost less cumulative depreciation and cumulative impairment loss on the same basis as separately acquired intangible assets.

Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when it is expected that no benefit will be derived from its use or disposal. Gains or losses resulting from the derecognisation of an intangible asset, measured as the difference between the net proceeds from the sale and the net carrying amount of the asset, are recognized in profit and loss when the asset is derecognised.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Impairment of tangible and intangible assets

To determine whether a tangible or intangible asset valued at cost is impaired, the Group analyzes under IAS 36 to identify whether there are indications of impairment.

For intangible assets with indeterminate lifetime depreciation tests are performed annually. This applies even if there are no indications of depreciation. Impairment tests are conducted at the level of cash generating units that generate cash inflows largely independent of those from other assets or asset groups.

For assets representing tangible assets if there is an indication or when an annual impairment test is required the group estimates the recoverable value of the asset as the greater of fair value less selling costs and its use value.

In the valuation of use value, estimated future cash flows are discounted to present value using a discount rate that reflects current market valuations of time value of money and risks specific to the asset or cash generating units.

If the net carrying value of an asset or cash-generating unit exceeds its recoverable value, the asset is considered impaired and an impairment loss is recognized to reduce the asset's value to the recoverable value level.

Impairment losses are recognized in *Profit and loss statement* to the line *Depreciation and amortization adjustments of non-current assets* and reversals or operating expenses.

If the reasons for the impairment are no longer applicable at a later period, an impairment reversal is recognized in the statement of profit and loss, the book value increased by the reversal of an impairment adjustment shall not exceed the book value (net depreciation) that would have been determined if no impairment adjustment had been recognized in prior years.

Major maintenance and repairs

Capital inspection and repair costs are separate components of the corresponding assets or groups of assets. Capitalized capital repair costs are amortized using the amortization method for the underlying asset until the next repair.

Costs of major repair activities include the cost of replacing assets or parts of assets, inspection costs and capital repair costs.

These costs are capitalized if an asset or part of an asset that has been separately depreciated is replaced and it is likely that it will bring future economic benefits. If a part of the replaced asset has not been considered a separate component and has therefore not been written off separately, the replacement value shall be used to estimate the net carrying value of the replaced asset that is immediately written off.

Inspection costs associated with major maintenance programs are capitalized and amortized until the next inspection.
The costs of capital repairs for small hydropower plants are also capitalized.
All other costs with current repairs and usual maintenance are recognized directly in expenses.

Inventories

The group recognizes as inventories those assets that are:

- held for sale in the normal course of business
- in production for such a sale, or
- in the form of materials and other consumables to be used in the production process or for the provision of services.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Inventories (continued)

Inventories are presented at the lowest value between cost and net realizable value. Net realizable value is estimated based on the sale price of normal business, less estimated costs for completion and sale.

The group uses the first in first out (FIFO) method to determine the cost of out-of-management of supplied materials. For finished products, the standard cost is used for input and output. At the end of each month on the basis of management accounting, the actual cost of the products obtained is determined.

For inventories of raw materials and materials, as well as for those of finished products, adjustments are made based on management estimates. The establishment and resumption of adjustments for depreciation of inventories is carried out on account of the profit and loss account.

Prepayment expenses

Prepayment expenses are amounts usually paid in advance for services that concern a period of up to a year or more. The part covering the period up to one year is reflected in the statement of financial position to current assets. The portion that exceeds one year is recorded under non-current assets.

Financial instruments

Initial recognition and measurement

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised in the balance sheet when the group becomes a party to the instrument's contractual obligations. The group determines the classification of its financial assets and liabilities upon initial recognition.

For a financial asset to be classified and measured at amortized cost or fair value by comprehensive result, it must give rise to cash flows that are exclusively principal and interest payments on the outstanding principal amount. This assessment is referred to as the SPPI test and is performed at the instrument level.

The company's business model for financial asset management refers to how it manages its financial assets to generate cash flows. Currently, the financial assets owned by the group are represented by receivables, guarantees. The business model used is to generate cash flows.

For assets measured at fair value, gains and losses will be either recorded in profit or loss or overall result. For investments in equity instruments that are not held for trading, this will depend on whether the group made an irrevocable choice at the time of initial recognition to account for the equity investment at fair value through another comprehensive income (FVOCI).

A financial asset and a financial liability are offset and the net amount is reported in the statement of financial position if, and only if, the group has a legally enforceable right to offset the amounts recognised and intends to either settle on a net basis or realise the asset and extinguish the liability simultaneously.

ii) Financial assets

The group's financial assets primarily include cash and cash equivalents, trade and other receivables, equity investments.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired; or the group has transferred its rights to receive cash flows from the asset or has assumed the obligation to pay the cash flows received in full without significant delay to a third party under a "transfer" agreement; and either: (a) the group has transferred substantially all the risks and benefits of the asset; or (b) the group has neither transferred nor substantially withheld all risks and benefits of the asset, but transferred control over the asset.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Financial instruments (continued)

ii) Financial assets (continued)

Regular purchases and sales of financial assets are recognised on the transaction date, the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognized when the rights to receive cash flows from financial assets have expired or have been transferred and the group has transferred substantially all the risks and benefits of ownership.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments that are easily convertible into cash and are subject to insignificant risk of change in value. Such an investment includes cash, cash balances with banks and short-term bank deposits with an initial maturity of three months or less.

Cash and cash equivalents are subject to depreciation calculations, however, the amounts are insignificant, since the amounts are held at such reputable banks as BCR, EXIM, BRD and OTP.

Other financial assets at amortized costs

The group classifies its financial assets at amortised cost only if both criteria are met: the asset is held in a business model whose objective is to collect contractual cash flows, and the contractual conditions give rise to cash flows that are exclusively principal and interest payments. Interest income from financial assets is included in financial income using the effective interest rate method. Any gain or loss resulting from derecognition is recognized directly in profit or loss and presented in other expenses.

Trade and other receivables

Trade receivables assessed under IFRS 9 are amounts due to customers for products sold in the normal course of business. They are generally due for settlement within 30-120 days and are therefore all classified as current. Trade receivables are initially recognized at consideration under IFRS 15 which is unconditional, unless they contain significant financing components, when they are recognized at fair value at the date of initial recognition. Electromagnetica S.A. holds the trade receivables with the objective of collecting the contractual cash flows and therefore subsequently assesses them at amortized cost using the effective interest method.

Most of the Group's commercial receivables do not contain financing component.

For claims up to 90 days past due, Electromagnetica S.A. adopted the simplified approach in accordance with IFRS 9 and measured the provision for losses on the basis of a matrix of provisions that is based on historical collection and PD experience adjusted for forward-looking factors to estimate the provision on initial and lifetime recognition of claims at an amount equal to ECL (expected credit losses). The assessment is carried out every six months and any change in the initial allowance will be recorded as gain or loss in the profit and loss account. The expected credit losses over the entire life of the receivables, as well as the adjustments recorded for receivables with more than 90 days seniority analyzed individually and those for specific losses recorded in the current year, are classified as *other expenses*.

Trade and other claims, together with The Associated impairment adjustment, if any, are written off when there is no realistic prospect of future recovery and all guarantees have been realized or transferred to the group. If the collection is expected in more than one year, they are classified as non-current assets.

Judgments and estimates

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. The group uses its reasoning to select a variety of methods (including the performance of the investee, the annual budget and plan, external equity transactions of the investee and the value of the enterprise using future cash flows) and to make assumptions that are based primarily on market conditions at the end. of each reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Financial instruments (continued)

iii) Financial liabilities

The group's financial liabilities comprise mainly interest-bearing loans and loans, commercial and other liabilities.

A financial liability is derecognized when the debt obligation is extinguished, cancelled or expires. When an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially changed, such exchange or modification is treated as derecognition of the original liability and recognition of a new liability, and the difference between the respective book values is recognized in profit or loss.

Interest-bearing loans and loans

All loans are initially recognized at the fair value of the consideration received, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly updates the expected future cash payments over the expected life of the financial debt or, as the case may be, over a shorter period. The calculation takes into account any discount on the purchase and includes transaction costs and commissions that are an integral part of the effective interest rate.

Shareholder financing

According to IFRS 9, "Financial Instruments" shareholder loans received by the group were recognized at fair value.

After initial recognition, shareholder loans are subsequently measured at amortized cost using the effective interest method; any difference between the fair value of the proceeds (net of transaction costs) and the redemption amount is recognized as an expense over the period of the loans.

Derivatives

Derivatives are initially recognized and subsequently revalued at fair value. The group has no derivatives.

Government subsidies

Under IAS 20, government subsidies are only recognised when there is sufficient certainty that all the conditions attached to granting them will be met and that the grants will be received. Subsidies that meet these criteria are presented as liabilities and are systematically recognised in the profit and loss account over the useful life of the assets to which they relate.

