

**Separate preliminary financial statements for
the financial year ended December 31, 2025
(unaudited)**

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

ELECTROMAGNETICA S.A.

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ELECTROMAGNETICA S.A.
PRELIMINARY SEPARATE STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Period of 12 months ended at December 31 2025	Period of 12 months ended at December 31 2024
Revenues	29,317,963	97,667,983
Investment income	-	5.820.666
Net result from the revaluation of investment properties	(9,161,082)	-
Other net income and expenses	(704,028)	3,098,513
Changes in inventories of finished goods and work in progress	(1,443,584)	(2,447,031)
Raw materials and consumables used	(5,442,609)	(56,028,654)
Employees benefits expenses	(9,442,162)	(25,297,143)
Depreciation and amortization expense	(13,341,124)	(10,733,561)
Other expenses	(13,210,558)	(16,970,682)
Financial income	10,108,755	1,886,960
Financial expenses	(345,922)	(221,171)
Profit / (Loss) before tax	(13,664,351)	(3,224,120)
Income tax	2,936,300	(4,183,024)
Profit / (Loss) of the period	(10,728,051)	(7,407,144)
Other comprehensive income:	(54,463,817)	46,381,897
<i>Items which will not be reclassified subsequently to profit and loss:</i>		
- Increases/(decreases) in the revaluation reserve of property, plant and equipment, net of tax	(54,463,817)	46,381,897
Comprehensive income for the period	(65,191,868)	38,974,753
Basic/diluted earnings per share	(0.0159)	(0.0110)

These preliminary separate financial statements were approved for issue by management as of **february 26, 2026:**

GEORGE – ALIN ȘTEFAN
Managing Director

MARIA GÂRZU
Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	December 31, 2025	December 31, 2024
ASSETS		
Non-current assets		
Property, plant and equipment	54,744,749	296,843,904
Investment property	170,145,830	18,780,265
Intangible assets	163,440	359,541
Investments in related entities	732,008	842,008
Other non-current assets	2,851,070	4,512,037
Rights of use assets	2,320,925	1,329,540
Total non-current assets	230,958,022	322,667,295
Current assets		
Inventories	1,284,983	7,234,948
Trade receivable	6,566,025	12,924,372
Cash and cash equivalents	98,632,700	83,532,273
Deposits placed with banks	173,642	10,000,000
Other current assets	10,067,115	3,284,963
Assets classified as held for sale	-	841,296
Current tax assets	1,254,319	1,703,829
Total current assets	117,978,784	109,521,681
Total assets	348,936,806	432,188,976
EQUITY AND LIABILITIES		
Equity		
Share capital	67,603,870	67,603,870
Reserves and other equity items	153,201,654	223,114,466
Retained earnings	98,725,119	94,004,175
Total equity	319,530,643	384,722,511
Non-current liabilities		
Trade and other payables	2,893,237	1,717,399
Deferred tax liabilities	15,143,319	28,903,190
Lease liabilities	1,653,293	737,735
Total non-current liabilities	19,689,849	31,358,324
Current liabilities		
Trade and other payables	7,399,728	12,724,364
Provisions	1,411,452	2,511,532
Lease liabilities	905,134	872,245
Total current liabilities	9,716,314	16,108,141
Total liabilities	29,406,163	47,466,465
Total equity and liabilities	348,936,806	432,188,976

These preliminary separate financial statements were approved for issue by management as of **february 26, 2026**:

GEORGE – ALIN ȘTEFAN
Managing Director

MARIA GÂRZU
Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Reserves from the revaluation of tangible assets, net of deferred tax</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Total equity</u>
Balance as of January 1, 2025	67,603,870	94,004,175	161,779,438	48,793,087	12,541,942	384,722,511
Total result related to the period:						
Profit or loss for the financial year	-	(10,728,051)	-	-	-	(10,728,051)
Other comprehensive income:	-	15,448,995	(62,505,669)	(7,407,143)	-	(54,463,817)
Net surplus / (decrease) from the revaluation of fixed assets, net of deferred tax	-	-	(54,463,817)	-	-	(54,463,817)
Transfer of reserves to retained earnings as a result of the depreciation and derecognition of revalued tangible assets	-	8,041,852	(8,041,852)	-	-	-
Legal reserve and other reserves	-	-	-	-	-	-
Transfer of the retained loss to reserves	-	7,407,143	-	(7,407,143)	-	-
Total comprehensive income for the period	-	4,720,944	(62,505,669)	(7,407,143)	-	(65,191,868)
Dividends distributed	-	-	-	-	-	-
Other items	-	-	-	-	-	-
Balance as of December 31, 2025	67,603,870	98,725,119	99,273,769	41,385,943	12,541,942	319,530,643

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GEORGE – ALIN ȘTEFAN
Managing Director

MARIA GÂRZU
Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Revaluation reserves tangible assets</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Deferred tax recognized in reserves</u>	<u>Total equity</u>
Balance as of 01 January 2024	67,603,870	63,035,361	146,040,464	79,826,174	12,541,942	(23,300,053)	345,747,758
Total result related to the period:							
Profit or loss for the financial year	-	(7,407,144)	-	-	-	-	(7,407,144)
Other comprehensive income	-	38,375,958	46,631,581	(31,033,088)	-	(7,592,554)	46,381,897
Net surplus from revaluation of fixed assets	-	-	55,118,967	-	-	-	55,118,967
Deferred tax related to revaluation	-	-	-	-	-	(8,737,070)	(8,737,070)
Legal reserve and other reserves	-	-	-	-	-	-	-
Transfer of reserves to retained earnings	-	8,487,386	(8,487,386)	-	-	-	-
Transfer of related deferred tax from revaluation reserve to retained earnings	-	(1,144,516)	-	-	-	1,144,516	-
Transfer of reserves to retained earnings	-	31,033,088	-	(31,033,088)	-	-	-
Total result related to the period:	-	30,968,814	46,631,581	(31,033,088)	-	(7,592,554)	38,974,753
Dividends distributed to shareholders	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	-	-
Balance as of December 31, 2024	67,603,870	94,004,175	192,672,045	48,793,086	12,541,942	(30,892,607)	384,722,511

These preliminary separate financial statements were approved for issue by management as of **february 26, 2026:**

GEORGE – ALIN ȘTEFAN

Managing Director

MARIA GÂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY SEPARATE STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Period of 12 months ended at December 31 2025	Period of 12 months ended at December 31 2024
Net profit/(loss) for the reporting period	(10,728,051)	(7,407,144)
Adjustments:		
Dividend income	-	(4,749,989)
The net movement of provisions and depreciation adjustments for:		
- inventories	4,417,995	5,011,322
- receivables	(957,819)	(3,933,896)
- employee benefits	(183,171)	(71,460)
- provisions for customer warranties and other provisions	(916,909)	1,177,556
Depreciation and amortization of non-current assets, including reversals	9,535,668	9,483,107
Investment subsidies	-	(3,920,652)
Revaluation of property, plant and equipment and investment property	12,966,538	179,777
Net gains from the disposal of property, plant and equipment	(1,262,746)	(1,128,569)
Loss on derecognition of property, plant and equipment	700,466	-
Interest expense	121,942	98,570
Interest income	(9,566,099)	(1,749,607)
Deferred tax expense (income)	(3,385,810)	4,183,024
Income tax expense	449,510	-
Cash generated from operating activities before changes in working capital	1,191,514	(2,872,961)
Payments for deposits placed for a period longer than 3 months	-	(10,000,000)
Proceeds from deposits placed for a period longer than 3 months	9,826,358	-
(Increase)/decrease in inventories	1,531,970	6,468,919
(Increase)/decrease in receivables and other assets	7,194,981	28,352,700
Increase/(decrease) in liabilities	(1,294,276)	(10,668,960)
Income tax paid	-	-
Net cash generated by/ (used in) operating activities	18,450,547	11,279,698
Cash flows from investing activities		
Acquisition of property, plant and equipment	(129,008)	(1,326,401)
Proceeds from sale of non-current-assets	3,504,595	33,585,014
Interest received	9,560,855	1,794,607
Dividends received	-	4,549,989
Net cash generated by/(used in) investing activities	12,936,442	38,603,209
Cash flows from financing activities		
Payments related to the guarantee of the share buyback plan	(5,000,000)	-
Paid leasing	(1,157,767)	(1,350,768)
Interest paid	(121,942)	(98,570)
Dividends paid	(6,853)	(40,196)
Net cash generated by/ (used in) financing activities	(6,286,562)	(1,489,534)
Net increase / (decrease) in cash and cash equivalents	25.100.427	48,393,373
Cash and cash equivalents at the beginning of reporting period	75.532.273	25,138,900
Cash and cash equivalents at end of period	98.632.700	73,532,273

