PREFAB

Financial Statements

prepared in accordance with the provisions of

OMFP (Order of the Minister of Public Finance) No. 2844/2016

- for the year ended 31 December 2025 -

(all amounts are stated in lei, unless otherwise specified)

CONTENTS

STATEMENT OF FINANCIAL POSITION

		31 December 2024	**31 December 2025**
Tangible fixed assets	5	206,135,180	190,241,401
Intangible assets	4	931	652
Investment property	7	0	2,057,220
Other fixed assets		0	0
Biological assets		3,978	2,223
Rights to use leased assets		791,493	631,429
TOTAL FIXED ASSETS		**206,931,582**	**192,932,925**
Inventories	9	24,122,852	15,077,602
Trade receivables and other receivables	8	1,771,605	1,602,891
Cash and cash equivalents	10	396,033	273,354
Other assets (prepaid expenses)		281,766	6,707
TOTAL CURRENT ASSETS		**26,572,256**	**16,960,554**
1. TOTAL ASSETS		**233,503,838**	**209,893,479**
Share capital	11	20,969,441	20,969,441
Other equity items		(448,224)	(181,435)
Share premium		0	0
Revaluation reserves	12	117,173,624	106,660,888
Reserves	12	41,146,019	42,067,569
Retained earnings, excluding those arising from the first-time adoption of IAS 29	12	9,962,246	20,474,982
Treasury shares		(671,432)	(671,432)
Profit at the end of the reporting period	13	921,551	(43,276,671)
Allocation of profit	14	0	0
2. TOTAL EQUITY	14	**189,053,225**	**146,043,342**
Long-term loans	18	4,786,733	4,143,335
Other liabilities, including deferred income tax	20	717,805	316,537
TOTAL LONG-TERM LIABILITIES		**5,504,538**	**4,459,872**
Trade payables and other payables	19	11,247,590	10,468,915
Short-term loans	17	22,529,375	30,061,284
Other liabilities, including tax and social security liabilities	23	2,545,160	3,005,075
TOTAL CURRENT LIABILITIES		**36,322,125**	**43,535,274**
Provisions			**13.642.003**
Investment grants, of which:	21	**2,623,950**	**2,212,988**
- current portion		529,517	529,961
- due in over one year		2,094,433	1,683,027
3. TOTAL LIABILITIES		**233,503,838**	**209,893,479**

The explanatory notes to the financial statements form an integral part of these financial statements.
The financial statements were approved by the Board of Directors on **7 April 2026** and were signed by:

Chairman of the Board of Directors,

Eng. Ion Secareanu

Financial Director,

Ec. Vildan Hotulig

STATEMENT OF PROFIT OR LOSS AND OTHER COMPONENTS OF COMPREHENSIVE INCOME
For the year ended 31 December 2025

		Note	31 December 2024	31 December 2025
1.	Revenue from sales	22	86,476,711	68.703.933
2.	Cost of sales	23	76,964,273	59.419.452
3.	**Gross margin**		**9,512,438**	**9.284.481**
4.	Other operating income	22	9,712,630	(1.732.025)
5.	Distribution expenses	-	4,492,000	2.439.937
6.	Administrative expenses	-	4,953,974	25.720.781
7.	Other operating expenses	23	6,297,316	19.939.319
8.	**Operating profit**		**3,481,778**	**(40.547.581)**
9.	Financial income	24	26,449	116.769
10	Financial expenses	25	2,183,177	2.857.964
11.	**Financial result**		**(2,156,728)**	**(2.741.195)**
12.	**PROFIT FROM CURRENT OPERATIONS**		1,325,050	(43.288.776)
13.	Income tax expense	26	403,499	(12.105)
14.	**Net profit for the period**	**26**	**921,551**	**(43.276.671)**
15.	**Items not to be reclassified in the profit and loss account, total, of which**		**0**	**0**
16.	-increases/decreases in the reserve arising from the revaluation of tangible fixed assets		0	0
17.	-tax on other comprehensive income		0	0
18.	**Total comprehensive income for the period**		**921,551**	**(43.276.671)**
19.	Basic earnings per share	27	0.0219	(1.0318)
20.	Diluted earnings	27	0.0219	(1.0318)

The notes to the financial statements form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on **7 April 2026** and were signed by:

Chairman of the Board of Directors,

Eng. Ion Secareanu

Financial Director,

Ec. Vildan Hotulig

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other equity items	Share premiums	Treasury shares	Statutory reserves	Other reserves	Revaluation reserves	Retained and current profit	Total
1 January 2024	**24,266,709**	**(453,168)**	**14,305,342**	**0**	**6,086,757**	**41,614,864**	**117,173,624**	**10,395,796**	**213,389,923**
Current comprehensive income								921,551	921,551
Allocations to other reserves						843,619		(843,619)	0
Increases/decreases arising from the merger	(3,297,268)		(14,305,342)	671,432	(410,071)	(6,989,150)		410,071	(25,263,192)
Increases in the revaluation reserve for fixed assets		4,944							4,944
31 December 2024	**20,969,441**	**(448,224)**	**0**	**671,432**	**5,676,686**	**35,469,333**	**117,173,624**	**10,883,799**	**189,053,225**

The explanatory notes to the financial statements form an integral part of these financial statements.
The financial statements were approved by the Board of Directors on **7 April 2026** and were signed by:

Chairman of the Board of Directors,

Financial Director,

Eng. Ion Secareanu **Ec. Vildan Hotulig**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other equity items	Share premiums	Treasury shares	Statutory reserves	Other reserves	Revaluation reserves	Retained and current profit	Total
1 January 2025	**20.969.441**	**(448.224)**	**0**	**671.432**	**5.676.686**	**35.469.333**	**117.173.624**	**10.883.799**	**189.053.225**
Current comprehensive income								(43.276.671)	(43.276.671)
Allocations to other reserves						921.550		(921.550)	0
+/- Reserves from the revaluation of fixed assets		266.789					(10.512.736)	10.512.736	266.789
31 December 2025	**20.969.441**	**(181.435)**	**0**	**671.432**	**5.676.686**	**36.390.883**	**106.660.888**	**(22.801.686)**	**146.043.342**

The explanatory notes to the financial statements form an integral part of these financial statements.
The financial statements were approved by the Board of Directors on **7 April 2026** and were signed by:

Chairman of the Board of Directors, Financial Director,

Eng. Ion Secareanu **Ec. Vildan Hotulig**

CASH FLOW STATEMENT
Indirect method

Item name	31.12.2024	31.12.2025
Cash flows from operating activities:		
Net profit before tax	1,325,050	-43.276.671
Adjustments for:		
Depreciation and impairment adjustments relating to tangible and intangible assets	9,155,082	8.009.476
Grants – change	-497,516	-410.962
Interest expenses and other financial expenses	2,183,177	2.857.964
Interest income and other financial income	-121,360	-116.769
Loss / (profit) on the sale of tangible fixed assets	0	-292.365
Income tax paid	-403,499	0
Operating profit before changes in working capital	**11,640,934**	**-33.229.327**
Decrease/increase in trade and other receivables	26,978,974	168.714
Decrease/increase in inventories	1,778,645	9.045.250
Decrease/increase in trade and other payables	-20,918,750	21.241.801
Net cash from operating activities	**19,479,803**	**-2.773.562**
Cash flows from investing activities:		
Payments for the acquisition of tangible and intangible assets	-14,662,149	-1.496.433
Proceeds from the sale of tangible and intangible fixed assets	0	0
Interest received	121,360	116.769
Net cash from investing activities	**-14,540,789**	**-1.379.664**
Cash flows from financing activities:		
Loans received	50,247,652	33.783.275
Repayments of loans	-50,382,880	-26.894.764
Interest paid	-2,183,177	-2.857.964
Dividends paid	-2,728,293	0
Net cash flow from financing activities	**-5,046,698**	**4.030.547**
Net increase/decrease in cash and cash equivalents	**-107,684**	**-122.679**
Cash and cash equivalents at the beginning of the financial year	**503,717**	**396.033**
Cash and cash equivalents at the end of the financial year	**396,033**	**273.354**

The notes to the financial statements form an integral part of these financial statements.
The financial statements were approved by the Board of Directors on **7 April 2026** and were signed by:

Chairman of the Board of Directors, Financial Director,

Eng. Ion Secareanu **Ec. Vildan Hotulig**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

1. Information about the company

PREFAB SA is a joint-stock company operating in accordance with the provisions of Law No. 31/1990 on commercial companies, republished with subsequent amendments and additions, established pursuant to Government Decision No. 1200 of 12 November 1990.

The company is registered with the Trade Register Office under no. J2003009212407 and has the unique registration code RO 1916198.

PREFAB SA is a manufacturer of precast concrete elements and other building materials; established in 1967 to meet the demand for prefabricated elements for residential, industrial, agricultural and irrigation construction; privatised in 1999 through the purchase of the majority stake from F.P.S. by the mixed-capital company, Romerica International.

The takeover of PREFAB S.A. by CELCO S.A. on 28 August 2025, as part of a transaction carried out through the Bucharest Stock Exchange, represents a major transaction in the construction materials market through which CELCO S.A. increased its stake in the share capital of PREFAB S.A., thereby acquiring sole direct control over the company.
This transaction represents a significant change in the governance and control structure and has the following main objectives:

- expansion into new markets;
- increasing sales volumes of autoclaved aerated concrete (AAC), adhesives, dry mortars and bagged lime;
- consolidating its position in the masonry materials market;
- achieving operational synergies within the group.

The subscribed and paid-up share capital as at 31 December 2025 is **20,969,441.5 lei**, divided into **41,938,883 shares** with a nominal value of 0.5 lei per share.

The shares of PREFAB SA Bucharest have been traded on the Bucharest Stock Exchange, in the Standard category, since 5 July 2010.

The last trading price of the shares of PREFAB SA Bucharest, valid as at 30 December 2025, was 2.42 lei per share.

The specific independent registry activities for PREFAB SA were carried out by *the Central Depository.*

The company has not issued any bonds or other debt securities.
As at 31 December 2025, the company has the following place of business:

1. Branch in Calarasi, 396 Bucuresti Street, Calarasi County

The shareholding structure of PREFAB SA as at 10 December 2025 was as follows:

Shareholder	No. of shares	%
CELCO SA CONSTANTA	40,075,471	95.5568
OTHER SHAREHOLDERS – LEGAL ENTITIES	173,403	0.4135
OTHER SHAREHOLDERS – INDIVIDUALS	1,690,009	4.0297
TOTAL	**41,938,883**	**100.0000**

2. BASIS FOR PREPARATION

2.1. Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of OMFP 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications, and are available at the Company's office located at 396 Bucharest Street.
These provisions comply with the requirements of International Financial Reporting Standards, as adopted by the European Union.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes.

2.2. Basis of measurement

The financial statements are presented in LEI ("Romanian leu"), and have been prepared on a historical cost basis, except for the revaluation of certain fixed assets and financial instruments, which are measured at fair value, and for items of share capital, statutory reserves and other reserves arising from net profit, which have been adjusted in accordance with International Accounting Standard ("IAS") 29 "Financial Reporting in Hyperinflationary Economies" with the effect of inflation up to 31 December 2003.
The financial statements as at 31 December 2025 have been prepared on a going concern basis.

2.3. Functional and presentation currency

The items included in the Company's financial statements are measured using the currency of the economic environment in which the entity operates ("functional currency"), i.e. the leu. The financial statements are presented in lei, which is the Company's functional and presentation currency.

