



**ELECTROMAGNETICA S.A.**

**QUARTERLY REPORT AS OF 31 MARCH 2025**

**- CONSOLIDATED STATEMENTS -**

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**ELECTROMAGNETICA S.A.**

**CONSOLIDATED QUARTERLY REPORT FOR  
THE FIRST QUARTER OF 2025**

**Consolidated financial results for the first quarter of 2025 (Q1 2025)  
compared to the first quarter of 2024 (Q1 2024)  
(unaudited)**

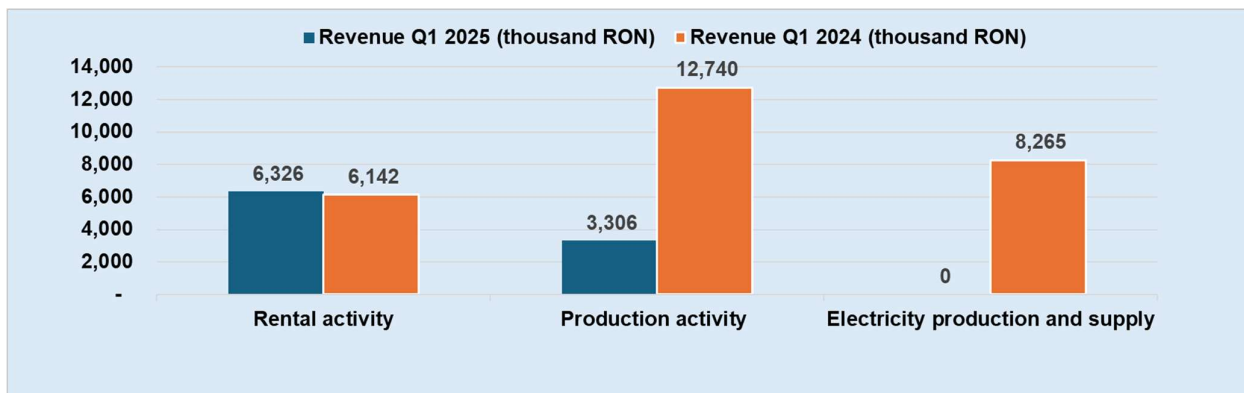
## CONSOLIDATED QUARTERLY REPORT FOR THE FIRST QUARTER OF 2025

### Highlights for the 3-month period ended 31 March 2025 (Q1 2025)

- The Group's turnover of RON 9.6 million in Q1 2025 is 65% lower compared to Q1 2024, as a result of measures adopted to streamline the group's operations;
- Revenue from rental activities (including rental income, maintenance fee and other services) increased in Q1 2025 by 3% compared to Q1 2024;
- Revenue related to production activity decreased from RON 21.0 million in Q1 2024 to RON 3.3 million in Q1 2025. The production activity was scaled down as the company significantly reduced its involvement in government projects due to the slow receivables collection;
- In Q1 2025, no revenue was recorded from electricity production from renewable sources and from the supply of electricity, as the electricity production activity was sold during 2024. In Q1 2024, revenue from this segment amounted to RON 8.3 million.

Indicator	Q1 2025	Q1 2024
Turnover (thousand RON)	9,633	27,147
EBITDA* (thousand RON)	(433)	(765)
Net result (thousand RON)	(1,325)	(2,925)

\*EBITDA represents profit before income expense, depreciation and amortization expense, expense and financial income.



In the first quarter of 2025, the Group continued its strategy of optimizing its product portfolio and streamlining operational activities, maintaining the focus on profitable business lines and efficient management of working capital. Given that the economic context remained volatile, the company continued its efficiency measures implemented during 2024 and which had a positive impact on the group's financial and operational balance.

The Electromagnetica Group manages approximately 37,500 sqm of rental space in Bucharest and 3,270 sqm in Vârteju, Ilfov County. On March 31, 2025, for the headquarters in Calea Rahovei 266-268, the average rental rate was 79%. For the spaces in the commune of Vârteju (Magurele), the rental rate was 86%.

Given the significant stock of **electric vehicle charging stations** and products of the nature of **LED lighting fixtures, systems and solutions** in the group's warehouses, during the first quarter of 2025, the group continued to recalibrate its production activity to align with the sale mainly to business partners with whom short collection terms (0-90 days) were negotiated.

The company continued to analyze from a profitability point of view all projects related to the **plastic mass injection and electrical equipment** segment, in order to optimize operations and improve financial results. These steps have led to commercial renegotiations of contracts that are disadvantageous to the company, given that the cost of raw materials and labor has increased significantly lately, leading to the conclusion of commercial contracts. In addition, the group continued the process of selling equipment not used in the plastic injection activity.

