

ELECTROMAGNETICA S.A.
J1991000019408, C.U.I. RO414118
Bucharest, Sector 5, Calea Rahovei nr. 266-268

ANNUAL REMUNERATION REPORT
for the financial year 2025

ELECTROMAGNETICA

ELECTROMAGNETICA S.A. is a Romanian legal entity, having the legal form of a joint stock company listed on the Bucharest Stock Exchange.

The main field of activity is NACE code 682 - Rental and subletting of own or rented real estate, and **the main activity** is NACE 6820 - Rental and subletting of own or leased real estate.

The company's shares are registered and dematerialized, comprising all the elements provided by law.

The General Meeting of Shareholders is the supreme management body of the company, which decides on its activity and its economic and commercial policy.

The company is managed in a unitary system, by a Board of Directors composed of 5 directors, elected by the general meeting of shareholders, most of the members of the Board of Directors being non-executive directors (who were not appointed directors), elected for a period of 4 years.

Whereas:

a) The provisions of art. 107 para. (1) and (2) letter b) of *Law no. 24/2017 on issuers of financial instruments and market operations*, as subsequently amended and supplemented, according to which:

1. *The issuer shall draw up a clear and understandable remuneration report which shall provide a comprehensive overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, to individual managers, including newly recruited and former managers in accordance with the remuneration policy set out in Article 106.*

(2) *The remuneration report shall contain, as the case may be, the following information regarding the remuneration of each manager:*

"(b) the annual change in the remuneration, performance of the issuer and the average remuneration on the basis of the full-time equivalent of the issuer's employees who are not managers for at least the last 5 financial years, presented together in a manner that allows comparison"

article transposing the provisions of point 4 (referring to Article 9b paragraph 1 letter b) of EU Directive 2017/828;

b) The provisions of Article 94 letter b) which represent the transposition into national legislation of the provisions of item 2 letter l) of EU Directive 2017/828, according to which, the notion of manager means *"any member of the board of directors, as well as any director, in the case of the unitary management system"*, according to *Law no. 31/1990 on companies*.

c) The fact that in art. 107 para. (2) letter b) of *Law no. 24/2017 on issuers of financial instruments and market operations*, the phrase *"last 5 financial years"* refers to the period of 5 years prior to the moment of preparation of the activity report;

d) The fact that *the Remuneration Policy* was approved by the General Meeting of Shareholders on April 25, 2024, being developed in accordance with:

- *Directive (EU) 2017/828 on encouraging long-term shareholder engagement;*
- *Companies Law no. 31/1990;*
- *Law no. 24/2017 on issuers of financial instruments and market operations;*
- *Law no. 158/2020 amending Law no. 24/2017;*
- *Law no. 126/2018 on markets in financial instruments;*
- *Regulation No 5/2018 on the issuance of financial instruments and market operations;*
- *The Corporate Governance Code of the B.V.B;*
- *Directors' management agreements - approved by the Ordinary General Meeting of Shareholders on April 25, 2024 (decision no. 9);*

e) *The remuneration policy and the remuneration report* shall be drawn up in due compliance with the provisions of Articles 106 and 107 of *Law no. 24/2017 on issuers of financial instruments and market operations*;

f) Art. 267 ind. 1 of Regulation no. 5/2018 on issuers of financial instruments and market operations stipulates that *"the first remuneration report drawn up according to art. 107 of Law no. 24/2017 shall present the information required by law for the last financial year ended after the submission for the first time of the*

remuneration policy according to art. 106 of Law no. 24/2017, respectively includes the information established by law for the financial year";