Accounts are kept in Romanian and in the national currency. Accounts for transactions carried out in foreign currency are kept in both the national currency and the foreign currency. Foreign currency refers to any currency other than the leu. The annual financial statements are prepared in Romanian and in the national currency."
Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the date of settlement of the transaction. Monetary assets and liabilities recorded in foreign currency on the date of preparation of the statement of financial position are expressed in lei at the exchange rate on that date. Gains or losses arising from their settlement and from the conversion of monetary assets and liabilities denominated in foreign currency using the exchange rate at the end of the financial year are recognised in the profit or loss for the year. Non-monetary assets and liabilities that are measured at historical cost in foreign currency are recorded in lei at the exchange rate on the date of the transaction.
For the valuation at the end of each reporting period of items denominated in foreign currency, the foreign exchange market rate published by the National Bank of Romania on the last banking day of the month in question is used.
The exchange rates of the main currencies were as follows:

CURRENCY	Rate 31 Dec 2024	Rate 31 Dec 2025
EUR	4.9741	5.0985
USD	4.7768	4.3417

2.4. Use of estimates and professional judgement

The preparation of financial statements in accordance with IFRS as adopted by the European Union requires management to make estimates and assumptions that affect the application of accounting policies, as well as the reported amounts of assets, liabilities, income and expenses. Estimates and the judgements associated with them are based on historical data and other factors considered to be relevant in the circumstances, and the outcome of these factors forms the basis of the judgements used in determining the carrying amounts of assets and liabilities for which no other sources of valuation are available. Actual results may differ from estimated amounts.

Estimates and judgements are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the current and future periods, if the revision affects both the current and future periods. The effect of the change relating to the current period is recognised as income or an expense in the current period. If any, the effect on future periods is recognised as income or an expense in those future periods.

The company’s management considers that any deviation from these estimates will not have a significant impact on the financial statements in the near future.

Estimates and assumptions are used in particular for impairment adjustments to fixed assets and securities held and measured at cost, for estimating the useful life of a depreciable asset, for impairment adjustments to receivables, for provisions, and for the recognition of deferred tax assets.

In accordance with IAS 36, both intangible and tangible assets are assessed to determine whether there is any indication of impairment at the balance sheet date.

An impairment loss is recognised to reduce the net carrying amount of the asset to its recoverable amount. If the reasons for recognising the impairment loss cease to exist in subsequent periods, the net carrying amount of the asset is increased to the net carrying amount that would have been determined had no impairment loss been recognised.

The assessment for impairment of receivables is carried out on an individual basis and is based on management’s best estimate of the present value of the cash flows expected to be received.The Company reviews its trade and other receivables at each balance sheet date to assess whether an impairment loss should be recognised in the profit and loss account. In particular, management’s professional judgement is required to estimate the value and to coordinate future cash flows when determining the impairment loss. These estimates are based on assumptions regarding several factors, and actual results may differ, leading to future adjustments.

Deferred tax assets are recognised for tax losses to the extent that it is probable that there will be taxable profit against which the losses can be utilised.Professional judgement is required to determine the amount of deferred tax assets that can be recognised, based on the probability regarding the timing and level of future taxable profit, as well as future tax planning strategies.

3. ACCOUNTING PRINCIPLES, POLICIES AND METHODS.

In accordance with IFRS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, *accounting policies* are the principles, bases, conventions, rules and specific practices applied by the entity in the preparation and presentation of the financial statements.

The Company has selected and applies its accounting policies consistently to transactions, other events and similar circumstances, unless a standard or an interpretation specifically requires or permits the classification of items for which the application of different accounting policies might be appropriate. If a standard or an interpretation requires or permits such a classification, an appropriate accounting policy must be selected and applied to each category consistently.

The Company changes an accounting policy only if the change:

- is required by a standard or an interpretation; or
- results in financial statements that provide reliable and more relevant information regarding the effects of transactions, other events or conditions on the entity’s financial position, financial performance or cash flows.

We present a summary of the significant accounting policies that have been consistently applied to all periods presented in the financial statements:

3.1. Intangible and tangible assets; investment property;

3.1.1 Intangible assets acquired by the company are initially measured at acquisition cost and presented at cost less accumulated amortisation and accumulated impairment losses.
The company has adopted the cost model as its accounting policy for the measurement of intangible assets after initial recognition.

The useful life for this group of assets is between 3 and 5 years. The company has opted to use the straight-line method for the amortisation of intangible assets.
To determine whether an intangible asset measured at cost is impaired, the company applies IAS 36 “Impairment of Assets”. An impairment loss must be recognised immediately in profit or loss

For the purposes of presentation in the profit and loss account, gains or losses arising on the discontinuation of use or disposal of an intangible asset are determined as the difference between the proceeds from the disposal of the asset and its unamortised carrying amount, including the costs of derecognition, and shall be presented as a net amount in the profit and loss account, in accordance with IAS 38 “Intangible Assets”.

3.1.2. Tangible fixed assets are initially recognised at acquisition or construction cost and are presented net of accumulated depreciation and accumulated impairment losses.

The cost of purchased tangible assets comprises the consideration paid for the acquisition of the assets, as well as other costs directly attributable to bringing the assets to the location and condition necessary for them to operate in the manner intended by management. The cost of assets constructed in-house includes labour costs, materials, indirect production costs and other costs directly attributable to bringing the assets to their current location and condition.

The Company has opted to use **the revaluation model** for the measurement of property, plant and equipment following initial recognition. Under the revaluation model, an item of property, plant and equipment whose fair value can be reliably measured must be carried at a revalued amount, which is its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.
Revaluations must be carried out with sufficient regularity to ensure that the carrying amount does not differ significantly from what would have been determined using fair value at the end of the reporting period.
The fair value of land and buildings is generally determined on the basis of market evidence, through a valuation carried out by qualified professional valuers.
The fair value of items of property, plant and equipment is generally their market value as determined by valuation.
The frequency of revaluations depends on changes in the fair value of the revalued tangible assets. If the fair value of an asset differs significantly from its carrying amount, a new revaluation is required.
When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of revaluation is treated by the company as follows: it is reversed in proportion to the change in the gross carrying amount of the asset, so that the carrying amount of the asset, after revaluation, is equal to its revalued amount.
Consequently, the frequency of revaluations depends on changes in the fair value of property, plant and equipment. If the fair value of a revalued item of property, plant and equipment at the balance sheet date differs significantly from its carrying amount, a further revaluation is required. Where fair values are volatile, as may be the case with land and buildings, frequent revaluations may be necessary. Where fair

values are stable over a long period, as may be the case with plant and machinery, revaluations may be required less frequently. IAS 16 suggests that annual revaluations may be necessary where there are significant and volatile changes in values.
The Company has opted to revalue buildings and land at least once every seven years.
If an item of property, plant and equipment is revalued, then the entire class of property, plant and equipment to which that item belongs must be revalued.
The last revaluation was carried out on 31 December 2020 in accordance with the regulations in force, with a view to determining their fair value, taking into account inflation, the utility of the assets, their condition and market value. The results were recorded based on the technical valuation report prepared by an authorised valuer. The increase in carrying amount resulting from these revaluations was debited to the revaluation reserve.
The residual value of the asset and the asset's useful life are reviewed at least at the end of the financial year.
Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to function in the manner intended by management.
Depreciation of an asset ceases on the earlier of the date on which the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), in accordance with IFRS 5, and the date on which the asset is derecognised. Consequently, depreciation does not cease when the asset is not in use or is taken out of service, unless it is fully depreciated.
Land and buildings are separable assets and are accounted for separately even when acquired together.
Land held for investment is not depreciated.
If the cost of the land includes costs of dismantling, removal or restoration, these costs are depreciated over the period during which benefits are obtained as a result of incurring these costs.
The depreciation method used reflects the expected rate at which the entity will consume the future economic benefits of the asset. At the end of each financial year, the depreciation method is reviewed, and if a significant change in the expected rate of consumption of future economic benefits is identified, the method is changed to reflect the revised rate.
PREFAB SA has opted to use the straight-line depreciation method and, from 2026 onwards, will also use the declining balance method for the depreciation of fixed assets acquired after that date, in accordance with the accounting policy approved by the board of directors.

The residual value, useful life and depreciation method are reviewed at the date of the financial statements.
From a tax perspective, the useful lives of tangible assets at the date of these financial statements fall within the limits set out in Government Decision 2139/2004 and are estimated by management to be correct.
The calculated depreciation uses the following useful lives for the various categories of fixed assets:

Tangible fixed assets	**Useful life (years)**
Buildings	8-60
Technological equipment	3-24
Measuring, control and regulation equipment and installations	4-24
Means of transport	4-18
Furniture, office equipment, equipment for the protection of personnel and assets	3-18

Depreciation policy applied by the company

In accordance with IAS 36 "Impairment of Assets", both intangible and tangible fixed assets are assessed to determine whether there are any indications of impairment at the balance sheet date. For intangible assets with an indefinite useful life, the impairment test is carried out annually, even if there is no indication of impairment. If the net book value of an asset is greater than its recoverable amount, an impairment loss is recognised to reduce the net book value of that asset to its recoverable amount. If the reasons for recognising the impairment loss cease to exist in subsequent periods, the net carrying amount of the asset is increased to the net carrying amount that would have been determined had no impairment loss been recognised. The difference is presented as other operating income.
The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future benefits are expected from its use or disposal. The revaluation surplus included in equity relating to an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised, on disposal or write-off.
The gain or loss arising from the derecognition of an item of property, plant and equipment must be included in profit or loss when the item is derecognised.
If items of property, plant and equipment that have been held for lease to others are sold on a recurring basis, these assets shall be transferred to inventories at their carrying amount on the date they cease to be leased and are held for sale. Proceeds from the sale of these assets are recognised as revenue in accordance with IFRS 15.

Assets classified as "held for sale" are stated at the lower of their net carrying amount and fair value less costs to sell. Fixed assets (or groups of fixed assets) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction, rather than through continued use. Such a classification is based on the assumptions that the sale of the assets in question is highly probable and that the assets are available for immediate sale in their current condition.

3.1.3. Investment property

According to IAS 40 **"Investment Property",** an investment property is held to earn rental income or for capital appreciation, or both. Consequently, an investment property generates cash flows that are largely independent of other assets held by the entity. Thus, investment property differs from property used by the owner. The production of goods or the provision of services (or the use of the property for administrative purposes) generates cash flows that cannot be attributed solely to the investment property, but also to other assets used in the process of producing or providing goods or services.

Investment property is measured at cost on initial recognition. The cost of an investment property comprises the purchase price plus any directly attributable costs (professional fees for legal services, transfer taxes, etc.). Investment property is subsequently presented in the financial statements at fair value.
After initial recognition, the entity adopts the fair value model and measures all its investment property at fair value, except where this cannot be reliably determined.
A gain or loss arising from a change in the fair value of the investment property is recognised in profit or loss for the period in which it arises.
The entity determines fair value without deducting any transaction costs that it may incur in connection with a sale or other disposal.

The company has chosen the fair value model for the measurement after recognition and presentation of investment property in the financial statements. Fair value is determined annually by a qualified valuer. The fair value of an investment property reflects market conditions at the end of the reporting period.
From an accounting perspective, depreciation is no longer recognised; instead, impairment/reversal of impairment is recognised in the profit or loss account based on the annual fair value measurement, depending on the outcome of the valuation.

