

**Quarterly Report according to A.S.F. regulation no. 5/2018
for the third quarter of 2018**

Date of report: 15.11.2018

Name of the Company - Prefab S.A.

Head Office – Bucuresti, Dr.Iacob Felix, nr. 17-19 ,et.2, sector 1

Office: Calarasi, str. Bucuresti, nr. 396.

Phone/fax no. – 021-3315116/ 021-3305980

Registration Code at the Trade Register – RO 1916198

Number in the Trade Register – J40/9212/2003

Regulated market on which are traded the securities issued – Bucharest Stock Exchange,
Standard category

Subscribed and paid capital – 24.266.709,5 lei

The main characteristics of the securities issued – the company has issued a number of 48.533.419 registered shares with a nominal value of 0,5 lei, dematerialized

Accounting standard applied: International Financial Reporting Standards

Communiqué – Quarterly Report – the third quarter of 2018

In the first 9 months of 2018, compared with the same period of 2017, there is no significant change in demand in the building materials market, the prefabricated market is still affected by the lack of large infrastructure projects.

Turnover recorded on 30.09.2018 is up 4.77% compared to the one recorded on September 30, 2017, an increase due to sales policies adopted by the company.

The operating result as of 30.09.2018 is in the amount of 3.003.212 lei, compared to 1.363.859 lei, made on 30.09.2017, increasing compared to the same period of the previous year.

The financial result on 30.09.2018 is in the amount of -1788.699 lei, compared to -1.154.333 lei realized in the same period of 2017, the difference being caused by the fluctuation of the national currency against the European currency, in the case of foreign currency transactions and the increase of the reference interest communicated by the Romanian National Bank (ROBOR), in the case of bank loans.

The value of fixed assets increased by 1.11%, 225,831,977 (31.12.2017) to 228,344,420 ron (30.09.2018), mainly due to the replacement of the turbogenerator of the cogeneration plant, an investment worth 1.100.000 euros.

The value of current assets and other assets increased by 6.86%, from € 44,624,317 (31.12.2017) to €47,687,247 (September 30, 2018) due to higher values.

Total debts increased by 8.39%, from 66,592,355 ron (31.12.2017) to 72,178,180 ron (30.09.2018), due to: mainly the increase of the production activity volume, the long-term debt growth by using special credit in the amount of 13,000,000 lei obtained from Cec Bank, obtaining some advantageous maturities from the suppliers.

Indicators (lei)	30.09.2018	31.12.2017	Variation
Fixed assets	228.344.420	225.831.977	+1.11%
Current assets and other assets	47.687.247	44.624.317	+6.86%
Total debts	72.177.180	66.592.355	+8.39%
Equity and liabilities	203.854.487	203.863.939	0.00%
Indicators (lei)	30.09.2018	30.09.2017	Variation
Net turnover	56.810.260	54.223.942	+4.77%
Operating income	62.451.908	63.188.142	-1.17%
Operating expenses	59.448.696	61.824.283	-3.84%
Operational result	3.003.212	1.363.859	+120.20%
Amortization	5.345.463	4.751.013	+12.51%
EBITDA	8.348.675	6.114.872	+36.53%
Financial income	92.624	201.479	-54.03%
Financial charges	1.881.323	1.355.812	+38.76%
Financial result	-1.788.699	-1.154.333	+54.96%
Total income	62.544.532	63.389.621	-1.33%
Total expenses	61.330.019	63.180.095	-2.93%
Gross profit	1.214.513	209.526	+479.65%
Net income	1.038.242	160.558	+546.65%

To view the entire report which shows the Company's activity for the period January-September 2018 please see the company website ,as well as in the link below.

**Milut Petre Marian
General Manager**

Quarterly Report according to A.S.F. Regulation no. 5/2018

The IIIrd QUARTER of 2018

Date of report for 15.11.2018

PREFAB S.A.

Registered Office: Bucharest

Phone number: 0242/311715; fax: 0242/318975

Number and date of registration in the Trade Register Office: J40/9212/2003

Tax Identification Number: RO 1916198

1. Economic and financial statement

a. STATEMENT OF FINANCIAL POSITION

	December 31, 2017	September 30, 2018
Tangible assets	213.304.362	215.926.479
Intangible assets	146.519	37.621
Investment property	2.930.000	2.930.000
Investments in affiliates	9.439.869	9.439.869
Biological assets	11.227	10.451
TOTAL INTANGIBLE ASSETS	225.831.977	228.344.420
Stocks	9.861.796	9.225.641
Trade receivables and other receivables	33.162.466	35.911.239
Cash and cash equivalents	851.968	1.053.501
Other assets (Prepayments)	748.087	1.496.866
TOTAL CURRENT ASSETS	44.624.317	47.687.247
1.TOTAL ASSETS	270.456.294	276.031.667
Share capital	24.266.709	24.266.709
Other components of share capital	(402.065)	(402.065)
Share capital premium	14.305.342	14.305.342
Revaluation reserves	112.777.937	112.777.937
Reserves	36.032.301	36.628.227
Retained earnings except that from the adoption for the first time of IAS 29	9.552.175	9.552.175
Profit at the end of the reporting period	1.324.040	1.038.242
Distribution of profit	77.766	0
2. TOTAL EQUITY	197.778.673	198.166.567
Long term loans	17.185.259	21.691.915
Deferred income tax liability	0	2.634.350
	622.555	560.777
TOTAL LONG-TERM LIABILITIES	17.807.814	24.887.042
Trade payables and other payables	20.906.259	18.547.824
Short term loans	27.695.964	28.596.089
Current income tax debt	182.318	146.225
TOTAL SHORT-TERM LIABILITIES	48.784.541	47.290.138
Subsidies for investment, of which:	6.085.266	5.687.920
- current party		
- more than one year		
3. TOTAL LIABILITIES	270.456.294	276.031.667