The orders for the production segment dedicated **to traffic safety elements CFR** are closely linked to the pace of modernization of the railway infrastructure. Given that CFR Infrastructură is the final beneficiary of these services, the progress in the development and modernization of the railway network directly influences the requirements and needs of the market.

In the first quarter of 2024, the group's **electricity production and supply** segment was represented by the 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 at the auction held on August 7, 2024.

In the first quarter of 2025, the group did not make purchases of electricity for the supply activity, which is why it did not generate income from this activity. During the first quarter of 2024, the group supplied electricity to several external customers in order to cover the difference between the amount produced by its micro-hydropower plants / purchased from Hidroelectrica and the amount required for internal production / tenant consumption.

**ELECTROMAGNETICA S.A.**  
**SIMPLIFIED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**  
(all amounts are in RON, unless otherwise stated)

	Note	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
<b>Revenue</b>	<b>10</b>	<b><u>9,632,531</u></b>	<b><u>27,147,003</u></b>
Investment income		-	-
Other net income and expenses	<b>10</b>	195,397	595,040
Change in inventories of finished products and work in progress		(687,668)	(126,305)
Raw materials and consumables used	<b>11</b>	(2,594,426)	(15,671,242)
Employees benefits expenses	<b>11</b>	(3,571,832)	(9,020,930)
Depreciation and amortization expenses	<b>11</b>	(2,419,498)	(2,717,100)
Other expenses	<b>11</b>	(3,406,742)	(3,689,032)
Financial income	<b>12</b>	1,131,919	366,846
Financial expenses	<b>12</b>	(28,463)	(47,879)
<b>Profit / (Loss) before tax</b>		<b><u>(1,748,782)</u></b>	<b><u>(3,163,599)</u></b>
Income tax	<b>13</b>	423,825	238,876
<b>Profit / (Loss) for the period</b>		<b><u>(1,324,957)</u></b>	<b><u>(2,924,723)</u></b>
<b>Other comprehensive income:</b>			
of which:			
- <i>items which will not be reclassified subsequently to profit or loss, of which:</i>			
- surplus from revaluation of property, plant and equipment		-	-
- deferred tax recognized in equity		-	-
<b>Total Other comprehensive income</b>		<b><u>(1.324.957)</u></b>	<b><u>(2.924.723)</u></b>
<b>Profit / (loss) of the year attributable to:</b>			
Owners of the Group		(1.328.576)	(2.929.693)
Non-controlling interests		3.619	4.970
<b>Earnings per share</b>			
Earnings per diluted share		n/a	n/a

The simplified interim consolidated financial statements were approved by management on **May 14, 2025**:

**DANIELA CUCU**  
General Director

**GÂRZU MARIA**  
Chief Accountant

**ELECTROMAGNETICA SA**  
**SIMPLIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2025 (UNAUDITED)**  
(all amounts are in RON, unless otherwise specified)

	Note	March 31 2025	December 31 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	295.988.960	298.383.201
Investment property		24.903.878	24.903.878
Intangible assets		311.142	360.237
Other non-current assets		4.231.553	4.519.717
Rights of use assets		20.996	27.996
<b>Total non-current assets</b>		<b>325.456.529</b>	<b>328.195.029</b>
<b>Current assets</b>			
Inventories	5	6.509.130	7.308.363
Trade receivables	6	10.147.447	12.933.198
Cash and cash equivalents	7	77.018.105	75.704.694
Deposits placed with banks	7	10.000.000	10.000.000
Other current assets	8	3.735.337	3.320.621
Assets classified as held for sale		-	841.296
Current tax receivables		1.655.176	1.676.704
<b>Total current assets</b>		<b>109.065.195</b>	<b>111.784.876</b>
<b>Total assets</b>		<b>434.521.724</b>	<b>439.979.905</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		67.603.870	67.603.870
Reserves and other equity items		222.283.989	223.797.142
Retained earnings		101.566.373	101.385.735
<b>Total equity attributable to shareholders</b>		<b>391.454.232</b>	<b>392.786.747</b>
<b>Non-controlling interests</b>		<b>345.872</b>	<b>342.253</b>
<b>Total equity</b>		<b>391.800.104</b>	<b>393.129.000</b>
<b>Long-term debts</b>			
Trade and other payables	9	1.781.520	1.717.399
Deferred tax liabilities		28.774.508	29.214.286
Lease liabilities		186.569	187.608
<b>Total long-term liabilities</b>		<b>30.742.597</b>	<b>31.119.293</b>
<b>Current liabilities</b>			
Trade and other payables	9	9.364.007	13.148.776
Provisions		2.560.002	2.511.532
Lease liabilities		55.014	71.304
<b>Total current liabilities</b>		<b>11.979.023</b>	<b>15.731.612</b>
<b>Total liabilities</b>		<b>42.721.620</b>	<b>46.850.905</b>
<b>Total equity and liabilities</b>		<b>434.521.724</b>	<b>439.979.905</b>