As at 31 December 2025, the company has investment property on its books amounting to 2,057,220 lei, representing agricultural land held under lease.

3.2. Leases

The company has applied IFRS 16 from 1 January 2019 without restating comparative figures for the prior period presented. The company has chosen to apply the exemption proposed by the standard for lease contracts for assets with a value considered by management to be immaterial and with terms of less than one year.

For contracts entered into on or after 1 January 2019, the Company recognises lease liabilities, measured at the present value of the lease payments using the marginal borrowing rate, over the term of the lease. Payments include fixed payments less any incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid in the form of residual value.

As at 31 December 2025, the Company has 10 lease contracts in progress.

3.3. Biological assets

For the purposes of IAS 41 “Agriculture”, an agricultural activity is the management by a company of the biological transformation and harvesting of biological assets for sale or for conversion into agricultural products or additional biological assets. A biological asset is a live animal or a living plant. Upon initial recognition of a biological asset, market prices or values may not be available, and alternative estimates of fair value may lack reliability. In this case, in accordance with paragraph 30 of IAS 41, the asset in question must be measured at cost less any accumulated depreciation and any accumulated impairment losses.
Through the SAPARD Programme, two of the three existing vegetable greenhouses have been modernised.
The company has recognised the vineyard as a biological asset measured at cost less depreciation, based on the above provisions, and once its fair value can be measured reliably, it will be presented at that value less the costs of disposal.
The depreciation period is 24 years. The entire difference arising from the revaluation of the asset reclassified into this category has been transferred to retained earnings arising from the transition to IFRS.

3.4. Financial assets and liabilities

PREFAB SA applies IFRS 9 “Financial Instruments”, which uses the entity’s business model and the contractual cash flow characteristics of the financial asset to classify financial assets.

The classification of financial assets, in accordance with IFRS 9 “Financial Instruments”, is as follows:

1) a financial asset measured at amortised cost if both of the following conditions are met:
– the financial asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows;
– the contractual terms of the financial asset generate, on certain dates, cash flows that consist solely of payments of principal and interest on the principal amount due

2) financial asset measured at fair value through other comprehensive income if both of the following conditions are met
– the financial asset is held within a business model whose objective is met both by collecting contractual cash flows and selling financial assets;

– the contractual terms of the financial asset generate, on certain dates, cash flows that consist solely of payments of principal and interest on the principal amount due.
3) a financial asset measured at fair value through profit or loss, except where it is measured at amortised cost in accordance with point 1 or at fair value through other comprehensive income in accordance with point 2
With the exception of trade receivables that fall within the scope of IFRS 15, a financial asset or a financial liability is initially measured at fair value, and in the case of a financial asset or a financial liability
For financial assets and financial liabilities not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are added to or deducted from the carrying amount.
After initial recognition, financial assets are subsequently measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.
Financial assets comprise shares held in subsidiaries, associates and jointly controlled entities, loans granted to these entities, other investments held as fixed assets and other loans.

Investments in associates

Subsidiaries are entities under the control of the company
IFRS 10 – Consolidated Financial Statements defines the principle of control and establishes control as the basis for consolidation. IFRS 10 sets out how the principle of control is applied to determine whether an investor controls an investee and, consequently, is required to consolidate that entity.
An investor controls an investee if, and only if, the investor holds all of the following:
a) authority over the investee;
b) exposure to, or rights to, variable returns based on its interest in the investee;
c) the ability to use its authority over the investee to influence the amount of the investor's income
As at 31 December 2025, PREFAB SA has no investments in subsidiaries or other entities recorded in its accounts.

3.5. Interest on loans

Interest on borrowings that is directly attributable to the acquisition, construction or production of a long-lived asset is capitalised until the asset is ready for its intended use or sale. All other borrowing costs are recognised as an expense in the profit and loss account for the period in which they are incurred.

3.6. Government grants

In accordance with IAS 20, government grants are recognised only when there is sufficient certainty that all conditions attached to their award will be met and that the grants will be received. Grants that meet these criteria are presented as other liabilities and are recognised systematically in the profit and loss account over the useful life of the assets to which they relate.

3.7. Inventories

In accordance with IAS 2 "Inventories", these are assets that are:
- held for resale in the ordinary course of business
- in the process of being produced for such sale; or
- in the form of materials and other consumables intended for use in the production process or for the provision of services.

Inventories are stated at the lower of cost and net realisable value. Net realisable value is estimated on the basis of the selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provisions are made for damaged or slow-moving inventories based on management's

estimates. The assessment of inventory impairment is carried out on an individual basis and is based on management's best estimate of the present value of the cash flows expected to be received. To estimate these cash flows, management makes certain estimates regarding the value in use of the inventory, taking into account the expiry date, the possibility of use in the company's current operations and other factors specific to each category of inventory.
The recognition and reversal of inventory write-downs are charged to the profit and loss account.

The company uses **the weighted average cost method, determined at the end of each month,** to determine the cost of materials procured**.**

3.8. Receivables and other similar assets

Receivables and other similar assets are stated at amortised cost less value adjustments. This amount may be considered a reasonable estimate of fair value, given that in most cases the maturity is less than one year. Long-term receivables are discounted using the effective interest method.
For the purposes of presentation in the annual financial statements, receivables are measured at their probable recoverable amount.
Where it is estimated that a receivable will not be collected in full, impairment adjustments are recorded in the accounts for the amount that can no longer be recovered. Receivables are derecognised upon collection or transfer to a third party. Current receivables may also be derecognised through the mutual offsetting of receivables and payables between third parties, in accordance with legal provisions.
The removal from the records of receivables for which the collection period has expired is carried out after the company obtains documents demonstrating that all legal steps have been taken to settle them, with the approval of the Board of Directors. Receivables written off are recorded in the memorandum account and off-balance-sheet records and are monitored for collection.

3.9. Cash and cash equivalents

For the purposes of the cash flow statement, cash is defined as cash on hand and in current bank accounts. Cash equivalents represent deposits and investments with a high degree of liquidity, maturing in less than three months.

3.10. Liabilities

A liability is a present obligation of the company arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.
A liability is recognised in the accounts and presented in the financial statements when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation (probability) and when the amount at which this settlement will be made can be measured reliably (reliability).

A distinction must be made between current liabilities and non-current liabilities.

Current liabilities are those liabilities that are due for payment within one year.

A liability should be classified as a short-term liability, also known as a current liability, when:

a) it is expected to be settled within the normal operating cycle of the company; or
b) it is held primarily for trading purposes;
c) it is due within 12 months of the balance sheet date;
d) the company does not have an unconditional right to defer payment of the liability for at least 12 months from the balance sheet date.

All other liabilities must be classified ***as long-term liabilities****, even if they are due to be settled within 12 months of the balance sheet date, if:*

- *the original term was for a period longer than 12 months;*
- *the company intends to refinance the liability on a long-term basis; and this intention is supported by a refinancing or rescheduling agreement, which is finalised before the financial statements are approved for publication.*

Liabilities are stated at amortised cost, except for derivative financial instruments, which are stated at fair value.
Long-term liabilities are discounted using the effective interest method. The discount rate used for this purpose is the rate prevailing at the end of the year for debt instruments with similar maturities.
The Company derecognises a liability when the contractual obligations are settled, cancelled or expire.
If goods and services supplied in connection with current operations have not been invoiced, but delivery has been made and their value is available, the relevant obligation is recorded as a liability (not as a provision).
Amounts representing dividends payable are shown in retained earnings and, following approval by the general meeting of shareholders of this allocation, are to be reflected in account 457 "Dividends payable".

3.11. Income tax, including deferred tax

Income tax for the financial year comprises current tax and deferred tax.
Income tax is recognised in the statement of comprehensive income or in other components of comprehensive income if the tax relates to items recognised in equity.

3.11.1. Current income tax

The current tax liability is based on the taxable profit for the year. Taxable profit differs from the profit reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years, and further excludes items that will never become taxable or deductible. The company’s liability for current income tax is calculated using tax rates that have been enacted or proposed in a bill at the end of the year. Currently, the tax rate is 16%.

3.11.2. Deferred tax

Deferred tax is calculated using the balance sheet method for temporary differences in assets and liabilities (differences between the carrying amounts presented in the company’s balance sheet and their tax bases). The tax loss carryforward is included in the calculation of the deferred income tax asset. The deferred income tax asset is recognised only to the extent that it is probable that taxable profit will be available in the future, after offsetting against tax losses from previous years and recoverable income tax.
Deferred tax assets and liabilities are offset when there is a right to do so and when they relate to income taxes levied by the same tax authority. If the probability of realising the deferred tax asset is greater than 50%, then the asset is recognised. Otherwise, a value adjustment is recorded for the deferred tax asset.

3.12. Revenue recognition

Revenue is measured in accordance with IFRS 15 – Revenue from Contracts with Customers.
The company recognises revenue from the performance of a contract in accordance with a single business model, comprising five steps applicable to all industries, which aligns the timing of revenue recognition with the transfer of control of the asset to the customer.

Step 1 – Identification of the contract
Step 2 – Identifying the entity’s obligations under the contract
Step 3 – Fulfilment of performance obligations
Step 4 – Determining the transaction price
Step 5 – Allocating the transaction price to each obligation under the contract

Sale of goods

In accordance with IFRS 15, revenue will be recognised when a customer obtains control of the goods. The Company delivers goods under contractual terms based on delivery terms. The point at which the customer obtains control of the goods is considered to be substantially the same for the majority of the Company's contracts under IFRS 15.
In the case of contracts with customers where the sale of goods is generally estimated to be the sole performance obligation, it is estimated that the adoption of IFRS 15 will have no impact on the Company's revenue and profit or loss.
The Company expects revenue to be recognised at the point in time when control of the asset is transferred to the customer, namely upon delivery of the goods.

The adoption of IFRS 15 involved analysing contracts and determining the following:

Variable consideration

Some contracts with customers involve volume rebates, financial discounts and trade discounts. Revenue from these sales is recognised based on the contract price, net of returns and revenue reductions, trade discounts and volume rebates recorded on an accrual basis when a reasonable estimate of the revenue adjustments can be made.

Revenue will be recognised to the extent that it is probable that a significant reversal of the cumulative revenue recognised will not occur. Consequently, for those contracts for which the Company is unable to make a reasonable estimate of the discounts, revenue will be recognised earlier than when the return period expires or when a reasonable estimate can be made.
As the contract periods for most contracts coincide with the calendar years for which the annual financial statements are prepared, and given that the Company currently reports annual revenue from contracts with customers net of adjustments (volume discounts or financial discounts), there is no impact on the reported result from the treatment of variable revenue following the adoption of IFRS 15.
Cases of quality complaints (return rights) are isolated and insignificant, so the Company is unable to make a reasonable estimate of such a revenue reversal at the reporting date.

Impact on the reported result

PREFAB SA acts as the principal in all sales contracts, as it is the primary provider in all revenue contracts, has the right to set the price, and is exposed to inventory and credit risks.
In accordance with IFRS 15, the assessment is based on whether the Company controls the specific goods before transferring them to the end customer, rather than whether it is exposed to significant risks and rewards associated with the sale of goods.

Recognition of revenue from distinct performance obligations

Under certain delivery terms, the Company may provide services such as transport to a specified destination. IFRS 15 requires the Company to account for each distinct good or service as a separate performance obligation. Freight transport services fall within the definition of a distinct service, and a full understanding of the commercial terms is required. A transport performance obligation generally meets the criteria for a performance obligation over a period of time, and revenue will be recognised over the period of transfer to the customer. There cannot be a separate obligation for an entity to transport its own goods (i.e. prior to the transfer of control of the goods to the customer).

