



ELECTROMAGNETICA S.A.

QUARTERLY REPORT AS OF MARCH 31, 2026

- SEPARATE STATEMENTS -

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ELECTROMAGNETICA S.A.

SEPARATE QUARTERLY REPORT FOR THE 1ST QUARTER OF 2026

**Separate financial results for the first quarter of 2026 (Q1 2026)
compared to the first quarter of 2025 (Q1 2025)
(unaudited)**

IDENTIFICATION DATA OF THE COMPANY

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
Registration code (CUI):	414118
Reg. No. at the ORCTB:	J1991000019408
Regulated market:	BVB, Equity Sector, Equities, Premium Category
Market symbol:	ELMA
Number of shares:	676,038,704
Par value:	0.1000 RON
Share capital:	67,603,870.40 RON
LEI Code:	254900MYW7D8IGEFRG38

GENERAL INFORMATION

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 articles of association 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 S.A.

The principal activity of Electromagnetica S.A. is 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).

Electromagnetica S.A., as a company whose shares are admitted on a regulated market (Bucharest Stock Exchange, Premium category, symbol ELMA), has adopted IFRS 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.

DESCRIPTION OF THE ACTIVITY AND OPERATIONAL CONTEXT

In the first quarter of 2026, the Company continued the process of consolidating the management and rental activity of commercial and industrial spaces, with a focus on increasing recurring revenues and optimizing the performance of the real estate portfolio.

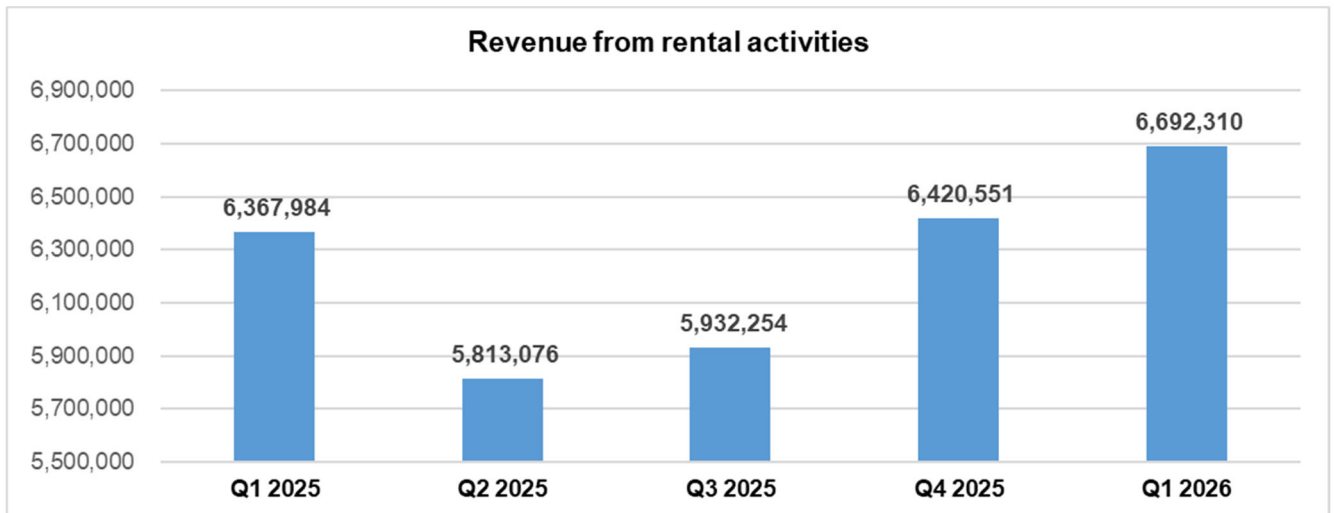
The Company's business model is based on generating stable income from the rental of real estate assets, the portfolio consisting of commercial and industrial spaces with a total area of approximately 65,400 sqm GLA, distributed as follows:

- 62,000 sqm in Bucharest (Calea Rahovei 266–268) - Electromagnetica Business Park;
- 3,400 sqm in Vârteju, Magurele city, Ilfov county.

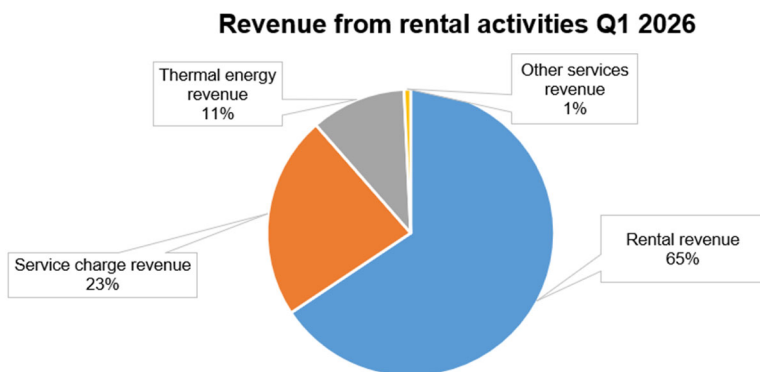
In an economic context still characterized by volatility and cost pressures, the Company continued the efficiency measures previously implemented, aiming to:

- stabilization of recurring rental income;
- increasing the occupancy rate;
- optimization of the contractual structure with tenants;
- strict control of operational costs.