- g) The remuneration system is composed of *the fixed, variable component*, as well as *other forms - non-financial benefits*, and the *Principles of the Remuneration Policy* are based on:
- ensuring sustainability and profits, generating medium and long-term value;
 - promoting competitiveness and rewarding the achievement of objectives;
 - aligning remuneration with the principles of good governance;
 - Promoting transparency on remuneration and the criteria for setting it;
 - ensuring the balance between the fixed allowance and the variable component of the remuneration.
- h) ELECTROMAGNETICA S.A. presented in the General Shareholders' Meeting of April 28, 2022 *the Remuneration Report for 2021* prepared in accordance with the legal provisions, which was approved with 370,240,498 votes *in favor*, *against* 0 votes, *abstention* 60,186,472 votes out of the total votes cast;
- i) ELECTROMAGNETICA S.A. presented in the General Shareholders' Meeting of April 27, 2023 *the Remuneration Report for 2022* prepared in accordance with the legal provisions, which was approved with 455,378,497 votes *in favor*, *against* 0 votes, *abstention* 1,971,570 votes out of the total votes cast;
- j) The Extraordinary General Meeting of Shareholders on July 3, 2023 approved the amendment of the articles of incorporation;
- k) The Extraordinary General Meeting of Shareholders on July 3, 2023 approved the management contracts;
- l) ELECTROMAGNETICA S.A. presented in the General Shareholders' Meeting of April 25, 2024 *the Remuneration Report for 2023* prepared in accordance with the legal provisions, which was approved with 447,681,301 votes *in favor*, *against* 0 votes and 0 *abstention* votes out of the total votes cast;
- m) The Ordinary General Meeting of Shareholders on April 25, 2024 approved the management contracts;
- n) ELECTROMAGNETICA S.A. presented in the General Shareholders' Meeting of April 28, 2025 *the Remuneration Report for 2024* prepared in accordance with the legal provisions, which was approved with 454,817,556 votes *in favor*, *against* 0 votes and 0 *abstention* votes out of the total votes cast;

and

ELECTROMAGNETICA S.A. applies the following principles:

1. The following shall exercise their right to the recovery of variable remuneration for directors and members of the executive management, in certain situations, explicitly defined:

- when there is evidence of misconduct, professional misconduct or repeated errors/misconduct of the directors/members of the executive management, including if the Company has been subject to sanctions as a result of non-compliance with the legal provisions, and the conduct of the Management contributed to these sanctions (as determined by a competent authority or court);
- if ELECTROMAGNETICA S.A. suffers significant reputational damage or a significant deterioration in financial performance;
- the variable remuneration was granted on the basis of erroneous or false data, erroneous statements of accounts, material errors (from the documents containing financial statements on the basis of which the remuneration was determined or related to the methods of calculating remuneration, etc.);
- ELECTROMAGNETICA S.A. suffers adverse consequences, wholly or partly attributable to the Management, the Company's relationship with customers, affiliates or other interested parties including shareholders, employees, creditors and regulatory authorities.

2. Qintends to exercise its right to the recovery of variable remuneration by means of the type adjustment *malus*, respectively will resort to the *claw-back* in especially in situations where the contribution of the Leadership can be proven when appearing of the respective adverse event.

3. Implementation of a remuneration policy must be consistency at the level of Group. This is necessary not only in terms of promoting corporate governance principles, but also in that investors can rely on comparable remuneration data. It is relevant that ELECTROMAGNETICA S.A., as a company listed on the B.V.B., has the obligation to stipulate in the Annual Remuneration Report the remuneration received by a manager, including those from the entities within the Group, namely the subsidiaries PROCETEL S.A., ELECTROMAGNETICA PRESTSERV S.R.L. and ELECTROMAGNETICA FIRE S.R.L., as defined by Law no. 126/2018 - *on markets in financial instruments* Article 3 paragraph 1 item 25 (these provisions do not apply to Electromagnetica S.A., given that none of the company's directors holds positions in Procetel S.A., the only subsidiary of Electromagnetica S.A.);

4. The performance criteria used to establish the amount of the variable component are established by the Income and Expenditure Budget and consist of:

- achieving the net profit indicator;
- approval of the annual financial statements by the General Meeting of Shareholders.

5. The fulfilment of the performance criteria shall be certified on the basis of the annual financial results.

6. With regard to the number of shares and stock options granted or offered, as well as the main conditions for the exercise of the related rights, including the exercise price and the date, together with any changes thereto related to the financial year 2025, as provided for in art. 21.1 of the company's articles of incorporation, the directors' remuneration consists of a fixed monthly allowance and a variable component. The general limits of variable remuneration are set by decisions of the company's ordinary general meeting of shareholders. Variable remuneration can be granted both in cash and/or through the allocation of financial instruments and/or derivatives (shares, options granted under Stock Option Plan, etc.). Variable remuneration may be granted to the members of the Board of Directors, directors and employees of the company, according to the general limits approved by the General Meeting of Shareholders, subject to the achievement of the net profit indicator and the approval of the annual financial statements by the General Meeting of Shareholders. The fund for granting the variable remuneration for the achievement of the net profit performance indicator will be determined and recorded in the form of a provision, so that the achievement of the net profit established by the Income and Expenditure Budget is not jeopardized. The payment of the variable remuneration will be made after the approval of the annual financial statements. Within the instruments granted under Stock Option Plan programs for administrators and directors, the allocation criteria are established in accordance with the specific legislation, as well as with the provisions of the articles of incorporation.