Provision of services

The company provides various services as its main activities (construction and installation works).
Revenue is measured at the fair value of the consideration received or receivable. In accordance with IFRS 15, the total consideration from service contracts will be allocated to all services based on their individual selling prices. The individual selling prices will be determined based on the pricing of the services the company provides in various transactions.

Performance obligations satisfied over time
The company transfers control of a good or service over time and therefore fulfils a performance obligation and recognises revenue over time if one of the following criteria is met:
(a) the customer receives and consumes the benefits provided by the entity's performance simultaneously as the entity performs;
(b) the entity's performance creates or enhances an asset (e.g. work in progress) that the customer controls as the asset is created or enhanced; or
(c) the entity's performance does not create an asset with an alternative use for the entity and the entity has an enforceable right to payment for the performance completed to date.

Performance obligations satisfied at a specific point in time

If the Company fulfils a performance obligation at a specific point in time (such as the supply of goods with a clause for installation or commissioning at a specific point in time) to determine the specific point in time at which the customer obtains control of a promised asset and the Company fulfils a performance obligation, both the provisions regarding the transfer of control and the indicators of transfer of control are analysed, in particular the customer's acceptance of the asset, which may be certified by signing the commissioning report, or explicit acceptance upon payment.

In the case of agreements with invoicing prior to delivery, in addition to the conditions mentioned above, for a customer to obtain control over a product in an agreement with invoicing prior to delivery, all of the following criteria must be met:
– the reason for the pre-delivery invoicing agreement must be substantial (there must be a written request from the customer
– the product must be ready for physical transfer to the customer at any time
– the entity delivering the product must not have the ability to use the product or allocate it to another customer
If the contract with a customer contains an acceptance clause, the point at which a customer obtains control of a good or service is assessed in accordance with that clause.

Assessment of progress in fulfilling a performance obligation in full

For each performance obligation satisfied over time, the entity recognises revenue over time by assessing the progress made towards the complete satisfaction of that performance obligation. The purpose of assessing progress is to reflect the transfer of control over the goods or services promised to a customer (i.e. the supplier's fulfilment of the performance obligation).
Reasonable estimates of progress
The entity recognises revenue for a performance obligation that is satisfied over time only if it can reasonably estimate its progress towards the complete satisfaction of the performance obligation and has the necessary reliable information to apply an appropriate method of estimating progress.
The recognition and measurement requirements in IFRS 15 also apply to the recognition and measurement of any gains or losses arising from the disposal of non-financial assets (e.g. property, plant and equipment and intangible assets), where such a disposal is not in the ordinary course of business.
Rental income from investment property is recognised in the profit and loss account on a straight-line basis over the term of the lease.

Dividends and interest

Dividend income is recognised when the shareholder's right to receive payment is established. Dividend income is recorded at gross value, which includes dividend tax, which is recognised as a current income tax expense.

Interest income is recognised on an accrual basis, with reference to the outstanding principal and the effective interest rate, which is the rate that exactly discounts the expected future cash flows of the amounts received.

3.13. Provisions - IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Provisions are recognised for current liabilities to third parties when it is probable that the liabilities will be settled and the amount required to settle the liabilities can be reliably estimated. Provisions for individual liabilities are recognised at an amount equal to the best estimate of the amount required to settle the liability.

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision must be recognised if:

a) The Company has a present obligation (legal or constructive) arising from a past event;

b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

c) A reliable estimate of the amount of the obligation can be made.

If these conditions are not met, a provision must not be recognised.

Provisions are grouped by category in the accounts and are set aside for:

a) litigation;
b) guarantees granted to customers;
c) the decommissioning of tangible fixed assets and other similar actions related thereto;
d) restructuring;
e) employee benefits;
f) other provisions.

Where, based on an analysis carried out by management in conjunction with the legal department regarding the likelihood of the company losing the case, it is concluded that the estimated probability of loss is greater than 51%, a provision is recognised at the credible estimated amount.

Provisions for guarantees granted to customers are established based on estimates made by management and the sales department regarding the level of repair costs during the warranty period. The level of repair costs during the warranty period is determined as a percentage of turnover for the reporting year.

Restructuring provisions

An implied restructuring obligation arises where a company:

- has a detailed formal restructuring plan setting out: the business or part of the business to which it relates, the main locations affected, the location, role and approximate number of employees who will receive compensation for the termination of their employment, the costs involved, and the date on which the restructuring plan will be implemented

- has created a reasonable expectation among those affected that the restructuring will take place by commencing the implementation of the restructuring plan or by communicating its main features to those who will be affected by the restructuring process.

The restructuring provision includes only direct costs related to the restructuring.

Provisions for employee benefits

Provisions are recognised during the financial year for unused annual leave, other long-term benefits granted to employees (if provided for in the employment contract), and those granted upon termination of the employment contract. Upon recognition of these as liabilities to employees, the value of the provisions will be reversed through the corresponding income accounts.

Other provisions

Where liabilities with uncertain timing or amount are identified that meet the criteria for recognising provisions under IAS 37, but do not fall into any of the categories identified above, other provisions are recognised.

At the end of each reporting period, the provision is reviewed and adjusted to represent the best current estimate. Where the review indicates that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision must be reversed.

The Company does not recognise a provision for operating losses. The anticipation of operating losses indicates that certain operating assets may be impaired, in which case these assets are tested in accordance with IAS 36 Impairment of Assets.

3.14. Employee Benefits – IAS 19 “Employee Benefits”

Short-term benefits

Obligations arising from short-term benefits granted to employees are not discounted and are recognised in the statement of comprehensive income as the related service is rendered.
Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognised as an expense when the services are rendered. A provision is recognised for amounts expected to be paid as short-term cash bonuses or under employee profit-sharing schemes where the company currently has a legal or constructive obligation to pay those amounts as a result of past services rendered by employees and where the obligation can be reliably estimated.

Post-employment benefits

Both the Company and its employees have a legal obligation to contribute to, and to deduct and pay into, the social security scheme established at the National Pension Fund administered by the National Pension House (a pay-as-you-go scheme).
Therefore, the Company has no other legal or implied obligation to pay future contributions. Its obligation is solely to pay contributions when they become due. If the Company ceases to employ persons who are contributors to the National Pension House’s funding scheme, it will have no obligation to pay the benefits earned by its own employees in previous years. The Company’s contributions to the contribution scheme are recognised as expenses in the year to which they relate.

Defined contribution plans

The Company makes payments on behalf of its employees to the Romanian state pension scheme, health insurance and the unemployment fund in the course of its normal business operations.
All the Company’s employees are members of and are obliged to contribute to the Romanian state pension scheme. All related contributions are recognised in the profit and loss account for the period in which they are made. The Company is not involved in any other post-employment benefit scheme. The Company has no obligations to provide further services to former or current employees.

From 1 January 2019, given the NACE code under which it operates, namely 2361, Manufacture of concrete products for construction, the company is subject to the provisions of Government Emergency Ordinance No. 114/2018, under which the construction sector is declared a sector of national importance; the minimum wage becomes 3,000 lei/month (4,000 lei/month from 1 January 2023, 4,582 lei/month from 1 November 2024); employees are exempt from income tax, exempt from health insurance contributions and benefit from a reduction in social security contributions from 25% to 21.25%, provided that at least 80% of turnover is derived from activities under the NACE code.

Following Law no. 296/2023, the Health insurance contribution relief for the construction sector no longer applies from 1 November 2023, meaning that all individuals earning income from wages and wage-like payments under an individual employment contract with PREFAB S.A. are obliged to pay Health insurance contribution. Following Ordinance 156/30 December 2024, the income tax relief for the construction sector no longer applies from 1 January 2025, so that all individuals earning income from wages and wage-like payments under an individual employment contract concluded with PREFAB S.A. are obliged to pay income tax. Thus, all the reliefs previously enjoyed by employees in this sector have been removed.

has had a voluntary pension scheme in place since April 2008 for employees who have been with the company for at least one year and are aged between 18 and 52. The contribution was paid by the employer, up to a limit of €400 per year in accordance with the provisions of the Tax Code. The contracts entered into by employees are for the NN Optim Voluntary Pension Fund managed by NN Asigurari de viata SA. The company has no other post-employment obligations relating to these insurance schemes.

The company does not currently provide benefits in the form of profit-sharing for employees, but may do so with the approval of the General Meeting of Shareholders.

The Company may grant benefits in the form of the entity's own shares, subject to the approval of the General Meeting of Shareholders.

3.15. Profit or loss for the financial year

In accounting, profit or loss is determined on a cumulative basis from the beginning of the financial year. The profit or loss for the financial year is calculated as the difference between income and expenses for the financial year.

The final result for the financial year is determined at the close of the financial year and represents the final balance of the profit and loss account.

The distribution of profit is carried out in accordance with the legal provisions in force. Amounts representing reserves formed from the profit of the current financial year, based on legal provisions, for example the statutory reserve formed under the provisions of Law no. 31/1990, are recorded at the end of the current financial year. The accounting profit remaining after this distribution is carried forward at the beginning of the financial year following that for which the annual financial statements are prepared to account 1171 "Retained earnings representing undistributed profit or uncovered loss", from where it is allocated to the other purposes decided by the general meeting of shareholders, in accordance with legal provisions. The accounting treatment of the allocation of accounting profit is carried out after the general meeting of shareholders has approved the profit distribution, by recording the amounts representing dividends due to shareholders, reserves and other allocations, in accordance with the law.

3.16. Earnings per share. Diluted earnings.

IAS 33 "Earnings per Share" stipulates that if an entity presents both consolidated and separate financial statements, earnings per share shall be presented solely on the basis of consolidated information. If it chooses to present earnings per share based on its separate financial statements, it must present such information relating to earnings per share only in the statement of comprehensive income. In this case, it must not present earnings per share in the consolidated financial statements.

An entity shall calculate diluted earnings per share based on the profit or loss attributable to the ordinary shareholders of the parent and, if recognised, on the profit or loss arising from continuing operations attributable to those shareholders.

For the purpose of calculating diluted earnings per share, an entity shall adjust the profit or loss attributable to the ordinary shareholders of the parent and the weighted average number of shares outstanding to include the effects of all potential dilutive ordinary shares.

The purpose of this indicator is to assess the contribution of each ordinary share to an entity's performance, taking into account the impact of all potential dilutive ordinary shares in issue at that time.Dilution is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the fulfilment of certain specified conditions. Anti-dilution is an increase in earnings per share or a reduction in loss per share resulting from the assumption that convertible instruments are converted, that options and warrants are exercised, or that ordinary shares are issued upon the fulfilment of certain specified conditions.

An ordinary share is an equity instrument that is subordinate to all other classes of equity instruments.

A potential ordinary share is a financial instrument or other contract that may entitle the holder to ordinary shares.

The company presents ***basic earnings per share ("EPS")*** for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of the company's ordinary shares by the weighted average number of ordinary shares in issue during the period.
Weighted average number of ordinary shares in issue during the period = the number of shares in issue at the beginning of the period, adjusted by the number of shares repurchased or issued during that period, multiplied by a time weighting factor.
The time-weighting factor is the number of days during which the shares were in circulation, as a proportion of the total number of days in the period.