b. STATEMENT OF REVENUE AND EXPENDITURE

	September 30, 2016	September 30, 2017
NET TURNOVER	54.223.942	56.810.260
Variation of finished products stocks and production in progress	2.630.216	2.977.193
Revenue from production of tangible assets	5.925.217	2.240.241
Other revenue	408.767	424.214
OPERATING REVENUES - TOTAL	63.188.142	62.451.908
Raw materials and consumables used	29.815.432	26.988.989
Other material expenses	2.623.757	2.178.415
Other external expenses (for energy and water)	9.405.242	10.182.961
Expenses on goods	1.773	4.059
Trade discounts received	(304.389)	(232.754)
Staff costs	9.236.883	9.957.672
- Wages and allowances	7.453.342	9.727.476
- Expenses on social security and welfare	1.783.541	230.196
Value adjustments on intangible and tangible assets, property investments and biological assets measured at cost	4.751.013	5.345.463
Expenses	4.751.013	5.345.463
Revenues	44.296	25.764
Value adjustments on current assets		
Expenses	80.764	78.079
Revenues	36.468	52.315
Other operating expenses	6.250.276	4.998.127
- Expenses on external supply	5.354.663	3.585.809
- Other taxes, duties and similar expenses	871.072	1.212.474
- Other expenses	24.541	199.844
OPERATING EXPENSES - TOTAL	61.824.283	59.448.696
OPERATING PROFIT OR LOSS	1.363.859	3.003.212
Other financial revenues	201.473	92.619
Interest income	6	5
FINANCIAL REVENUE	201.479	92.624
Interest expenses		
Other financial expenses		
FINANCIAL EXPENSES	1.078.965	1.727.039
	276.847	154.284
	1.355.812	1.881.323
FINANCIAL PROFIT OR LOSS	(1.154.333)	(1.788.699)

TOTAL REVENUE	63.389.621	62.544.532
TOTAL EXPENSES	63.180.095	61.330.019
GROSS PROFIT	209.526	1.214.513
Tax revenue	48.968	176.271
NET PROFIT	160.558	1.038.342

EXPLANATORY NOTES

Turnover recorded on 30.09.2018 is up 4.77% compared to the one recorded on September 30, 2017, an increase due to sales policies adopted by the company.

The operating result as of 30.09.2018 is in the amount of 3.003.212 lei, compared to 1.363.859 lei, made on 30.09.2017, increasing compared to the same period of the previous year.

The financial result on 30.09.2018 is in the amount of -1788.699 lei, compared to -1.154.333 lei realized in the same period of 2017, the difference being caused by the fluctuation of the national currency against the European currency, in the case of foreign currency transactions and the increase of the reference interest communicated by the Romanian National Bank (ROBOR), in the case of bank loans.

The value of fixed assets increased by 1.11%, 225,831,977 (31.12.2017) to 228,344,420 ron (30.09.2018), mainly due to the replacement of the turbogenerator of the cogeneration plant, an investment worth 1.100.000 euros.

The value of current assets and other assets increased by 6.86%, from € 44,624,317 (31.12.2017) to € 47,687,247 (September 30, 2018) due to higher values.

Total debts increased by 8.39%, from 66,592,355 ron (31.12.2017) to 72,178,180 ron (30.09.2018), due to: mainly the increase of the production activity volume, the long-term debt growth by using special credit in the amount of 13,000,000 lei obtained from Cec Bank, obtaining some advantageous maturities from the suppliers.

Furthermore, the economic climate in which we operate is characterized by the lack of large investments in the national infrastructure, inconsistent demand in the construction materials market, excessive taxation and shifts, cumbersome legislation, exaggerated bureaucracy in obtaining the necessary permits and authorizations, currency risk with influence in the price of some raw materials and materials, inflation caused by the increase

in the minimum wage in the economy, with all the associated consequences that led to price increases.

During 2018 there were no significant mergers or reorganizations of the company and no main assets of the company were alienated.

On 30.09.2018, total revenues amounted to 62,544,532 lei, representing 98.67% of the revenues realized in the same period of 2017; and total expenditures amounting to 61,330,019 lei, representing 97.07% compared to the expenditures realized in the same period of 2017. Under these conditions the gross result is 1.214.513 ron more than in the same period of the year 2017.