The simplified interim consolidated financial statements were approved by management on **May 14, 2025**:

**DANIELA CUCU**  
General Director

**GÂRZU MARIA**  
Chief Accountant

**ELECTROMAGNETICA S.A.**  
**SIMPLIFIED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**  
(all amounts are in RON, unless otherwise specified)

	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
<b>Profit / (loss) for the period</b>	<b>(1,324,957)</b>	<b>(2,924,723)</b>
<b>Adjustments:</b>		
Dividend income		
- Net movement of provisions and impairment adjustments for:	-	(94,435)
- receivables	-	-
- inventories	(6,948)	107,295
- employee benefits	55,418	-
Depreciation and amortization of non-current assets, including reversals	2,419,498	2,717,100
Investment subsidies	-	(40,805)
Revaluation of fixed assets and investment property	-	-
Net gains on disposal of non-current assets	(146,782)	(2,300)
Interest expense	5,818	2,597
Interest income	(1,130,227)	(322,335)
Deferred tax expense (income)	(443,933)	(279,598)
Income tax expense	20,108	40,722
<b>Cash generated by operating activities before changes in working capital</b>	<b>(552,005)</b>	<b>(796,482)</b>
Payments for deposits over a period of more than 3 months	-	-
(Increase)/decrease in inventories	799,233	981,230
(Increase) / decrease in receivables and other assets	2,659,199	5,952,584
Increase / (decrease) of debts	(3,944,535)	(6,829,873)
Income tax paid	-	(4,274)
<b>Net cash from operating activities</b>	<b>(1,038,108)</b>	<b>(696,815)</b>
<b>Cash flows from investment activities</b>		
Purchase of tangible fixed assets	(6,940)	(47,696)
Proceeds from sale of fixed assets	1,252,038	-
Interest accrued	1,130,227	360,816
Dividends received	-	-
<b>Net cash used in investment activities</b>	<b>2,375,325</b>	<b>313,120</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liability	(17,327)	(18,753)
Interest paid	(5,818)	(2,597)
Dividends paid	(661)	(11,992)
<b>Net cash used in financing activities</b>	<b>(23,806)</b>	<b>(33,342)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,313,411</b>	<b>(417,037)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>75,704,694</b>	<b>30,888,179</b>
<b>Cash and cash equivalents at end of period</b>	<b>77,018,105</b>	<b>30,471,142</b>

The simplified interim consolidated financial statements were approved by management on May 14, 2025:

**DANIELA CUCU**

**General Director**

**GÂRZU MARIA**

**Chief Accountant**



**ELECTROMAGNETICA S.A.**  
**SIMPLIFIED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**  
(all amounts are in RON, unless otherwise specified)

	Share capital	Retained earnings	Revaluation reserves tangible assets	Other elements	Legal reserve	Deferred tax recognized in reserves	Non- controlling interests	Total equity
<b>Balance as of January 01, 2025</b>	<b>67,603,870</b>	<b>101,385,735</b>	<b>194,148,177</b>	<b>48,193,085</b>	<b>12,563,942</b>	<b>(31,108,062)</b>	<b>342,253</b>	<b>393,129,000</b>
<b>Total result related to the period:</b>								
Profit or loss for the financial year	-	(1,328,576)	-	-	-	-	3,619	(1,324,957)
<b>Other comprehensive income</b>	<b>-</b>	<b>1,509,214</b>	<b>(1,859,051)</b>	<b>-</b>	<b>(16,000)</b>	<b>361,898</b>	<b>-</b>	<b>(3,939)</b>
Net surplus from revaluation of fixed assets	-	-	-	-	-	-	-	-
Deferred tax related to revaluation	-	-	-	-	-	-	-	-
Legal reserve and other reserves	-	-	-	-	-	-	-	-
Transfer of reserves to retained earnings	-	1,855,112	(1,855,112)	-	-	-	-	-
Transfer of related deferred tax from revaluation reserve to retained earnings	-	(361,898)	-	-	-	361,898	-	-
Transfer of reserves to retained earnings	-	16,000	(3,939)	-	(16,000)	-	-	(3,939)
<b>Total result related to the period:</b>	<b>-</b>	<b>180,638</b>	<b>(1,859,051)</b>	<b>-</b>	<b>(16,000)</b>	<b>361,898</b>	<b>3,619</b>	<b>(1,328,896)</b>
<b>Transactions with shareholders, recorded directly in equity:</b>								
Dividends distributed to shareholders	-	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2025</b>	<b>67,603,870</b>	<b>101,566,373</b>	<b>192,289,126</b>	<b>48,193,085</b>	<b>12,547,942</b>	<b>(30,746,164)</b>	<b>345,872</b>	<b>391,800,104</b>