3.17. Dividends

The portion of profit payable, in accordance with the law, to each shareholder constitutes a dividend. Dividends distributed to shareholders, proposed or declared after the balance sheet date, as well as other similar distributions made from profit, are not recognised as a liability at the balance sheet date, but when the shareholder's right to receive them is established.
The accounting profit remaining after the allocation of the statutory reserve, up to a limit of 20% of the share capital, is carried forward to the retained earnings at the beginning of the financial year following that for which the annual financial statements are prepared, from where it is to be allocated to the other statutory purposes, in accordance with the resolution of the General Meeting of Shareholders.
The accounting treatment of the allocation of accounting profit is carried out in the year following the General Meeting of Shareholders that approved the profit distribution, by recording the amounts representing dividends due to shareholders or members, reserves and other allocations, in accordance with the law. Entries made regarding the distribution of profit cannot be reversed.
The provisions of IAS 10 are taken into account when accounting for dividends.

3.18. Capital and reserves

Capital and reserves (equity) represent the shareholders' claim on an entity's assets, after deducting all liabilities. Equity comprises: capital contributions, share premiums, reserves, retained earnings, and the profit for the financial year.
Share capital, consisting of ordinary shares, is recorded at the value established in the articles of association. In the first set of financial statements prepared in accordance with IFRS, the company applied IAS 29 'Financial Reporting in Hyperinflationary Economies' to shareholders' contributions received prior to 1 January 2004; these were adjusted by the corresponding inflation index.
Treasury shares repurchased in accordance with the law are presented in the balance sheet as an adjustment to equity.
Gains or losses arising from the issue, redemption, sale, transfer free of charge or cancellation of the entity's equity instruments (shares, partnership interests) are recognised directly in equity under the heading 'Gains or losses on equity instruments'.

The Company recognises changes to share capital in accordance with the provisions of the legislation in force and only after their approval at the Extraordinary General Meeting of Shareholders and their registration with the Trade Register Office.

Revaluation reserves. Once recognised as an asset, an item of property, plant and equipment for which fair value can be reliably measured must be carried at a revalued amount, which is its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations must be carried out with sufficient regularity to ensure that the carrying amount does not differ significantly from what would have been determined using fair value at the balance sheet date.

If the carrying amount of an asset is increased as a result of a revaluation, this increase must be recognised directly in equity under the heading 'revaluation reserves'. However, the increase must be recognised in profit or loss to the extent that it offsets a decrease from the revaluation of the same asset previously recognised in profit or loss.

If the carrying amount of an asset is reduced as a result of a revaluation, this reduction must be recognised in profit or loss. However, the reduction must be debited directly from equity under the heading "revaluation reserves" to the extent that there is a credit balance in the revaluation surplus for that asset.

The revaluation surplus included in equity relating to an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

With effect from 1 May 2009, revaluation reserves on fixed assets, including land, arising after 1 January 2004, which are deducted in calculating taxable profit through tax depreciation or expenses relating to assets disposed of and/or written off, shall be taxed concurrently with the deduction of tax depreciation, or at the time of the removal of such fixed assets from the books, as the case may be, in accordance with the provisions of the Tax Code.

Revaluation reserves on fixed assets, including land, carried out up to 31 December 2003, plus the portion of the revaluation carried out after 1 January 2004 relating to the period up to 30 April 2009, shall not be taxed at the time of transfer to retained earnings (Art. 1175) but at the time of change of use.

Revaluation reserves for fixed assets are transferred to retained earnings at the time the revalued fixed assets are written off.

Realised reserves are taxable in the future should the purpose of the reserves be changed in any way, in the event of the Company's liquidation or merger, including where they are used to cover accounting losses, with the exception of the transfer, after 1 May 2009, of reserves relating to valuations carried out after 1 January 2004.

Statutory reserves

In accordance with Romanian legislation, companies must allocate an amount equal to at least 5% of pre-tax profit to statutory reserves until these reach 20% of the share capital. Once this level has been reached, the company may make further allocations only from net profit. The statutory reserve is deductible up to a limit of 5% of accounting profit, prior to the calculation of corporation tax.

The entity was established in accordance with Law No. 31/1990 on commercial companies.

In the first set of financial statements prepared in accordance with IFRS, the company applied IAS 29 – “Financial Reporting in Hyperinflationary Economies”, adjusting the historical cost of share capital, statutory reserves and other reserves for the effects of inflation up to 31 December 2003. These adjustments were recorded in separate analytical accounts.

3.19. Segment reporting

An operating segment is a distinct component of the Company that engages in activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Company’s other components, and which is subject to risks and returns that are different from those of other segments. The Company’s primary format for segment reporting is segmentation by activity.

Given that Prefab SA’s shares are traded on the Bucharest Stock Exchange, and the company applies IFRS, it presents in its annual financial statements as well as in its interim reports prepared in accordance with ***IAS 34 Interim Financial Reporting***, information about its operating segments, its products and services, the geographical areas in which it operates, and its major customers.
In accordance with ***IFRS 8 “Operating*** Segments”, an operating segment is a component of an entity:

- which engages in business activities from which it may earn revenue and incur expenses (including revenue from transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity’s chief operating decision-maker for the purpose of making decisions regarding the allocation of resources to segments and assessing their performance, and
- for which separate financial information is available.

Taking into account the criteria for identifying operating segments and the quantitative thresholds described in IFRS 8, Prefab SA has identified the AAC segment as the operating segment for which it presents information separately.

3.20. Related parties

A person or a close family member of that person is considered a related party of a Company if that person:

- holds control or joint control over the Company;
- has significant influence over the Company; or
- is a member of key management personnel.

Key management personnel are those individuals who have the authority and responsibility to plan, direct and control the Company’s activities, either directly or indirectly, including any director (executive or non-executive) of the entity. Transactions with key management personnel include solely the remuneration benefits granted to them as set out in the Notes.
An entity is an affiliate of the Company if it meets any of the following conditions:

- The entity and the Company are members of the same group (meaning that every parent company, subsidiary and affiliate within the same group is linked to the others).
- An entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group to which the other entity belongs).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third party, and the other is an associate of that third party.
- The entity is a post-employment benefit plan for the benefit of the employees of the reporting entity or of an entity affiliated with the reporting entity. Where the reporting entity itself is such a plan, the sponsoring employers are also affiliated with the reporting entity.
- The entity is controlled or jointly controlled by a related party.
- A related party that has control, exercises significant influence over the entity, or is a member of the entity's (or the entity's parent's) key management personnel.

Information regarding related party relationships is presented in note 28.

3.21. Changes in accounting policies

A) Changes in accounting policies and disclosures
Standards/amendments that are effective and have been endorsed by the European Union

IAS 21 – The Effects of Changes in Foreign Exchange Rates: Absence of an Official Exchange Rate (amendments).

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The amendments specify how an entity should assess whether one currency can be exchanged for another currency and how it should determine a spot exchange rate when the possibility of exchange is lacking. A currency is considered to be convertible into another currency when an entity can obtain the other currency within a timeframe that allows for normal administrative delays and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency cannot be exchanged for another currency, an entity must estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an exchange transaction would take place at the measurement date between market participants under objective economic conditions. The amendments indicate that an entity may use an observable exchange rate without adjustment or another estimation technique. Management has assessed that these amendments will not have a significant impact.

B) Standards issued but not yet effective and not early adopted]

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early adoption of the amendments relating to the classification of financial assets and the related disclosure requirements is permitted, with the option to adopt the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is settled, cancelled, expires or meets other criteria for derecognition. They also introduce an accounting policy option for the derecognition of financial liabilities settled through electronic payment systems prior to the settlement date, provided certain conditions are met. In addition, the amendments clarify how to assess the contractual cash flow characteristics of financial assets with contingent environmental, social and governance (ESG) features and other similar contingent features. Finally, the amendments clarify the treatment of non-recourse receivables and contractually linked instruments and impose additional disclosure requirements under IFRS 7 for financial assets and liabilities with references to contingent events (including those related to ESG), as well as for equity instruments measured at fair value through other comprehensive income. Management will assess the impact of these amendments.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Electricity Dependent on Natural Factors (Amendments).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted. They clarify how to apply the 'own-use' requirements, permit the application of hedge accounting for contracts falling within their scope, and introduce new disclosure requirements so that investors can understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding "own-use" requirements must be applied retrospectively, but the guidance permitting hedge accounting must be applied prospectively for new hedging relationships designated after the date of initial application. Management will assess the impact of these amendments.

- **Annual Improvements to IFRS Accounting Standards – Volume 11.**
  The IASB's annual improvements process addresses necessary but non-urgent clarifications and amendments to IFRS standards. In July 2024, the IASB issued Annual Improvements to IFRS Standards – Volume 11, which are effective for annual reporting periods beginning on or after 1 January 2026. This volume includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, aimed at clarifying wording, correcting minor unintended consequences and resolving conflicts between the requirements of the standards. Management will assess the impact of these amendments.

- **IFRS 18 Presentation and Disclosure in Financial Statements**
  IFRS 18 introduces new requirements regarding the presentation of information in the profit or loss account. It requires an entity to classify all income and expenses in the profit or loss account into one of five categories: operating, investing, financing, income tax and discontinued operations. These categories are supplemented by requirements to present subtotals and totals for 'profit or loss from operating activities', 'profit or loss before finance and income tax' and 'profit or loss'. The standard also requires the presentation of performance indicators defined by management and includes new requirements regarding the aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 comes into force for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required for both annual and interim financial statements. The standard has not been endorsed by the EU. Management will review the requirements of this newly issued standard and assess its impact.

- **IFRS 19 – Non-publicly accountable subsidiaries: disclosures (including amendments).**
  IFRS 19 allows non-publicly accountable subsidiaries to apply limited disclosure requirements, provided that the parent company (whether ultimate or intermediate) prepares consolidated financial statements available to the public in accordance with IFRS. These subsidiaries must comply with the recognition, measurement and disclosure requirements set out in the other IFRSs. Unless otherwise specified, eligible entities that choose to apply IFRS 19 will not be required to apply the presentation requirements in other IFRSs. The amendments issued in August 2025 reduce the presentation requirements relating to the new IFRS accounting standards, which had been included in full when IFRS 19 was originally issued. IFRS 19 is effective from **1 January 2027**, with early application permitted. The standard (including the amendments) has not been endorsed by the EU. Management will review the requirements of this standard and assess its impact.

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation Currency (Amendments).**
  The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are converted into the presentation currency by converting all amounts (i.e. assets, liabilities, equity items, income and expenses), as well as all comparative figures, at the closing rate on the date of the most recent financial statements. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy restates the comparative figures of a foreign operation whose functional currency is the currency of a non-hyperinflationary economy by applying the general price index to the comparative figures of the foreign operation. The amendments also introduce additional presentation requirements. The amendments have not yet been endorsed by the EU. Management will review the requirements of these amendments and assess their impact.

- **Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and an Associate or a Joint Venture**
  The amendments aim to remove an inconsistency between the requirements of IFRS 10 and those of IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a total gain or loss is recognised when a transaction involves a business (whether or not it is housed in a subsidiary). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are held in a subsidiary. In December 2015, the IASB deferred the effective date of this amendment indefinitely, pending the outcome of its research project on the equity method. The amendments have not yet been endorsed by the EU. Management will review the requirements of these standards and assess their impact.