Provisions

Provisions are recognized when the group has a present obligation (legal or implied) as a result of a past event, it is likely that the group will be required to extinguish the obligation, and a credible estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to extinguish the obligation at the end of the reporting period, taking into account risks and uncertainties related to the obligation. Where a provision is measured using estimated cash flows to extinguish a current obligation, its carrying amount is the present value of those cash flows.

Provision for customer guarantees it is formed according to the estimates made by the management and the departments sales, technical and quality on the level of expenses for repairs within the warranty period. The level of repair expenses during the warranty period is also determined as a percentage of the turnover of the reporting year.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.1. Significant accounting policies (continued)

Provisions (continued)

Restructuring provisions

The implicit obligation to restructure arises if a company:

- it has a detailed official plan for the restructuring in which to be highlighted: the activity or part of the activity to which it refers, the main locations affected, the location, the function and the approximate number of employees who will receive compensation for the termination of their activity, implicit expenses, the date on which the restructuring plan will be implemented

- it has generated a justified expectation to those affected that the restructuring will be achieved by starting the implementation of that restructuring plan or by communicating its main characteristics to those who will be affected by the restructuring process.

The restructuring provision includes only direct restructuring-related expenses.

Provisions for employee benefits

During the financial year, there are recorded provisions for holidays left unpaid and other provisions according to employment contracts. At the time of their recognition as liabilities to employees, the amount of provisions will be resumed through the corresponding income accounts.

The group does not recognize the provision for losses from the exploitation of assets.

Segment reporting

Given that the Electromagnetica S.A. shares are traded on the Bucharest Stock Exchange and that it applies IFRS, it is presented in the annual financial statements as well as in the interim reports made according to IAS 34 – Interim Financial Reporting, information about the activity segments, about their products and services and about the main customers.

According to *IFRS 8-business segments*, a business segment is a component of an entity:

- which engages in business activities from which it can obtain income and from which it can incur expenses (including income related to transactions with other components of the same entity);

- whose business results are regularly reviewed by the entity's main operational decision-maker with a view to deciding on the allocation of resources by segment and assessing its performance, and

- for which separate financial information is available.

Taking into account the criteria for identifying business segments and the quantitative thresholds described in IFRS 8, the group identified the following business segments for which it presents the information separately:

- licensed activity-supply and production of electricity.

- unlicensed activity - industrial production and space rental.

Dividends

Dividends are recorded as liabilities in the Financial Statements of the group during the period in which they are approved by the shareholders of the group and are reflected accordingly by the decrease in capital.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2. Accounting judgments, estimates and assumptions

Consolidated financial statements were prepared on the basis of historical cost, with the exception of fixed assets where the revaluation method was adopted. Historical cost is generally based on the fair value of consideration made in return for assets.

The preparation of financial statements in accordance with the IFRS adopted by the European Union implies on the part of management the use of estimates and assumptions that affect the application of accounting policies, as well as the reported value of assets, liabilities, income and expenses.

Estimates and judgments associated with them are based on historical data and other factors considered to be eloquent in the given circumstances, and the result of these factors forms the basis of the judgments used in determining the carrying amount of assets and liabilities for which there are no other sources of valuation available. Actual results may differ from estimated values.

Estimates and judgments are regularly reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the current period and future periods, if the revision affects both the current period and future periods.

The effect of the change related to the current period is recognized as income or expense in the current period. If any, the effect on future periods is recognized as income or expense in those future periods.

The company's management believes that any differences from these estimates will not have a significant influence on the financial statements in the near future, for each estimate the principle of prudence is applied.

Estimates and assumptions are used in particular for depreciation adjustments of fixed assets, estimation of the useful life of a depreciable asset, for depreciation adjustments of receivables, for provisions, for recognition of deferred tax assets.

In accordance with IAS 36, intangible assets are analyzed to identify whether they show impairment indications at the balance sheet date. If the net carrying value of an asset is greater than its recoverable value, an impairment loss is recognized to reduce the net carrying value of that asset to the level of recoverable value. If the reasons for recognizing the impairment loss disappear in subsequent periods, the net carrying amount of the asset is increased to the level of the net carrying amount, which would have been determined if no impairment loss had been recognized.

Property, plant and equipment are presented at revalued values according to IAS 16 and investment property at fair values according to IAS 40.

For inventories, adjustments are made based on management's estimates of net realizable value. The establishment and resumption of adjustments for depreciation of inventories is carried out quarterly on the reporting dates on the account of the profit and loss account.

Receivables past due by more than 90 days are analyzed individually at each reporting date and adjusted based on the information obtained, in correlation with the risk of non-collection.

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and land improvements	Construction	Technological equipment and vehicles	Other tangible assets	Property, plant and equipment pending execution	Prepayment for tangible assets	Total
As of December 31, 2023	**157,971,181**	**113,954,255**	**15,344,428**	**2,743,825**	**1,218,688**	**-**	**291,232,377**
Inflow	19,740,449	36,232,224	789,811	539,591	868,467		58,170,542
- of which: revaluation	19,740,449	36,232,224	-	-	-	-	55,972,673
- of which: transfers	-	-	341,626	443,844	-	-	785,470
Outflow	(8,531,657)	(29,132,346)	(4,795,775)	(860,880)	(785,470)	-	(44,106,128)
- from revaluation	(1,596,700)	(427,917)	-	-	-	-	(2,024,617)
- from transfer to classified assets rights held for sale	-	-	(1,053,609)	-	-	-	(1,053,609)
- from transfers	-	-	-	-	(785,470)	-	(785,470)
As of December 31, 2024	**169,179,973**	**121,054,133**	**11,338,464**	**2,422,536**	**1,301,685**	**-**	**305,296,791**
Accumulated depreciation							
As of December 31, 2023	**-**	**-**	**(1,291,887)**	**(245,722)**	**-**	**-**	**(1,537,608)**
Depreciation of the year	(59,468)	(5,511,769)	(3,573,624)	(617,210)	-	-	(9,762,071)
Accumulated depreciation on disposals	59,468	5,511,769	729,351	209,297	-	-	6,509,885
- of which the net value was determined	59,468	4,888,058	-	-	-	-	4,947,526
As of December 31, 2024	**-**	**-**	**(4,136,160)**	**(653,635)**	**-**	**-**	**(4,789,795)**
Impairment adjustments							
As of December 31, 2023	**(3,714,679)**	**-**	**-**	**-**	**-**	**-**	**(3,714,679)**
Impairment adjustments recognized in profit or loss	-	-	(2,123,795)	-	-	-	(2,123,795)
Reversals of impairment adjustments recognized in profit or loss	3,714,679	-	-	-	-	-	3,714,679
As of December 31, 2024	**-**	**-**	**(2,123,795)**	**-**	**-**	**-**	**(2,123,795)**
Net book value							
As of December 31, 2023	**154,256,502**	**113,954,256**	**14,052,541**	**2,498,103**	**1,218,688**	**-**	**285,980,090**
As of December 31, 2024	**169,179,973**	**121,054,133**	**5,078,509**	**1,768,901**	**1,301,685**	**-**	**298,383,201**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	**Land and land improvements**	**Construction**	**Technological equipment and vehicles**	**Other tangible assets**	**Property, plant and equipment pending execution**	**Prepayment for tangible assets**	**Total**
As of December 31, 2022	**171,653,309**	**130,589,322**	**24,351,564**	**3,168,979**	**2,944,533**	**118,354**	**332,826,061**
Inflow	-	14,053,427	5,631,115	759,419	8,640,791		29,084,752
- of which: revaluation	-	7,344,309	2,616,575	564,596	-	-	10,525,479
- of which: transfers	-	6,709,118	2,044,286	193,355	-	-	8,946,759
Outflow	(13,682,128)	(30,688,494)	(14,638,251)	(1,184,573)	(10,366,636)	(118,354)	(70,678,436)
- from determining the net revaluation value	(13,479,318)	(19,577,480)	(342,112)	-	-	-	(33,398,910)
- transfers	-	-	-	-	(8,946,759)	-	(8,946,759)
As of December 31, 2023	**157,971,181**	**113,954,255**	**15,344,428**	**2,743,825**	**1,218,688**	**-**	**291,232,377**
Accumulated depreciation							
As of December 31, 2022	**(143,342)**	**(5,540,942)**	**(11,387,285)**	**(890,138)**	**-**	**-**	**(17.961.708)**
Depreciation of the year	(59,468)	(5,570,071)	(4,175,127)	(505,753)	-	-	(10,310,419)
Accumulated depreciation on disposals	202,810	11,111,014	14,270,525	1,079,934	-	-	26,734,518
- of which the net value was determined	202,810	11,111,014	13,237,704	1,079,934	-	-	25,631,461
As of December 31, 2023	**-**	**-**	**(1,291,887)**	**(245,722)**	**-**	**-**	**(1,537,608)**
Impairment adjustments							
As of December 31, 2022	**(4.129.814)**	**-**	**-**	**-**	**-**	**-**	**(4,129,814)**
Impairment adjustments recognized in profit or loss	(415,135)	-	-	-	-	-	(415,135)
Reversals of impairment adjustments recognized in profit or loss	-	-	-	-	-	-	-
As of December 31, 2023	**(3,714,679)**	**-**	**-**	**-**	**-**	**-**	**(3,714,679)**
Net book value							
As of December 31, 2022	**167,380,153**	**125,048,380**	**12,964,279**	**2,278,841**	**2,944,533**	**118,354**	**310,734,538**
As of December 31, 2023	**154,256,502**	**113,954,256**	**14,052,541**	**2,498,103**	**1,218,688**	**-**	**285,980,090**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment at December 31, 2024 increased 4% compared to December 31, 2023. This increase is mainly due to the periodic revaluation of the Group's assets. The decrease in property, plant and equipment stems from the sale of micro-hydro assets (land, buildings and equipment) and the disposal of the expropriated land in Domnești.