The simplified interim consolidated financial statements were approved by management on **May 14, 2025**:

**DANIELA CUCU**  
General Director

**GÂRZU MARIA**  
Chief Accountant

**ELECTROMAGNETICA S.A.**  
**SIMPLIFIED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**  
(all amounts are in RON, unless otherwise specified)

	Share capital	Retained earnings	Revaluation reserves tangible assets	Other elements	Legal reserve	Deferred tax recognized in reserves	Non-controlling interests	Total equity
<b>Balance as of January 01, 2024</b>	<b>67,603,870</b>	<b>71,976,006</b>	<b>147,390,995</b>	<b>81,371,341</b>	<b>12,563,942</b>	<b>(23,515,508)</b>	<b>392,409</b>	<b>357,783,055</b>
<b>Total result related to the period:</b>								
Profit or loss for the financial year	-	(2,929,693)	-	-	-	-	4,970	(2,924,723)
<b>Other comprehensive income</b>	<b>-</b>	<b>1,990,895</b>	<b>(1,509,894)</b>	<b>(730,134)</b>	<b>-</b>	<b>249,133</b>	<b>-</b>	<b>-</b>
Net surplus from revaluation of fixed assets	-	-	-	-	-	-	-	-
Deferred tax related to revaluation	-	-	-	-	-	-	-	-
Legal reserve and other reserves	-	-	-	-	-	-	-	-
Transfer of reserves to retained earnings	-	1,509,894	(1,509,894)	-	-	-	-	-
Transfer of related deferred tax from revaluation reserve to retained earnings	-	(249,133)	-	-	-	249,133	-	-
Transfer of reserves to retained earnings	-	730,134	-	(730,134)	-	-	-	-
<b>Total result related to the period:</b>	<b>-</b>	<b>(938,798)</b>	<b>(1,509,894)</b>	<b>(730,134)</b>	<b>-</b>	<b>249,133</b>	<b>4,970</b>	<b>(2,924,723)</b>
<b>Transactions with shareholders, recorded directly in equity:</b>								
Dividends distributed to shareholders	-	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2024</b>	<b>67,603,870</b>	<b>71,037,208</b>	<b>145,881,101</b>	<b>80,641,207</b>	<b>12,563,942</b>	<b>(23,266,375)</b>	<b>397,379</b>	<b>354,858,332</b>

The simplified interim consolidated financial statements were approved by management on **May 14, 2025**:

**DANIELA CUCU**  
General Director

**GÂRZU MARIA**  
Chief Accountant

**ELECTROMAGNETICA S.A.**  
**NOTES TO THE SIMPLIFIED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2025 (UNAUDITED)**  
**(all amounts are in RON, unless otherwise specified)**

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**1. GENERAL INFORMATION ABOUT THE GROUP**

**Electromagnetica S.A. – the parent company**, is a joint stock company, with Romanian legal personality, with unlimited lifespan, which is organized and operates according to the statute and based on Law no. 31/1991 republished in 2004 and amended by Law no. 441/2006, GEO no. 82/2007 and GEO no. 52/2008 as well as the Capital Market Law no. 24/2017.

The company has its registered office in Bucharest, Calea Rahovei nr. 266-268, sector 5, Bucharest, Romania, postal code 64021, telephone 021.404.21.31, 021.404.21.02, fax 021.404.21.95, website: [www.electromagnetica.ro](http://www.electromagnetica.ro). The unique registration code is RO 414118, and the registration number at the Trade Register is J40/19/1991.

The share capital of the Company is RON 67,603,870.40 divided into 676,038,704 common shares, registered and dematerialized, registered in an electronic account in the shareholders' register kept by Depozitarul Central S.A.

On the agenda of the Ordinary General Meeting of Shareholders of April 28, 2025, the change of the main object of activity of Electromagnetica S.A. was included and approved, the new object being: NACE 6820 - Rental and subletting of own or leased real estate, according to the Classification of Activities in the National Economy, approved by the Order of the President of the National Institute of Statistics no. 377/17.04.2024 (NACE Rev.3).