4. INTANGIBLE ASSETS

Intangible assets comprise computer programmes, licences and various software and are recorded in account 208 "Other intangible assets". They are amortised using the straight-line method. They are stated at historical cost, less amortisation and any impairment losses. No impairment losses were recognised for the periods presented.
The Company does not hold any internally generated intangible assets or those acquired through a government grant, nor does it hold any intangible assets with indefinite useful lives.
The Company does not hold any intangible assets classified as held for sale or included in a disposal group classified as held for sale in accordance with IFRS 5.
For intangible assets, useful lives have been estimated at 3 years.
At the end of 2025, the Company wrote off intangible assets amounting to 121,677 lei, consisting of obsolete software and licences that were no longer in use.

The balance sheet for intangible assets as at 31 December 2025 is as follows:

Cost

	Other intangible assets	Total
Balance as at 1 January 2025	**941,019**	**941,019**
Additions	642	642
Disposals	(121,677)	(121,677)
Balance as at 31 December 2025	**819,984**	**819,984**

Accumulated amortisation

	Other intangible assets	Total
Balance as at 1 January 2025	**940,088**	**940,088**
Cost for the period	813	813
Disposals	(121,569)	(121,569)
Balance as at 31 December 2025	**819,332**	**819,332**
Net book value 1 January 2025	**931**	**931**
Net book value 31 December 2025	**652**	**652**

5. TANGIBLE FIXED ASSETS

The last revaluation took place on 31 December 2020, when the entity revalued, with the assistance of independent experts authorised in the field, the tangible fixed assets held in its portfolio at that date (ANEVAR-authorised valuer Neacsu Ileana). Depreciation was restated in proportion to the change in the gross carrying amount of the asset, so that the carrying amount of the asset, following the revaluation, is equal to its revalued amount.

As at 31 December 2025, the statement of tangible fixed assets is as follows**:**

Tangible fixed assets	Land	Buildings	Technical and Machinery	Other plant, machinery and furniture	Investment property	Property, plant and equipment under construction and advances paid	Total
COST							
1 January 2024	**110,518,883**	**79,299,170**	**135,323,382**	**1,006,110**		**7,635,950**	**333,783,495**
Increases	0	2,910,079	10,648,677	0		8,787,714	**22,346,470**
Discounts	0	0	-2,784,260	0		-11,635,940	**-14,420,200**
31 December 2024	**110,518,883**	**82,209,250**	**143,187,799**	**1,006,110**	**0**	**4,787,725**	**341,709,767**
Increases	0	0	2,094,632	0	2,057,220	1,443,163	**5,595,015**
Discounts	-2,057,220	-610,783	-33,134,676	-244,686	0	-5,187,823	**-41,235,188**
31 December 2025	**108,461,663**	**81,598,467**	**112,147,755**	**761,424**	**2,057,220**	**1,043,065**	**306,069,594**
DEPRECIATION							
1 January 2024	**1,043,896**	**40,073,478**	**87,081,767**	**974,420**	**0**	**0**	**129,173,561**
Cost for the period	65,630	2,507,420	6,608,104	4,132	0	0	**9,185,286**
Outflows	0	0	-2,784,260	0	0	0	**-2,784,260**
31 December 2024	**1,109,526**	**42,580,898**	**90,905,611**	**978,553**	**0**	**0**	**135,574,588**
Cost for the period	65,630	2,572,880	5,206,003	3,051	0	0	**7,847,564**
Outflows	0	-332,337	-29,094,157	-224,685	0	0	**-29,651,179**
31 December 2025	**1,175,156**	**44,821,441**	**67,017,457**	**756,919**	**0**	**0**	**113,770,973**
1 January 2024	**109,474,987**	**39,225,692**	**48,241,615**	**31,690**	**0**	**7,635,950**	**204,609,934**
31 December 2024	**109,409,357**	**39,628,352**	**52,282,188**	**27,557**	**0**	**4,787,725**	**206,135,179**

31 December 2025	**107,286,507**	**36,777,026**	**45,130,298**	**4,505**	**2,057,220**	**1,043,064**	**192,298,620**

5.1. Tangible fixed assets acquired and put into operation

The value of tangible fixed assets decreased by 6.71% from 206,135,181 lei (31 December 2024) to 192,298,621 lei (31 December 2025), e decrease due to the disposal of worn-out and unused tangible fixed assets, with a view to replacing them with modern and more efficient equipment;

5.2 Tangible fixed assets disposed of

No assets were disposed of that would affect the achievement of the company's main business objective or that would affect the realisation of future economic benefits.

In 2025, fixed assets amounting to 31,021,132 lei were written off with a view to replacing them with modern and more efficient machinery, as follows:

- Technological equipment: 26,124,197 lei
- Means of transport: 2,364,643 lei
- Measuring, control and regulation devices and installations: 2,377,240 lei
- Furniture and office equipment: 155,052 lei

5*.3 Pledged fixed assets*

To secure the guarantee agreements and credit agreements signed with the financing banks, the company has mortgaged the following assets in favour of the respective banks, as follows:

For all credit facilities contracted with Intesa Sanpaolo Bank (formerly Veneto Banca), the company has provided the following guarantees in favour of the bank:

- ➢ Mortgage established on the property – plot 2 (Premo) situated in Calarasi, 396 Bucuresti Street, Calarasi County, comprising 69,552.2 square metres of land and the buildings thereon, with cadastral number 62/2.
- ➢ The issue of a blank promissory note in favour of the bank.
- ➢ A floating charge over the receivables arising from the commercial relationships between Prefab S.A. and its debtors.

For the credit facilities contracted with ING Bank N.V., the company has provided the following guarantees in favour of the bank as follows:
Mortgage established on the property – plot 7 and annexes (Cogeneration plant) situated in Calarasi, 396 Bucharest Street, Calarasi County, comprising 10,651 m² of land and the existing buildings thereon, C2, C4, C6, C7, with cadastral/topographical number 248449 (derived from cadastral number 62/7).
Mortgage on the properties:
1. Property – 2,500 m² of arable land within the built-up area, registered in the Land Registry of ANCPI Calarasi UAT Modelu under no. 20193 and with cadastral/topographical number 20193, owned by Prefab SA, situated in Modelu commune, in plot 81/2, plot 3/3, Călărași County.
Title of ownership: Sale and Purchase Agreement No. 585/04.03.2009.

2. Property – arable land within the built-up area covering 2,500 m², registered in the Land Registry of ANCPI Călărași, Modelu Local Authority, under no. 20194 and with cadastral/topographical number 20194, owned by Prefab SA, situated in Modelu commune, in plot 81/2, plot 3/3 (lot no. 2), Călărași County.
Title of ownership: Sale and Purchase Agreement No. 1335/01.07.201032

3. Property – 5,000 m² of arable land within the built-up area, registered in the Land Registry of ANCPI Călărași, Modelu Local Authority, under no. 20141 and with cadastral/topographic number 20141, owned by Prefab SA, situated in Modelu commune, in plot 81/2, plot 3/2, Călărași County.
- Title of ownership: Sale and Purchase Agreement No. 587/04.03.2009.

4. Property – 5,750 m² of arable land within the built-up area, registered in the Land Registry of ANCPI Călărași, Modelu Local Authority, under no. 21757 and with cadastral/topographical number 522, owned by Prefab SA, situated in Modelu commune, on plot 81/2, plot 2-lot 1, Călărași County.
Title of ownership: Sale and Purchase Agreement No. 974/04.03.2009

5. Property – arable land within the built-up area, with a surface area of 4,427 m², registered in the Land Registry of ANCPI Călărași, Modelu Local Authority, under no. 21760 (formerly 521, ref. 366) and with cadastral/topographical number 21760, owned by Prefab SA, situated in the commune of Modelu, in block 81/2, plot 4 – lot 1, Călărași County.
Title of ownership: Sale and Purchase Agreement No. 975/16.03.2007.
6. Property – arable land within the built-up area covering 5,000 m², registered in the Land Registry of ANCPI Călărași, Modelu Local Authority, under no. 20112 and with cadastral/topographical number 20112, owned by Prefab SA, situated in Modelu commune, in field 81/2, plot 3/4, Călărași County,
Title of ownership: Sale and Purchase Agreement No. 3621/03.11.2008.

7. Property – arable land within the built-up area covering 5,000 m², registered in the Land Registry of ANCPI Călărași UAT Modelu under no. 20115 and with cadastral/topographical number 20115, owned by Prefab SA, situated in the commune of Modelu, in plot 81/2, plot 3/5, Călărași County.
Title of ownership: Sale and Purchase Agreement No. 3622/03.10.2008.
8. Pledge over stocks and receivables.
9. Movable mortgage on equipment owned by PREFAB SA, belonging to the cogeneration plant.

5.4 Assets under construction and advances for investments

As at 31.12.2025, the Company has no amounts recorded in the account for advances for investments.

Following the proposal of the inventory committee, the Board of Directors approved the correct classification under ‘expenses for services rendered’ of the amount of **4,525,567.44 lei**, namely **922.133.62** euros, representing invoices paid to the supplier Kawasaki Gas Turbine Europe GMBH under the LTSA maintenance contract, and not an advance for investments.

As at 31 December 2025, the Company recorded a total of 1,043,065 lei in the account for tangible fixed assets under construction, consisting mainly of amounts relating to the 36-metre beam investment.

6. PROPERTY INVESTMENTS

As at 31 December 2025, the Company has the following property investments on its books (account 2151.02):

Name of location	Area - sqm	Value	Cadastral number	Address
Modelu within the built-up area	5,750.00	391,980.00	522	Modelu, Calarasi
Modelu within the built-up area	4,427.00	301,800.00	21760	Modelu, Calarasi
Modelu within the built-up area	5,000.00	340,860.00	20112	Modelu, Calarasi

Modelu within the built-up area	5,000.00	340,860.00	20115	Modelu, Calarasi
Modelu within the built-up area	2,500.00	170,430.00	20193	Modelu, Calarasi
Modelu within the built-up area	5,000.00	340,860.00	20141	Modelu, Calarasi
Modelu within the built-up area	2,500.00	170,430.00	20194	Modelu, Calarasi
	30,177.00	**2,057,220.00**		

7. RECEIVABLES AND OTHER ASSETS

Receivables are recorded at their nominal value and are shown in the analytical accounts for each individual or legal entity. Foreign currency receivables have been valued based on the exchange rate in force at the end of the financial year, and exchange rate differences have been recognised as income or expenses for the period.

a) Trade receivables are presented below.

	Receivables	Balance at 31 December 2024	Balance at 31 December 2025
1	Trade receivables from affiliated entities (subsidiaries)	0	0
2	Trade receivables – third parties	1,098,214	330,848
3	**Total trade receivables**	**1,098,214**	**330,848**
4	Adjustments for impairment of trade receivables	(121,628)	(21,325)
5=3-4	**Trade receivables, net**	**976,586**	**309,523**

The main receivables are:
Trade receivables with a net value of 309,523 lei consist of:
- Domestic customers amounting to 297,978 lei, the most significant of which are: Arabesque SRL, SBT Electrocm, Simpex Logistic.
- Customers for whom invoices are to be issued, amounting to 0 lei.
- Intra-Community external customers amounting to 0 lei.
- We note that by 28 February 2026, 20% of the balance as at 31 December 2025 had been collected from customers.

Uncertain or disputed customers amounted to a gross value of 22,442 lei as at 31 December 2025.
Legal proceedings commenced in previous years have continued in respect of doubtful customers with outstanding balances.
For some of these, where management estimated there was a risk of non-recovery, provisions for bad debts amounting to 21,325 lei have been made.