For most buildings the remaining useful life is between 26-69 years.

Fair value of property, plant and equipment

The Group's property, plant and equipment consist of land and buildings, work equipment and furniture.
The land, buildings and special constructions have been valued at December 31, 2024, with revaluation differences recognized within equity. The revaluation was carried out by an authorized appraiser, namely Darian DRS SA, corporate member ANEVAR.

Regarding the valuation basis:

1. Valuations under IAS 16 - (sets held for the purpose of producing or supplying goods and services or for administrative purposes) - "when an entity adopts the fair value revaluation option under IAS16, the assets are included in the balance sheet at fair value as follows :

    a. The fair value of land and buildings is usually determined on the basis of market information through valuation normally performed by professionally qualified valuers. The fair value of items of property, plant and equipment is usually the market value determined by appraisal.
    b. If market information about the fair value of a specialized item of property, plant, and equipment is not available and the item is infrequently traded unless it is part of a continuing business activity, the entity would need to estimate the fair value of the specialized asset using the income approach or the net replacement cost approach.

IVSC believes that a qualified appraiser should report the fair market value of the asset when performing a valuation for this purpose.

2. Valuations under IAS 40 - Investment Property - (real estate held primarily for rental purposes or for capital appreciation) - where the entity chooses the fair value model for accounting for investment property, the IVSC considers that the requirements of this model are met by the valuer in adopting the market value.

Thus, the Group's property, plant and equipment have been classified as tangible fixed assets held for the purpose of production or supply of goods and services or for administrative purposes: land, buildings, special company-owned buildings related to the premises, owned and operated by the Group.

In estimating the market value of real estate properties, all three valuation approaches presented by the International Valuation Standards were used, namely:

- The cost approach - was applied to all buildings and special purpose buildings;
- Market Approach - was applied to land and apartment valuation;
- Income Approach - was applied to the valuation of income generating properties.

The income approach was only applied to test for the existence of an external depreciation to be applied under the cost approach. No external impairment was found to exist.

The equipment was valued at December 31, 2023 under the income approach, the DCF method. Given that the inputs used in the valuation at December 31, 2023 did not change significantly during 2024, the carrying amount of the equipment at December 31, 2024 (fair value at December 31, 2023 less accumulated depreciation) was considered to be an estimate of the fair value at the reporting date.

The unobservable variables used in the income approach applied to test for the existence of an external impairment in applying the net replacement cost method are as follows:

For offices - monthly market rent (EUR 10/m2), occupancy rate (80%). A potential increase in these variables would increase the fair value of the properties, thus leading to an even greater difference between the value of the property estimated by the income approach and that estimated by the cost approach.

The capitalization rate used in the property valuation model (for office 10%) - a potential increase in this variable will result in a decrease in the fair value of the property estimated using the income approach and the cost approach. The model was tested using a higher capitalization rate and no external depreciation was obtained.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value of property, plant and equipment (continued)

Information about the fair value hierarchy at December 31, 2024 and December 31, 2023:

	Tier 1	Tier 2	Tier 3	Fair value at December 31 2024
Land and land improvements	-	-	169,179,973	169,179,973
Construction	-	-	121,054,133	121,054,133

	Tier 1	Tier 2	Tier 3	Fair value at December 31 2023
Land and land improvements	-	-	154,256,502	154,256,502
Construction	-	-	113,954,256	113,954,256

During both 2024 and 2023 there were no transfers between fair value levels.

The revaluation surpluses recorded as of 31 December 2024 amounted to RON 55,198,510, the decrease during the year mainly due to transfers to retained earnings on the depreciation of assets. The balance cannot be distributed to shareholders.

The net book value of buildings used by the Group for both administrative and other activities is RON 121,054,133 (2023: RON 113,954,256).

Depreciation of fixed assets

The impact of the partial expropriation of the land located in Domnești, announced in 2022, led to the recording of an impairment adjustment of the fixed asset in the amount of RON 3,714,679 on December 31, 2023. This adjustment was determined as the difference between the fair book value of the land and the amount of compensation received for expropriation. In 2024, the expropriated land was taken out of management as a result of the update in the land register. In this context, expropriation income was recognized, and the asset impairment adjustment was reversed.

As of December 31, 2024, an impairment adjustment for technological equipment and vehicles in the amount of RON 2,123,795 has been calculated, resulting from the impairment loss caused by the slowdown in production activity.

6. INVESTMENT PROPERTY

The Group owns buildings used entirely for rental as offices. In general, leases are for a minimum initial period of one year. Subsequent extensions are negotiated with the tenants. The obligations of the parties in respect of repairs, maintenance and improvements are set out in the leases.

These properties are recognized in accordance with IAS 40 as investment property. The Group has chosen the fair value based model for the presentation of investment property in the financial statements.

The valuation as of December 31, 2024 was performed by an ANEVAR authorized appraiser using the income approach (discounted cash flow method). Darian DRS is a company specializing in the valuation of these types of investment property and the valuation model used complies with International Valuation Standards.

6. INVESTMENT PROPERTY (continued)

As of December 31, 2024, investment property are as follows:

	2024	**2023**
Initial balance	**23,569,292**	**22,054,243**
	1,334,586	
Inflow of which:	1,334,586	1,733,105
- from fair value valuation	-	378,809
- transfers	-	1,354,295
Outflow of which:	-	(218,056)
- from fair value measurement	-	(218,056)
- transfers	-	-
Final balance	**24,903,878**	**23,569,292**

The investment property income earned in 2024 amounts to RON 5,284,428 (2023: RON 3,821,614) and covers the expenses incurred by the owner.

Inflows are represented by the increase in value generated by revaluation

The Group also owns other leased premises in buildings used jointly with other activities. They are not classified as investment property because the share of rental income in total income is insignificant. Also, in most situations these spaces cannot be managed separately.

We note that there are no restrictions imposed on the degree of realization of investment property or on the transfer of income and proceeds from disposal.

Information about the fair value hierarchy on December 31, 2024 and December 31, 2023:

	Tier 1	**Tier 2**	**Tier 3**	**Fair value at December 31 2024**
Investment property	-	-	24,903,878	24,903,878

	Tier 1	**Tier 2**	**Tier 3**	**Fair value at December 31 2023**
Investment property	-	-	23,569,292	23,569,292

The valuation techniques in investment property were:

- Office building type properties are valued using the net replacement cost method (cost approach) and tested for the existence of external depreciation using the capitalized rental income method (income approach). The projected rental income was based on market rent for prudential reasons, as this is lower than the contractual rent.

The observable variables used are:

- Market rent, occupancy and landlord expenses - increases in the variables considered will result in an increase in the fair value of the investment property.

The not-observables are:

- The capitalization rate of (10%) used in the valuation model to test for the existence of external depreciation of investment real estate - increasing the capitalization rate will cause a decrease in the fair value of investment real estate.

7. INTANGIBLE ASSETS

Intangible assets comprise computer programs, licenses and various software. They are amortized using the straight-line method.

In the statement of financial position they are stated at historical cost less amortization and any value adjustments. Intangible fixed assets have decreased mainly due to amortization.

For most intangible assets, useful lives have been estimated at 3 years.

