



ELECTROMAGNETICA S.A.
ADMINISTRATORS' REPORT FOR THE YEAR 2025
- CONSOLIDATED STATEMENTS -

according to the provisions of art. 63 of Law no. 24/2017 on issuers of financial instruments and market operations, Annex 15 to A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations and the BVB Code

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1. IDENTIFICATION DATA OF ELECTROMAGNETICA S.A.

Company Name:	Electromagnetica S.A.
Registered Office:	Bucharest, Sector 5, Calea Rahovei nr. 266-268, postal code 050912
Tel/ Fax:	021 404 21 02/ 021 404 21 95
WHO:	414118
Registration no. at ORCTB:	J1991000019408
Regulated market:	BVB, Equity Sector, Equities, 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. GENERAL INFORMATION AND PRESENTATION OF THE GROUP

Electromagnetica S.A. is a joint-stock company established in 1930 with Romanian legal personality and unlimited lifespan that is organized and operates according to the statute and based on Law no. 31/1990 on companies, republished, in compliance with Law no. 24/2017 on issuers of financial instruments and market operations and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations.

The company's share capital 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 SA.

At the Ordinary General Meeting of Shareholders on April 28, 2025, the modification of the main object of activity of Electromagnetica S.A. was 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 (CAEN Rev.3). Previously, the main object of activity of the Company was NACE 2651 - Manufacture of instruments and devices for measurement, verification, control, navigation.

Electromagnetica S.A., as a company whose shares are admitted on a regulated market (Bucharest Stock Exchange, Premium category, symbol ELMA) has adopted IFRS (International Financial Reporting Standards) starting with the financial year 2012. The financial statements for 2025 were prepared in accordance with the provisions of OMFP no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union.

The group of companies within which Electromagnetica S.A. is the parent company was formed by Procetel S.A., Electromagnetica Fire S.R.L. and Electromagnetica Prestserv S.R.L., representing mainly outsourcing of services. Following the analysis of the operations carried out by the subsidiaries, it was necessary to implement measures to reduce costs and improve operational efficiency, which resulted in the decision to dissolve and liquidate these companies.

Procetel S.A. is a joint stock company with headquarters in Bucharest, Calea Rahovei nr. 266-268, serial number at the J1991010437403 Trade Register, CUI 406212, tel: 031.700.26.14, fax: 031.700.26.16. Procetel S.A. is a closed joint stock company (shares are not traded on the capital market) whose main object of activity is research – development in other natural sciences and engineering (NACE code 7219). In 2025, the company no longer carried out the research activity, the results obtained coming mainly from the space rental activity. The administrative management is ensured by Business Recovery BD&A S.P.R.L. In the General Meeting of Shareholders of Procetel S.A. held on 18.11.2024, the dissolution of Procetel S.A. was approved. On 21.07.2025, the Extraordinary and Ordinary General Meeting of Shareholders of Procetel S.A. was held, during which the balance sheet for the beginning of liquidation on 31.03.2025 was approved. As of 31.12.2025, the dissolution process was ongoing.

Electromagnetica Prestserv S.R.L. was 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 at the Trade Register Office attached to the Bucharest Tribunal with no. J40/1528/2003, CUI 15182750, which provided cleaning services (NACE code 4311). Considering the decision of the sole shareholder of April 30, 2024 and the fulfillment of the necessary legal conditions, the shareholder 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. On July 11, 2025, by the Conclusion pronounced by the Trade Register Office attached to the Bucharest Tribunal, the deregistration of the company Electromagnetica Prestserv S.R.L. was ordered, following the completion of the dissolution and voluntary liquidation procedure. The liquidation balance sheet was drawn up on June 30, 2025, and consequently, the company was removed from the accounting records of Electromagnetica S.A.

Electromagnetica Fire S.R.L. was a limited liability company with headquarters in Bucharest, Calea Rahovei no. 266-268, sect 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, and carried out activities in the field of fire protection, technical assistance for fire prevention and extinguishing and private emergency services regarding civil protection (NACE code 8299). Considering the decision of the sole shareholder of April 30, 2024 and the fulfillment of the necessary legal conditions, the shareholder 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. 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 accounting records of Electromagnetica S.A., and the related assets and liabilities were eliminated.

