

Quarterly report for the first quarter

Quarterly report according to Financial Supervisory Authority Regulation no. 5/2018 – Appendix 13

Date of report: 15.05.2020

Name of the Company - Prefab SA

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

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

Phone/Fax no.: 021-3315116/ 021-3305980

Tax Identification no. with Trade Registry Office RO1916198

Trade Registry Registration no.: J40/9212/2003

Subscribed and paid in share capital: 24.266.709,5 lei

Regulated market where the issued securities are traded: Bucharest Stock Exchange, Standard category

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

Accounting standard applied: International Financial Reporting Standards

A. Economic and financial indicators

Name of indicator	Calculation	Result
1. Current liquidity indicator	Current assets (circular)/ Current liabilities	46.809.732/48.787.202=0.96
2. Indebtedness indicator	Borrowed capital (t0+t1)/ Own capital (t0=t1)	[(69.697.691+68.387.784)/2]/ [(199.581.002+200.264.059)/2]=0.35
3. Rotation speed of debits - clients	Average balance customers/ turnover x 90	[(32.391.071+33.241.653)/2] / 18.083.349x90=163,80
4. Rotation speed of fixed assets	Turnover/ Fixed assets	18.083.349/225.821.621=0.08

B. Other information**1. Economic and financial statement****a. STATEMENT OF FINANCIAL POSITION - lei**

	01.01.2020	31.03.2020
Tangible assets	215.564.166	213.429.678
Intangible assets	11.502	13.176
Investment property	2.930.000	2.930.000
Investments in affiliates	9.439.869	9.439.869
Biological assets	9.156	8.897
TOTAL INTANGIBLE ASSETS	227.954.693	225.821.620
Stocks	12.336.561	12.687.795
Trade receivables and other receivables	32.391.071	33.241.653
Cash and cash equivalents	632.624	880.284
Other assets (Prepayments)	1.003.507	927.806
TOTAL CURRENT ASSETS	46.363.763	47.737.538
1. TOTAL ASSETS	274.318.456	273.559.158
Share capital	24.266.709	24.266.709
Adjustments of share capital	(387.605)	(387.605)
Other components of share capital	14.305.342	14.305.342
Share premium	112.777.937	112.777.937
Revaluation reserves	38.008.045	38.008.045
Reserves	9.552.175	10.610.573
Retained earnings except that from the adoption for the first time of IAS 29	1.123.974	683.058
Profit at the end of the reporting period	(65.575)	0
Distribution of profit	199.581.002	200.264.059
2. TOTAL EQUITY	16.367.991	19.176.983
Long term loans	0	0
Deferred income tax liability	444.394	423.599
TOTAL LONG-TERM LIABILITIES	16.812.385	19.600.582
Trade payables and other payables	25.735.306	21.880.415
Short term loans	27.150.000	26.835.000
Current income tax debt	0	71.787
TOTAL SHORT-TERM LIABILITIES	52.885.306	48.787.202
Subsidies for investment	5.039.763	4.907.315
3. TOTAL LIABILITIES	274.318.456	273.559.158
	01.01.2020	31.03.2020

b. STATEMENT OF REVENUE AND EXPENDITURE - lei

	31.03.2019	31.03.2020
NET TURNOVER	13.154.835	18.083.349
Variation of finished products stocks and production in progress	2.405.690	774.050
Revenue from production of tangible assets	2.269.535	0
Other revenue	142.730	744.988
OPERATING REVENUES - TOTAL	17.972.790	19.602.387
Raw materials and consumables used	7.172.840	8.505.532
Other material expenses	651.659	662.849
Other external expenses (for energy and water)	3.723.946	2.242.949
	0	242
Expenses on goods	(41.176)	(10.638)
Trade discounts received	3.097.049	2.927.386
Staff costs	2.992.300	2.859.936
- Wages and allowances	104.749	67.450
- Expenses on social security and welfare		
Value adjustments on intangible and tangible assets, property investments and biological assets measured at cost	1.960.912	2.342.092
	1.960.912	2.342.092
Expenses		
Revenues	0	0
Value adjustments on current assets	0	0
- Expenses	0	0
- Revenues		
Other operating expenses	1.473.128	1.702.924
- Expenses on external supply	1.217.746	1.183.186
- Other taxes, duties and similar expenses	193.708	306.995
- Other expenses	61.674	212.743
OPERATING EXPENSES - TOTAL	18.038.358	18.373.336
OPERATING PROFIT OR LOSS	-65.568	1.229.051
Income from exchange rate differences	20.825	13.303
Interest income + other financial income	0	0
Income from shares held at subsidiaries	0	305.387
FINANCIAL REVENUE	20.825	318.690
Interest expenses	530.391	714.874
Other financial expenses	176.631	65.180