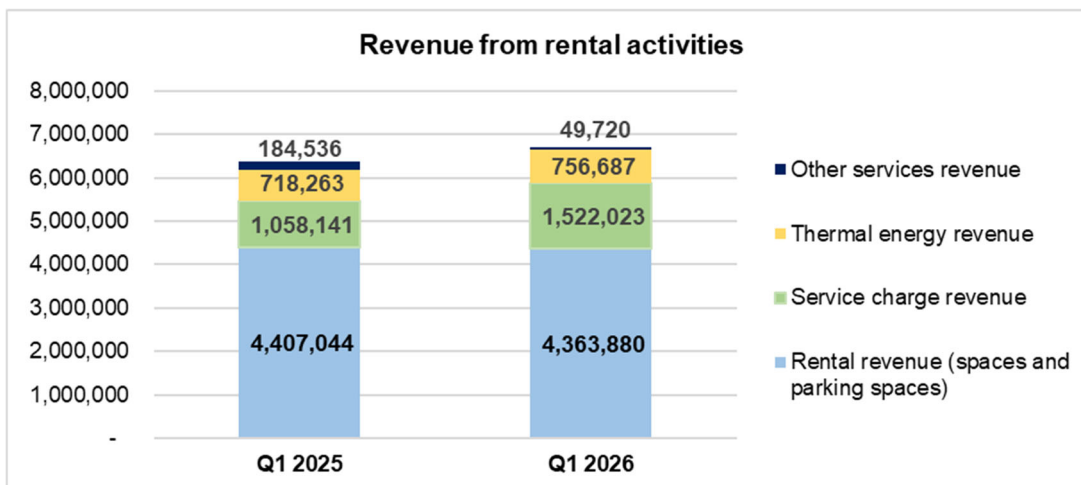
Revenue from rental activity (rent, service charge, thermal energy, and utilities) increased by 5% compared to Q1 2025, confirming the resilience of the portfolio in competitive market conditions.



In Q1 2026, revenue from rental activities was composed of revenues from renting spaces and parking lots (65%), revenues from service charge (23%) and revenues from thermal energy fees (11%). The seasonal differences between quarters (Q1 and Q4 compared to Q2 and Q3) are mainly generated by the thermal energy revenues invoiced to tenants in the cold season.



Revenues generated from the rental of spaces and parking spaces decreased by 1% compared to the first quarter of 2025, the decrease being mainly determined by the termination of some contracts at the end of 2025.



On April 8, 2026, Electromagnetica S.A. approved the conclusion of the lease agreement with KOMFITT Expert S.R.L. for a space of 2,995 sqm (approx. 5% of the total leasable area of GLA), as well as 50 parking spaces within the Electromagnetica Business Park location.

OPERATIONAL PERFORMANCE AND EVOLUTION OF THE REAL ESTATE PORTFOLIO

As of March 31, 2026, the real estate portfolio maintained a relatively stable occupancy level compared to the end of 2025, the evolution being influenced by contractual renegotiations and adjustments in the tenant structure. During Q1 2026, 9 new lease contracts were concluded, totaling an area of 3,413 sqm. The demand was predominantly focused on office spaces, but also on units intended for commercial activities with a production and distribution component. In the same period, 14 contract renewals were negotiated, totaling 860 sqm, contributing to maintaining income stability.

The occupancy rate is differentiated by location:

- Calea Rahovei 266-268 (Bucharest): ~50% average rental rate;
- Vârteju (Ilfov): ~70% average rental rate.

The occupancy level in Bucharest continues to indicate a potential for optimization, while the assets in Vârteju show higher operational stability.

The company leased approximately 300 parking spaces in the first quarter of 2026, of which 10 spaces in the location in Vârteju (Ilfov) and 290 in the location in Calea Rahovei 266-268 (Bucharest).

The evolution of the portfolio reflects:

- the continuation of the process of renegotiation of existing contracts;
- targeting tenants with high creditworthiness and low risk;
- maintaining a balance between employment and income quality;
- focus on the stability of recurring cash flows.

At the Q1 2026 level, the Company managed approximately 300 contractual lease agreements. The top 10 tenants generated about 35% of rental income, and the top 20 about 50%, indicating a moderate level of revenue concentration.

The structure of the portfolio according to the destination of the spaces remains balanced:

- storage spaces – 32%;
- office spaces – 27%;
- service spaces – 25%;
- production spaces – 16%.

This structure reflects an operational diversification that helps to reduce the risk of concentration on a single business segment.

The portfolio management activity was supported by a prudent approach to maintenance investments, oriented towards maintaining the functionality of the assets and gradually improving the attractiveness of the available spaces, in parallel with the optimization of operational costs.

FINANCIAL PERFORMANCE ANALYSIS AND STRATEGIC DIRECTIONS

In the first quarter of 2026, the Company recorded a mixed evolution of financial indicators, characterized by a reduction in revenue, while improving operating profitability and net income.

Indicator	Q1 2025	Q1 2026
Revenue (RON thousand)	9,674	6,784
EBITDA* (RON thousand)	(290)	3,495
Net result (RON thousand)	(1,445)	3,457

*EBITDA represents profit before corporate income tax expense, depreciation and amortization expense, expenses and financial income.