These preliminary separate financial statements were approved for issue by management as of **february 26, 2026**:

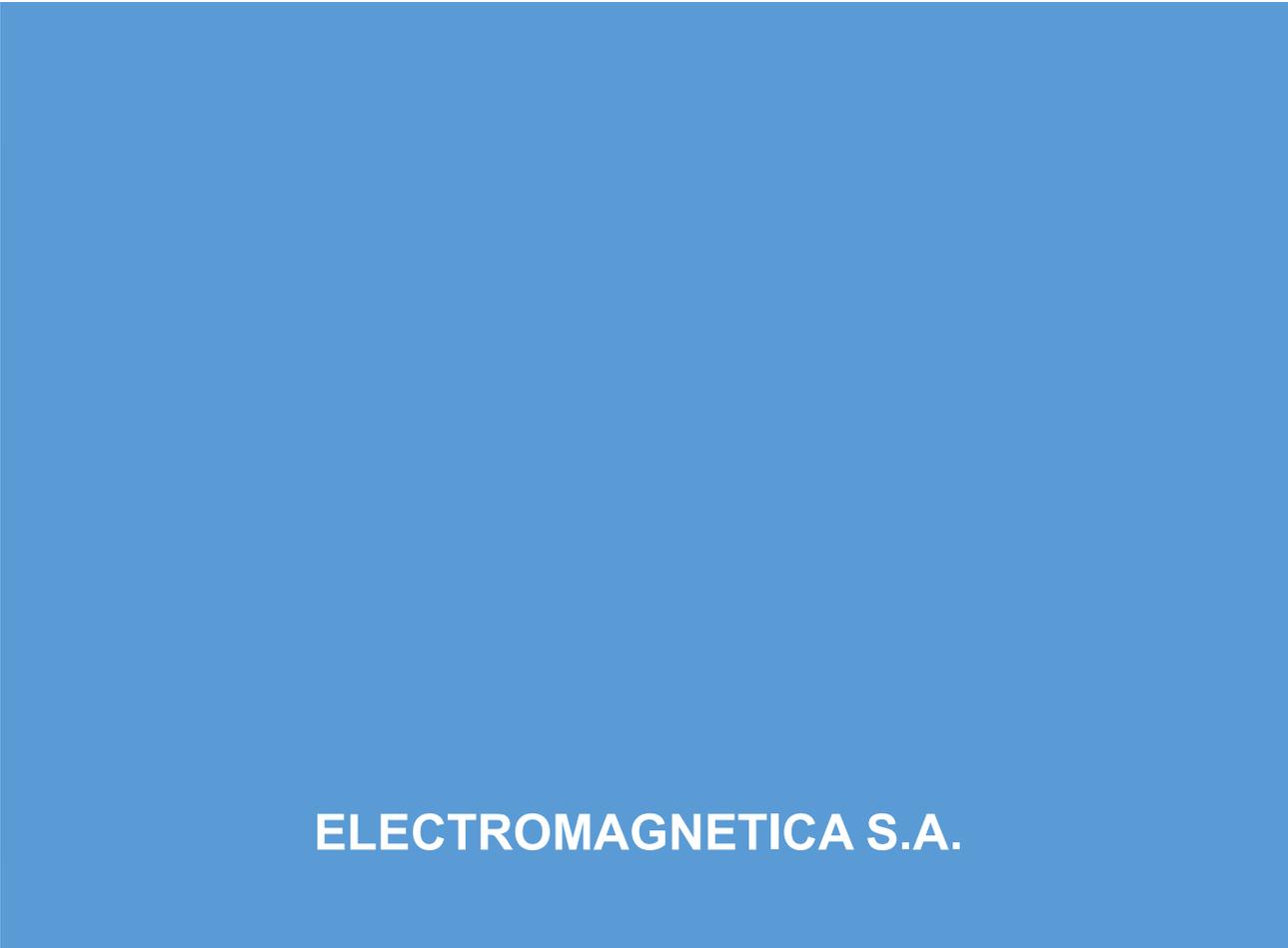
GEORGE – ALIN ȘTEFAN
Managing Director

MARIA GÂRZU
Chief Accountant



**Consolidated preliminary financial statements
for the financial year ended December 31,
2025 (unaudited)**

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ELECTROMAGNETICA S.A.

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ELECTROMAGNETICA S.A.
PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Period of 12 months ended at December 31 2025	Period of 12 months ended at December 31 2024
Revenue	29,266,489	97,670,343
Net result from the revaluation of investment properties	(12,377,851)	1,334,586
Other net incomes and expenses	(685,141)	3,139,468
Change in inventories of finished products and work in progress	(1,443,584)	(2,447,031)
Raw materials and consumables used	(5,442,609)	(56,061,510)
Employees benefits expenses	(9,443,081)	(26,257,762)
Depreciation and amortization expense	(12,385,020)	(9,682,080)
Other expenses	(13,631,209)	(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)
Income tax	3,334,113	(4,321,350)
Profit / (Loss) for the period	(12,750,096)	(10,993,979)
Other comprehensive income:	(54,535,111)	46,461,440
<i>Items which will not be reclassified subsequently to profit and loss:</i>		
- Increases/(decreases) in the revaluation reserve of property, plant and equipment, net of tax	(54,535,111)	46,461,440
Comprehensive income for the period	(67,285,207)	35,467,461
Profit/(loss) of the year attributable to:		
Owners of the Group	(12,681,608)	(11,065,339)
Non-controlling interests	(68,488)	71,360

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GEORGE – ALIN ȘTEFAN

Managing Director

MARIA GÂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	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 placed with banks	173,642	10,000,000
Other current assets	10,069,087	3,320,621
Assets classified as held for sale	-	841,296
Current 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 shareholders	325,123,065	392,786,747
Non-controlling interests	273,765	342,253
Total equity	325,396,830	393,129,000
Non-current liabilities		
Trade and other payables	2,893,237	1,717,399
Deferred 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

These preliminary consolidated financial statements were approved for issue by management as of **february 26, 2026**:

GEORGE – ALIN ȘTEFAN

Managing Director

MARIA GÂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Reserves from the revaluation of tangible assets, net of deferred tax</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance as of January 01, 2025	67,603,870	101,385,735	163,040,115	48,193,085	12,563,942	342,253	393,129,000
Total result related to the period:							
Profit or loss for the financial year	-	(12,681,608)	-	-	-	(68,488)	(12,750,096)
Other comprehensive income	-	15,474,934	(62,580,901)	(7,407,144)	(22,000)	-	(54,535,111)
Net surplus / (decrease) from the revaluation of fixed assets, net of deferred tax	-	-	(54,535,111)	-	-	-	(54,535,111)
Transfer of reserves to retained earnings as a result of the depreciation and derecognition of revalued tangible assets	-	8,041,851	(8,041,851)	-	-	-	-
Legal reserve and other reserves	-	25,939	(3,939)	-	(22,000)	-	-
Transfer of the retained loss to reserves	-	7,407,144	-	(7,407,144)	-	-	-
Total result related to the period:	-	2,793,326	(62,580,901)	(7,407,144)	(22,000)	(68,488)	(67,285,207)
Dividends distributed to shareholders	-	-	-	-	-	-	-
Other elements	-	(446,963)	-	-	-	-	(446,963)
Balance as of December 31, 2025	67,603,870	103,732,098	100,459,214	40,785,941	12,541,942	273,765	325,396,830

These preliminary consolidated financial statements were approved for issue by management as of **february 26, 2026**:

GEORGE – ALIN ȘTEFAN

Managing Director

MARIA GÂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Revaluation reserves tangible assets</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Deferred tax recognized in reserves</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
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 the retained loss to reserves	-	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
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 preliminary consolidated financial statements were approved for issue by management as of **february 26, 2026**:

GEORGE – ALIN ȘTEFAN

Managing Director

MARIA GÂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Period of 12 months ended at December 31 2025	Period of 12 months ended at December 31 2024
Net profit/(loss) for the period	(12,750,096)	(10,993,979)
Adjustments:		
Dividend income	-	-
Net movement of provisions and depreciation adjustments for:		
- inventories	4,417,995	5,011,322
- receivables	(957,819)	(3,261,991)
- employee benefits	(183,171)	(71,460)
- provisions for customer warranties and other provisions	(916,909)	1,177,556
Depreciation and amortization of non-current assets, including reversals	8,579,564	8,431,626
Investment subsidies	-	(3,920,652)
Revaluation of property, plant and equipment and investment property	16,183,307	(84,132)
Net gains from the disposal of property, plant and equipment	(1,262,088)	(1,169,524)
Loss on derecognition of property, plant and equipment	700,466	-
Interest expense	22,518	12,503
Interest income	(9,651,874)	(1,905,780)
Deferred tax expense (income)	(3,900,493)	4,183,024
Income tax expense	566,380	138,326
Cash generated from operating activities before changes in working capital	847,780	(2,453,161)
Payments for deposits placed for a period longer than 3 months	-	(10,000,000)
Proceeds from deposits placed for a period longer than 3 months	9,826,358	-
(Increase)/decrease in inventories	1,605,385	6,434,304
(Increase) / decrease in receivables and other assets	7,270,559	27,883,657
Increase/(decrease) in liabilities	(1,899,569)	(10,852,575)
Income tax paid	(170,608)	(117,198)
Net cash generated by/ (used in) operating activities	17,479,905	10,895,027
Cash flows from investment activities		
Purchase of tangible fixed assets	(79,489)	(1,412,612)
Proceeds from sale of fixed assets	3,504,595	33,627,439
Interest accrued	9,646,630	1,905,780
Dividends received	-	-
Net cash generated by/(used in) investing activities	13,071,736	34,120,607
Cash flows from financing activities		
Payments related to the guarantee of the share buyback plan	(5,000,000)	-
Repayment of lease liability	(70,039)	(144,466)
Interest paid	(22,518)	(12,503)
Dividends paid	(6,853)	(42,150)
Net cash generated by/ (used in) financing activities	(5,099,410)	(199,119)
Net increase / (decrease) in cash and cash equivalents	25,452,231	44,816,515
Cash and cash equivalents at the beginning of reporting period	75,704,694	30,888,179
Cash and cash equivalents at the end of the reporting period	101,156,925	75,704,694

These preliminary consolidated financial statements were approved for issue by management as of **february 26, 2026**:

GEORGE – ALIN ȘTEFAN
Managing Director

MARIA GÂRZU
Chief Accountant