FINANCIAL EXPENSES	707.022	780.054
FINANCIAL PROFIT OR LOSS	(686.197)	(461.364)
TOTAL REVENUE	17.993.615	19.921.077
TOTAL EXPENSES	18.745.380	19.155.390
GROSS PROFIT	(751.765)	767.687
Tax revenue	0	84.629
NET PROFIT	(751.765)	683.058

EXPLANATORY NOTES

The turnover registered on 31.03.2020 is increasing by 37.47% compared to the one registered on 31.03.2019. The increase is due to the sale of an increased volume of products with an increased commercial margin. In the first 3 months of the year, except for the AAC product, it is observed the maintenance at a low level of the market for construction materials, determined by the COVID-19 pandemic and the lack of investment projects in national infrastructure.

The operating result on 31.03.2020 is in the amount of 1.229.051 lei, compared to -65.568 lei, achieved on 31.03.2019, increasing compared to the same period of the previous year, due to the optimization of production costs, increase of labor productivity and margins commercial.

The financial result on 31.03.2020 is in the amount of -461.364 lei, compared to -686.197 lei achieved in the same period of 2019, the difference being due to the fact that on 10.02.2020, the General Meeting of Shareholders of PREFAB INVEST SA decided to distribute the net profit of the company registered in the financial year 2019 in the amount of 305.692,93 lei in the form of dividends for shareholders. From this amount, considering the participation in the share capital of PREFAB INVEST SA (99.90%) of PREFAB SA, it has the amount of 305.387,24 lei.

The value of fixed assets decreased by 0.94%, from 227.954,693 lei (01.01.2020) to 225.821,620 lei (31.03.2020), decrease due to the depreciation recorded for these positions.

The value of current assets and other assets increased by 2.97%, from 46.363,763 lei (01.01.2020) to 47.737,538 lei (31.03.2020), due to their increase in value.

Total debts decreased by 1.88%, from 69.697,691 lei (01.01.2020) to 68.387,784 lei (31.03.2020), mainly due to the decrease in the balance sheet position of commercial debts - suppliers.

Furthermore, the economic climate in which we operate is characterized by lack of large investments in national infrastructure, inconsistent demand in the construction materials

market, excessive and changing taxation, cumbersome legislation, excessive bureaucracy in obtaining permits and authorizations, currency risk with influence in the price of some raw materials and materials, inflation caused by the increase of the minimum wage on the economy with all the associated consequences that determined price increases and the effects of the pandemic with COVID-19.

During the year 2020, no significant mergers or reorganizations of the company were made and no main assets of the company were sold.

On 31.03.2020, total revenues amounting to 19.921,077 lei were realized, representing 110,72% compared to the revenues realized in the same period of 2019 and total expenses amounting to 19.155,391 lei, representing 102,19% compared to of expenses incurred in the same period of 2019. In these conditions the gross result is 767.687 lei, increasing compared to the one registered in the same period of 2019.

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 2020, 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
- Risk regarding data protection and processing
- Medical risks

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.

Risk regarding data protection and processing

The risk can be generated by situations such as accidental loss or modification of data, as well as unauthorized access to personal data. Irrespective of the basis of processing, the company complies with the obligations set out in the General Regulation on data protection (RGPD) - Regulation (EU) 2016/679 including the obligation to inform the data subject, at the time of data collection.