We specify that, so far, such a request has not been included on the agenda of the ordinary and/or extraordinary general meeting of shareholders, respectively the administrators and/or executive directors have not benefited from this facility.

7. Regarding remuneration, including all benefits, in any form, granted or due during the previous financial year, to individual managers, including newly recruited and former managers in accordance with the Remuneration Policy.

Ordinary General Meeting of Shareholders on 28.04.2025 – regarding the fixed remuneration for 2025

a) Members of the Board of Directors

According to the articles of incorporation, in conjunction with *the Remuneration Policy*, the Company undertakes to pay the administrator a remuneration representing the net amount of lei/month established annually by the General Meeting of Shareholders.

The Ordinary General Meeting of Shareholders of April 28, 2025 established:

- remuneration of the member of the Board of Directors - 5,000 lei net/month;
- remuneration of the Chairman of the Board of Directors - 10,000 lei net/month;
- the remuneration of the member of the Audit and Risk Committee - 25% of the net monthly remuneration of the director.

The Ordinary General Meeting of Shareholders of April 28, 2025 approved, at the proposal of the Board of Directors, not to grant variable remuneration to the members of the Board of Directors related to the activity carried out in 2024.

(b) Executive Directors

As for the executive directors, as the year 2024 was difficult from an economic point of view, the Ordinary General Meeting of Shareholders of April 28, 2025 approved, at the proposal of the Board of Directors, the non-granting of variable remuneration to executive directors.

8. Remuneration of managers and former managers for the year 2025 (gross amounts from which the related taxes and fees are paid)

Full name	Position held	Mandate implementation period	Fixed remuneration (lei)	Total remuneration (lei)	Total remuneration received from any entity belonging to Electromagnetica S.A. Group
Cucu Daniela-Adi	General Manager / Chairman of the Board of Directors	01.01.2025-30.06.2025 01.01.2025-31.12.2025	485,483	485,483	0
Cioacă Sorin Iulian	Board Member	01.01.2025-31.12.2025	131,080	131,080	0
Gagea Cristina Gabriela	Board Member	01.01.2025-31.12.2025	131,080	131,080	0
Trifu Mihai	Board Member	01.01.2025-31.12.2025	131,080	131,080	0
Zoescu Mihai	Board Member	01.01.2025-31.12.2025	104,884	104,884	0
Ion Robert - Ștefan	Executive Director	01.01.2025-13.02.2025	127,927	127,927	0
George - Alin Ștefan	Executive Director	22.05.2025-31.12.2025	171,873	171,873	0
			1,283,408	1,283,408	0

9. Comparative information on the change in the remuneration and performance of the issuer in the last 5 years (remuneration is gross amounts from which taxes and related fees are paid)

Annual percentage change	2021	2022	2023	2024	2025
Remuneration of the directors and members of the BoD					
Cucu Daniela - Adi - President of the BoD - General Manager	-	-	628,812	918,860	485,483
<i>Change from previous year (%)</i>	N/A	N/A	N/A	46.13%	-47.16%
Cioacă Sorin - Iulian - Board member	-	-	57,772	131,084	131,080
<i>Change from previous year (%)</i>	N/A	N/A	N/A	126.90%	0.00%
Trifu Mihai - Board member	-	-	32,227	131,084	131,080
<i>Change from previous year (%)</i>	N/A	N/A	N/A	306.75%	0.00%
Gagea Cristina Gabriela - Board member	-	18,025	109,649	131,435	131,080
<i>Change from previous year (%)</i>	N/A	N/A	508.30%	19.87%	-0.27%
Zoescu Mihai - Board member	12,084	43,261	100,216	103,136	104,884
<i>Change from previous year (%)</i>	N/A	257.99%	131.65%	2.91%	1.69%
Scheușan Eugen - President of the BoD - General Manager	735,836	759,232	806,057	1,748	-
<i>Change from previous year (%)</i>	-1.01%	3.18%	6.17%	N/A	N/A
Ion Robert - Ștefan - Executive Director	-	-	-	200,121	127,927
<i>Change from previous year (%)</i>	N/A	N/A	N/A	N/A	-36.08%
George - Alin Ștefan - Executive Director	-	-	-	-	171,873