The 30% reduction in revenue is associated with the process of repositioning the Company's activity towards a model centered on recurring rental income, this segment becoming the main generator of stable operating flows, with a share of approximately 99% in the total revenue.

The significant increase in EBITDA and net income is mainly due to:

- streamlining the operational cost structure;
- reduction and optimisation of administrative costs;
- recurrent rental income.

Personnel expenses decreased by 64%, from RON 3,571 thousand in Q1 2025 to RON 1,280 thousand in Q1 2026, in line with the decrease in the average number of employees, from 102 to 35.

At the same time, depreciation and amortisation expenses decreased by 71%, from RON 2,665 thousand to RON 772 thousand. This evolution reflects the reclassification, on December 31, 2025 of properties from the category property, plant and equipment to investment property, following the change of their destination from own use for rental purposes.

Overall, the positive evolution of profitability highlights the increase in operational efficiency, in the context of the focus of the activity on the management and capitalization of the real estate portfolio.

Strategic perspectives and directions

For the next period, the Company maintains its strategic orientation towards consolidating a stable business model, based on recurring and predictable revenues.

The main directions include:

- increasing the occupancy rate of the real estate portfolio;
- optimizing the tenant mix, with a focus on reducing the risk of concentration;
- improving the contractual structure in the medium and long term;
- maximizing the yield of your existing portfolio by making efficient use of available space.

The strategic objective remains to strengthen a stable and predictable operational profile, with a focus on operational efficiency and sustainable recurring revenue growth.

MANAGEMENT OF SIGNIFICANT RISKS

The Company'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 activity in 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 Electromagnetica.

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;
- the risk of sanctions;
- 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 company continuously monitors macroeconomic and sectoral 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 Company'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 variations, the Company 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 economic agents active in various fields.

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

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

Liquidity and cash-flow risk

Liquidity risk is the risk that the Company 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 Electromagnetica S.A. and sectors considered profitable or developing. Liquidity risk is closely correlated with market and credit risks and is monitored integrated into the risk management system.

Data protection and processing risk

The risk can be generated by situations such as accidental loss or modification of data, as well as unauthorized access to personal data. Regardless of the basis of processing, Electromagnetica 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 company manages this risk through preventive actions. This involves, among other things, monitoring legislative changes and informing employees, participation in courses and seminars (labor law, competition law, GDPR - personal data protection, risk management and corporate governance, etc.).

Litigation risk

The company is involved in disputes specific to its current activity, but their values are not likely to affect financial stability. In most cases, the Company has the status of creditor.

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

Risks covered by insurance policies

In order to mitigate the impact of unforeseen events, the Company 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, liability of directors.

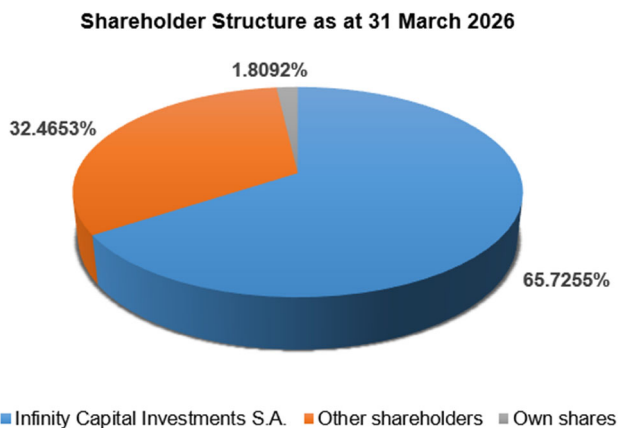
SIGNIFICANT EVENTS

Several events took place in the first quarter of 2026, the most important of which are set out below, in chronological order:

15.01.2026	Appointment of Mr. Mihai Odoviciuc as Deputy General Manager, starting with February 1, 2026.
15.01.2026	Approval by the Financial Supervisory Authority of the public offer document for the purchase of shares issued by Electromagnetica S.A.
19.01.2026	Steps regarding the sale of plastic injection machines
03.02.2026	Completion of the public tender offer for ELMA shares
27.02.2026	Publication of preliminary financial results as of 31 December 2025
06.03.2026	Conclusion of the deed regarding the sale of some goods with the successful bidder declared the winner in the auction organized on February 25, 2026, being awarded a series of assets from the patrimony, at the price of EUR 115,000, to which is added VAT.
19.03.2026	Convening of the Ordinary General Meeting and the Extraordinary General Meeting of Shareholders for April 24/25, 2026
31.03.2026	Acknowledging the resignation of Mr. George Ștefan from the position of General Manager (starting with March 31, 2026) and the appointment of Mr. Odoviciuc Mihai as General Manager (starting with April 1, 2026).

SHAREHOLDING STRUCTURE

As of 31.03.2026, according to the records of Depozitarul Central S.A., the shareholding structure was as follows:



Acquisition of own shares

At the Electromagnetica General Shareholders' Meeting on December 19, 2024, the Company's buyback program of its own shares was approved.