Medical risks

The globalization of the infection with the new coronavirus COVID 19 causes negative effects such as:

- slowing down the supply activity;
- postponement/ decrease of sales;
- possible cases of staff illness or the childcare leave.

In the parent-company protective materials were distributed to employees consisting of gloves and masks, measures were taken to comply with hygiene and disinfection rules to prevent infection, procedures were established and specific measures were taken regarding the interaction between employees, between employees and collaborators, perimeters were established for the movement of personnel and vehicles, measures were taken regarding the limitation of entrances to the company in compliance with the schedules and hygiene norms, measures were taken regarding the transport of employees at and from work, and where possible, certain categories of non-productive staff have been chosen to work from home. The procedures and measures were displayed and were visible to all employees. Measures were taken to comply with the provisions of the military ordinances issued by the authorities during this period.

The major risk in case of infection with COVID 19 is to stop the production process and the entry of staff in isolation and quarantine, with serious consequences for the company's activity.

At this time we cannot estimate the economic impact of this pandemic. In the first quarter of the year we estimate a normal operation (including based on the stock of raw materials and products), but if the global infection situation will escalate, with all the resulting repercussions (closure of businesses and stores, closure of borders), the effects on the operation of the company could be amplified.

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.

According to the Investment Program, equipment and means of transport have been purchased and will be purchased, in order to improve the commercial activity, the working microclimate, the automation of technological processes will continue, aspects that will determine the increase of labor productivity implicitly of the company's economic result.

Investments in 2020 will be made from own and borrowed sources.

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 and changing taxation felt during 2019 as well;

- 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**

COUNTY: BUCHAREST	FORM OF PROPERTY: JOINT-STOCK COMPANY
LEGAL PERSON: 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 PURPOSES
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 31.03.2020

RON

Item name		Row no.	Balance on:	
			January 1, 2020	March 31, 2020
A		B	1	2
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	11.502	13.176
	3. Goodwill	03	0	0
	4. Intangible assets under construction	04	0	0
	TOTAL	05	11.502	13.176
	II. TANGIBLE ASSETS			
	1. Lands and constructions	06	148.851.528	148.340.852
	2. Plant and machinery	07	65.447.244	63.816.875
	3. Other installations, equipment and furniture	08	265.844	260.610
	4. Property investments	09	2.930.000	2.930.000
	5. Tangible assets under construction	10	0	0
	6. Advances	11	999.550	1.011.341
	TOTAL	12	218.494.166	216.359.678
	III. Biological assets	13	9.156	8.897
	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	227.954.693	225.821.620
B.	CURRENT ASSETS			
	I. STOCKS			
	1. Raw materials and consumables	22	4.206.257	4.121.342
	2. Assets held for sale	23	0	0
	3. Production in progress	24	195.364	363.903
	4. Finished products and goods	25	7.933.821	8.068.483
	5. Advances	26	1.119	134.067
	TOTAL	27	12.336.561	12.687.795
	II. RECEIVABLES			
	1. Trade receivables	28	32.015.654	32.673.059
	2. Advances paid	29	11.448	1.137
	3. Amounts receivable from group entities	30	0	0
	4. Amounts receivable from jointly controlled entity	31	0	0

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS
(all amounts are expressed in Lei ("RON"))