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<i>Change from previous year (%)</i>	N/A	N/A	N/A	N/A	N/A
Radu Cristian - Iulian - Executive Director	-	-	73,885	620,164	-
<i>Change from previous year (%)</i>	N/A	N/A	N/A	739.36%	N/A
Bobar Andrei - Executive Director	-	-	239,734	-	-
<i>Change from previous year (%)</i>	N/A	N/A	N/A	N/A	N/A
Busu Cristian - Board member	9,798	38,214	100,216	-	-
<i>Change from previous year (%)</i>	N/A	290.01%	162.25%	N/A	N/A
Stanila Antoaneta Monica - Executive Director	-	-	557,677	-	-
<i>Change from previous year (%)</i>	N/A	N/A	N/A	N/A	N/A
Calitoiu Elena - Board member	32,660	-	-	-	-
<i>Change from previous year (%)</i>	-30.44%	N/A	N/A	N/A	N/A
Hodea Cristina Ioana Rodica - Board member	46,704	-	13,755	-	-
<i>Change from previous year (%)</i>	-0.53%	N/A	N/A	N/A	N/A
Macovei Octavian - Board member - Executive Director	593,763	631,251	875,227	-	-
<i>Change from previous year (%)</i>	-1.99%	6.31%	38.65%	N/A	N/A
Sichigea Elena - Board member	26,128	-	-	-	-
<i>Change from previous year (%)</i>	-30.33%	N/A	N/A	N/A	N/A
Stancu Ioan - Board member	37,559	34,609	84,103	-	-
<i>Change from previous year (%)</i>	0.15%	-7.86%	143.01%	N/A	N/A
Stancu Traian - Board member	37,559	34,609	84,103	-	-
<i>Change from previous year (%)</i>	0.15%	-7.86%	143.01%	N/A	N/A
Florea Cristina - Executive Director	615,646	632,693	809,595	-	-
<i>Change from previous year (%)</i>	-2.69%	2.77%	27.96%	N/A	N/A
Stoica Mihail - Executive Director	611,073	634,135	762,041	-	-
<i>Change from previous year (%)</i>	-1.51%	3.77%	20.17%	N/A	N/A
Roman Ileana - Board member	9,145	7,210	-	-	-
<i>Change from previous year (%)</i>	-0.02%	-21.16%	N/A	N/A	N/A
Total remuneration of managers	2,767,957	2,833,240	5,335,069	2,237,632	1,283,408
<i>Change from previous year (%)</i>	-1.77%	2.36%	88.30%	-58.06%	-42.64%
Average remuneration based on full-time employees					
Company employees - average remuneration	6,297	7,196	7,715	9,466	11,332
<i>Change from previous year (%)</i>	7.71%	14.28%	7.21%	22.70%	19.71%
Company performance					
Net profit / (loss) (lei)	(16,113,467)	23,312,293	(31,033,088)	(7,407,144)	(10,728,051)
<i>Year-on-year change (%)</i>	N/A	N/A	N/A	-76.13%	44.83%



10. Principles on the recovery of variable remuneration

According to the Remuneration Policy, the variable remuneration is granted only in the event of the achievement of the profit indicator established by the Income and Expenditure Budget and is subject to the approval of the General Meeting of Shareholders.

The company may request the recovery of the variable remuneration if it is found that it was granted on the basis of erroneous or false data, material errors in the documents on the basis of which the remuneration was determined.

The recovery of variable remuneration starts from the moment of the finding and can be requested by Electromagnetica S.A. to be refunded within 3 years from the date of the finding.

11. Deviations from the provisions of the Remuneration Policy

During 2025, the remuneration granted by the company was made in compliance with the principles established by the Remuneration Policy.

Electromagnetica S.A. has not registered any deviation from the provisions of the Remuneration Policy or that falls within the derogations provided for in art. 106, para. (6) of Law no. 24/2017 republished.

President of the board of directors
Cucu daniela adi