- the size of the program – the redemption of a maximum of 60,000,000 treasury shares with a nominal value of RON 0.10/share;
- the acquisition price - the minimum purchase price will be 0.1 RON/share, and the maximum price will be 0.4 RON/share;
- duration of the program – maximum period of 18 months from the date of registration in the Trade Register;
- the payment of the repurchased shares will be made from the distributable profit or from the available reserves of the company recorded in the last approved annual financial statement, except for legal reserves, according to the 2023 financial statements;
- Destination of the programme — reduction of the share capital by cancelling the repurchased shares.

On 15.01.2026, the company informed shareholders and investors that the Financial Supervisory Authority issued Decision no. 25/15.01.2026, which approved the public offer document for the purchase of shares issued by Electromagnetica

S.A., initiated by the Company, in accordance with the Resolution of the General Shareholders' Meeting of 19.12.2024, an offer with the following characteristics:

- Number of shares subject to the offer: 60,000,000 shares, representing 8.8752% of the share capital;
- Nominal value: 0.1 RON/share;
- The purchase price is: 0.26 RON/share;
- Period: 21.01.2026-03.02.2026;
- Intermediary of the offer: SWISS Capital S.A.;
- Subscription places: according to the information contained in the offer document.

On 06.02.2026, the Company informs shareholders and investors that, during the tender offer carried out between 21.01.2026 - 03.02.2026, it acquired 12,230,815 treasury shares, representing 1.8092% of the share capital.

Chairman of the Board of Directors

Daniela – Adi Cucu

General Manager

Mihai Odoviciuc

Chief Accountant

Maria Gârzu

ELECTROMAGNETICA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2026 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Note	Period of 3 months ended March 31 2026	Period of 3 months ended March 31 2025
Revenue	11	6,783,795	9,674,473
Other net income and expenses	12	1,532,557	177,445
Variation in the inventory of finished products and production in progress		(104,371)	(687,668)
Expenses on raw materials and consumables	13	(6,415)	(2,594,426)
Employees benefits expenses	13	(1,280,024)	(3,570,913)
Depreciation and amortization expenses	13	(771,994)	(2,664,579)
Other expenses	13	(3,430,715)	(3,288,997)
Financial income	14	1,169,827	1,114,795
Financial expenses	14	(189,006)	(49,346)
Profit / (Loss) before tax		3,703,654	(1,889,216)
Corporate income tax	15	(246,315)	443,933
Profit / (Loss) for the period		3,457,339	(1,445,283)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
- Increases/(decreases) of the reserve from the revaluation of property, plant and equipment, net of tax		-	-
Total comprehensive income		3,457,339	(1,445,283)
Basic result/diluted per share	16	0.0052	(0.0021)

The condensed interim separate financial statements were approved by the management on **14 May 2026**:

MIHAI ODOVICIUC
General Manager

MARIA GÂRZU
Chief Accountant

ELECTROMAGNETICA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2026 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Note</u>	<u>March 31 2026</u>	<u>December 31 2025</u>
ASSETS			
Non-current assets			
Property, plant and equipment	4	54,243,989	54,744,749
Investment property		170,145,830	170,145,830
Intangible assets		114,416	163,440
Investments in subsidiaries		732,008	732,008
Other non-current assets		1,935,051	2,851,070
Rights of use assets	5	2,103,002	2,320,925
Total non-current assets		<u>229,274,296</u>	<u>230,958,022</u>
Current assets			
Inventories	6	1,239,889	1,284,983
Trade receivables	7	7,317,456	6,566,025
Cash and cash equivalents	9	103,270,629	98,632,700
Deposits in banks	9	137,253	173,642
Other current assets	8	6,470,081	10,067,115
Current income tax receivables		1,103,567	1,254,319
Total current assets		<u>119,538,875</u>	<u>117,978,784</u>
Total assets		<u>348,813,171</u>	<u>348,936,806</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		67,603,870	67,603,870
Reserves and other equity items		153,119,179	153,201,654
Retained earnings		102,264,933	98,725,119
Own shares		(3,220,542)	-
Total equity		<u>319,767,440</u>	<u>319,530,643</u>
Long-term liabilities			
Trade and other payables	10	2,820,482	2,893,237
Deferred income tax liabilities		15,238,882	15,143,319
Lease liabilities		1,494,278	1,653,293
Total long-term liabilities		<u>19,553,642</u>	<u>19,689,849</u>
Current liabilities			
Trade and other payables	10	7,084,638	7,399,728
Provisions		1,546,884	1,411,452
Lease liabilities		860,567	905,134
Total current liabilities		<u>9,492,089</u>	<u>9,716,314</u>
Total liabilities		<u>29,045,731</u>	<u>29,406,163</u>
Total equity and liabilities		<u>348,813,171</u>	<u>348,936,806</u>

The condensed interim separate financial statements were approved by the management on **14 May 2026**:

MIHAI ODOVICIUC

General Manager

MARIA GĂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2026 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Period of 3 months ended March 31 2026	Period of 3 months ended March 31 2025
Profit/(loss) for the period	3,457,339	(1,445,283)
Adjustments :		
Net movement of provisions and impairment adjustments for:		
- inventories	(65,366)	-
- receivables	(745,641)	-
- employee benefits	47,426	(6,948)
- provisions for warranties and other provisions	88,006	55,418
Depreciation and amortization of non-current assets, including reversals	771,994	2,664,579
Net gains on disposal of non-current assets	(702,274)	(147,440)
Interest expense	32,285	21,223
Interest income	(1,147,554)	(1,113,103)
Deferred tax expense (income)	95,563	(443,933)
Corporate income tax expense	150,752	-
Cash generated by operating activities before changes in working capital	1,982,530	(415,487)
Receipts from deposits made over a period of more than 3 months	36,389	-
(Increase)/decrease in inventories	110,460	799,233
(Increase)/decrease in receivables and other assets	(773,030)	2,634,779
Increase/(decrease) of liabilities	(627,662)	(3,855,328)
Corporate income tax paid	-	-
Net cash from operating activities	728,687	(836,803)
Cash flows from investment activities		
Purchase of tangible assets	(5,200)	(6,940)
Proceeds from the sale of fixed assets	1,112,333	1,252,038
Interest received	1,035,007	1,113,103
Net cash used in investment activities	2,142,140	2,358,201
Cash flows from financing activities		
Proceeds related to the guarantee of the share buyback plan	1,811,259	-
Repayment of lease liability	(11,061)	(318,762)
Interest paid	(32,285)	(21,223)
Dividends paid	(811)	(661)
Net cash used in financing activities	1,767,102	(340,646)
Net increase/(decrease) of cash and cash equivalents	4,637,929	1,180,752
Cash and cash equivalents at the beginning of the period	98,632,700	73,532,273
Cash and cash equivalents at the end of the period	103,270,629	74,713,025

The condensed interim separate financial statements were approved by the management on **14 May 2026**:

MIHAI ODOVICIUC
General Manager

MARIA GÂRZU
Chief Accountant

ELECTROMAGNETICA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
AS OF MARCH 31, 2026 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Reserves from the revaluation of property, plant and equipment, net of deferred tax</u>	<u>Other elements</u>	<u>Legal reserves</u>	<u>Own shares</u>	<u>Total equity</u>
Balance as of January 01, 2026	67,603,870	98,725,119	99,273,769	41,385,943	12,541,942	-	319,530,643
Comprehensive income for the period							
Profit or loss for the period	-	3,457,339	-	-	-	-	3,457,339
Other comprehensive income	-	82,475	(82,475)	-	-	-	-
Surplus / (decrease) net from revaluation of property, plant and equipment, net of deferred tax	-	-	-	-	-	-	-
Transfer of reserve from revaluation to retained earnings, net of deferred tax	-	82,475	(82,475)	-	-	-	-
Transfer of other reserves to retained earnings	-	-	-	-	-	-	-
Coverage of accumulated losses from reserves	-	-	-	-	-	-	-
Total comprehensive income for the period	-	3,539,814	(82,475)	-	-	-	3,457,339
Other elements	-	-	-	-	-	-	-
Own shares acquired	-	-	-	-	-	(3,220,542)	(3,220,542)
Balance as of March 31, 2026	67,603,870	102,264,933	99,191,294	41,385,943	12,541,942	(3,220,542)	319,767,440

The condensed interim separate financial statements were approved by the management on **14 May 2026**:

MIHAI ODOVICIUC

General Manager

MARIA GÂRZU

Chief Accountant

ELECTROMAGNETICA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
AS OF MARCH 31, 2026 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Revaluation reserves of property, plant and equipment</u>	<u>Other elements</u>	<u>Legal reserves</u>	<u>Deferred tax recognised in reserves</u>	<u>Total equity</u>
Balance as of January 01, 2025	67,603,870	94,004,175	192,672,045	48,793,086	12,541,942	(30,892,607)	384,722,511
Comprehensive income for the period							
Profit or loss for the period	-	(1,445,283)	-	-	-	-	(1,445,283)
Other comprehensive income	-	1,493,214	(1,855,112)	-	-	361,898	-
Net surplus from revaluation of property, plant and equipment	-	-	-	-	-	-	-
Deferred tax result related to revaluation	-	-	-	-	-	-	-
Establishment of legal reserve and other reserves	-	-	-	-	-	-	-
Transfer of revaluation reserve to retained earnings as a result of depreciation and write-down of revalued property, plant and equipment	-	1,855,112	(1,855,112)	-	-	-	-
Transfer of tax related to reserve from revaluation to retained earnings	-	(361,898)	-	-	-	361,898	-
Transfer of net profit to reserves	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	-	-
Total comprehensive income for the period	-	47,931	(1,855,112)	-	-	361,898	(1,445,283)
Dividends distributed	-	-	-	-	-	-	-
Other elements	-	-	-	-	-	-	-
Balance as of March 31, 2025	67,603,870	94,052,106	190,816,933	48,793,086	12,541,942	(30,530,709)	383,277,228

The condensed interim separate financial statements were approved by the management on **14 May 2026**:

MIHAI ODOVICIUC
General Manager

MARIA GÂRZU
Chief Accountant

ELECTROMAGNETICA S.A.
EXPLANATORY NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
AS OF MARCH 31, 2026 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION

Electromagnetica S.A. 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. 31/1990 as well as Law no. 24/2017 on issuers of financial instruments and market operations and Regulation no. 5/2018 on issuers of financial instruments and market operations.