Legal framework

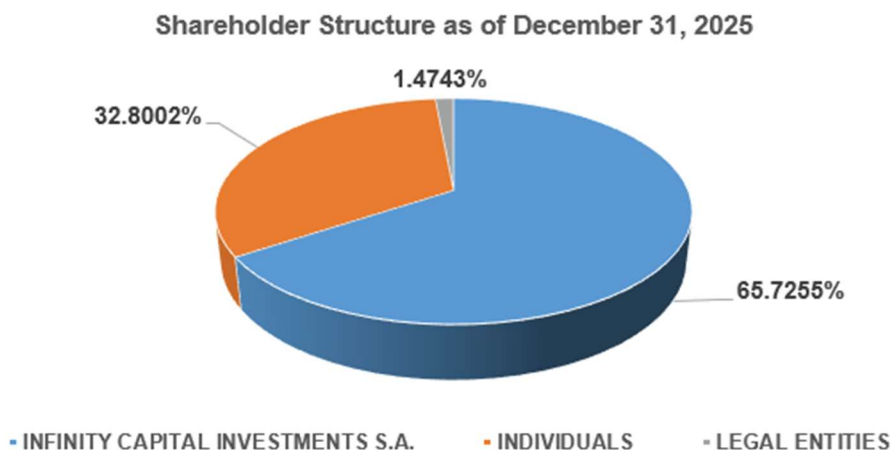
During the reporting period, the Group carried out its activity in compliance with the legal provisions contained, in particular, in:

- Law no. 31/1990 on companies, republished, with subsequent amendments and completions;
- Law no. 24/2017 on issuers of financial instruments and market operations, republished;
- The Law on Electricity and Natural Gas no. 123/2012, as subsequently amended and supplemented;
- Water Law no. 107/1996, as subsequently amended and supplemented;
- A.S.F. Regulation no. 5/2018, on issuers of financial instruments and market operations, with subsequent amendments and completions;
- A.N.R.E Order no. 5 / 2023 for the approval of the Regulation on the supply of electricity to end customers, as well as for the amendment and completion of some orders of the President of the National Energy Regulatory Authority;
- Bucharest Stock Exchange Code,

as well as in other regulations of primary and secondary legislation in the fields of activity in which it operates, as well as in compliance with the provisions of the Articles of Incorporation of the parent company, updated according to the decision of the Extraordinary General Meeting of Shareholders of April 28, 2025.

Shareholding structure of the parent company

As of 31.12.2025, the parent company had a number of **6,062** shareholders. According to the records of Depozitarul Central S.A., the synthetic structure at the end of 2025 is as follows:



3. ANALYSIS OF THE GROUP'S ACTIVITY

In 2025, the Electromagnetica Group had as its main line of business - the space rental activity (rents, maintenance fee and other related services).

Starting with 2024, the group has implemented an extensive operational efficiency process, aimed at strengthening value-added business lines and reducing exposure to high-risk or low-return segments.

In the second half of 2024, as a result of the sale of micro-hydropower plants in Suceava County, the group exited the electricity production market.

In 2025, the process of streamlining the production of goods activity continued, in the context of the steps to renegotiate trade relations and restrict operations to profitable partnerships. In the third quarter of 2025, the relay production line was sold, and the process of optimizing the activity will continue in 2026.

Group's Tangible Assets

The rental spaces are located exclusively in Bucharest and Vârteju, Ilfov County, most of them being located at the headquarters in Calea Rahovei no. 266–268.

The group manages a total leasable area (GLA) of approximately 60,400 sqm (including common spaces) located in Bucharest, Calea Rahovei no. 266–268, as well as approximately 3,400 sqm in Vârteju, Magurele city, Ilfov County.

The group owns land and buildings in Bucharest, Ilfov County and Dâmbovița County. The group has no disputes related to the ownership of its land.

3.1. KEY FINANCIAL FIGURES AND KEY INDICATORS OF THE GROUP

Indicator	2024	2025	Variation
Revenue (RON)	97,670,343	29,266,489	-70%
EBITDA (RON)	(188,164)	(1,379,135)	633%
Net Profit (RON)	(10,993,979)	(12,750,096)	16%
Net Profit Margin	-11.3%	-43.6%	287%
Average Number of Employees	235	60	-74%

*EBITDA represents profit before tax, depreciation and amortization expenses, financial expenses and income, investment income and net income from the revaluation of investment property.