The status of intangible assets at December 31, 2024 is as follows:

	Patent licensing concessions	Other intangible assets	Intangible assets outstanding	Total
COST				
As of December 31, 2023	**1,236,393**	**3,397,126**	**-**	**4,633,519**
Inflow	213	-	-	213
Outflow	(53,623)	(20,018)	-	(73,641)
Transfers	-	-	-	-
As of December 31, 2024	**1,182,983**	**3,377,108**	**-**	**4,560,091**
ACCUMULATED AMORTIZATION				
As of December 31, 2023	**(1,224,461)**	**(2,841,731)**	**-**	**(4,066,193)**
Amortization of the year	(11,146)	(196,157)	-	(207,303)
Cumulative amortization on outflows	53,623	20,018	-	73.641
As of December 31, 2024	**(1,181,984)**	**(3,017,870)**	**-**	**(4,199,854)**
NET BOOK VALUE				
At December 31, 2023	**11,932**	**555,395**	**-**	**567,327**
As of December 31, 2024	**999**	**359,238**	**-**	**360,237**

COST	Patent licensing concessions	Other intangible assets	Intangible assets outstanding	Total
As of December 31, 2022	**1,237,821**	**3,397,126**	**-**	**4,634,9478**
Inflow	-	-	-	-
Outflow	(1,429)	-	-	(1,429)
Transfers	-	-	-	-
As of December 31, 2023	**1,236,393**	**3,397,126**	**-**	**4,633,519**
ACCUMULATED AMORTIZATION				
As of December 31, 2022	**(1,200,328)**	**(2,645,311)**	**-**	**(3,845,640)**
Amortization of the year	(25,562)	(196,420)	-	(221,982)
Cumulative amortization on outflows	1,429	-	-	1,429
As of December 31, 2023	**(1,224,461)**	**(2,841,731)**	**-**	**(4,066,193)**
NET BOOK VALUE				
As of December 31, 2022	**37,493**	**751,815**	**-**	**789,309**
As of December 31, 2023	**11,932**	**555,395**	**-**	**567,327**

8. RIGHTS OF USE ASSETS

	Buildings	Vehicles	Total
COST			
As of December 31, 2023	**-**	**230,820**	**230,820**
Additions	-	-	-
Disposals	-	(118,838)	(118,838)
Transfers	-	-	-
As of December 31, 2024	**-**	**111,982**	**111,982**
ACCUMULATED DEPRECIATION			
As of December 31, 2023	**-**	**(149,688)**	**(149,688)**
Depreciation of the year	-	(53,136)	(53,136)
Cumulative depreciation on outflows	-	118,838	118,838
As of December 31, 2024	**-**	**(83,986)**	**(83,986)**
NET BOOK VALUE			
As of December 31, 2023	**-**	**81,132**	**81,132**
As of December 31, 2024	**-**	**27,996**	**27,996**

The following amounts have been recognized in the income statement:

	2024	2023
Depreciation expense related to rights to use leased assets	53,136	74,158
Interest on lease liabilities	12,503	135
Expenditure related to low-value leases	-	-
Total amounts recognized in the profit and loss account	**65,639**	**74,293**

As of December 31, 2024, lease liabilities amounting to RON 258,912 relate to operating leases, of which short-term liabilities amounting to RON 71,304 and long-term liabilities amounting to RON 187,608.

As of December 31, 2023, the amount of lease liabilities was RON 84,475 (RON 29,694 short-term and RON 54,781 long-term).

9. OTHER NON-CURRENT ASSETS

	December 31 2024	December 31 2023
Customer performance guarantees	3,631,213	3,535,648
Long-term staggered trade receivables	1,062,244	3,545,661
Adjustments to depreciate long-term trade receivables*	(185,243)	(487,623)
Other long-term non-current assets	11,503	12,796
Total	**4,519,717**	**6,606,482**

*Long-term instalment receivables in the net amount of RON 877,001 at December 31, 2024 have been discounted to present value and the time value of money effect was RON 185,243. The current portion is recognized in trade receivables (Note 11).

10. INVENTORIES

	December 31 2024	December 31, 2023
Raw materials	6,564,941	8,719,964
Consumables	1,615,365	2,501,572
Finished products	11,924,376	13,799,830
Products in progress	563,646	2,064,672
Other inventories	970,272	986,865
Minus adjustments for impairment of inventories	(14,330,237)	(9,318,915)
Total	**7,308,363**	**18,753,989**

Other inventories include inventory items, finished goods or materials held in custody with third parties and advances paid to suppliers of goods.

The movement in inventory impairment adjustments is as follows:

	2024	2023
Balance at the beginning of period	**(9,318,915)**	**(2,330,345)**
Impairment adjustment (expense)	(5,011,322)	(7,410,057)
Reverse impairment adjustment	-	421,488
Balance at the end of period	**(14,330,237)**	**(9,318,915)**

The adjustments recognized during the reporting period relate to impairment adjustments for slow-moving inventories based on management's best estimate.

The Group has no pledged inventories pledged against debts.

11. TRADE RECEIVABLES

	December 31 2024	December 31 2023
Trade receivables in Romania	21,288,480	43,927,785
Trade receivables in other countries	1,518,832	4,620,663
Minus impairment adjustments trade receivables	(9,874,114)	(13,136,105)
Total	**12,933,198**	**35,412,343**

The decrease in trade accounts receivable at December 31, 2024 compared to December 31, 2023 was due to lower sales volume and the recovery of past due receivables.

The Group has established a provision matrix that is based on the Group's historical trade receivables loss experience, adjusted for debtor and economic environment specific prospective factors where appropriate. This model is applied to outstanding receivables that are not past due or past due 90 days or less.

The Group also assesses impairment losses individually for receivables past due more than 90 days if there are indications of significant increases in credit risk. Further information is disclosed in Note 30.

The Group's management believes that no adjustments for impairment losses other than those disclosed in the financial statements are necessary.

11. TRADE RECEIVABLES (continued)

The movement in adjustments for impairment of trade receivables is as follows:

	2024	2023
Balance at beginning of period	**(13,136,105)**	**(3,721,707)**
Allowance for impairment	(1,812,898)	(9,967,663)
Reversal of allowance for impairment	5,074,889	553,265
Balance at end of period	**(9,874,114)**	**(13,136,105)**

12. OTHER CURRENT ASSETS

	December 31 2024	December 31 2023
Debtors	2,548	14,057
Prepayment expenses	254,224	1,131,815
Advances to suppliers	89,593	155,265
Claim relating to expropriation of land	1,486,948	-
VAT recoverable	697,862	-
Other current assets	789,446	588,292
Total	**3,320,621**	**1,889,429**

The category Prepaid expenses in the amount of RON 253,763 mainly represents prepayments related to insurance premiums for insurance and various subscriptions.

Other current assets mainly include amounts recoverable from the social health insurance fund amounting to 720,186 RON.

13. CASH AND CASH EQUIVALENTS

	December 31 2024	December 31 2023
Cash in the cashier	11,907	21,873
Cash in banks	75,692,787	30,854,974
Cash equivalents	-	11,332
Total	**75,704,694**	**30,888,179**

	December 31 2024	December 31 2023
Restricted cash	-	90,000
Total	**-**	**90,000**

Due from banks include short-term deposits: December 31, 2024: RON 74,373,912 (December 31, 2023: RON 25,136,410)

In 2024, the Group set up a collateral deposit of RON 10,000,000 to issue bank guarantees. This has been disclosed in the Consolidated Statement of Financial Position under "Deposits placed with banks" as it is a deposit with a placement period of more than 3 months.

14. SHARE CAPITAL

The subscribed and paid-up share capital of the Electromagnetica S.A. amounts to 67,603,870 RON, composed of 676,038,704 fully paid-up shares with a par value of 0.10 RON/share.

The Electromgantica S.A. structure as of December 31, 2024 and December 31, 2023 is as follows, according to the register provided by the Central Depository:

	December 31, 2024		December 31, 2023	
Shareholder	**No. of shares**	**%**	**No. of shares**	**%**
INFINITY CAPITAL INVESTMENTS S.A.	442,465,466	65,4497	442,465,466	65,4497
Individuals	212,498,105	31,4328	208,487,511	30,8396
Legal entities	21,075,133	3,1174	25,085,727	3,7107
Total	**676,038,704**	**100**	**676,038,704**	**100**

At the General Meeting of Shareholders (GMS) of Electromagnetica S.A. held on December 19, 2024, the shareholders approved the implementation of a share buyback program by the Company.

- size of the program - repurchase of a maximum of 60,000,000 own shares with a par value of RON 0.10/share;
- purchase price - the minimum purchase price will be RON 0.1/share and the maximum price will be RON 0.4/share;
- duration of the program - maximum period of 18 months from the date of registration in the Commercial Register;
- the payment for the repurchased shares will be made from the distributable profit or available reserves of the company recorded in the latest approved annual financial statement, excluding legal reserves, as per the 2023 financial statements;
- destination of the program - reduction of the share capital by cancellation of the repurchased shares.

As of December 31, 2024, the Group does not hold any redeemable shares, bonds, or other portfolio securities.

15. RESERVES

Legal reserve

	2024	2023
Balance at the beginning of period	**12,563,942**	**12,563,922**
Increases	-	20
Diminutions	-	-
Balance at the end of period*	**12,563,942**	**12,563,942**

According to Romanian law, companies must allocate an amount equal to at least 5% of pre-tax profit to legal reserves until they reach 20% of share capital. When this level has been reached, the Group may make additional allocations only from net profit. The legal reserve is deductible up to a limit of 5% applied to the accounting profit, before corporate income tax.