2. Analysis of the Company's business

2.1. Present and analyze events or factors of uncertainty that affects or could affect the company's liquidity, compared to the same period of the last year.

During 2018, there were various risks, but they were predictable and properly managed by the management of the company, situation that has generated no substantial additional costs.

The company is exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Operational risk
- Risk related to balancing cost
- Tax risk

Credit risk

The credit risk is the risk that the Company incurs a financial loss due to a non-fulfillment of contractual obligations by a customer or counterparty to a financial instrument and this risk mainly result from the trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and of the country in which it operates. Most clients of Company operates in Romania.

The main financial instruments used by the Company of which arise risks relating to financial instruments, are:

- Trade receivables and other receivables
- Cash and cash equivalents

- Investments in equity affiliates, classified according to IAS 39 in “financial assets available for sale”
- Trade liabilities and other liabilities

Liquidity risk

The liquidity risk is the risk that the Company may encounter difficulties in fulfilling the obligations related to liabilities that are settled in cash or in another financial asset transfer. The Company's approach on liquidity risk is to ensure, to the extent possible, that it always hold sufficient liquidity to meet the liabilities when they become due, both under normal conditions and under stress, without incurring unacceptable losses or jeopardizing the Company's reputation.

The Company has committed long-term loans.

To counteract this risk factor, the Company has applied restrictive policies of delivery of products to uncertain customers. An important role was played by the Company's policy to require in some cases the payment in advance of the products delivered and a careful selection of new customers depending on their creditworthiness and financial discipline. There was requested guarantees for delivery contracts and tried to reduce the number of days of claims payment by customers of Company established by contract. There were extended the warranty contracts with mortgage in favor of banks with whom we have open credit lines and letters of guarantee so that we can pay our obligations in the event of a cash shortages.

Market risk

The market risk is the risk that market prices variation, such as exchange rate, interest rates and market demand reduction, to affect the Company's revenues.

Market risk - instability in the sale market for building materials, characterized by a significant drop in demand, a prevent risk through market research and marketing policies. The risk of price volatility in electricity, gas, metals, diesel was prevented by finding new suppliers or renegotiating the contracts with the traditional suppliers.

Exposure to interest rate risk

The Company's exposure to the risk of interest rate changes refers mainly to variable interest bearing loans that the Company has for long-term.

Interest rate risk management

In order to manage the interest rate risk, the Company's liabilities are analyzed in terms of fixed and variable debt, of currencies and maturities.

Market risk - instability in the market for building materials, characterized by a significant drop in demand, prevent risk through market research and marketing policies. The risk of price volatility in electricity, marsh gas, metals, heavy oil, prevented by finding new suppliers or renegotiating contracts with traditional suppliers.

Currency risk

The Company has transactions and loans in other currency than the functional currency (RON).

The transactions made in foreign currencies are converted into Lei on the rate of exchange ruling at the transaction date.

The foreign exchange rate variations risk generally was prevented by an appropriate management, in the conditions of this economic crisis.

Operational risk

The operational risk is the risk of direct or indirect loss from a range of causes associated to the processes, staff, technology and infrastructure of Company and from external factors, other than the credit, the market and the liquidity risk, such as those arising from legal and regulatory requirements and the generally accepted standards regarding the organizational behavior. The Company is exposed to the risk of disasters too. In these conditions, the Company acted towards concluding insurance policies to protect against disasters the company assets.

The operational risks come from all the Company's operations. The main responsibility of developing and implementing controls related to operational risk turns to the entity's management. The responsibility is supported by the Company's development of general standards of operational risk management in the following areas:

- Requirements of separation of duties
- Alignment with legal and regulatory requirements
- Documentation of controls and procedures
- Requirements for periodic review of operational risk to which the Company is exposed and the adequacy of controls and procedures to prevent the risks identified
- Requirements for reporting the operational losses and proposals to remedy the causes that generated them
- Develop some business continuity plans
- Development and professional training
- Setting ethical standards
- Preventing the risk of litigation, including the insurance, where applicable
- Minimizing the risks, including the efficient use of insurance, where appropriate

Risk related to balancing cost

This risk is specific to the activity on the production and sale of electricity and it is generated by any unrealistic forecasting of quantities and delivery hourly volumes of electricity supply which may impact the financial situation by occurrence of additional costs for balancing. It is estimated that this risk is reduced due to the forecasting activity carried out by the special department of the entity.

Tax risk

From January 1, 2007, following the accession of Romania to the European Union, the Company had to obey the EU regulations and consequently, it was prepared for the implementation of the changes bring by the European legislation.

The Company has implemented these changes, but the way of their implementation remains open to tax audit for 5 years or even 7 years, starting with the financial year 2009.

The interpretation of texts and the practical implementation of the procedures of new applicable tax regulation harmonized with the European legislation, may vary from entity to entity and there is a risk that in some cases, the tax authorities could take a different position from that of the Company. It is possible that the Company continue to be subject to tax audits in so far as new tax rules are issued.