The turnover in 2025 was RON 29.3 million, down 70% compared to the previous year, amid the measures adopted in order to streamline the group's activities and the significant abandonment/reduction of the resources allocated to the lines of activity that did not generate added value for the group (*such as the production of lighting fixtures, the production of electric car charging stations or plastic injection*).

Rental revenues increased by 3.5% compared to 2024, confirming the consolidation of this segment as the main operating driver.

Revenues from production activity decreased from RON 38.2 million in 2024 to RON 4.8 million in 2025, in the context of reduced involvement in government projects that have a slow collection of receivables and measures to align operations in the segment of production of electric car charging stations and production of lighting fixtures to reference markets.

In 2025, no revenues were recorded from the production of electricity from renewable sources and from the supply of electricity, as the activity of electricity production was sold during 2024. Revenues in 2024 were worth RON 35.7 million.

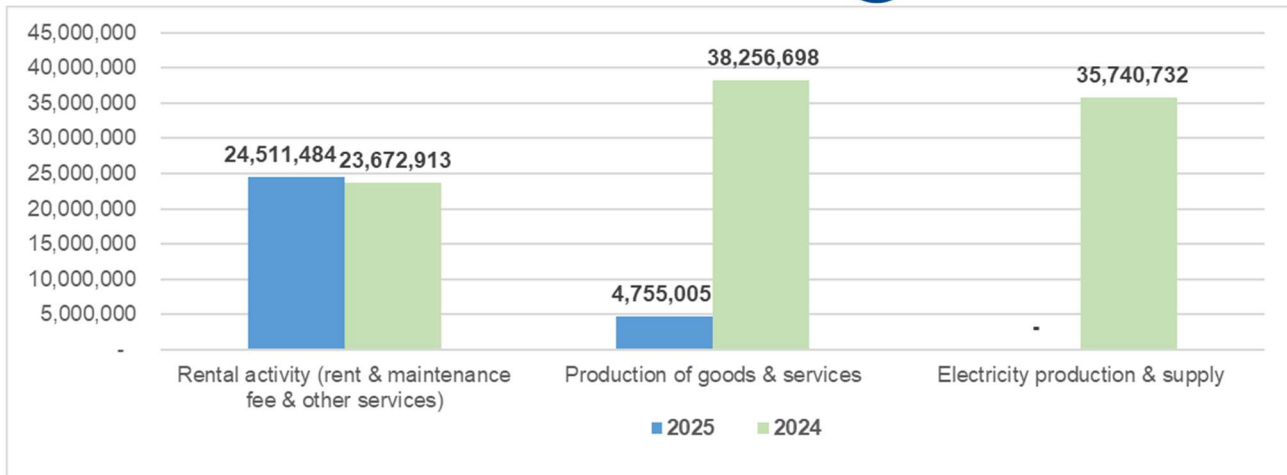
The streamlining process implemented during the analyzed period aimed at optimizing the portfolio, improving cash flows and stabilizing financial performance in a difficult economic context.

More details can be found in the Financial Statements and in the Explanatory Notes thereto.

3.2. REVENUE STRUCTURE

The turnover structure reflects the strategic process of repositioning the company's activity, with a focus on consolidating the rental segment and resizing the production activity taking into account the competitive environment in the markets in which the group operates.

In 2025, the main contribution to turnover was generated by the rental activity, while the goods production segment had a significantly reduced share, in line with the efficiency and optimization measures implemented starting with 2024.



Rental activity

The group manages a total leasable area (GLA) of approximately 60,400 sqm (including common spaces) located in Bucharest, Calea Rahovei no. 266–268, as well as approximately 3,400 sqm in Vârteju, Magurele city, Ilfov County.

On December 31, 2025, the occupancy rate was 51% for the property in Calea Rahovei no. 266–268, Bucharest, and 83% for the property in Vârteju. Compared to the end of the 2024 financial year, the total leased area at the end of 2025 decreased by 2%.

Throughout 2025, the Group had approximately 300 tenants. The top 10 tenants, by share in rental income, generated about 35% of this total revenue, while the top 20 contributed about 48%, highlighting a moderate degree of portfolio concentration.

The structure of the use of the leased spaces at the end of 2025 was as follows:

- storage spaces – 30%;
- office spaces – 27%;
- service spaces – 25%;
- spaces for production – 18%.