No legal reserve has been set up during the reporting period.

Revaluation reserves amounted to RON 194,148,177 at December 31, 2024. Compared to the balance at the beginning of the period, they have increased due to the surplus generated by the revaluation and have been reduced and transferred to retained earnings as the amortization of revalued fixed assets and their sale took place.

	2024	2023
Balance at the beginning of period	**147,390,995**	**151,285,901**
Revaluation increases	55,198,510	249,333
Diminutions	(8,441,328)	(4,144.,239)
Balance at the end of period	**194,148,177**	**147,390,995**

15. RESERVES (continued)

As of December 31, 2024, the Group records other reserves and equity items amounting to RON 48,193,085 of which own financing sources represent 99%.

	2024	2023
Balance at the beginning of period	**81,371,341**	**59,328,628**
Increases	-	22,042,713
Diminutions	(33,178,256)	-
Balance at the end of period	**48,193,085**	**81,371,341**

The Ordinary General Meeting of Shareholders of Electromagnetica S.A. held on April 25, 2024 approved the allocation of the accounting loss recorded as at December 31, 2023 in the amount of RON 31,033,088 to reserves.

16. RETAINED EARNINGS

At December 31, 2024, the retained result from the transfer of net revaluation reserves related to assets depreciated or taken out of service was RON 8,441,328.

17. INVESTMENT SUBSIDIES

	Total	Under one year	Over a year
Investment subsidies as of December 31, 2024	-	-	-
Investment subsidies as of December 31, 2023	3,920,651	163,219	3,757,433

In 2012 the Parent Company benefited from an investment subsidy amounting to RON 5,997,788 granted for the modernization of the Brodina 2 micro-hydropower plant (Suceava), which was transferred to income at the same time as the depreciation of the fixed assets acquired within this project was recorded.

Grants related to the transferred activity (assets sold in 2024 related to the 11 micro-hydropower plants) were fully recognized as grant income at the time of sale of the assets to which they related.

18. PROVISIONS

Name	Balance January 1, 2024	Provision entries	Provision reversals	Balance December 31, 2024
Provision for performance guarantees to customers	775,000	1,177,556	-	1,952,556
Provision for employee benefits	630,436	110,617	(446,375)	294,678
Provision for disputes with employees	-	264,298	-	264,298
TOTAL	**1,405,436**	**1,552,471**	**(446,375)**	**2,511,532**

The Group has concluded contracts for the supply of luminaires with warranty clauses for long periods, respectively 2 - 4 years. The contracts do not stipulate a percentage or amount for the performance guarantee, the provision for which is calculated based on the analysis of the history of costs incurred on products within the warranty period.

In 2024, the provision for customer performance bonds has been recalculated based on management's best estimate based on information available at the reporting date.

The provision for employee benefits relates to the amount of vacation leave not taken in the previous year.

The Group has made a provision for pending disputes with employees, estimating the amount of potential liabilities based on the most relevant information available at the reporting date.

19. TRADE AND OTHER PAYABLES

	December 31 2024	December 31 2023
Current tade payables		
Domestic commercial debt	1,176,808	4,421,017
Foreign trade debts	10,631	3,319,816
Estimated trade liabilities	4,078,630	4,720,526
Current other paybles		
Advances received from customers	2,024,991	1,812,126
Salaries and social insurance	1,666,638	2,970,920
Advance income	1,011,532	1,695,488
Other liabilities	3,179,546	6,238,614
Total	**13,148,776**	**25,178,507**

Long-term trade and other payables amount to RON 1,717,399 (December 31, 2023: RON 867,718). These liabilities relate to guarantees received from tenants under long-term leases.

The liabilities are recorded at nominal value and are shown in the cost accounting per individual or legal entity. Liabilities denominated in foreign currencies have been valued on the basis of the exchange rate prevailing at the year-end and exchange rate differences have been recognized as income or expense for the period.

The Group has no material trade payables outstanding.

The Group does not have any outstanding payments to employees and to the State budget, the amounts shown represent payables due in December 2024 and paid when due in January 2025.

The Group has no borrowings on December 31, 2024.

As of December 31, 2024, the Parent Company has a non-cash guarantee agreement in the amount of RON 10,000,000 for the issuance of letters of guarantee. Their status is disclosed in Note 31 to these financial statements.

Other liabilities comprise guarantees received from tenants, VAT payable, other taxes and duties.

Guarantees received from tenants and those withheld from suppliers as of December 31, 2024 amount to RON 2,333,977 and will be regularized in accordance with the contractual terms.

	Total	Under one year	Over a year
Guarantees received year 2024	2,333,977	616,579	1,717,398
Guarantees received year 2023	2,949,825	2,082,107	867,718

Lease liabilities are presented within current and long-term liabilities. Their total amount is RON 258,912 (Note 8).

20. GROUP AS LESSOR

The Group has entered into operating leases for its investment property portfolio consisting of certain office and production buildings (see Note 6). These leases have terms ranging from 1 to 7 years.

All leases include a clause to allow for a review of the rental fee on an annual basis based on prevailing market conditions. The lessee is also obliged to provide a residual value guarantee on the properties, so that it covers the risks that the lessor bears in the event of any problems with the tenants.

Rental income recognized by the Group during the year is RON 17,017,576 (2023: RON 17,915,931).

20. GROUP AS LESSOR (continued)

Future minimum rents receivable under nonrevocable operating leases at December 31, 2024 are as follows:

	2024	**2023**
- 1 year	11,556,044	17,140,704
- between 1 and 2 years	8,227,345	8,119,516
- between 2 and 3 years	4,198,915	5,158,552
- over 3 years	4,129,214	3,058,710

21. REVENUE

REVENUE FROM CUSTOMER CONTRACTS	**2024**	**2023**
Revenue from the production of electricity from renewable sources and from the supply of electricity	35,740,732	91,443,660
Revenue from product sales (LED lighting fixtures, electric vehicle charging systems and solutions, plastic mass injection products and molds, low voltage electrical equipment, railway traffic safety elements)	33,436,366	53,788,733
Revenue from services rendered (complex design, delivery and assembly of LED lighting systems and electric vehicle charging stations)	4,820,332	23,607,545
TOTAL REVENUE FROM CUSTOMER CONTRACTS	**73,997,430**	**168,839,938**
RENTAL INCOME*	**23,672,913**	**26,305,392**
TOTAL INCOME	**97,670,343**	**195,145,330**

* Rental income includes both rental income and income from recharging of utilities and services.

Timing of recognition of revenue from contracts with customers	**2024**	**2023**
Goods and services transferred at a given time	33,436,366	53,939,117
Goods and services transferred over time	64,233,977	141,206,213
Total revenue from customer contracts	**97,670,343**	**195,145,330**

The Group's revenue streams were:

- *Revenues from the production of electricity from renewable sources and the supply of electricity*, revenues are performance obligations fulfilled at the time the customer received the energy. Prices are identifiable and the market is regulated. Standard payment terms are between 30-60 days.

- *Revenue from sales of LED lighting, lighting fixtures, electric vehicle charging stations, fuel injectors plastic and molds, low voltage electrical equipment, railway traffic safety features*, revenues are performance obligations fulfilled at a point in time when the customer receives and/or the goods are delivered. Prices are identifiable and represent the consideration paid by the customer on the sale of finished goods. Standard payment terms are between 30-90 days. There are also no volume discounts.

- *Revenue from services provided (lighting system installation services)* - revenues are obligations performed over time. Prices are identifiable and represent the consideration paid. Standard payment terms are between 60-90 days but can be up to 2-3 years. The method used is input-based (cost-based), under which revenue is recognized based on the right's efforts to satisfy the performance obligation.

Most revenues are generated in Romania.

21. REVENUE (continued)

The disaggregation of revenue at the product level is:

	2024	2023
Electric vehicle charging stations	5,769,804	8,631,437
Electrical equipment	12,124,959	18,055,788
Traffic safety elements CFR	4,283,973	6,625,957
Plastic mass injections and molds	9,535,702	7,891,473
LED lighting fixtures and services	4,546,021	34,754,050
Others	1,996,239	1,437,572
TOTAL PRODUCTION	**38,256,698**	**77,396,278**

OTHER NET INCOMES AND EXPENSES	**2024**	**2023**
Income from green certificates	836,971	1,248,655
Income / (expense) on provisions	(3,264,940)	(15,708,971)
Subsidy income*	3,920,652	163,218
Net proceeds from the sale of tangible fixed assets	1,169,524	24,490
Other net income/(expense)	477,261	(48,831)
TOTAL	**3,139,468**	**(14,321,439)**

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

In 2023, the net exchange rate difference of -87,866 RON was reflected in Other net income and expenses; for comparability of results this amount has been reclassified from the above table to the financial expenses and financial income categories (Note 24).