2.2. Present and analyze the effects of capital expenditures, current or anticipated on the company compared to the same period of the last year.

Upgrading existing production capacities, purchase new machinery and means of transport, extend the market and the object of activity, improvement of microclimate of work, automation of technological processes will increase the labor productivity and also of the economic result of the company.

The investments in 2018 were made from own sources and loans.

2.3. Present and analyze economic changes that significantly affect the revenues from basic activity.

Among the factors that exerted a negative influence over the results of the company, we mention:

- excessive taxation continued during the year 2018 too;
- price increases in some raw materials and fuel;
- emphasizing macroeconomic imbalances, with negative implications over the sales market;

- internal market entrance of similar products imported (fiber tubes - brick);
- volatility in the legislative field;
- excessive bureaucracy in obtaining approvals and permits required for operation.

3. Changes affecting the Company's share capital and management.

Not applicable

3.1. Describe any case in which the company was unable to respect its financial obligations during that period.

Not applicable

3.2. Description of any changes regarding the rights of holders of securities issued by the company.

Not applicable

4. Significant transactions

For the issuers of shares, information on major transactions concluded by the issuer with persons acting in collaboration or in which these people were involved in the relevant time period.

Not applicable

**Chairman of the Board of Directors,
Eng. Milut Petre Marian**

**Economic Director,
Ec. Boitan Daniela**

FINANCIAL AND ECONOMIC INDICATORS

Name of indicator	Calculation	Result
1. Current liquidity indicator	Current assets (circular)/ Current liabilities	=46.190.381/47.290.138=0.98
2. Indebtedness indicator	Borrowed capital (t0+t1)/ Own capital (t0=t1)	[(66.592.355+72.177.180)/2]/ [(197.778.673+198.166.567)/2] =0.35
3. Rotation speed of debits - clients	Average balance customers/ turnover x 270	[(33.162.466+35.911.239)/2] / 56.810.260x270=164
4. Rotation speed of fixed assets	Turnover/ Fixed assets	56.810.260/228.344.420=0.25

**Bookkeeping Service,
Ec. Bratu Elena- Anca**

COUNTY: BUCHAREST	FORM OF PROPERTY: COMPANY LIMITED BY SHARES
LEGAL PERSON: S.C. PREFAB S.A.	PREPONDERENT ACTIVITY
ADDRESS: STR. DR. IACOB FELIX, NR. 17-19, SECTOR 1, BUCURESTI	(NACE group name): MANUFACTURE OF CONCRETE PRODUCTS FOR CONSTRUCTION
PHONE: 0242/311.715	NACE GROUP CODE: 2361
NUMBER OF TRADE REGISTER: 40/9212/04.07.2003	TAX REGISTRATION CODE: 1916198

STATEMENT OF ASSETS, LIABILITIES AND EQUITY

On 30.09.2018

RON

Item name	Row no.	Balance on:	
		January 1, 2018	September 30, 2018
		A	B
A. FIXED ASSETS			
I. INTANGIBLE ASSETS			
1. Development expenses	01	0	0
2. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	02	146.519	37.621
3. Goodwill	03	0	0
4. Intangible assets under construction	04	0	0
TOTAL	05	146.5191	37.621
II. TANGIBLE ASSETS			
1. Lands and constructions	06	145.103.130	151.140.424
2. Plant and machinery	07	60.365.065	62.313.033
3. Other installations, equipment and furniture	08	312.052	293.022
4. Property investments	09	2.930.000	2.930.000
5. Tangible assets under construction	10	7.524.115	2.180.000
6. Investment property under construction	11	0	0
TOTAL	12	216.234.362	218.856.479
III. Biological assets	13	11.227	10.451
IV. FINANCIAL ASSETS			
1. Shares in subsidiaries	14	9.439.669	9.439.669
2. Loans granted to entities in the group	15	0	0
3. Shares held in associates and jointly controlled entities	16	0	0
4. Loans granted to associates and jointly controlled entities	17	0	0
5. Other fixed assets	18	200	200
6. Other loans	19	0	0
TOTAL	20	9.439.869	9.439.869
FIXED ASSETS - TOTAL	21	225.831.977	228.344.420
B. CURRENT ASSETS			
I. STOCKS			
1. Raw materials and consumables	22	4.184.433	3.425.875
2. Assets held for sale	23	0	0
3. Production in progress	24	466.177	1.127.748
4. Finished products and goods	25	5.205.596	4.668.180
5. Advances	26	5.590	3.838
TOTAL	27	9.861.796	9.225.641
II. RECEIVABLES			
1. Trade receivables	28	33.105.279	34.441.836
2. Advances paid	29	0	1.321.321
3. Amounts receivable from group entities	30	0	0
4. Amounts receivable from jointly controlled entity	31	0	0