In 2025, the rental activity represented the main operational segment of the Group. The implemented strategy aimed at increasing profitability and strengthening financial performance, by:

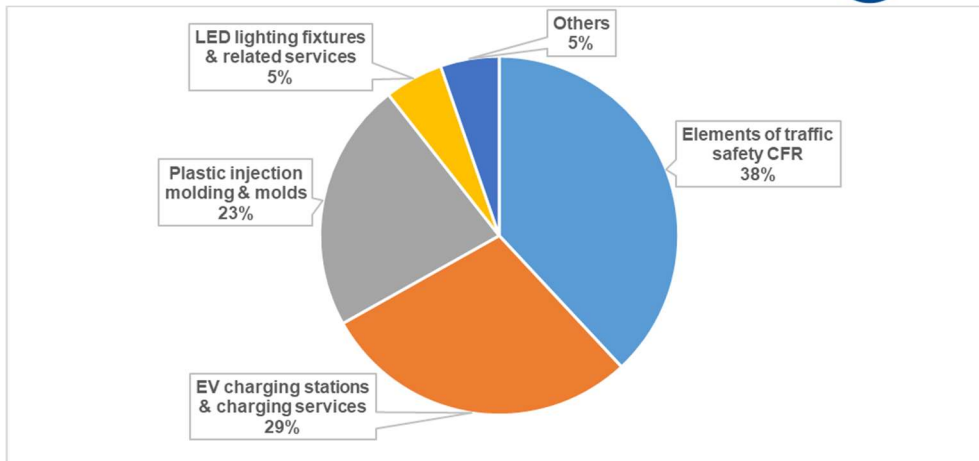
- optimization of operational costs;
- efficient management of resources;
- attracting and maintaining tenants with a stable profile and adequate creditworthiness.

As of 31.12.2025, following the cessation of the use of real estate for own production purposes, they were reclassified from the category of property, plant and equipment to the category of investment property, in accordance with International Financial Reporting Standards (IFRS) and applicable accounting policies.

This reclassification reflects the change in the destination of assets, which are held mainly for the purpose of obtaining rental income and/or increasing the value of capital, without there being an active sale plan. The transfer was made at fair value determined on the basis of an independent valuation report as at 31 December 2025.

Production of goods

The share of the main product groups in the turnover related to the production of goods (excluding services) is presented below:



In 2025, the Group continued the process of streamlining its production activity by aligning the production of LED lighting fixtures and systems and electric vehicle charging stations with the level of demand, optimizing inventory management and targeting partners with shorter collection periods (0–90 days), in order to improve cash flows and predictability of receipts.

Given the significant level of inventories of electric vehicle charging stations and LED lighting products, the Group focused on capitalizing on existing inventories and managing contracts in force with various public authorities, without allocating resources for the production of such goods. At the end of the 2025 financial year, the Group held exclusively inventories of finished products intended for sale. Part of the inventories of LED lighting fixtures is maintained in the form of a buffer inventories, intended for possible replacements during the warranty period related to the products already marketed to the public authorities with which the group has contracts in force.

As for the activity related to railway traffic safety elements, it was affected by the slow pace of railway infrastructure modernization projects, the final beneficiary being CFR Infrastructură. In this context, the Group decided to capitalize on the assets related to this production line. Thus, on October 8, 2025, the sale-purchase contract for the relay production line was signed, awarded in a competitive open outcry tender, organized on September 26, 2025. The measure is part of the strategy of focusing on activities with sustainable potential and generating added value.

Electricity production and supply

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

In 2025, the Group did not make purchases of electricity for the supply activity, which is why it did not generate revenues from this activity.

3.3. HUMAN RESOURCES AND OHS & ENVIRONMENTAL COMPLIANCE

In 2025, the average number of employees was 60, the reduction in staff being determined by the consolidation of internal processes and the optimization of the portfolio of activities, in order to increase profitability and stabilize financial performance. Relations between management and employees were conducted under normal conditions, without significant conflicts.

At the same time, the Group ensured compliance with the legal requirements on environmental protection and occupational health and safety, properly managing waste and fulfilling reporting obligations. The monitoring of environmental factors and prevention measures in the field of OSH have been maintained at the standards imposed by the regulations in force, without the registration of any relevant incidents.