The Provision income/(expense) line represents net adjustments to assets (fixed assets, receivables, inventories), as well as provisions for customer warranties, employee benefits and employee litigation.

In 2023, the net income from the fair value measurement of investment real estate of RON 160,754 was reported in other income and expense, net; for comparability of results this amount has been reclassified from the table above to Investment income.

22. EXPENSES

	2024	2023
Raw materials and consumables used		
- Expenditure on raw materials and consumables	14,278,187	43,316,755
- Expenditure on goods	34,325,524	51,665,525
- Expenditure on energy, water, gas	7,457,799	7,370,223
Total raw materials and consumables used	**56,061,510**	**102,353,203**
Employee benefits expenses		
- Salary expenses	15,618,697	26,695,962
- Other personnel expenses	10,639,065	16,767,258
Total employee benefits expenses	**26,257,762**	**43,463,220**

22. EXPENSES (continued)

	2024	2023
Other expenses		
- Postal and telecommunication expenses	360,282	412,050
- Maintenance and repair expenses	651,613	393,537
- Rent expenses	230,043	528,035
- Advertising and protocol expenses	84,359	168,535
- Insurance expenses	577,152	706,845
- Transport and travel expenses	617,797	1,088,053
- Subcontracted work expenses	450,112	2,696,569
- Expenses other taxes and fees	1,697,510	1,862,108
- Expenses with consultants and collaborators	1,509,066	501,931
- Expenditure on green certificates	1,992,490	1,585,359
- Contribution to the Energy Transition Fund	110,313	25,892,582
- Other operating expenses	7,950,935	13,182,949
Total other expenses	**16,231,672**	**49,018,553**
Depreciation and amortization expense		
- Depreciation expenses	10,022,509	9,280,431
- Impairment loss/gain	(340,429)	23,121,296
Total depreciation and amortization expense	**9,682,080**	**32,401,726**
Total expenses	**108,233,024**	**227,236,702**

The line "Other operating expenses" shows services performed by third parties, banking and similar services, bank fees and commissions, etc.

In 2023 the expenses for salaries of the members of the Board of Directors have been shown under other expenses. For comparability of results, this amount has been reclassified to Employee expenses.

In 2023, the impairment loss relates to micro-hydro as a result of revaluation.

23. FINANCIAL EXPENSES and FINANCIAL INCOME

Financial expenses	2024	2023
Interest expenses	-	1,469
Leasing interest expenses	12,503	135
Expenses related to exchange rate differences	116,013	559,412
Other financial expenses	6,588	6,155
Total financial expense	**135,104**	**567,171**

In the year 2023, bank commission expenses of RON 375,523 were included in Financial Expenses, for comparability of results this amount has been reclassified from the above table to Other Expenses.

Financial income	2024	2023
Interest income	1,905,780	824,566
Income from exchange rate differences	92,345	471,546
Other financial income	8	1,003
Total financial income	**1,998,133**	**1,297,115**

In 2023 interest income was reported in Investment Income. For comparability of results this amount has been reclassified under Financial income.

24. INCOME TAX

Income tax recognized in profit or loss:

	December 31 2024	December 31 2023
Current income tax		
Current income tax expense	138,326	983,666
Deferred income tax		
Deferred tax income	(2,186,068)	(6,486,443)
Deferred tax expenses	6,369,092	
Total income tax expense/(income)	**4,321,350**	**(5,502,777)**

Reconciliation of pre-tax profit to income tax expense in the income statement:

Indicator	December 31 2024	December 31 2023
Profit/(Loss) before tax	**(6,672,629)**	**(35,460,893)**
Tax applied at local rate (16%)	(1,067,621)	(5,673,743)
Effect of non-deductible expenses	7,905,775	286,275
The effect of non-taxable income	(2,544,015)	-
Other elements	27,211	(115,310)
Total income tax expense/(income)	**4,321,350**	**(5,502,777)**

The tax rate used for the above reconciliations is 16%.

On December 31, 2024 the total current income tax receivable amounts to RON 1,676,704 (December 31, 2023: RON 1,700,402).

Deferred income tax analysis for 2024 and 2023 is shown below:

	Initial balance January 1, 2024	Recognized in the profit or loss account (income)/ expense	Recognized in other comprehen sive income	Final balance December 31, 2024
Property, plant and equipment	20,760,159	4,039,595	8,822,438	33,622,192
Adjustment of non-current assets	(594,349)	254,542	-	(339,807)
The time-value effect of money (receivables)	(185,525)	79,558	-	(105,967)
Value adjustments receivables	(2,101,776)	521,918	-	(1,579,858)
Inventory value adjustments	(1,568,815)	(724,023)	-	(2,292,838)
Employee benefits	(100,870)	11,434	-	(89,436)
TOTAL	**16,208,824**	**4,183,024**	**8,822,438**	**29,214,286**

24. INCOME TAX (continued)

	Initial balance January 1, 2023	Recognized in the profit or loss account (income)/ expense	Recognized in other comprehen sive income	Final balance December 31, 2023
Property, plant and equipment	24,666,499	(3,946,233)	39,893	20,760,159
Adjustment of non-current assets	(660,770)	66,421	-	(594,349)
The time-value effect of money (receivables)	(287,791)	102,266	-	(185,525)
Value adjustments receivables	(469,415)	(1,632,361)	-	(2,101,776)
Inventory value adjustments	(372,855)	(1,195,960)	-	(1,568,815)
Employee benefits	(222,864)	121,994	-	(100,870)
TOTAL	**22,652,804**	**(6,486,443)**	**39,893**	**16,208,824**

Deferred income taxes on property, plant and equipment resulted from different accounting and tax depreciation and amortization periods and the excess recorded as a result of revaluation.

25. AVERAGE NUMBER OF EMPLOYEES

The average number of employees evolved as follows:

	December 31 2024	December 31 2023
Group	235	406
Parent company	211	350

Salary and related expenses recorded are as follows:

	2024	2023
Salary expenses	**15,618,697**	**26,695,962**
- of which the parent company	15,076,849	24,271,510
Other personnel expenses	**10,639,065**	**16,767,258**
- of which the parent company	10,220,294	15,821,480
Total employee benefits expenses	**26,257,762**	**43,463,220**
- of which the parent company	25,297,143	40,092,990

The Group does not have a pension program for staff specifically contributing to the national pension program in accordance with current legislation.

26. RELATED PARTY TRANSACTIONS

As of December 31, 2024 and December 31, 2023, respectively, the Group had no related parties other than subsidiaries included in the consolidation. Balances and transactions with them have been eliminated for the purpose of the consolidated financial statements.

Compensation of key staff

The remuneration of the directors and members of the board of directors for 2024 and 2023 was as follows:

	December 31 2024	December 31 2023
Management salaries	1,448,327	3,488,383
Management member compensation	184,620	1,071,366
Board benefits	625,511	1,214,170
Total	**2,258,458**	**5,773,919**

26. RELATED PARTY TRANSACTIONS (continued)

The Group has no contractual obligations to former directors and directors and has not made any advances or loans to current directors and directors.

The Group has no future obligations in the nature of guarantees on behalf of directors.

27. EARNINGS PER SHARE

Basic earnings per share

There were no changes in the share capital structure during the reporting period. Basic earnings per share is as reported in the statement of profit or loss and other comprehensive income. It is calculated as the ratio of the net profit on ordinary shares to the weighted average number of ordinary shares outstanding.

Diluted earnings per share

In calculating diluted earnings per share, the Group adjusts the profit attributable to ordinary equity holders of the parent company and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

For the years 2024 and 2023 the Group records basic earnings per share equal to diluted earnings per share as there are no certain securities that give the potential to be converted into ordinary shares at some point in the future.

28. R ECLASSIFICATIONS

In the presentation of the consolidated financial statements, certain reclassifications have been made to previously disclosed amounts. These changes have been made to provide a better reflection of the nature of the transactions and a clearer presentation of the Group's consolidated statement of profit and loss and other comprehensive income.

	Note	December 31, 2023 *reported	Reclassificati ons	December 31, 2023 reclassified
Investment income		536,044	(375,470)	160,574
Other net income and expenses	21	(13,848,794)	(472,645)	(14,321,439)
Employee benefits expenses	22	(42,395,092)	(1,068,128)	(43,463,220)
Other expenses	22	(49,821,571)	803,018	(49,018,553)
Financial income	23	-	1,297,115	1,297,115
Financial expenses	23	(383,281)	(183,890)	(567,171)
Profit / (Loss) for the period		**(29,958,115)**	**-**	**(29,958,115)**

The reclassifications have no impact on the Group's total assets, total liabilities, total equity, income statement, income, or earnings per share at December 31, 2023.

The reclassifications change the manner of presentation of the Consolidated Statement of Profit and Loss and Other Comprehensive Income and Notes 21, 22 and 23 for the year ended December 31, 2023.