Previously, according to the Articles of Association, the Company's main object of activity was the manufacture of instruments and devices for measurement, verification, control, navigation (NACE code 2651).

**Procetel S.A.** is a joint-stock company headquartered in Bucharest, Calea Rahovei no. 266-268, trade register number J40/10437/1991, CUI 406212, tel: 031.700.26.14, fax: 031.700.26.16. Procetel S.A. is a closed joint-stock company (the shares are not traded on the market) whose main activity is research and development in other natural sciences and engineering (NACE code 7219). At present, the research activity has been drastically reduced, the results obtained coming mainly from the activity of renting spaces. The administrative management is provided by Business Recovery BD&A S.P.R.L.

At the General Meeting of Shareholders of Procetel S.A. held on 18.11.2024, the dissolution of Procetel S.A. On 31.03.2025 the process was underway.

**Electromagnetica Prestserv S.R.L.** is a limited liability company with headquarters in Bucharest, Calea Rahovei no. 266-268, sector 5, building 1, 2nd floor, axes A-B, pillars 1-2, registered with the Trade Register Office attached to the Bucharest Tribunal with no. J40/1528/2003, CUI 15182750, which provides cleaning services (NACE code 4311).

Taking into account the decision of the sole shareholder of April 30, 2024 and the fulfillment of the necessary legal conditions, the shareholders of Electromagnetica Prestserv S.R.L. initiated the process of dissolution and liquidation of the company, appointing Business Recovery BD&A S.P.R.L. as liquidator. The administration of Electromagnetica Prestserv S.R.L. is ensured by Business Recovery BD&A S.P.R.L., as sole administrator. On 31.03.2025 the trial was ongoing.

**Electromagnetica Fire S.R.L.** is a limited liability company with headquarters in Bucharest, Calea Rahovei no. 266-268, section 5, building 2, ground floor, axes C-D, pillars 6 1/2 - 7, registered at the Trade Register Office attached to the Bucharest Tribunal with no. J40/15634/2006, CUI 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).

Taking into account the decision of the sole shareholder of April 30, 2024 and the fulfillment of the necessary legal conditions, the shareholders of Electromagnetica Fire S.R.L. initiated the process of dissolution and liquidation of the company, appointing Business Recovery BD&A S.P.R.L. as liquidator. The management of Electromagnetica Fire S.R.L. is ensured by Business Recovery BD&A S.P.R.L., as sole administrator.

On April 14, 2025, by the Conclusion pronounced by the Trade Register Office attached to the Bucharest Court, the deregistration of the company Electromagnetica Fire S.R.L. was ordered, following the completion of the dissolution and voluntary liquidation procedure. The liquidation balance sheet was drawn up on January 31, 2025. Consequently, this company was removed from the consolidated accounting records and the related assets and liabilities were eliminated.

Electromagnetica Prestserv S.R.L. and Electromagnetica Fire S.R.L. were established through the outsourcing of services within Electromagnetica S.A., namely cleaning services, technical assistance for fire prevention and extinguishing and private emergency services regarding civil protection.

**ELECTROMAGNETICA S.A.**  
**NOTES TO THE SIMPLIFIED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2025 (UNAUDITED)**  
**(all amounts are in RON, unless otherwise specified)**

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**2. GENERAL INFORMATION ABOUT THE GROUP (continued)**

The details of the Parent Company's investments in subsidiaries as of March 31, 2025 and December 31, 2024 are as follows:

**March 31, 2025**

<b>Branch name</b>	<b>Number of titles</b>	<b>Percentage of ownership and voting rights (%)</b>	<b>Value</b>
Electromagnetica Prestserv S.R.L.	300	100%	30,000
Electromagnetica Fire S.R.L.	-	-	-
Procetel S.A.	42,483	96.548%	732,008
<b>TOTAL</b>			<b>762,008</b>

**December 31, 2024**

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

**2. BASICS OF PREPARATION**

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

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

The financial information as at 31 March 2025 has not been audited or reviewed by an external auditor.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The same accounting policies and calculation methods were used for the preparation of this quarterly report as those applied to the preparation of the annual financial report as of December 31, 2024, except for the adoption of the new standards in force as of January 1, 2025. Their adoption did not have a material impact on the disclosures or on the amounts reported in these financial statements. The standards, interpretations or amendments issued (but which did not enter into force) were not adopted in the current reporting.