4. MAIN EVENTS WITH SIGNIFICANT IMPACT ON THE FUNCTIONING OF THE PARENT COMPANY

In the year 2025, several events took place, the most important being exposed below, in chronological order:

14.02.2025	Termination of the mandate of Commercial Director Robert - Ștefan Ion (last day of the mandate being 13.02.2025).
19.02.2025	Steps regarding the sale of Plastic Injection Machine.
28.04.2025	Holding of the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders. The financial statements, the change of the main object of activity of the company, the acquisition, alienation, exchange or security 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, are approved.
30.04.2025	Steps regarding the sale of electric car charging stations.
15.05.2025	Publication of the report for the first quarter of 2025
12.05.2025	Steps regarding the sale of real estate (land located in Bucharest, 23-37 Petre Ispirescu Street).
12.06.2025	Conclusion of the deed regarding the sale of real estate (land located in Bucharest, 23-37 Petre Ispirescu Street).
21.05.2025	Appointment of Deputy General Manager - George - Alin Ștefan (starting with May 22, 2025)
27.06.2025	Termination of mandate of the General Manager - Daniela Cucu (last day being June 30, 2025) / Appointment of General Manager - George - Alin Ștefan (starting with July 1, 2025).
10.07.2025	Steps regarding the sale of SMD line.
15.07.2025	Electromagnetica subsidiary Prestserv S.R.L.
04.08.2025	Subscription of bonds issued by PK Development Holding S.A.
18.08.2025	Publication of the report for the first semester of 2025
26.09.2025	Relay production line for sale.
08.10.2025	Conclusion of the deed regarding the sale of the relay production line.
17.11.2025	Publication of the report for the third quarter of 2025
31.12.2025	Early repayment of corporate bonds PK Development Holding S.A.

Detailed information is available at:

<https://www.bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=ELMA>

5. RISK MANAGEMENT OBJECTIVES AND POLICIES. RISK FACTORS

The Group's risk management policy includes all the principles, procedures and control mechanisms necessary to identify, assess, monitor and manage significant risks that may influence the achievement of strategic objectives and the performance of the activities under conditions of efficiency and legal compliance.

Risk management is an essential component of corporate governance and is integrated into current decision-making processes, being adapted to the specifics of the activities carried out within the Electromagnetica Group.

The main categories of risks identified are:

- market risk;
- credit risk (non-payment);
- liquidity and cash-flow risk;
- operational risk (including legal and compliance);
- data protection and processing risk;
- sanctions risk;
- litigation risk;
- risks covered by insurance policies.

Market risk

Market risk is the risk of incurring losses as a result of adverse developments in market variables, such as interest rates, exchange rates, commodity prices or selling prices of goods and services.

The Group continuously monitors macroeconomic and sector developments, with the objective of maintaining a balance between profitability and the risk associated with the activities carried out.

Currency risk

Currency risk is the risk of losses arising from exchange rate fluctuations. The Group's exposure is limited, as the majority of supplies and transactions are carried out in the domestic market.

In order to mitigate the impact of exchange rate fluctuations, the Group correlates the timing of payments with that of foreign currency receipts and permanently monitors foreign exchange positions. Typically, cash flows generate a surplus that helps mitigate currency risk. No derivatives are used to hedge this risk.

Risk of non-payment

Credit risk consists of the possibility that the contractual partners will not meet their obligations, generating financial losses. Trade receivables come from a diverse number of customers, mainly public authorities or economic agents active in various fields.

The Group applies prudent partner selection policies and, where market practice allows, requires contractual guarantees. It also continuously monitors the situation of receivables and takes steps to recover them, including notifications, court actions (payment orders) and, where appropriate, enforcement.

The exposure to credit risk is reviewed periodically, and impairment adjustments for receivables are recognized in accordance with the applicable accounting regulations.

Liquidity and cash-flow risk

Liquidity risk is the risk that the Group will not be able to meet its payment obligations at maturity.

The management of this risk is achieved by:

- developing cash flow forecasts;
- maintaining an adequate level of liquidity buffers;
- monitoring the maturities of receivables and debts;
- setting investment priorities according to available resources.

The investments were made mainly from its own sources, depending on the current needs of the Electromagnetica S.A. group and sectors considered profitable or developing. Liquidity risk is closely correlated with market and credit risks and is monitored as part of the integrated risk management system.

Data protection and processing risk

This risk may arise from situations such as accidental loss or modification of data, as well as unauthorized access to personal data. Regardless of the basis of processing, Electromagnetica Group complies with the obligations set out in the General Data Protection Regulation (GDPR) – Regulation (EU) 2016/679 including the obligation to inform the data subject, at the time of data collection.