29. INFORMATION BY BUSINESS SEGMENT

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

- Licensed activity - electricity supply and generation
- Unlicensed activity - industrial production and renting of premises

The aggregation criterion is based on the license required to carry out certain activities as well as the conditions imposed by the license, including the presentation of consolidated financial statements. The electricity generation and electricity supply activities have been aggregated as they represent an integrated process for part of their operations.

29. INFORMATION BY BUSINESS SEGMENT (continued)

Segment information is reported by business segment. Segment assets and segment liabilities include both items directly attributable to those segments and items that can be allocated on a reasonable basis.

Year 2024	Unlicensed activity	% Total Group	Licensed activity	% Total Group	Total group
Net profit/loss	(5,923,089)	54%	(5,070,890)	46%	(10,993,979)
Total assets	437,711,560	99%	2,268,345	1%	439,979,905
Total liabilities	43,677,756	93%	3,173,149	7%	46,850,905
Customer revenues	61,929,611	63%	35,740,732	37%	97,670,343
Depreciation and amortization	8,395,491	87%	1,286,589	13%	9,682,080

Year 2023	Unlicensed activity	% Total Group	Licensed activity	% Total Group	Total group
Net profit/loss	(15,245,775)	51%	(14,712,340)	49%	(29,958,115)
Total assets	344,095,304	85%	61,353,362	15%	405,448,666
Total liabilities	25,940,150	54%	21,725,461	46%	47,665,611
Customer revenues	103,701,670	53%	91,443,660	47%	195,145,330
Depreciation and amortization	10,653,339	33%	21,748,387	67%	32,401,726

Main products and production structure

In the financial year under report, the Group has strengthened its internal processes and flows in terms of profitability of its business lines, optimizing its product portfolio to maximize the profit achieved. The process of streamlining operations has helped to stabilize the Group's financial performance in the face of global economic challenges, and the strategy of business consolidation and alignment with the most profitable market segments underpins the progress made in the recent period.

Against this background, given the significant inventories of products in the nature of LED lighting fixtures, systems and solutions in the Company's warehouses, during 2024, the Group recalibrated its lighting fixtures manufacturing business to align its finished goods inventory with recorded sales. In addition, the Group re-analyzed and improved the sales process of finished products, in the sense of reorienting from direct participation in public tenders (where collection terms were very long, on average over 360 days) to selling to business partners with whom much shorter collection ermeneas (0-90 days) were negotiated and implemented.

Also, given the existence of a inventories of electric vehicle charging stations in the Group's warehouses, mainly determined by the slow pace of sales of finished products, during 2024, the Group decided to implement a production strategy to align the inventories of finished products with recorded sales. In addition, the Company's sales efforts were focused on customers with which market-specific collection terms (0-90 days) were implemented.

During 2024, the Group reviewed from a profitability standpoint all projects related to the plastics injection molding segment with a view to optimizing operations and improving financial results. These efforts resulted in commercial renegotiations of contracts disadvantageous to the Company as the cost of raw materials and labor increased significantly in 2024. In this context, in October 2024, the Group informed shareholders and investors about the termination of the contract with ABB Sace, as well as about the start of a process for the sale of equipment used in the plastics injection molding business (which was in progress as at December 31, 2024).

Orders for the production segment dedicated to rail traffic safety elements are closely linked to the pace of modernization of the railway infrastructure. As CFR Infrastructura is the final beneficiary of these services, the progress in the development and modernization of the rail network directly influences the requirements and needs of the market.

In 2024, the energy production and supply segment was represented by the Group's operation of 10 micro-hydropower plants in the Suceava and Brodina river basins, with an installed capacity of 5.5 MW. These assets were sold by the Group in the auction organized on August 7, 2024.

29. INFORMATION BY BUSINESS SEGMENT (continued)

During 2024, the Group supplied electricity to a number of external customers to cover the difference between the amount produced by the micro-hydropower plants/ purchased from Hidroelectrica and the amount required for the internal production/ tenants' flow.

With regard to the commercial space rental segment, the Electromagnetica Group manages approximately 37,500 square meters of commercial space for rent in Bucharest and 3,270 square meters in the locality of Vârteju, Ilfov County. At the end of 2024, for the premises in Calea Rahovei 266-268, the average rental rate was 83%. For the premises in the commune of Vârteju (Magurele), the rental rate was 98%.

30. RISK MANAGEMENT

General risk management framework

The parent company's Board of Directors has overall responsibility for establishing and overseeing the risk management framework at Group level.

The activity is governed by the following principles:

a. the principle of delegation of authority;
b. the principle of decision-making autonomy
c. the principle of objectivity;
d. the principle of investor protection;
e. the principle of promoting stock market development;
f. the principle of active role.

The Board of Directors is also responsible for examining and approving the company's strategic, operational and financial plan, as well as the Group's corporate structure.

The Group's risk management policies are defined in such a way as to ensure that the risks faced by the Group are identified and analyzed, appropriate limits and controls are established, and the risks and compliance with the established limits are monitored. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and changes in the Company's activities. The Group, through its training and management standards and procedures, seeks to develop an orderly and constructive control environment in which all employees understand their roles and obligations.

The Group's internal audit oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks it faces.
The Group's activities expose it to a number of financial risks: market risk (including foreign exchange risk, interest rate risk, price risk), credit risk and liquidity risk.

The Group is exposed to the following risks:

Capital risk management

Capital risk management aims to ensure the Group's ability to operate under sound business conditions by optimizing the capital structure (equity and debt). The analysis of the capital structure tracks the cost of capital and the risk associated with each class. In order to maintain an optimal capital structure and an appropriate level of leverage, the Group has proposed to shareholders in recent years a dividend policy aimed at securing its own sources of financing.

The Group monitors capital on the basis of leverage. This indicator is calculated as the ratio of net debt to total capital employed. Net debt is calculated as the sum of total borrowings (includes lease debt under IFRS 16) and total trade and other payables (as disclosed in the statement of financial position) less cash and cash equivalents. Total capital employed is determined as the sum of net debt and equity (as disclosed in the statement of financial position).

30. RISK MANAGEMENT (continued)

Capital risk management (continued)

Indebtedness at December 31, 2024 was as follows:

	December 31 2024	December 31 2023
Total long-term and short-term liabilities	46,850,905	47,665,611
Without: Cash and cash equivalents	(75,704,694)	(30,888,179)
Total	**(28,853,789)**	**16,777,432**
Equity	**393,129,000**	**357,783,055**
Debt ratio	***(0.0734)***	***0.0469***

Market risk

Market risk comprises: the risk of changes in interest rates, foreign exchange rates, the purchase price of materials and the selling price of goods.

Currency risk management

The Group is exposed to currency risk due to sourcing of materials mainly from imports and export activities. To limit the effect of foreign exchange, the timing of payments has been matched with the timing of receipts in foreign currencies, with the Group generally realizing cash flow surpluses. The Group continuously monitors and manages its exposure to foreign exchange rate fluctuations.

The Group's foreign currency exposure arises from:

- transactions (sales/purchases) in foreign currencies;
- commitments;
- monetary assets and liabilities (mainly receivables, trade payables).

The foreign currencies most commonly used in transactions are EUR and USD.
Foreign currency assets are represented by customers and cash in foreign currency. Liabilities in foreign currencies are represented by suppliers.

The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies at the reporting date were as follows:

Currency of denomination	**EUR**	**USD**	**Other currencies**	**Total**
Functional currency	**RON**	**RON**	**RON**	**RON**
December 31, 2024	**EUR**	**USD**	**MDL**	**Total**
Total monetary assets	1,787,473	97,163	86,654	1,971,290
Total monetary liabilities	10,631	-	-	10,631
December 31, 2023	**EUR**	**USD**	**Other currencies**	**Total**
Total monetary assets	5,183,140	146,312	86,559	5,416,010
Total monetary liabilities	3,313,608	6,208	-	3,319,816

30. RISK MANAGEMENT (continued)

Currency risk management (continued)

Exchange rate sensitivity analysis

An appreciation/(depreciation) of the RON against the EUR and USD, as shown below, at December 31, would increase/(decrease) profit or loss and equity by the amounts shown below (without the impact in income tax).

Denomination currency	**EUR**	**USD**
Functional currency	**RON**	**RON**
Change in exchange rate	+/- 10%	+/- 10%
December 31, 2024		
Profit and loss statement	177,684	9,716
Other equity	-	-
December 31, 2023		
Profit and loss statement	186,953	14,010
Other equity	-	-

This analysis shows the translation risk exposure at year-end. However, in-year exposure is continuously monitored and managed by the Group.

Interest rate risk management

The risk with respect to changes in interest rates is kept under control due to the Company's policy of investing from its own funding sources.

As of December 31, 2024 and during 2024, the Group has no borrowings.