**ELECTROMAGNETICA S.A.**  
**NOTES TO THE SIMPLIFIED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2025 (UNAUDITED)**  
(all amounts are in RON, unless otherwise specified)

**4. PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Land and land improvements</b>	<b>Construction</b>	<b>Technological equipment and vehicles</b>	<b>Other tangible assets</b>	<b>Property, plant and equipment pending execution</b>	<b>Prepayment for tangible assets</b>	<b>Total</b>
<b>As of December 31, 2024</b>	<b>169,179,973</b>	<b>121,054,133</b>	<b>11,338,464</b>	<b>2,422,536</b>	<b>1,301,685</b>	<b>-</b>	<b>305,296,791</b>
Inflow	-	-	23,555	11,515	27,364	-	62,434
- of which: revaluation	-	-	-	-	-	-	-
- of which: transfers	-	-	-	-	-	-	-
Outflow	-	-	(169,960)	(3,395)	-	-	(173,355)
- from revaluation	-	-	-	-	-	-	-
- from transfer to classified assets	-	-	-	-	-	-	-
rights held for sale	-	-	-	-	-	-	-
- from transfers	-	-	-	-	-	-	-
<b>As of March 31, 2025</b>	<b>169,179,973</b>	<b>121,054,133</b>	<b>11,192,059</b>	<b>2,430,656</b>	<b>1,329,049</b>	<b>-</b>	<b>305,185,870</b>
<b>Accumulated depreciation</b>							
<b>As of December 31, 2024</b>	<b>-</b>	<b>-</b>	<b>(4,136,160)</b>	<b>(653,635)</b>	<b>-</b>	<b>-</b>	<b>(4,789,795)</b>
Depreciation of the year	(14,867)	(1,699,643)	(602,223)	(46,741)	-	-	(2,363,474)
Accumulated depreciation on disposals	-	-	80,154	-	-	-	80,154
<b>As of March 31, 2025</b>	<b>(14,867)</b>	<b>(1,699,643)</b>	<b>(4,658,229)</b>	<b>(700,376)</b>	<b>-</b>	<b>-</b>	<b>(7,073,115)</b>
<b>Impairment adjustments</b>							
<b>As of December 31, 2024</b>	<b>-</b>	<b>-</b>	<b>(2,123,795)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,123,795)</b>
Impairment adjustments recognized in profit or loss	-	-	-	-	-	-	-
Reversals of impairment adjustments recognized in profit or loss	-	-	-	-	-	-	-
<b>As of March 31, 2025</b>	<b>-</b>	<b>-</b>	<b>(2,123,795)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,123,795)</b>
<b>Net book value</b>							
<b>As of December 31, 2024</b>	<b>169,179,973</b>	<b>121,054,133</b>	<b>5,078,509</b>	<b>1,768,901</b>	<b>1,301,685</b>	<b>-</b>	<b>298,383,201</b>
<b>As of March 31, 2025</b>	<b>169,165,106</b>	<b>119,354,490</b>	<b>4,410,035</b>	<b>1,730,280</b>	<b>1,329,049</b>	<b>-</b>	<b>295,988,960</b>

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**5. INVENTORIES**

	<b>March 31 2025</b>	<b>December 31, 2024</b>
Raw materials	6,525,049	6,564,941
Consumables	1,486,593	1,615,365
Finished products	11,369,465	11,924,376
Products in progress	430,888	563,646
Other inventories	1,027,372	970,272
Minus adjustments for impairment of inventories	(14,330,237)	(14,330,237)
<b>Total</b>	<b>6,509,130</b>	<b>7,308,363</b>

The group has no inventories pledged on account of debts.

**6. TRADE RECEIVABLES**

	<b>March 31 2025</b>	<b>December 31 2024</b>
Trade receivables in Romania	19,076,110	21,288,480
Trade receivables in other countries	945,451	1,518,832
Minus impairment adjustments trade receivables	(9,874,114)	(9,874,114)
<b>Total</b>	<b>10,147,447</b>	<b>12,933,198</b>

The decrease in trade receivables as of March 31, 2025 compared to December 31, 2024 was driven by the reduction in sales volume and the recovery of overdue receivables.

**7. OTHER CURRENT ASSETS**

	<b>March 31 2025</b>	<b>December 31 2024</b>
Debtors	63,738	2,548
Prepayment expenses	1,705,412	254,224
Advances to suppliers	204,397	89,593
Claim relating to expropriation of land	1,486,948	1,486,948
VAT recoverable	-	697,862
Other current assets	274,842	789,446
<b>Total</b>	<b>3,735,337</b>	<b>3,320,621</b>

The category *Prepaid expenses* in the amount of RON 1,705,412 mainly represents payments related to taxes for buildings and land, related to the year 2025.

*Other current assets* mainly include amounts to be recovered from the health insurance fund in the amount of RON 254,840 (December 31, 2024: RON 754,465).