Risk of sanctions

The Group manages this risk through preventive actions. This involves, among other things, monitoring legislative changes and informing employees, participating in courses and seminars (labor law, competition law, GDPR - personal data protection, risk management and corporate governance, etc.).

Litigation risk

The Group is involved in disputes specific to its day-to-day activities, but their values are not likely to affect financial stability. In most cases, the Group has the status of creditor.

For all pending cases, including those concerning companies in insolvency or bankruptcy, legal positions are formulated and legal steps to protect the Group's interests are actively pursued.

Risks covered by insurance policies

In order to mitigate the impact of unforeseen events, the Group concludes appropriate insurance policies, which may cover, as the case may be: the risk of natural disasters, the risk of accidental damage, the risk of business interruption, the risk of injury to exposed employees, the protection of assets through insurance, liability to third parties, liability as a manufacturer, professional liability for some professions, directors' liability.

6. PERSPECTIVE ELEMENTS

In 2026, the Group expects to increase the occupancy rate of the premises by identifying new rental opportunities, including by arranging additional surfaces, as well as by updating rents according to market developments.

The Electromagnetica Group will also continue to maintain a low level of production activity, focusing mainly on the efficient capitalization of existing products in inventories, with a focus on LED lighting systems and electric vehicle charging stations and the management of contracts concluded with public authorities. The Group's priority will be to optimize the sales process and reduce the costs associated with storage through commercial and logistics efficiency measures.

The Group's investments in 2026 will be mainly oriented towards maintenance and modernization activities, most of the projects being planned at the headquarters of Electromagnetica S.A. in Bucharest.

7. CONSOLIDATED FINANCIAL STATEMENT AS AT 31 DECEMBER 2025

7.1 Financial position

	December 31 2025	December 31 2024
ASSETS		
Non-current assets		
Property, plant and equipment	56,167,055	298,383,201
Investment property	173,052,674	24,903,878
Intangible assets	163,894	360,237
Other non-current assets	2,851,070	4,519,717
Rights of use assets	-	27,996
Total non-current assets	232,234,693	328,195,029
Current assets		
Inventories	1,284,983	7,308,363
Trade receivables	6,559,303	12,933,198
Cash and cash equivalents	101,156,925	75,704,694
Deposits in banks	173,642	10,000,000
Other current assets	10,069,087	3,320,621
Assets classified as held for sale	-	841,296
Current income tax receivables	1,233,974	1,676,704
Total current assets	120,477,914	111,784,876
Total assets	352,712,607	439,979,905
EQUITY AND LIABILITIES		
Equity		
Share capital	67,603,870	67,603,870
Reserves and other equity items	153,787,097	223,797,142
Retained earnings	103,732,098	101,385,735
Total equity attributable to equity holders of the parent company	325,123,065	392,786,747
Non-controlling interests	273,765	342,253
Total equity	325,396,830	393,129,000
Long-term liabilities		
Trade and other payables	2,893,237	1,717,399
Deferred income tax liabilities	15,369,118	29,214,286
Lease liabilities	139,819	187,608
Total long-term liabilities	18,402,174	31,119,293
Current liabilities		
Trade and other payables	7,456,223	13,148,776
Provisions	1,411,452	2,511,532
Lease liabilities	45,928	71,304
Total current liabilities	8,913,603	15,731,612
Total liabilities	27,315,777	46,850,905
Total equity and liabilities	352,712,607	439,979,905

7.2 Profit or loss result

	Period of 12 months ended December 31 2025	Period of 12 months ended December 31 2024
Revenue	29,266,489	97,670,343
Net result from the revaluation of investment property	(12,377,851)	1,334,586
Other net income and expenses	(685,141)	3,139,468
Variation in the inventory of finished products and production in progress	(1,443,584)	(2,447,031)
Expenses on raw materials and consumables	(4,172,770)	(56,061,510)
Employees benefits expenses	(9,443,081)	(26,257,762)
Depreciation and amortization expenses	(12,385,020)	(9,682,080)
Other expenses	(14,901,048)	(16,231,672)
Financial income	10,194,530	1,998,133
Financial expenses	(136,733)	(135,104)
Profit / (Loss) before tax	(16,084,209)	(6,672,629)
Corporate income tax	3,334,113	(4,321,350)
Profit / (Loss) for the period	(12,750,096)	(10,993,979)