Item name	Row no.	Balance on:	
		January 1, 2020	March 31, 2020
A	B	1	2
5. Receivables from derivative operations	32	0	0
6. Other receivables	33	363.969	567.457
7. Capital subscribed and paid	34	0	0
TOTAL	35	32.391.071	33.241.653
III. SHORT-TERM INVESTMENTS	36	0	0
IV. CASH AND BANK ACCOUNTS	37	632.624	880.284
CURRENT ASSETS - TOTAL	38	45.360.256	46.809.732
C. PREPAYMENTS	39	1.003.507	927.806
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	27.150.000	26.835.000
3. Advances collected for orders	42	1.478.899	1.216.040
4. Trade payables - suppliers	43	22.163.537	17.270.674
5. Bills to pay	44	0	0
6. Debts from financial leasing operations	45	8.472	8.597
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	2.084.398	3.456.891
TOTAL	50	52.885.306	48.787.202
E. NET CURRENT ASSETS/ NET CURRENT LIABILITIES	51	-7.051.338	-1.579.459
F. TOTAL ASSETS LESS CURRENT LIABILITIES	52	220.903.355	224.242.161
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	16.367.991	19.176.983
3. Advances collected for orders	55	0	0
4. Trade payables - providers	56	0	0
5. Bills to pay	57	0	0
6. Debts from financial leasing operations	58	56.789	35.994
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	387.605	387.605
TOTAL	63	16.812.385	19.600.582
H. PROVISIONS			
1. Provisions for employee benefits	64	0	0

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS

(all amounts are expressed in Lei ("RON"))

Item name		Row no.	Balance on:	
			January 1, 2020	March 31, 2020
A		B	1	2
	2. Other provisions	65	0	0
	TOTAL	66	0	0
I.	REVENUES FROM ADVANCE			
	1. Subsidies for investmentS	67	5.039.763	4.907.315
	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	5.039.763	4.907.315
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 Balance C	76	0	0
	Balance D	77	0	0
	5. Other equity items Balance C	78	0	0
	Balance D	79	387.605	387.605
	TOTAL	80	23.879.104	23.879.104
	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	4.537.002	4.537.002
	2. Statutory or contractual reserves	84	0	0
	3. Other reserves	85	33.471.043	33.471.043
	TOTAL	86	38.008.045	38.008.045
	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	90	9.552.175	10.610.573
	Balance D	91	0	0
	VI. RETAINED EARNINGS, EXCEPT THE RETAINED EARNINGS FROM ADOPTION FOR THE FIRST TIME OF IAS 29			
	Balance C	92	0	0
	Balance D	93	0	0
	VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD			
	Balance C	94	1.123.974	683.058
	Balance D	95	0	0
	Distribution of profit	96	65.575	0
	EQUITY - TOTAL	97	199.581.002	200.264.059
	Public heritage	98	0	0

PREFAB S.A. BUCUREȘTI
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(all amounts are expressed in Lei ("RON"))

Item name		Row no.	Balance on:	
			January 1, 2020	March 31, 2020
A		B	1	2
	CAPITALS - TOTAL	99	199.581.002	200.264.059

Administrator,

Surname and name
MILUT PETRE MARIAN

Signature
Stamp of unit

Prepared by

Surname and name: BOITAN DANIELA
Position: Economic Director

Signature

PREFAB S.A. BUCUREȘTI
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(all amounts are expressed in Lei ("RON"))

Name of indicators		Row no.	Financial year	
			31.03.2019	31.03.2020
A		B	1	2
1.	Net turnover (row 02+03-04+05+06)	01	13.154.835	18.083.349
	Production sold (acct.701+702+703+704+705+706+708)	02	13.653.600	18.912.830
	Revenues from sale of goods (acct. 707)	03	0	714
	Trade discounts granted (acct. 709)	04	498.765	830.195
	Income from operating subsidies related to net turnover (acct.7411)	05	0	0
2.	Income cost products stocks (acct. 711+712)			
		Balance C	2.405.690	774.050
		Balance D		0
3.	Revenues from the production of tangible and intangible assets (acct. 721+ 722)	08	2.269.535	0
4.	Other operating incomes (acct. 758+7417+7815)	09	142.730	744.988
	OPERATING INCOMES - TOTAL	10	17.972.790	19.602.387
5.	a) Expenses for raw materials and consumables (acct. 601+602-7412)	11	7.172.840	8.505.532
	Other material expenses (acct. 603+604+606+608)	12	651.659	662.849
	b) Other external charges (for energy and water)(acct. 605-7413)	13	3.723.946	2.242.949
	c) Expenses on goods (acct. 607)	14	0	242
	Trade discounts received (acct. 609)	15	41.176	10.638
6.	Staff costs, of which:	16	3.097.049	2.927.386
	a) Wages and salaries (acct. 641+642+643+644-7414)	17	2.992.300	2.859.936
	b) Insurance and social protection expenses (acct. 645-7415)	18	104.749	67.450
7.	a) Value adjustments on tangible and intangible assets	19	1.960.912	2.342.092
	a.1) Expenses (acct. 6811+6813)	20	1.960.912	2.342.092
	a.2) Incomes (acct. 7813)	21	0	0
	b) Value adjustments on current assets	22	0	0
	b.1) Expenses (acct. 654+6814)	23	0	0
	b.2) Incomes (acct. 754+7814)	24	0	0
8.	Other operating expenses	25	1.473.128	1.702.924
	8.1. Expenses on external services (acct. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	26	1.217.746	1.183.186
	8.2. Other taxes and similar (acct. 635)	27	193.708	306.995
	8.3. Other expenses (acct. 652+658)	28	61.674	212.743
	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	18.038.358	18.373.336
	OPERATING PROFIT OR LOSS			
	- Profit	33	0	1.229.051
	- Loss	34	65.568	0