Credit risk management

Credit risk is the possibility that counterparties may breach their contractual obligations leading to financial losses for the Group. The Group is exposed to credit risk arising from its operating activities, mainly trading activities (Note 11).

Receivables

Trade receivables originate from a wide range of customers operating in various industries and geographical areas. Receivables insurance policies have been taken out on the external market. Due to the increased incidence of insolvency cases in the economy, there is a real risk of recovery of the value of products and/or services rendered prior to the declaration of insolvency. The Group is committed to paying increased attention to the creditworthiness and financial discipline of its contractual partners. The Group aims to adopt a policy of dealing only with reputable partners and to obtain sufficient collateral where appropriate to minimize the risk of financial loss resulting from default.

Exposure to credit risk is controlled through ongoing monitoring of each borrower. The Group assesses their credit risk on an ongoing basis taking into account their financial performance, payment history and, where appropriate, requires default risk insurance.

The credit risk profile of trade receivables is presented on the basis of their maturity in terms of the impairment adjustment matrix. This matrix is initially based on the Group's observed historical observed default rates, adjusted for forward-looking factors specific to the borrowers and the economic environment, where appropriate. Trade receivables are non-interest bearing and are generally due within 30-90 days. There are, however, a number of contracts outstanding from prior years with state authorities that include supplier credit clauses with payment terms of up to 5 years.

For these contracts the Group has calculated present value adjustments and does not expect any further losses.

30. RISK MANAGEMENT (continued)

Credit risk management (continued)

Receivables (continued)

The methodology used by the Group to measure expected losses on trade receivables could be described as follows:

- Determining an appropriate observation period to track the historical loss rate. The Group selected 2 prior periods ended December 31, 2023 and December 31, 2022 for data collection;
- Collecting data on trade receivables and grouping them according to their past due status in each period analyzed and by main activities;
- Analysing the development of these balances over a 12-month period and determining the outstanding amounts in each outstanding group to determine the proportion of balances in each past-due category that were not finally collected;
- determining the weighted average loss rate (%) by past due status for the 2 periods analyzed;
- this rate will be applied to determine the impairment loss on trade receivables at December 31, 2024.

As a result of analysing the receivables following the methodology presented above, the Group did not identify a risk of default on outstanding receivables with past due dates of less than 90 days.

In addition to the receivables analysis described above, the Group analysed customers with receivables past due more than 90 days as of December 31, 2024 as well as the territorial administrative units with receivables past due more than one year outstanding as of December 31, 2024 and, based on available information, calculated and recorded adjustments to the amount of receivables as of December 31, 2024, correlated to the probability of their recovery.

The following table presents the risk profile of trade receivables based on the Group's impairment adjustment matrix. As the Group's historical credit loss experience shows significantly different loss patterns for different customer segments, the adjustments to loss ratios based on default risk are differentiated between the Group's different customer segments.

Current trade receivables			**December 31, 2024**
Deadlines	**Balances**	**Depreciation expense**	**Estimated loss rate (%)**
Current (not past due)	5,871,226	-	-
1 – 30 days	790,547	(31,275)	4%
31 – 60 days	159,283	(31,275)	20%
61 – 90 days	258,758	(31,275)	12%
Total receivables analyzed globally	**7,079,814**	**(93,825)**	**1%**
Receivables from licensed activities	2,255,450	(12,304)	1%
Receivables from unlicensed activities with state authorities (municipalities)	3,844,485	(1,015,554)	26%
Other receivables 90-180 days	277,856	(93,825)	34%
Other receivables over 180 days	3,976,760	(3,285,659)	83%
Uncertain receivables	5,372,947	(5,372,947)	100%
Total receivables analyzed individually	**15,727,498**	**(9,780,289)**	**62%**
Total	**22,807,312**	**(9,874,114)**	**43%**

30. RISK MANAGEMENT (continued)

Credit risk management (continued)

Receivables (continued)

Current trade receivables			**December 31, 2023**
Deadlines	**Balances**	**Depreciation expense**	**Estimated loss rate (%)**
Current (not past due)	5,698,829	-	-
1 – 30 days	5,736,857	-	-
31 – 60 days	255,702	-	-
61 – 90 days	37,797	-	-
Total receivables analyzed globally	**11,729,185**	**-**	**-**
Receivables from licensed activities	4,014,285	-	-
Receivables from unlicensed activities with state authorities (municipalities)	13,458,710	(1,082,455)	8%
Other receivables 90-180 days	4,263,253	(321,839)	8%
Other receivables over 180 days	12,359,509	(9,008,304)	73%
Uncertain receivables	3,395,412	(3,395,412)	100%
Total receivables analyzed individually	**37,491,169**	**(13,808,011)**	**37%**
Total	**49,220,354**	**(13,808,011)**	**28%**

Financial instruments and deposits

Credit risk resulting from transactions with banks is managed by the Group's specialized department. Excess liquidity is invested only with sound banks in the domestic banking system.

There is not expected to be any significant exposure from possible non-performance by counterparties of contractual obligations in respect of financial instruments.

Liquidity risk management

The Group forecasts liquidity reserves and maintains an adequate level of credit facilities to prudently manage liquidity and cash flow risks. At the same time, investments have been limited to its own sources of funding and to those with a direct contribution to turnover. The liquidity and cash-flow risk management policy adapts to new, more demanding commercial practices. This risk is closely linked to the risks described above.
The receivables and payables by due date are shown below:

	December 31 2024	**0 - 1 year**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**
Trade and other receivables	22,450,240	17,930,523	4,453,060	66,657	-
Trade and other liabilities	15,125,087	13,407,688	616,392	921,302	179,705
Net position	**7,325,153**	**4,522,835**	**3,836,668**	**(854,654)**	**(179,705)**

	December 31 2023	**0 - 1 year**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**
Trade and other receivables	45,608,657	39,002,175	5,544,239	1,062,243	-
Trade and other liabilities	26,130,700	25,233,288	306,480	522,538	68,393
Net position	**19,477,957**	**13,768,887**	**5,237,759**	**539,705**	**(68,393)**

30. RISK MANAGEMENT (continued)

Liquidity risk management (continued)

Categories of financial instruments

	2024	2023
Financial assets (amortized cost)		
Short and long-term trade receivables	22,450,240	45,608,657
Cash and cash equivalents	75,704,694	30,888,179
Total	**98,154,934**	**76,496,836**

	2024	2023
Financial liabilities (amortized cost)		
Trade and other liabilities	14,866,175	26,046,224
Short and long-term lease liabilities	258,912	84,476
Total	**15,125,087**	**26,130,700**

30. RISK MANAGEMENT (continued)

Liquidity risk management (continued)

2024	January 1 2024	Proceeds	Interest expenses	Interest payments	Payments	Leasing	Lease payments	December 31, 2024
Overdraft	-	-	-	-	-	-	-	-
Lease liabilities	84,476	-	12,530	(12,530)	-	318.902	(144,466)	258,912
Total financial liabilities	**84,476**	**-**	**12,530**	**(12,530)**	**-**	**318.902**	**(144,466)**	**258,912**

2023	January 1 2023	Proceeds	Interest expenses	Interest payments	Payments	Leasing	Lease payments	December 31, 2023
Overdraft	-	1,964,851	1,469	(1.469)	(1,964,851)	-	-	-
Lease liabilities	158,363		42,884	(42,884)	-	16,372	(90,259)	84,476
Total financial liabilities	**158,363**	**1,964,851**	**44,353**	**(44,353)**	**(1,964,851)**	**16,372**	**(90,259)**	**84,476**

31. COMMITMENTS AND POTENTIAL LIABILITIES

Commitments

As of December 31, 2024, the Parent Company has a non-cash guarantee agreement in the amount of RON 10,000,000 for the issuance of letters of guarantee. The undrawn amount at the same date amounts to RON 3,614,105. In order to guarantee this non-cash agreement, the parent company has established a pledge on the collateral deposit, in the amount of RON 10,000,000.

Commitments received from customers and tenants in the form of letters of guarantee as of December 31, 2024, amount to RON 234,590 as per the contractual terms.

Disputes

Disputes in which the Group is involved are of amounts that are not likely to affect the Group's financial stability. The Group manages litigation through its own legal department and through collaborations with external partners specialized in managing specific actions.

32. OTHER

The Group's consolidated financial statements have been audited by Deloitte Audit SRL, the fee for the 2024 audit was EUR 61,300 (2023: EUR 55,200).

33. SUBSEQUENT EVENTS

At the date of these financial statements, the Group continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

Furthermore, management is not aware of any events, economic changes or other factors of uncertainty that could materially affect the Group's revenue or liquidity, other than those mentioned above.

These consolidated financial statements have been approved to be issued by management at **March 24, 2025**:

DANIELA CUCU	**MARIA GÂRZU**
General Director	**Chief Accountant**