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

Item name	Row no.	Balance on:	
		January 1, 2018	September 30, 2018
A	B	1	2
5. Receivables resulting from derivatives transactions	32	0	0
6. Other receivables	33	57.187	148.082
7. Capital subscribed and paid	34	0	0
TOTAL	35	33.162.466	35.911.239
III. SHORT-TERM INVESTMENTS	36	0	0
IV. CASH AND BANK ACCOUNTS	37	851.968	1.053.501
CURRENT ASSETS - TOTAL	38	43.876.230	46.190.381
C. PREPAYMENTS	39	748.087	1.496.866
D. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR			
1. Debenture loans	40	0	0
2. Amounts due to credit institutions	41	27.695.964	28.596.089
3. Advances collected for orders	42	3.866.819	2.961.265
4. Trade payables - suppliers	43	15.530.391	14.140.261
5. Bills to pay	44	0	0
6. Debts from financial leasing operations	45	9.418	9.824
7. Amounts due to group entities	46	0	0
8. Amounts due to associates and jointly controlled entities	47	0	0
9. Liabilities resulting from derivatives transactions	48		
10. Other liabilities including tax and social security liabilities	49	1.681.949	1.582.699
TOTAL	50	48.784.541	47.290.138
E. NET CURRENT ASSETS / NET CURRENT LIABILITIES	51	-4.690.019	-5.290.811
F. TOTAL ASSETS LESS CURRENT LIABILITIES	52	221.141.958	223.053.609
G. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD OF MORE THAN ONE YEAR			
1. Debenture loans	53	0	0
2. Amounts due to credit institutions	54	17.185.259	21.691.915
3. Advances collected for orders	55	0	0
4. Trade payables - providers	56	0	2.634.350
5. Bills to pay	57	0	0
6. Debts from financial leasing operations	58	0	0
7. Amounts due to group entities	59	0	0
8. Amounts due to associates and jointly controlled entities	60	0	0
9. Liabilities resulting from derivative operations	61		
10. Other creditors including tax and social security liabilities	62	622.555	560.777
TOTAL	63	17.807.814	24.887.042
H. PROVISIONS			
1. Provisions for employee benefits	64	0	0

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

Item name	Row no.	Balance on:		
		January 1, 2018	September 30, 2018	
A	B	1	2	
2. Other provisions	65	0	0	
TOTAL	66	0	0	
I. REVENUES FROM ADVANCE				
1. Subsidies for investmentS	67	6.085.266	5.687.920	
2. Revenues registered in advance, of which	68	0	0	
Amounts to take in a period in up to one year	69	0	0	
Amounts to take in a period exceeding one year	70	0	0	
Negative commercial fund	71	0	0	
TOTAL	72	6.085.266	5.687.920	
J. CAPITAL AND RESERVES				
I. CAPITAL				
1. Capital subscribed and paid	73	24.266.709	24.266.709	
2. Capital subscribed and unpaid	74	0	0	
3. Subscribed capital representing financial liabilities	75	0	0	
4. Adjustments of share capital	SC SD	0 0	0 0	
5. Other equity items	SC SD	0 402.065	0 402.065	
TOTAL	80	23.864.644	23.864.644	
II. CAPITAL PREMIUMS	81	14.305.342	14.305.342	
III. REVALUATION RESERVES	82	112.777.937	112.777.937	
IV. RESERVES				
1. Legal reserves	83	4.340.806	4.340.806	
2. Statutory or contractual reserves	84	0	0	
3. Other reserves	85	31.691.495	32.287.421	
TOTAL	86	36.032.301	36.628.227	
5. Own shares	87	0	0	
Earnings related to equity instruments	88	0	0	
Losses related to equity instruments	89	0	0	
V. RETAINED EARNINGS FROM ADOPTION FOR THE FIRST TIME OF IAS 29	Balance C Balance D	90 91	9.552.175 0	9.552.175 0
VI. RETAINED EARNINGS, EXCEPT THE RETAINED EARNINGS FROM ADOPTION FOR THE FIRST TIME OF IAS 29	Balance C Balance D	92 93	0 0	0 0
VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD	Balance C Balance D	94 95	1.174.965 0	1.038.242 0
Distribution of profit	96	77.766	0	0
EQUITY - TOTAL	97	197.778.673	198.166.567	
Public heritage	98	0	0	
CAPITALS - TOTAL	99	197.778.673	198.166.567	