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS
(all amounts are expressed in Lei ("RON"))

INCOMES AND EXPENSES STATEMENT			Financial year	
			31.03.2019	31.03.2020
Name of indicators		Row no.	1	2
A		B	1	2
9.	Income from exchange rate differences	35	20.825	13.303
				0
10.	Interest income (acct.766*)	36	0	0
	- of which, revenues from group entities	37	0	0
	Income from shares in subsidiaries	38	0	0
	Other incomes	39	0	305.387
	FINANCIAL INCOMES - TOTAL	40	20.825	318.690
11.	Value adjustments on financial assets and investments held as current assets	41	0	0
	- Expenses (acct.686)	42	0	0
	- Incomes (acct.786)	43	0	0
12.	Interest expenses (acct. 666*-7418)	44	530.391	714.874
	- of which, expenses in relation to group entities	45	0	0
	Other financial expenses (acct. 663+664+665+667+668)	46	176.631	65.180
	FINANCIAL EXPENSES - TOTAL	47	707.022	780.054
	FINANCIAL PROFIT OR LOSS			
	- Profit	48	0	0
	- Loss	49	686.197	461.364
13.	CURRENT PROFIT OR LOSS			
	- Profit	50		767.687
	- Loss	51	-751.765	
	TOTAL REVENUES	52	17.993.615	19.921.077
	TOTAL EXPENSES	53	18.745.380	19.155.390
	GROSS PROFIT OR LOSS			
	- Profit	54	0	767.687
	- Loss	55	-751.765	0
14.	Current income tax (acct. 691)	56	0	84.629
15.	Deferred income taxes (acct. 692)	57	0	0
16.	Other taxes not shown on the above items (acct. 698)	58	0	0
17.	NET PROFIT OR LOSS OF FINANCIAL YEAR:			
	- Profit	59		683.058
	- Loss	60	-751.765	

Administrator,

Surname and name
MILUT PETRE MARIAN

Signature

Prepared by

Surname and name: **BOITAN DANIELA**
Position: **Economic Director**

Signature

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS

(all amounts are expressed in Lei ("RON"))

Stamp of unit

INFORMATIONAL DATA

I. Data on the recorded result	Row no.	Units no.	Amounts	
A	B	1	2	
Units with profit:	01	1	683.058	
Units with loss:	02	0	0	
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

III. Medium number of employees	Row	31.03.2019	31.03.2020
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PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS

(all amounts are expressed in Lei ("RON"))

	no.		
A	B	1	2
Medium number of employees	24	296	285
Other informations	25	325	302
IV. Payments of interest and royalties	Row no.	Amounts (lei)	
A	B	1	
Gross income from interest paid by Romanian legal entities to non-resident individuals in the Member States of the European Union, of which:	26	0	
- the tax owed to the state budget	27	0	
Gross income from interest paid by Romanian legal entities to non-resident affiliated legal entities in the Member States of the European Union, of which:	28	0	
- the tax owed to the state budget	29	0	
Income from royalties paid by Romanian legal entities to non-resident affiliated legal entities from EU Member States, of which:	30	0	
- the tax owed to the state budget	31	0	
Gross interest income paid by Romanian legal entities to non-resident legal entities in the Member States of the European Union, of which:	32	0	
- the tax due to the state budget	33	0	
Gross income from dividends paid by Romanian legal entities to non-resident legal entities, of which:	34	0	
- the tax due to the state budget	35	0	
Gross income from dividends paid by Romanian legal entities to non-resident legal entities, according to art. 117 letter h) of Law no. 571/2003 on the Fiscal Code, with subsequent amendments and completions, of which:	36	0	
- the tax due to the state budget	37	0	
Gross income from royalties paid by Romanian legal entities to non-resident affiliated legal entities from the member states of the European Union, of which:	38	0	
- the tax due to the state budget	39	0	
Gross income from royalties paid by Romanian legal entities to non-resident legal entities, of which:	40	0	
- the tax due to the state budget	41	0	
Royalties paid during the reporting period for public domain goods, received under concession, of which:	42	1.950	
- royalties for public domain goods paid to the state budget	43		
Paid mining royalty	44	0	
Gross income from services paid by Romanian legal entities to non-residents, of which:	45	0	
- the tax due to the state budget	46	0	

PREFAB S.A. BUCUREȘTI
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(all amounts are expressed in Lei ("RON"))

Gross income from services paid by Romanian legal entities to non-residents of the Member States of the European Union, of which:	47	0	
- the tax due to the state budget	48	0	
Subsidies received during the reporting period, of which:	49	0	
-subsidies received during the reporting period related to the assets	50	0	
- income subsidies, of which:	51	0	
-subsidies for stimulating employment	52	0	
Outstanding receivables, which were not collected within the terms provided in the commercial contracts and/or in the normative acts in force, of which:	53	0	
- Outstanding receivables from entities in the majority or integral state sector	54	0	
- Outstanding receivables from private sector entities	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.	31.03.2019	31.03.2020
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.	31.03.2019	31.03.2020
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.	31.03.2019	31.03.2020
A	B	1	2
Advance payments for intangible assets	64		
Advance payments for tangible assets	65	322.547	1.011.341
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		

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS

(all amounts are expressed in Lei ("RON"))

- 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
- 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+4092)	78	35.785.137	33.378.540
Receivables related to personnel and assimilated accounts (acct. 425 + 4282)	79	480	47.955
Receivables related to the social insurance budget and the state budget (acct. 431 + 437 +4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482)	80	162.947	202.010
Receivables entity related to the affiliated entities (acct .451)	81	0	0
Other receivables (acct. 451 + 453 + 456 + 4582 + 461 + 471 + 473+542)	82	8.393	317.492
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	3.999	21.986
- in lei (acct. 5311)	94	3.999	21.986
- in foreign currency (acct. 5314)	95	0	0
Current accounts in banks in lei and foreign currency, of which	96	496.421	858.298
- in lei (acct. 5121)	97	480.393	856.776
- in foreign currency (acct. 5124)	98	16.028	1.522
Other current accounts at banks and credit, of which	99	0	0

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS

(all amounts are expressed in Lei ("RON"))

- 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
Liabilities, of which:	102	74.429.448	68.387.784
- 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	25.700.000	26.835.000
- in lei	107	25.700.000	26.835.000
- 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	20.357.873	19.176.983
- in lei	113	20.357.873	19.176.983
- in foreign currency	114	0	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	119.888	35.993
- in lei and expressed in lei, whose settlement is based on a foreign currency	120	119.888	35.993
- 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	25.754.681	18.495.311
- Debt related to personnel and assimilated accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)	123	823.165	955.819
- Debt related to the social insurance budget and state budget (acct. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481)	124	1.528.580	2.723.603
- 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	145.262	165.075