7.3 Cash flow situation

	Period of 12 months ended December 31 2025	Period of 12 months ended December 31 2024
Net cash from operating activities	17,479,905	10,895,027
Net cash used in investment activities	13,071,736	34,120,607
Net cash used in financing activities	(5,099,410)	(199,119)
Net increase/(decrease) of cash and cash equivalents	25,452,231	44,816,515
Cash and cash equivalents at the beginning of the period	75,704,694	30,888,179
Cash and cash equivalents at the end of the period	101,156,925	75,704,694

8. PARENT COMPANY'S CONTRIBUTION TO THE GROUP'S RESULT

The table below shows the significant share of the parent company in the consolidated results:

	December 31, 2025			December 31, 2024		
	Group	The parent company	% Parent company	Group	The parent company	% Parent company
	RON	RON		RON	RON	
Non-current assets	232,234,693	230,958,022	99.45%	328,195,029	322,667,295	98.32%
Current assets	120,477,914	117,978,784	97.93%	111,784,876	109,521,681	97.98%
Equity attributable to the company's shareholders	325,123,065	319,530,643	98.28%	392,786,747	384,722,511	97.95%
Long-term liabilities	18,402,174	19,689,849	107.00%	31,119,293	31,358,324	100.77%
Current liabilities	8,913,603	9,716,314	109.01%	15,731,612	16,108,141	102.39%
Revenue	29,266,489	29,317,963	100.18%	97,670,343	97,667,983	100.00%
Profit / (Loss) for the period	(12,750,096)	(10,728,051)	84.14%	(10,993,979)	(7,407,144)	67.37%

9. SUBSEQUENT EVENTS

By decision adopted on 15.01.2026, the parent company approved the appointment of Mr. Mihai Odoviciuc as Deputy General Manager, effective as of 01.02.2026.

Between 21.01.2026 – 03.02.2026, the parent company carried out a public offer for the purchase of its own shares, based on the A.S.F. Decision no. 25/15.01.2026, issued in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations. The offer was completed with the acquisition of 12,230,815 treasury shares, representing 1.8092% of the share capital.

At the meeting of the Board of Directors of Electromagnetica S.A. on 10.02.2026, the registration of the updated value of property, plant and equipment and investment property as of 31.12.2025 in the amount of RON 219,789,868 was approved, resulting in a total negative net revaluation difference of RON 77,804,415 compared to the value prior to the revaluation of RON 297,594,283.

Also, at the meeting of 10.02.2026, in accordance with the accounting policy manual, the Board of Directors of Electromagnetica S.A. approved the reclassification on 31.12.2025 from property, plant and equipment to investment property of assets worth RON 160,526,647, representing buildings and land.

Also, on 25.02.2026, at the headquarters in Bucharest, Calea Rahovei no. 266–268, sector 5, a competitive auction was organized, in which a series of assets from the company's patrimony were awarded, at the total price of EUR 115,000, to which is added VAT. The sale-purchase contract was signed with the successful bidder.

On 27.02.2026, Electromagnetica S.A. published on its website and on the website of the Bucharest Stock Exchange the preliminary financial results for 2025.

10. DIVIDEND POLICY

Electromagnetica S.A.:

Given that, in 2025, there was a negative result, the Board of Directors' proposal is to cover the loss by using the "other reserves" account.

Procetel S.A.:

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

NOTE: This material presents only the elements characteristic of the consolidated situations, namely those related to the group of companies controlled by Electromagnetica S.A. As the group's activity is mostly determined by the activity of the parent company, all other aspects described in the *Administrators' Report – Separate Statements* are also valid for the *Administrators' Report – Consolidated Statements*, without being repeated in this material.

Chairman of the Board of Directors

Daniela – Adi Cucu

General Manager

George – Alin Ștefan

Chief Accountant

Maria Gârzu



DECLARATION

By this present document, we confirm that, to the best of our knowledge, the annual financial statements, prepared in accordance with the applicable accounting standards, provide 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 process of consolidating the financial statements, as a whole, and that the Board of Directors' report includes a correct analysis of the development and performance of Electromagnetica S.A. and the companies involved in the consolidation.

We also confirm that:

- the accounting policies applied in the preparation of the consolidated annual financial statements are in accordance with the applicable accounting regulations;
- the consolidated annual financial statements give a true and fair view of the financial position, financial performance, and other information relating to the activities of the group.

Chair of the Board
Daniela – Adi Cucu

General Manager
George – Alin Ștefan

Chief Accountant
Maria Gârzu