The company has its registered office in Bucharest, Calea Rahovei nr. 266-268, sector 5, Bucharest, Romania, postal code 050912, telephone 021.404.21.01, 021.404.21.02, fax 021.404.21.95, website www.electromagnetica.ro, unique registration code RO 414118, registration number with the Trade Register J1991000019408.

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 S.A.

The principal activity of Electromagnetica S.A. is 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).

The details of the Company's investments in subsidiaries as of March 31, 2026 and December 31, 2025 are as follows:

March 31, 2026

Subsidiary name	<u>Number of shares</u>	<u>Ownership and voting rights (%)</u>	<u>Value</u>
Procetel S.A.	42,483	96.548%	<u>732,008</u>

December 31, 2025

Subsidiary name	<u>Number of shares</u>	<u>Ownership and voting rights (%)</u>	<u>Value</u>
Procetel S.A.	42,483	96.548%	<u>732,008</u>

At the General Meeting of Shareholders of Procetel S.A. held on 18.11.2024, the dissolution of Procetel S.A. was approved, the date of dissolution being set at 30 days from the publication of the Decision of the General Shareholders' Meeting in the Official Gazette. As of 31.03.2026, the trial was ongoing.

2. BASICS OF PREPARATION

The separate condensed and unaudited interim financial statements as of and for the three-month period ended March 31, 2026 were prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed separate interim financial statements do not contain all the information and items disclosed in the annual separate financial statements, and should be read in conjunction with the Company's annual separate financial statements as of December 31, 2025.

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

The condensed separate interim financial statements for the three-month period ended March 31, 2026 are not audited and have not been reviewed by an external auditor.

3. MAIN 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 reporting as at 31 December 2025, except for the adoption of the new standards in force from 1 January 2026. Their adoption did not have a material impact on the disclosures or the amounts reported in these financial statements. Standards, interpretations or amendments issued (but not entered into force) have not been adopted in carrying out current reporting.

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4. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and land improvements	Buildings	Technological equipment and vehicles	Other property, plant and equipment	Property, plant and equipment in progress	Total
As of December 31, 2025	47,260,412	2,382,934	10,492,823	1,977,900	2,500	62,116,569
Inputs	-	-	-	4,298	-	4,298
Outputs	-	-	(195,781)	(48)	-	(195,829)
As of March 31, 2026	47,260,412	2,382,934	10,297,042	1,982,150	2,500	61,925,038
Accumulated depreciation						
As of December 31, 2025	-	-	(5,459,167)	(636,379)	-	(6,095,546)
Depreciation of the period	-	(42,773)	(417,476)	(44,797)	-	(505,046)
Cumulative depreciation of outputs	-	-	195,817	-	-	195,817
As of March 31, 2026	-	(42,773)	(5,680,826)	(681,176)	-	(6,404,775)
Impairment adjustments						
As of December 31, 2025	-	-	(1,276,274)	-	-	(1,276,274)
Impairment adjustments recognised in profit or loss	-	-	-	-	-	-
Reversals of impairment adjustments recognised in profit or loss	-	-	-	-	-	-
As of March 31, 2026	-	-	(1,276,274)	-	-	(1,276,274)
Net book value						
As of December 31, 2025	47,260,412	2,382,934	3,757,382	1,341,521	2,500	54,744,749
As of March 31, 2026	47,260,412	2,340,161	3,339,942	1,300,974	2,500	54,243,989

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5. RIGHTS OF USE ASSETS

	<u>Buildings</u>
Cost	
As of December 31, 2025	<u>3,431,256</u>
Inputs	-
Outputs	-
As of March 31, 2026	<u>3,431,256</u>
Cumulative depreciation	
As of December 31, 2025	<u>(1,110,331)</u>
Depreciation of the period	(217,922)
Cumulative depreciation of outputs	-
As of March 31, 2026	<u>(1,328,253)</u>
Net book value	
As of December 31, 2025	<u>2,320,925</u>
As of March 31, 2026	<u>2,103,003</u>

The following amounts were recognised in the profit and loss account:

	<u>Period of 3 months ended March 31 2026</u>	<u>Period of 3 months ended March 31 2025</u>
Depreciation expense related to rights of use of leased assets	217,922	260,938
Interest on leasing liabilities	27,305	21,223
Expenses related to low-value leasing contracts	13,725	32,401
Total amounts recognised in the profit and loss account	<u>258,952</u>	<u>314,562</u>

6. INVENTORIES

	<u>March 31 2026</u>	<u>December 31, 2025</u>
Raw materials	6,474,486	6,478,549
Consumables	1,510,821	1,511,037
Finished products	10,881,487	10,987,958
Products in progress	60,889	60,889
Other inventories	995,072	994,782
Minus adjustments for inventory depreciation	(18,682,866)	(18,748,232)
Total	<u>1,239,889</u>	<u>1,284,983</u>

The company has no pledged inventories on account of debts.