Liquidity analysis Trade receivables	**Balance as at 31 December 2024**	**Balance as at 31 December 2025**
Less than one year	**976,586**	**309,523**
Over one year	**0**	**0**

Other assets	**Balance as at 31 December 2024**	**Balance as at 31 December 2025**
b) Other assets, of which:		
Debtors	9,145	10,553
Prepaid expenses	281,766	6,707
VAT recoverable	0	279,387
VAT not chargeable	145,933	10,687
Trade receivables	25,538	135,211
Other receivables	614,403	857,530
Total	**1,076,785**	**1,300,075**

Liquidity analysis Other assets	**Balance as at 31 December 2024**	**Balance as at 31 December 2025**
Less than one year	**1,076,785**	**1,300,075**
Over one year	**0**	**0**

c) Impairment adjustments for trade receivables and other receivables

The movement in impairment allowances is as follows:

	31 December 2024	**31 December 2025**
At the beginning of the period	**131,387**	**121,629**
Increases/(reversals)	0	16,671
Decreases	(9,758)	(116,975)
At the end of the period	**121,629**	**21,325**

8. INVENTORIES

31 December 2024	**Cost**	**Adjustments**	**Net value**
1. Raw materials and consumables	9,148,801	0	9,148,801
2. Work in progress	175,419	0	175,419
3. Finished goods and merchandise	14,639,412	29,929	14,609,483
4. Advances	189,149	0	189,149
Total	**24,152,781**	**29,929**	**24,122,852**

31 December 2025			
1. Raw materials and consumables	6,042,481	0	6,042,481
2. Work in progress	83,082	0	83,082
3. Finished goods and merchandise	8,755,883	29,929	8,725,954
4. Advances	226,085	0	226,085
Total	**15,107,531**	**29,929**	**15,077,602**

The main categories of inventories are raw materials and consumables, work in progress, finished goods and merchandise, and advances for inventory purchases.
The cost of inventories comprises all costs associated with acquisition and processing, as well as other costs incurred to bring the inventories to their present form and location.
The cost of finished goods and work in progress comprises direct production costs, namely: direct materials, energy consumed for technological purposes, direct labour and other direct production costs, as well as the proportion of indirect production costs rationally allocated as relating to their manufacture.
Upon removal from inventory, stocks are valued using the weighted average cost method.
This method involves calculating the cost of each item based on the weighted average of the costs of similar items in stock at the beginning of the period and the cost of similar items purchased or produced by the company during that period. The average is calculated monthly, at the end of each month.
At the balance sheet date, inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price to be obtained in the ordinary course of business, less the estimated costs of completion, where applicable, and the estimated costs necessary for the sale.
Where appropriate, a provision is made for obsolete, slow-moving or defective inventories.
As at 31 December 2025, the company reports adjustments for the impairment of finished goods inventories amounting to 29,929 lei.

9. CASH AND CASH EQUIVALENTS

As at 31 December 2025, cash and cash equivalents amount to 273,354 lei and consist of:

	Balance as at 31 December 2024	**Balance as at 31 December 2025**
Cash on hand	11,671	3,148
Deposits and cash at bank	384,362	270,206

Letters of credit	0	0
Total	**396,033**	**273,354**

Of the total cash and cash equivalents, the restricted amounts as at 31 December 2024 and 31 December 2025 consist of:

	Balance as at 31 December 2024	Balance as at 31 December 2025
Performance bonds	0	0
Management guarantees	3,550	0
Other guarantees	30,900	0
Total	**34,450**	**0**

10. EQUITY

The subscribed and paid-up **share capital** amounts to 20,969,441.5 lei, comprising 41,938,883 shares with a nominal value of 0.50 lei per share.

On 28 August 2025, as part of a transaction carried out through the Bucharest Stock Exchange, CELCO S.A. increased its stake in the share capital of PREFAB S.A., thereby acquiring sole direct control over the company.

This transaction represents a significant change in the governance and control structure and has the following main objectives:

- expansion into new markets;
- increasing sales volumes of autoclaved aerated concrete (AAC), adhesives, dry mortars and bagged lime;
- consolidating its position in the masonry materials market;
- achieving operational synergies within the group.

In this context, the shareholder structure as at 10 December 2025 is:

Shareholder	No. of shares	%
CELCO SA CONSTANTA	40,075,471	95.5568
OTHER SHAREHOLDERS – LEGAL ENTITIES	173,403	0.4135
OTHER SHAREHOLDERS – INDIVIDUALS	1,690,009	4.0297
TOTAL	**41,938,883**	**100.000**

Members of the Board of Directors as at 31 December 2025 do not hold any shares in the company on the market (as independent shareholders):

The shares are registered, issued in dematerialised form, each share having a nominal value of 0.50 lei per share. During the 2025 financial year, the nominal value of a share did not change.

We note that Prefab S.A. shares have been traded on the Bucharest Stock Exchange, in the Standard category, since 5 July 2010. The company's share prices have fluctuated due to the small number of shares traded, a lack of liquidity and a reduction in the number of transactions on the BSE.

The last trading price of the shares of PREFAB SA Bucharest, valid as at 30 December 2025, was 2.42 lei per share.

The specific independent registry activities for PREFAB SA were carried out by *the Central Depository.*

Actions taken following the takeover of Prefab SA by Celco SA with regard to capital (commenced at the end of 2025 and completed at the beginning of 2026):

On 20 November 2025, by way of Extraordinary General Meeting Resolution No. 7 of 20 November 2025, the increase in the share capital of PREFAB S.A. was approved, in a single stage, by a maximum amount of 20,969,441.5 lei, from 20,969,441.5 lei to a maximum of 41,938,883 lei, through the issue of a maximum of 41,938,883 new shares, each with a nominal value of 0.5 lei.
On 28 January 2026, by ASF Decision No. 77, the Prospectus relating to the Company's share capital increase through a cash contribution was approved.
The results of the share capital increase operation consisted of the subscription of 40,667,262 new shares, with a nominal value of 0.5 lei per share, the total amount subscribed being 20,333,631 lei. The Company's share capital was increased from 20,969,441.50 lei to 41,303,072.50 lei.
1,271,621 shares, which remained unsubscribed, were cancelled out of the total of 41,938,883 shares issued for the purpose of increasing the share capital.
The capital increase operation was completed on 4 March 2026, having been successfully carried out for 96.97% of the total securities offered to the public for subscription.
On 19 March 2026, the ASF issued Financial Instruments Registration Certificate (CIIF) number AC – 3236 – 5 relating to the registration of the share capital increase.
The Certificate of Registration of Financial Instruments (CIIF) certifies the registration of the share capital increase by 40,667,262 shares, issued pursuant to Resolution No. 7 of the Extraordinary General Meeting of Shareholders of PREFAB S.A. dated 20 November 2025.
Following the increase, the share capital of PREFAB S.A. stands at 41,303,072.50 lei, divided into 82,606,145 registered, ordinary, dematerialised shares with a nominal value of 0.5 lei each.
In the coming period, steps will be taken to register the share capital increase with the Trade Register Office attached to the Constanta Court.

11. RESERVES

Reserves include the following components:

	Balance as at 31 December 2024	**Balance as at 31 December 2025**
Statutory reserves	5,676,686	5.676.686
Other reserves	35,469,333	36.390.883
Revaluation reserves	117,173,624	106.660.888
Total	**158,319,643**	**148.728.457**

At the end of **2025**, the company records "**Statutory** reserves" in account 1061 in the amount of 5,676,686 lei, of which 1,482,798 lei represents reserves established in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies", The company adjusted the historical cost of the legal reserves for the effect of inflation up to 31 December 2003.

At the end of 2025, the Company records **"Other** reserves" in account 1068 the amount of 36,390,883 lei, of which 2,676,474 lei represents reserves established in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies", The company adjusted the historical cost of other reserves for the effects of inflation up to 31 December 2003.

Revaluation reserves amounted to 106,660,888 lei as at 31 December 2025. The last revaluation was carried out on 31 December 2020 for tangible fixed assets recorded in accordance with the regulations in force, based on the technical valuation report prepared by an ANEVAR-accredited valuer, with a view to determining their fair value, taking into account inflation, the utility of the assets, their condition and market value. The differences resulting from these revaluations were recorded in the revaluation reserve.

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Statutory reserves	In accordance with Law no. 31/1990, at least 5% of the profit is allocated each year to the reserve fund until it reaches a minimum of one-fifth of the share capital
Other reserves	Other reserves as at 31 December 2025 include reserves set aside in connection with the distribution of net profit.
Revaluation reserves for fixed assets	If the carrying amount of a tangible fixed asset is increased as a result of revaluation, the increase must be recognised in other comprehensive income and accumulated in equity as a revaluation surplus. Revaluation reserves may not be distributed and may not be used to increase share capital.

12. RETAINED EARNINGS

Retained earnings shown in summary account 117 represent the revaluation surplus on tangible assets.

	Balance as at 31 December 2024	**Balance as at 31 December 2025**
Retained earnings, excluding retained earnings arising from the first-time adoption of IAS 29 (account 117)	9,962,246	20.474.982
Total	**9,962,246**	**20.474.982**

13. DISTRIBUTION OF PROFIT

As at 31 December 2024, Prefab SA recorded a net profit of 921,551 lei, which was distributed in accordance with the resolution of the General Meeting of Shareholders dated 28-29 April 2025, in accordance with legal regulations.

Distribution of current profit for 2024:

Net profit for 2024:	921,551.00 lei
Other reserves:	921,551.00 lei

The legal framework for the constitution of own sources of funding and other profit allocations consists of the following legislative acts:

- Law No. 227/2015 on the Fiscal Code, as subsequently amended
- Law No. 31/1990, as republished, on commercial companies

As at 31 December 2025, Prefab SA recorded a loss of 43.276.671 lei, which will be covered in accordance with the GMS resolution, in line with legal regulations.

14. PROVISIONS

The company, as of 31.12.2025, established provisions for litigation in the total amount of RON 13,642,003.18, which could impact the company's future liquidity, as follows:

1. **Amount of RON 7,861,510.60**, resulting from Case no. 1271/3/2024, representing an action for declaratory judgment – revocation of mandate without just cause, in which the company is obliged to pay damages to Miron Sorin, former General Director of the company, as follows: a) RON 1,649,232.9, updated for inflation, representing the total value of fixed remuneration to which Miron Sorin would have been entitled until the termination of the contract upon its expiry, in accordance with art. 10.2.3 of Mandate Contract no. 5298/04.10.2022; b) RON 6,212,277.7, representing the value of the unrealized benefit of Miron Sorin due to the non-granting of the SOP Share package (representing 5% of Prefab's share capital).
2. **Amount of RON 5,780,492.58**, resulting from the Report for the finding and sanctioning of the forestry contravention, series CCS no. 0857189, issued on 25.09.2025 in Călărași by the Bucharest Forest Guard, by which PREFAB SA was imposed the main contraventional sanction consisting of a fine of up to RON 50,000 under art. 19 para. 1 letter e of Law no. 171/2010, as well as complementary sanctions consisting of the value-based confiscation of a stock of 6,721.503 cubic meters of timber and the establishment of damages amounting to RON 5,780,492.58. This also relates to Report no. 8759/25.09.2025 regarding the inspection of timber storage areas/markets and facilities for processing round timber.

Prefab SA has challenged this sanction in court.