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

Administrator,

Name and surname
MILUT PETRE MARIAN

Signature
Stamp of unit

Prepared by

Name and surname: BOITAN DANIELA
Position: Economic Director

Signature

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

Name of indicators		Row no.	Financial year	
			30.09.2017	30.09.2018
A	B	1	2	
1. Net turnover (row 02+03-04+05+06)	01	54.223.942	56.810.260	
Production sold (acct.701+702+703+704+705+706+708)	02	55.681.513	57.046.402	
Revenues from sale of goods (acct. 707)	03	2.423	5.926	
Trade discounts granted (acct. 709)	04	1.459.994	242.068	
Income from operating subsidies related to net turnover (acct.7411)	05	0	0	
2. Income cost products stocks (acct. 711+712)	Balance C	06		
	Balance D	07	2.630.216	2.977.193
3. Revenues from the production of tangible and intangible assets (acct. 721+ 722)	08	5.925.217	2.240.241	
4. Other operating incomes (acct. 758+7417+7815)	09	408.767	424.214	
OPERATING INCOMES - TOTAL		10	63.188.142	62.451.908
5. a) Expenses for raw materials and consumables (acct. 601+602-7412)	11	29.815.432	26.988.989	
Other material expenses (acct. 603+604+606+608)	12	2.623.757	2.178.415	
b) Other external charges (for energy and water)(acct. 605-7413)	13	9.405.242	10.182.961	
c) Expenses on goods (acct. 607)	14	1.773	4.059	
Trade discounts received (acct. 609)	15	304.389	232.754	
6 Staff costs, of which:	16	9.236.883	9.957.672	
a) Wages and salaries (acct. 641+642+643+644-7414)	17	7.453.342	9.727.476	
b) Insurance and social protection expenses (acct. 645-7415)	18	1.783.541	230.196	
7. a) Value adjustments on tangible and intangible assets	19	4.751.013	5.345.463	
a.1) Expenses (acct. 6811+6813)	20	4.751.013	5.345.463	
a.2) Incomes (acct. 7813)	21	0	0	
b) Value adjustments on current assets	22	44.296	25.764	
b.1) Expenses (acct. 654+6814)	23	80.764	78.079	
b.2) Incomes (acct. 754+7814)	24	36.468	52.315	
8. Other operating expenses	25	6.250.276	4.998.127	
8.1. Expenses on external services (acct. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	26	5.354.663	3.585.809	
8.2. Other taxes and similar (acct. 635)	27	871.072	1.212.474	
8.3. Other expenses (acct. 652+658)	28	24.541	199.844	
Adjustments for provisions	29	0	0	
- Expenses (acct. 6812)	30	0	0	
- Incomes (acct. 7812)	31	0	0	
OPERATING EXPENSES - TOTAL (row 13 to 16 - 17 +18 + 21 + 24 + 27 + 32)	32	61.824.283	59.448.696	
OPERATING PROFIT OR LOSS				
- Profit	33	1.363.859	3.003.212	

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

INCOMES AND EXPENSES STATEMENT		Name of indicators	Financial year		
			Row no.	30.09.2017	
A			B	1	
	- Loss		34	0	
9.	Income from exchange rate differences	35	201.473	92.619	
10.	Interest income (acct.766*)	36	6	5	
	- of which, revenues from group entities	37	0	0	
	Income from shares in subsidiaries	38	0	0	
	FINANCIAL INCOMES - TOTAL	39	201.479	92.624	
11.	Value adjustments on financial assets and investments held as current assets	40	0	0	
	- Expenses (acct.686)	41	0	0	
	- Incomes (acct.786)	42	0	0	
12.	Interest expenses (acct. 666*-7418)	43	1.078.965	1.727.039	
	- of which, expenses in relation to group entities	44	0	0	
	Other financial expenses (acct. 663+664+665+667+668)	45	276.847	154.284	
	FINANCIAL EXPENSES - TOTAL	46	1.355.812	1.881.323	
	FINANCIAL PROFIT OR LOSS				
	- Profit	47	0	0	
	- Loss	48	1.154.333	1.788.699	
13.	CURRENT PROFIT OR LOSS				
	- Profit	49	209.526	1.214.513	
	- Loss	50			
	TOTAL REVENUES	51	63.389.621	62.544.532	
	TOTAL EXPENSES	52	63.180.095	61.330.019	
	GROSS PROFIT OR LOSS				
	- Profit	53	209.526	1.214.513	
	- Loss	54			
14.	Current income tax (acct. 691)	55	48.968	176.271	
15.	Deferred income taxes (acct. 692)	56	0	0	
16.	Other taxes not shown on the above items (acct. 698)	57	0	0	
17.	NET PROFIT OR LOSS OF FINANCIAL YEAR:				
	- Profit	58	160.558	1.038.242	
	- Loss	59			

Administrator,

Prepared by

Name and surname
MILUT PETRE MARIAN

Name and surname: BOITAN DANIELA
Position: Economic Director

Signature
Stamp of unit

Signature

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

INFORMATIONAL DATA

I. Data on the recorded result	Row no.	Units no.	Amounts	
A	B	1	2	
Units with profit:	01	0		0
Units with loss:	02	1		1.038.242
Units that have not recorded any profit or loss:	03	0		0
II. Data on outstanding payments:	Row no.	Total, of which	For current activity	For investment activity
A	B	1 = 2+3	2	3
Outstanding payments - total, of which:	04	0	0	0
Outstanding suppliers - total, of which:	05	0	0	0
- over 30 days	06	0	0	0
- over 90 days	07	0	0	0
- over 1 year	08	0	0	0
Outstanding obligations to social security budget - total, of which:	09	0	0	0
- state social insurance contributions due by employers, employees and other assimilated persons	10	0	0	0
- contributions for health insurance fund	11	0	0	0
- contribution for supplementary pension	12	0	0	0
- contribution to the unemployment insurance budget	13	0	0	0
- other social debts	14	0	0	0
Outstanding obligations to special funds budget and other funds	15	0	0	0
Outstanding obligations to other creditors	16	0	0	0
Unpaid tax to the state budget deadline	17	0	0	0
Unpaid tax to the local budget deadline	18	0	0	0
Bank loans outstanding at maturity - total, of which:	19	0	0	0
- outstanding after 30 days	20	0	0	0
- outstanding after 90 days	21	0	0	0
Outstanding after 1 year	22	0	0	0
Outstanding interests	23	0	0	0