PREFAB S.A. BUCUREȘTI
FINANCIAL STATEMENTS

(all amounts are expressed in Lei ("RON"))

- 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
- 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	Row no.	31.03.2019	31.03.2020
A	B	1	2
Expenses with contributors (acct. 621)	135	0	0

Administrator,

Surname and name
MILUT PETRE MARIAN

Signature
Stamp of unit

Prepared by

Surname and name: BOITAN DANIELA
Position: Economic Director

Signature

STATEMENT OF CASH FLOWS
Indirect method

The element's name	31.03.2019	31.03.2020
Cash flows from operating activities:		
(+)Net profit before tax	-751.765	767.687
<i>Adjustments for:</i>		
(+)Depreciation and value adjustments related to tangible and intangible assets	1.960.912	2.342.092
(-)Value adjustments reversed during the year	0	0
(+) Subsidies - variation	-132.449	-132.449
(+) Interest expenses and other financial expenses	707.022	780.054
(-) Interest income and other financial income	20.285	318.690
(-) Loss/ (profit) from the sale of tangible assets	0	0
(-) Profit tax paid	0	84.629
Operating profit before changes in working capital		
(-) Decrease/increase of commercial and other receivables	-1.170.419	850.582
(-) Decrease/increase of stocks	1.345.815	351.234
(+) Decrease/increase of commercial and other debts	4.008.014	-4.179.423
Net cash from operating activities	5.596.053	-2.027.174
Cash flows from investment activities		
(-) Payments for the acquisition of tangible and intangible assets	2.685.070	209.019
(+) Proceeds from the sale of tangible and intangible assets	0	0
(+) Interest received	20.825	318.690
Net cash from investment activities	-2.664.245	109.671
Cash flows from financing activities		
(+) Loans received	0	6.950.000
(-) Loan repayments	2.640.515	4.069.963
(-) Interest paid	530.391	714.874
Net cash flow from financing activities	-3.170.906	2.165.163
Net increase/decrease in cash and cash equivalents	-239.098	247.660
Cash and cash equivalents at the beginning of the period	739.518	632.624
Cash and cash equivalents	500.420	880.284

The interim individual financial statements were approved by the Board of Directors on 29.04.2020 and were signed by:

Chairman of the Board of Directors,

Eng. Milut Petre Marian

Economic manager,

Ec. Boitan Daniela

STATUS OF CHANGES IN EQUITY for the period of 3 months ended on 31.03.2020

	Social capital	Share capital adjustments (acct 1028)	Other equity items (acct 1034)	Capital premium	Own actions	Reserves	Reported and current result	Total
January 1, 2020	24.266.709	0	(387.605)	14.305.342	0	150.785.982	10.610.574	199.581.002
Current overall result	0	0	0	0	0	0	683.057	683.057
Distribute dividends	0	0	0	0	0	0	0	0
Allocate other reserves	0	0	0	0	0	0	0	0
Increases in the reserve from the revaluation of fixed assets	0	0	0	0	0	0	0	0
Transfer the reserve from revaluation to retained earnings	0	0	0	0	0	0	0	0
March 31, 2020	24.266.709	0	(387.605)	14.305.342	0	150.785.982	11.293.631	200.264.059

The interim individual financial statements were approved by the Board of Directors on 29.04.2020 and were signed by:

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

Economic Manager,
Ec. Boitan Daniela

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

The Board of Directors of PREFAB S.A. hereby states that assumes responsibility for the preparation of the Financial Statements prepared on March 31, 2020.

The Board of Directors of PREFAB S.A. confirms, in respect of the Financial Statements prepared on March 31, 2020, the following:

- a) The Financial Statements on March 31, 2020 are prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union.
- b) The accounting policies used to prepare the Financial Statements from March 31, 2020 are in accordance with the applicable accounting regulations.
- c) The Financial Statements prepared on March 31, 2020 provides a true picture of the financial position, financial performance and other information about the business.
- d) The Company carries out its activity in continuity.

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

Chairman of the Board of Directors,

Eng. Milut Petre Marian