7. NET TRADE RECEIVABLES

	<u>March 31 2026</u>	<u>December 31 2025</u>
Trade receivables	16,071,560	16,065,770
Minus adjustments for impairment of trade receivables	(8,754,104)	(9,499,745)
Total	<u>7,317,456</u>	<u>6,566,025</u>

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8. OTHER CURRENT ASSETS

	March 31 2026	December 31 2025
Claim from the sale of land	2,742,867	3,001,290
Prepaid expenses	1,807,340	110,750
The claim related to the expropriation of the land	1,416,422	1,416,422
Guarantees related to share buyback plan	-	5,000,000
Advances to suppliers	89,967	90,031
Other receivables	2,549	63,917
Other current assets	410,936	384,705
Total	6,470,081	10,067,115

The *Prepaid expenses* category in the amount of RON 1,807,340 mainly represents payments related to taxes for buildings and land, related to the year 2026.

Other *current assets* mainly include amounts to be recovered from the health insurance fund in the amount of RON 334,748 (December 31, 2025: RON 334,748).

9. CASH AND CASH EQUIVALENTS

	March 31 2026	December 31 2025
Cash on hand	8,740	37,369
Cash in banks	103,261,889	98,595,331
Total	103,270,629	98,632,700

Cash in banks contain short-term deposits: March 31, 2026: RON 101,694,996 (December 31, 2025: RON 98,033,034).

The company has set up a collateral deposit for the issuance of bank guarantees, its balance as of March 31, 2026 is RON 137,253. It was presented in the Separate Statement of Financial Position, under "Deposits in banks", being a deposit with an investment period of more than 3 months.

10. TRADE AND OTHER PAYABLES

	March 31 2026	December 31 2025
Current trade payables		
Trade payables	1,005,998	693,031
Accrued trade payables	1,686,595	2,216,784
Other current payables		
Advances received from customers	22,968	27,246
Salaries and social security	440,537	328,693
Deferred revenue	998,949	1,010,652
Dividends payable	1,121,219	1,122,030
Guarantees received from tenants	1,028,733	830,994
VAT payable	401,732	404,472
Other liabilities	377,907	765,826
Total	7,084,638	7,399,728

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10. TRADE AND OTHER PAYABLES (continued)

Trade and other long-term liabilities as of March 31, 2026 amount to RON 2,820,482 (December 31, 2025: RON 2,893,237). These liabilities relate mainly to guarantees received from tenants under long-term contracts.

	<u>Total</u>	<u>Less than a year</u>	<u>More than one year</u>
Guarantees received on March 31, 2026	2,842,055	1,028,733	1,813,322
Guarantees received on December 31, 2025	2,603,616	830,994	1,772,622

The company has no significant outstanding payables.

The company does not record outstanding payments to employees and to the state budget, the amounts presented represent debts related to March 2026 and paid by the due date of April 2026.

The company has no loans contracted as of March 31, 2026.

11. REVENUE

	<u>Period of 3 months ended March 31 2026</u>	<u>Period of 3 months ended March 31 2025</u>
Rental revenue	4,363,880	4,407,044
Service charge revenue	1,522,023	1,058,141
Thermal energy revenue	756,687	718,263
Other services revenue	49,720	184,536
Revenue from rental activities	<u>6,692,310</u>	<u>6,367,984</u>
Revenue from the sale of products and services	<u>91,485</u>	<u>3,306,489</u>
TOTAL	<u>6,783,795</u>	<u>9,674,473</u>

12. OTHER NET INCOME AND EXPENSES

	<u>Period of 3 months ended March 31 2026</u>	<u>Period of 3 months ended March 31 2025</u>
Net income/(expenses) related to provisions	695,444	(7,268)
Net income from the sale of property, plant and equipment	702,274	147,440
Other net income/(expenses)	134,839	37,273
TOTAL	<u>1,532,557</u>	<u>177,445</u>

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13. EXPENSES

	Period of 3 months ended March 31 2026	Period of 3 months ended March 31 2025
Expenditure on raw materials and consumables		
- Expenses with raw materials and consumables	-	277,834
- Expenditure on goods	6,415	365,741
- Expenditure on energy, water, gas	-	1,950,851
Total expenditure on raw materials and consumables	6,415	2,594,426
Employee benefits expense	1,280,024	3,570,913
Other expenses		
- Postal and telecommunications expenses	63,061	80,180
- Maintenance and repair expenses	106,226	218,518
- Rent expenses	21,841	66,152
- Advertising and protocol expenses	4,717	22,319
- Insurance expenses	69,009	98,961
- Transportation and travel expenses	3,935	22,029
- Taxes and duties	606,571	820,247
- Expenses with consultants and collaborators	358,161	232,226
- Other operating expenses	2,197,194	1,728,365
Total other expenses	3,430,715	3,288,997
Depreciation and amortization expenses	771,994	2,664,579
Total expenses	5,489,148	12,118,915

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

14. FINANCIAL EXPENSES and INCOME

	Period of 3 months ended March 31 2026	Period of 3 months ended March 31 2025
Financial expenses		
Leasing interest expenses	32,285	26,768
Foreign exchange losses	151,379	20,519
Other financial expenses	5,342	2,059
Total financial expenses	189,006	49,346
Financial income		
Interest income	1,147,554	1,113,103
Foreign exchange gains	22,273	1,692
Total financial income	1,169,827	1,114,795

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15. CORPORATE INCOME TAX

Corporate income tax recognised in profit or loss:

	Period of 3 months ended March 31 2026	Period of 3 months ended March 31 2025
Current Corporate Income Tax		
Current Corporate Income Tax Expenses	150,752	-
Deferred corporate income tax		
Deferred tax income	(37,378)	(450,525)
Deferred tax expenses	132,941	6,592
Total expense / (income) with corporate income tax	246,315	(443,933)

16. EARNINGS PER SHARE

	Period of 3 months ended on March 31 2026	Period of 3 months ended on March 31 2025
Net profit/(loss) attributable to shareholders	3,457,339	(1,445,283)
Weighted average number of ordinary shares outstanding	668,836,113	676,038,704
Earnings per share	0.0052	(0.0021)

17. RELATED PARTY TRANSACTIONS

	Period of 3 months ended March 31 2026	Period of 3 months ended March 31 2025
Sale of goods and services to subsidiaries		
Procetel S.A.	44,638	42,953
Purchases of goods and services from subsidiaries		
Electromagnetica Prestserv S.R.L.	-	18,414
Procetel S.A.	238,288	309,344
Total	238,288	327,758
	March 31 2026	December 31, 2025
Trade and other payables to subsidiaries		
Procetel S.A.	104,704	117,525
	March 31 2026	December 31 2025
Trade receivables from subsidiaries		
Procetel S.A.	14,879	6,722

Transactions between related entities are conducted under normal market conditions.
Related party companies do not carry out operations that have an impact on the group's bottom line.

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EXPLANATORY NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
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18. COMMITMENTS AND POTENTIAL LIABILITIES

Commitments

As of March 31, 2026, the Company has a non-cash guarantee agreement in the amount of RON 137,253, for the issuance of letters of guarantee (December 31, 2025: RON 173,642). In order to guarantee this non-cash agreement, the Company has established a movable mortgage on the collateral deposit, in the amount of RON 137,253.

The commitments received from customers and tenants in the form of letters of guarantee on March 31, 2026 are worth RON 234,590 according to the contractual clauses.

Disputes

The disputes in which the Company is involved are of values that are not likely to affect the financial stability of the Company. The company manages disputes through its own legal department and through collaborations with specialized external partners.

19. SUBSEQUENT EVENTS

On the agenda of the Ordinary General Meeting of Shareholders on April 24, 2026, the proposal regarding the coverage of the loss recorded in 2025 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 24, 2026:

- Approval of the reduction of the subscribed share capital of ELECTROMAGNETICA S.A. from RON 67,603,870.4 to RON 66,380,788.9, by cancelling a number of 12,230,815 treasury shares acquired by the Company following the conduct between 21.01.2026 - 03.02.2026 of the public offer for the purchase of treasury shares, in application of the buyback program approved by the Extraordinary General Meeting of Shareholders no. 1 of 19.12.2024.
- Approval of the conclusion, in the financial year 2026, by the Board of Directors of the acts of acquisition, alienation, exchange or pledge of assets in the category of fixed assets, the value of which exceeds, individually or cumulatively, 20% of the total fixed assets, less fixed receivables, but not exceeding, individually or cumulatively, 50% of the total fixed assets, except for fixed receivables and the mandate of the Board of Directors to carry out the decision adopted by the Extraordinary General Meeting of Shareholders in this regard.

The Board of Directors of Electromagnetica S.A., meeting on April 8, 2026, approved the conclusion of the lease agreement with KOMFITT Expert S.R.L.

The object of the contract is the lease of a space with a total area of 2,995 sqm, as well as 50 parking spaces within the Electromagnetica Business Park location.

The condensed interim separate financial statements were approved by the management on **14 May 2026**:

MIHAI ODOVICIUC
General Manager

MARIA GÂRZU
Chief Accountant

**FINANCIAL INDICATORS IN ACCORDANCE WITH
WITH ANNEX 13° OF THE ASF REGULATION 5/2018**

Name of indicator	Calculation formula	Q1 2026	Q1 2025
Current liquidity	Current Assets/Current Liabilities	12.59	8.64
Indebtedness	Long-term borrowed capital/equity x 100	0.74	0.44
	Long-term borrowed capital/Committed capital x 100	0.73	0.44
Turnover speed of customer flows (days)	Average Customer Balance/Revenue x 90	92.1	107.2
Turnover speed of non-current assets	(Revenue / 90 x 360)/Non-current assets	0.12	0.12

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 commitments assumed.

Borrowed capital = Loans over one year and other interest-bearing loans
Committed capital = Borrowed capital + Equity
3. **Turnover speed of customer flows** expresses the effectiveness of the Company 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 non-current asset management by examining the turnover generated by a certain amount of non-current assets.

MIHAI ODOVICIUC

General Manager

MARIA GÂRZU

Chief Accountant

STATEMENT

**in accordance with the provisions of
Law no. 24/2017 on issuers of financial instruments
and market operations**

We hereby confirm that, to the best of our knowledge, the quarterly financial statement as of March 31, 2026, which has been prepared in accordance with the applicable accounting standards, provides a fair and realistic picture of the assets, obligations, financial position, profit and loss account of the Electromagnetica S.A. and that the report of the Board of Directors includes a correct analysis of the Company's development and performance, as well as a description of the main risks and uncertainties specific to the activity carried out.

Chairman of the Board of Directors

Daniela – Adi Cucu

General Manager

Mihai Odoviciuc

Chief Accountant

Maria Gârzu