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**8. CASH AND CASH EQUIVALENTS**

	<b>March 31 2025</b>	<b>December 31 2024</b>
Cash in the cashier	14,764	11,907
Cash in banks	76,989,193	75,692,787
Cash equivalents	14,148	-
<b>Total</b>	<b>77,018,105</b>	<b>75,704,694</b>

Cash in banks contain short-term deposits: March 31, 2025: RON 75,444,449 (December 31, 2024: RON 74,373,912).

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.

**9. TRADE AND OTHER PAYABLES**

	<b>March 31 2025</b>	<b>December 31 2024</b>
<b>Current trade payables</b>		
Domestic commercial debt	1,342,578	1,176,808
Foreign trade debts	67,553	10,631
Estimated trade liabilities	1,951,952	4,078,630
<b>Current other payables</b>		
Advances received from customers	1,055,615	2,024,991
Salaries and social insurance	884,650	1,666,638
Advance income	1,011,532	1,011,532
Other liabilities	3,050,127	3,179,546
<b>Total</b>	<b>9,364,007</b>	<b>13,148,776</b>

Long-term trade and other payables amount to RON 1,781,520 (December 31, 2024: RON 1,717,399). These liabilities relate to guarantees received from tenants under long-term leases.

The Group has no material trade payables outstanding.

The group does not record outstanding payments to employees and to the State budget, the amounts shown represent payables due in March 2025 and paid when due in April 2025.

The Group has no borrowings on March 31, 2025.

As of March 31, 2025, 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 situation is presented in Note 8 of these simplified interim financial statements.

Other liabilities consist of guarantees received from short-term tenants, VAT payable, other fees and taxes.

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**10. REVENUE**

	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
<b>REVENUE FROM CUSTOMER CONTRACTS</b>		
Revenue from the production of electricity from renewable sources and from the supply of electricity	-	8,265,168
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)	2,601,688	11,308,904
Revenue from services rendered (complex design, delivery and assembly of LED lighting systems and electric vehicle charging stations)	704,801	1,431,014
<b>TOTAL REVENUE FROM CUSTOMER CONTRACTS</b>	<b>3,306,489</b>	<b>21,005,086</b>
<b>REVENUE FROM RENTAL ACTIVITIES*</b>	<b>6,326,042</b>	<b>6,141,917</b>
<b>TOTAL REVENUE</b>	<b>9,632,531</b>	<b>27,147,003</b>

\* Revenue from rental activities includes both rental income and income from recharging of utilities and services.

**Timing of recognition of revenue from contracts with customers**

	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
Goods and services transferred at a given time	2,601,688	12,689,919
Goods and services transferred over time	7,030,843	14,457,084
<b>Total Revenue</b>	<b>9,632,531</b>	<b>27,147,003</b>

The disaggregation of revenues at the product level is:

	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
Electric vehicle charging stations	828,993	1,584,368
Electrical equipment	-	4,414,770
Traffic safety elements CFR	1,334,404	1,650,589
Plastic mass injections and molds	782,400	2,711,562
LED lighting fixtures and services	264,395	2,222,549
Others	96,297	156,080
<b>TOTAL PRODUCTION</b>	<b>3,306,489</b>	<b>12,739,918</b>
<b>OTHER NET INCOME AND EXPENSES</b>		
Income from green certificates	-	361,424
Income / (expense) on provisions	(7,268)	158,411
Subsidy income	-	40,805
Net proceeds from the sale of tangible fixed assets	146,782	2,300
Other net income/(expense)	55,883	32,100
<b>TOTAL</b>	<b>195,397</b>	<b>595,040</b>



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**11. EXPENSES**

	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
<b>Raw materials and consumables used</b>		
- Expenditure on raw materials and consumables	277,834	5,383,562
- Expenditure on goods	365,741	7,932,188
- Expenditure on energy, water, gas	1,950,851	2,355,492
<b>Total raw materials and consumables used</b>	<b>2,594,426</b>	<b>15,671,242</b>
 <b>Employee benefits expenses</b>	 <b>3,571,832</b>	 <b>9,020,930</b>
 <b>Other expenses</b>		
- Postal and telecommunications expenses	80,232	105,992
- Maintenance and repair expenses	218,518	134,116
- Rent expenses	33,751	60,437
- Advertising and protocol expenses	22,319	16,436
- Insurance expenses	100,676	164,477
- Transport and travel expenses	22,029	136,162
- Expenses other taxes and fees	938,625	428,276
- Expenses with consultants and collaborators	272,292	359,304
- Expenditure on green certificates	-	436,281
- Other operating expenses	1,718,300	1,847,551
<b>Total other expenses</b>	<b>3,406,742</b>	<b>3,689,032</b>
 <b>Depreciation and amortization expenses</b>	 <b>2,419,498</b>	 <b>2,717,100</b>
 <b>Total expenses</b>	 <b>11,992,498</b>	 <b>31,098,304</b>