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

III. Medium number of employees	Row no.	30.09.2017	30.09.2018
A	B	1	2
Medium number of employees	24	379	337
Other informations	25	388	349
IV. Payments of interest and royalties	Row no.	Amounts (lei)	
A	B	1	
Gross income from interests paid to non residents individuals, out of which:	26	0	
- tax due to the state budget	27	0	
Gross interest income paid to individuals non residents in the Member States of the European Union, out of which:	28	0	
- tax due to the state budget	29	0	
Gross interest income paid to non-resident legal entities, out of which:	30	0	
- tax due to the state budget	31	0	
Gross interest income paid to non-resident associated legal entities from the Member States of the European Union, out of which:	32	0	
- tax due to the state budget	33	0	
Gross income from dividends paid to non-resident individuals, out of which:	34	0	
- tax due to the state budget	35	0	
Gross income from dividends paid to non-resident legal entities from the Member States of the European Union, according to the provisions of art. 117 lett. h) of 571/2003 Act regarding the Fiscal Code, with subsequent amendments, out of which:	36	0	
- tax due to the state budget	37	0	
Gross revenues from fees paid to non-resident individuals from the Member States of the European Union, out of which:	38	0	
- tax due to the state budget	39	0	
Gross revenues from fees paid to non-resident legal entities, out of which:	40	0	
- tax due to the state budget	41	0	
Fees paid during the reporting period for public domain goods, received in concession, out of which:	42	78.007	
- fees for public domain goods paid to the state budget	43	5.850	
Mining royalty paid to the state budget	44	72.157	
Gross revenues from services paid to non-residents, out of which:	45	0	
- tax due to the state budget	46	0	
Gross revenues from services paid to non-residents from the Member States of the European Union, out of which:	47	0	

S.C. PREFAB S.A. BUCURESTI

FINANCIAL STATEMENTS

(All amounts are in lei ("RON"))

- tax due to the state budget	48	0
Subsidies received during the reporting period, out of which:	49	0
- subsidies received during the reporting period related to assets	50	0
- subsidies related to revenues, out of which:	51	0
- subsidies to boost employment	52	0
Outstanding receivables, which were not collected at the terms stipulated in commercial contracts and/or in the regulations in force, out of which:	53	0
- outstanding receivables from entities of majority or wholly state sector	54	0
- outstanding receivables from entities of private sector	55	0

V. Meal tickets	Row no.	Amounts (lei)	
A	B	1	
Value of meal tickets granted to employees	56		
VI. Research - development expenses, of which:	Row no.	30.09.2017	30.09.2018
A	B	1	2
Research - development expenses, of which:	57	0	0
- by public funds	58	0	0
- by private funds	59	0	0
VII. Innovation expenses:	Row no.	30.09.2017	30.09.2018
Innovation expenses - total, of which:	60	0	0
- innovation expenses finalized during the period	61	0	0
- innovation expenses to be finalized during the period	62	0	0
- innovation expenses abandoned during the period	63	0	0
VIII. OTHER INFORMATION	Row no.	30.09.2017	30.09.2018
A	B	1	2
Advance payments for intangible assets	64		
Advance payments for tangible assets	65	0	0
Financial assets, in gross amounts, of which:	66	9.439.872	9.439.872
Shares in affiliates, participating interests, other assets and long-term bonds, in gross amounts, of which:	67	9.439.669	9.439.669
- quoted shares issued by residents	68		
- unquoted shares issued by residents	69	9.420.750	9.420.750
- holdings issued by residents	70	0	0
- bonds issued by residents	71	0	0

S.C. PREFAB S.A. BUCURESTI

FINANCIAL STATEMENTS

(All amounts are in lei ("RON"))

- shares issued by collective investment undertakings (including by SIF) issued by residents	72	0	0
- shares and holdings issued by non-residents	73	18.919	18.919
- bonds issued by non-residents	74	0	0
Fixed receivables, in gross amounts, of which:	75	203	203
- fixed receivables in lei and expressed in lei, whose settlement is based on a foreign currency (of acct. 267)	76	203	203
- foreign currency receivables (of acct. 267)	77		
Trade receivables, advances granted to suppliers and other similar accounts, in gross amounts (acct. 411 + 413 + 418)	78	36.702.424	36.337.273
Receivables related to personnel and assimilated accounts (acct. 425 + 4282)	79	1.416	19.288
Receivables related to the social insurance budget and the state budget (ct. 431 + 437 +4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482)	80	61.896	117.179
Receivables entity related to the affiliated entities (acct .451)	81	0	0
Other receivables (acct. 451 + 453 + 456 + 4582 + 461 + 471 + 473)	82	18.126	11.614
Interest to be receivable (acct. 5187)	83	0	0
Short-term investments, in gross amounts (acct. 501 + 505 + 506 + of acct. 508), of which	84	0	0
- quoted shares issued by residents	85	0	0
- unquoted shares issued by residents	86	0	0
- holdings issued by residents	87	0	0
- bonds issued by residents	88	0	0
- shares issued by collective investment undertakings (including by SIF)	89	0	0
- shares issued by non-residents	90	0	0
- bonds issued by non-residents	91	0	0
Other amounts receivable (acct. 5113 + 5114)	92	0	0
Cash in lei and foreign currency, of which	93	3.389	38.262
- in lei (acct. 5311)	94	3.389	38.262
- in foreign currency (acct. 5314)	95	0	0
Current accounts in banks in lei and foreign currency, of which	96	561.996	1.015.239
- in lei (acct. 5121)	97	547.854	1.010.658
- in foreign currency (acct. 5124)	98	14.142	4.581
Other current accounts at banks and credit, of which	99	0	0
- amounts in course of settlement, letters of credit and other values receivable, in lei (acct. 5112 + 5125 + 5411)	100	0	0
- amounts in course of settlement, letters of credit in foreign currency (acct. 5125 + 5412)	101	0	0

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

Liabilities, of which:	102	68.033.563	72.177.180
- Loans from bonds and interest, in gross amounts (acct. 161 + 1681)	103	0	0
- in lei	104	0	0
- in foreign currency	105	0	0
- Short-term domestic bank loans and interest (acct. 5191 + 5192 + 5197 + din ct. 5198), of which:	106	29.577.326	28.596.089
- in lei	107	29.577.326	28.596.089
- in foreign currency	108	0	0
- Short-term foreign bank loans and interest (acct. 5193 + 5194+ 5195 + din ct. 5198), of which:	109	0	0
- in lei	110	0	0
- in foreign currency	111	0	0
- Long-term bank loans and interest (acct. 1621 + 1622 + 1627 + din ct. 1682) of which	112	15.404.066	21.691.415
- in lei	113	13.304.526	21.691.915
- in foreign currency	114	2.099.540	0
- Long-term foreign loans (acct. 1623 + 1624 + 1625 + din ct. 1682) (88+89)	115	0	0
- in lei	116	0	0
- in foreign currency	117	0	0
- Credits from the state treasury (acct. 1626 + of acct. 1682)	118	0	0
- Other loans and related interests (acct. 166 + 167 + 1685 + 1686 + 1687)	119	238.006	158.712
- in lei and expressed in lei, whose settlement is based on a foreign currency	120	0	0
- in foreign currency	121	0	0
- Trade payables, advances from customers and other similar accounts in gross amounts (acct. 401 + 403 + 404 + 405 + 408 + 419)	122	21.053.656	19.745.700
- Debt related to personnel and assimilated accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)	123	743.572	719.620
- Debt related to the social insurance budget and state budget (acct. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481)	124	871.048	1.133.362
- Liabilities of entity related to affiliate entities (acct. 451)	125	0	0
- Amounts due to shareholders/associates (acct. 455)	126	0	0
- Other liabilities (acct. 451 + 453 + 455 + 456 + 457 + 4581 + 462 + 472 + 473 + 269 + 509)	127	145.889	131.782
- Interest payable (acct. 5186)	128	0	0
Capital subscribed and paid (acct. 1012) of which,	129	24.266.709	24.266.709
- quoted shares	130	24.266.709	24.266.709

S.C. PREFAB S.A. BUCURESTI
FINANCIAL STATEMENTS
(All amounts are in lei ("RON"))

- unquoted shares	131		
- holdings	132		
- capital subscribed and paid by non-residents (acct. 1012)	133		
Patents and licenses (of acct. 202)	134		
IX. Informations regarding the expenses with contributors	Nr. Rd.	30.09.2017	30.09.2018
A	B	1	2
Expenses with contributors (acct. 621)	135	0	0

Administrator,

**Name and surname
MILUT PETRE MARIAN**

**Signature
Stamp of unit**

Prepared by

**Name and surname: BOITAN DANIELA
Position: Economic Director**

Signature

Statement of the Board of Directors of PREFAB S.A.

The Board of Directors of PREFAB S.A. hereby declares that assumes responsibility for preparing the Financial Statements on September 30, 2018.

The Board of Directors of PREFAB S.A., in terms of the Financial Statements prepared on September 30, 2018, confirms as follows:

- a) The Financial Statements from September 30, 2018 are prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.
- b) The accounting policies used in preparation of the Financial Statements from September 30, 2018 are in accordance with the applicable accounting regulations.
- c) The Financial Statements prepared on September 30, 2018 provide an accurate picture of the financial position, the financial performance and of the other information related to the activity developed.
- d) The Company operates in conditions of continuity.

This statement is in accordance with the provisions of Art. 30 of Accounting Law no. 82/1991, republished.

Chairman of the Board of Directors,

Eng. Milut Petre Marian