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

**12. FINANCIAL EXPENSES and FINANCIAL INCOME**

	Period of 3 months ended March 31 2025	Period of 3 months ended March 31 2024
<b>Financial expenses</b>		
Leasing interest expenses	5,818	903
Expenses related to exchange rate differences	20,519	45,282
Other financial expenses	2,126	1,694
<b>Total financial expenses</b>	<b>28,463</b>	<b>47,879</b>
 <b>Financial income</b>		
Interest income	1,130,227	322,335
Income from exchange rate differences	1,692	44,503
Other financial income	-	8
<b>Total financial income</b>	<b>1,131,919</b>	<b>366,846</b>

**ELECTROMAGNETICA S.A.**  
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**13. INCOME TAX**

Income tax recognized in profit or loss:

	<b>Period of 3 months ended March 31 2025</b>	<b>Period of 3 months ended March 31 2024</b>
<b>Current income tax</b>		
Current income tax expense	20,108	40,722
<b>Deferred income tax</b>		
Deferred tax income	(450,525)	(307,641)
Deferred tax expenses	6,592	28,043
<b>Total income tax expense / (income)</b>	<b>(423,825)</b>	<b>(238,876)</b>

**14. RELATED PARTY TRANSACTIONS**

As of March 31, 2025 and December 31, 2024, respectively, the Group had no related parties outside the subsidiaries included in the consolidation. Balances and transactions with them have been eliminated for the purpose of preparing consolidated financial statements.

The Group has no contractual obligations to the former directors and administrators and has not granted advances or loans to the current directors and administrators.

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

**15. COMMITMENTS AND POTENTIAL LIABILITIES**

As of March 31, 2025, 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 secure this non-cash agreement, the company has established a pledge on the collateral deposit, in the amount of RON 10,000,000, a large part of which will be released during the 2nd quarter of 2025.

The commitments received from customers and tenants in the form of letters of guarantee as of March 31, 2025, amount to RON 234,590 as per the contractual terms.

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

**16. SUBSEQUENT EVENTS**

On the agenda of the Ordinary General Meeting of Shareholders on April 28, 2025, the proposal regarding the coverage of the loss recorded in 2024 from reserves was included and approved.

Also, the following proposals were included and approved on the agenda of the Extraordinary General Meeting of Shareholders on April 28, 2025:

- Approval of the acquisition, alienation, exchange or pledge of assets in the category of fixed assets of the company, whose value, individually or cumulatively, is no more than 50% of the total fixed assets, minus receivables and mandating the Board of Directors to analyze and decide on their acquisition, alienation, exchange or constitution as collateral and to take all legal steps in order to conclude the legal act of acquisition/alienation/exchange/constitution as collateral, within the limit approved above; and
- Approval of the change of the main object of activity of Electromagnetica S.A.

The simplified interim consolidated financial statements were approved by management on **May 14, 2025**:

**DANIELA CUCU**  
General Director

**GÂRZU MARIA**  
Chief Accountant

**ELECTROMAGNETICA S.A.**  
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**FINANCIAL INDICATORS IN ACCORDANCE WITH  
WITH ANNEX 13° OF ASF REGULATION 5/2018**

Name of the indicator	Calculation formula	Q1 2025	Q1 2024
Current liquidity	Current Assets/Current Liabilities	9.10	3.92
Indebtedness	Long-term borrowed capital/Equity x 100	0.06	0.02
	Long-term borrowed capital/Committed capital x 100	0.06	0.02
Turnover speed of customer flows (days)	Average customer balance/Turnover x 90	107.8	109.5
Turnover speed of fixed assets	(Turnover / 90 x 360)/Fixed assets	0.12	0.35

**Note:**

1. **Current liquidity** provides the guarantee of covering current liabilities from current assets.
2. **Indebtedness** expresses the effectiveness of credit risk management, indicating potential financing and liquidity problems, with influences in the fulfillment of the assumed commitments.  
  
Borrowed capital = Loans over one year and other interest-bearing loans  
Capital Employed = Capital Borrowed + Equity
3. **Customer Flow Rate Turnover Speed** expresses the effectiveness of the Group in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to the company.
4. **Asset turnover speed** expresses the effectiveness of the management of fixed assets, by examining the turnover generated by a certain amount of fixed assets.

**DANIELA CUCU**  
General Director

**GÂRZU MARIA**  
Chief Accountant