15. LOANS AND OTHER LIABILITIES

Liabilities are recorded at their nominal value and are shown in the analytical accounts for each individual or legal entity. Liabilities denominated in foreign currency were valued based on the exchange rate in force at the end of the financial year, and exchange rate differences were recognised as income or expenses for the period.

The statement of liabilities is as follows:

Liabilities	Balance as at 31 December 2024	Balance at 31 December 2025
Amounts owed to credit institutions	27.316.108	34.204.619
Advances received on orders	2.940.234	2.345.260
Trade payables – suppliers, related parties	0	0
Trade payables – third-party suppliers	8.307.356	8.123.655
Other liabilities, including tax liabilities and social security liabilities	3.262.965	3.321.612
Total liabilities	**41.826.663**	**47.995.146**

Maturity analysis	**Balance as at 31 December 2024**	**Balance as at 31 December 2025**
Less than one year	36.322.125	43.535.274
Over one year	5.504.538	4.459.872
Total	**41.826.663**	**47.995.146**

Amounts owed to credit institutions comprise the following:

Amounts owed to credit institutions	**Balance as at 31 December 2024**	**Balance as at 31 December 2025**
Short-term loans	22,529,375	30,061,284
Long-term loans	4,786,733	4,143,335
Total	**27,316,108**	**34,204,619**

16. SHORT-TERM LOANS

During 2025, the Company benefited from short-term loans granted by commercial banks, as follows:

Bank	**Type of loan**	**Contract date**	**Maturity**	**Currency**	**Principal**	**Balance as at 31 December 2025**
ING Bank N.V.	Credit facility	Credit facility agreement no. 9184/01	Indefinite term	lei	19,000,000	17,814,101 lei
Intesa Sanpaolo Bank	Credit facility	Credit facility agreement no. 8929/10.10.2013	14 September 2026	lei	12,400,000	12,247,183 lei
Total						**30,061,284 lei**

17. LONG-TERM LOANS

During 2025, the company benefited from long-term loans granted by commercial banks, as follows:

Description	**Loan type**	**Contract date**	**Maturity**	**Currency**	**Principal**	**Balance as at 31 December 2025**
ING Bank N.V.	Investment loan	Credit facility agreement 9181/02	20 December 2026	lei	5,000,000	1,427,431 lei
ING Bank N.V.	Loan for financing and refinancing current operations	Credit facility agreement 9181/03/01.12.2024	31 January 2029	lei	5,000,000	2,715,904 lei
Total						**4,143,335 lei**

During 2025, the company benefited from a credit facility to support its current operations opened with Intesa Sanpaolo Bank (formerly Veneto Banca), amounting to 12,400,000 lei (the initial amount of

7,850,000 lei was increased to 12,400,000 lei by an addendum to Credit Facility Agreement No. 8929/10.10.2013) maturing on 14.09.2026, with the possibility of extension. The outstanding balance of the loan as at 31 December 2025 is 12,247,183 lei.

For the credit facility contracted with Intesa Sanpaolo Bank (formerly Veneto Banca), the Company has provided the following guarantees in favour of the bank:

- A mortgage has been registered on the property – Lot 2 (Premo) situated in Calarasi, 396 Bucuresti Street, Calarasi County, comprising a plot of land measuring 69,552.2 square metres and the buildings situated thereon, with cadastral number 62/2.
- Issuance of a blank promissory note in favour of the bank.
- A floating charge on the receivables arising from the commercial relationships between Prefab S.A. and its debtors.

During 2025, the Company benefited from the following loans, opened with ING Bank N.V.:

- On 17 January 2022, a credit facility of 19,000,000 RON was opened with ING Bank, the balance of which as at 31 December 2025 was 17,814,101 RON.
- A 5-year investment loan (taken out in 2022), with a balance of RON 1,427,431 as at 31 December 2025. The loan was repaid in full in the first half of 2026.
- A 5-year investment loan (taken out in 2024), with a balance of 2,715,904 lei as at 31 December 2025. The loan was repaid in full in the first half of 2026

The financial terms and costs offered by ING Bank were more favourable than those offered by similar companies.
For the credit facilities contracted with ING Bank N.V., the company provided the following guarantees in favour of the bank as follows:

- Mortgage on the property – plot 7 and annexes (Cogeneration plant) situated in Calarasi, 396 Bucuresti Street, Calarasi County, comprising 10,651 m² of land and the existing buildings thereon (C2, C4, C6, C7) with cadastral/topographic number 248449 (originating from cadastral no. 62/7).
- Movable mortgage on the bank accounts opened in the name of PREFAB SA at ING BANK N.V. branches, as well as on the present and future sums held in these accounts.
- Movable mortgage on the equipment owned by PREFAB SA, belonging to the cogeneration plant.
- Real estate mortgage on the following properties:
- 1. Property – arable land within the built-up area, covering 2,500 m², registered in the Land Registry of ANCPI Călărași UAT Modelu under no. 20193 and having cadastral/topographical number 20193, owned by Prefab SA, situated in the commune of Modelu, in plot 81/2, plot 3/3, Călărași County.
- 2. Property – 2,500 m² of arable land within the built-up area, registered in the Land Registry of ANCPI Călărași UAT Modelu under no. 20194 and with cadastral/topographic number 20194, owned by Prefab SA, situated in the commune of Modelu, in field 81/2, plot 3/3 (lot no. 2), Călărași County.
- 3. Property – arable land within the built-up area, with a surface area of 5,000 m², registered in the Land Registry of ANCPI Călărași UAT Modelu under no. 20141 and with cadastral/topographic number 20141, owned by Prefab SA, situated in the commune of Modelu, in field 81/2, plot 3/2, Călărași County.
- 4. Property – arable land within the built-up area, with a surface area of 5,750 m², registered in the Land Registry of ANCPI Călărași UAT Modelu under no. 21757 and with cadastral/topographic number 522, owned by Prefab SA, situated in the commune of Modelu, in field 81/2, plot 2-lot 1, Călărași County.
- 5. Property – arable land within the built-up area, with an area of 4,427 m², registered in the Land Registry of ANCPI Călărași UAT Modelu under no. 21760 (formerly 521, ref. 366) and with cadastral/topographical number 21760, owned by Prefab SA, situated in the commune of Modelu, in field 81/2, plot 4 – lot 1, Călărași County.
- 6. Property – arable land within the built-up area covering 5,000 m², registered in the Land Registry of ANCPI Călărași, Modelu Local Authority, under no. 20112 and with cadastral/topographical

number 20112, owned by Prefab SA, situated in Modelu commune, in field 81/2, plot 3/4, Călărași County,

- 7. Property – 5,000 m² of arable land within the built-up area, registered in the Land Registry of the National Agency for Cadastral and Property Information (ANCPI) in Călărași, Modelu Local Authority, under no. 20115 and with cadastral/topographical number 20115, owned by Prefab SA, situated in the commune of Modelu, on plot 81/2, plot 3/5, Călărași County.
- Pledge on stocks and receivables

18. OTHER LIABILITIES

These consist mainly of the following:

Other liabilities	**Balance as at 31 December 2024**	**Balance as at 31 December 2025**
Liabilities relating to staff and similar	1,284,325	1,248,793
Liabilities relating to the social security budget	675,530	501,313
Liabilities relating to the state budget	267,986	108,228
Liabilities to shareholders	317,323	86,837
Other creditors	0	1,059,904
Total liabilities	**2,545,164**	**3,005,075**

19. DEFERRED TAX

The change in deferred tax liabilities is presented in the following table:

Description	31 December 2024	31 December 2025
Opening balance	453,168	448.224
Deferred tax on revaluation differences	(4,944)	(266.790)
Closing balance	448,224	181.434

20. INVESTMENT SUBSIDIES

The variation in investment subsidies is presented in the following table:

Description	**31 December 2024**	**31 December 2025**
Opening balance	3,121,467	2,623,950
Recorded during the year	32,000	119,000
Reversed during the year	0	0
Reversed to income	(529,517)	(529,962)
Closing balance	**2,623,950**	**2,212,988**

The amounts represent subsidies recorded for assets (co-financing) acquired within the framework of projects carried out by the Company, namely:

- The 'Rational Energy Use Plan – Energy Efficiency Project at Prefab SA', worth €1,200,000, which was carried out in partnership with the EBRD, 15% funding was obtained for the investments made, namely the sum of 812,124 lei (equivalent to 180,000 euros).
- The project: 'Construction of a cogeneration plant to improve the energy efficiency of Prefab SA's operations', partially funded by European Funds under Priority Axis 4 of the Sectoral Operational Programme: Increasing Economic Competitiveness, for which the company concluded funding contract no. 18 EE/28.05.2012 with the Ministry of Economy, Trade and Business Environment. The non-repayable grant approved under the contract amounted to 10,199,768.65 lei, of which 6,140,662.41 lei was received in 2013 and 1,503,822.08 lei was received in 2014.
- The "Rabla" scheme, under which 10 cars were purchased in late 2023 and early 2024.
- The sum of 119,000 lei recorded at the end of 2025 represents the value of the inventory surpluses identified for fixed assets during the annual inventory; this sum, as monthly depreciation is recorded, will be reclassified as revenue.

20. OPERATING INCOME

Revenue	31 December 2024	31 December 2025	Difference (2025-2024)
Sales revenue	86,476,711	68,703,933	(17,772,778
Revenue relating to product inventory costs	926,875	(5,123,912)	(6,050,787
Revenue from the production of fixed assets and investment property	7,910,671	1,501,015	(6,409,656)
Other operating income	875,084	1,890,872	1,015,788
Total	**96,189,341**	**66,971,908**	**(29,217,433)**

Revenue from sales is broken down into the following product categories:

Product name	2024	2025
AAC	78.39%	80.08%
Pipes	3.76%	2.35%
Prefabricated	14.21%	13.35%
Electricity	1.43%	0.43%
Other products	2.21%	3.79

For Autoclaved Aerated Concrete (AAC), the masonry material produced by PREFAB SA, in 2025 production amounted to 189,024.90 m³ and 209,450 m³ was sold.
The market for precast reinforced and prestressed concrete, electricity pylons, motorway components, precast elements for hypermarkets or supermarkets, and beams for road bridges is affected by the slow progress and continued low level of major national infrastructure projects, due to financial bottlenecks in the national investment sector and the limited supply of sufficiently skilled labour. Although investments from European funds are vital for the Romanian economy, their absorption is below the optimal level. The implementation of the PNRR and the absorption of European funds should be a major objective for Romania.
In 2025, the total volume of prefabricated elements produced and sold was 2,715.67 m³, to which 1,456.60 m³ of ready-mix concrete was added.
In 2025, the total volume of pipes produced and sold was 407.48 cubic metres.
As regards the operation of the combined heat and power plant, in 2025, it was not in operation.

22. OPERATING EXPENSES

Expenses	31 December 2024	31 December 2025	Difference (2025–2024)
Expenses for raw materials and consumables	**39.222.468**	**30.880.168**	**(8.342.300)**
Energy and water costs	12.543.031	10.541.593	(2.001.438)
Other production expenses	911.818	3.662.834	2.751.016
Trade discounts received	(242.654)	(44.951)	197.703
Total cost of materials	**52.434.663**	**45.039.644**	**(7.395.019)**
Salaries and allowances	22.064.817	23.961.997	1.897.180

Insurance and social security expenses	549.918	615.315	65.397
Total staff costs	**22.614.735**	**24.577.312**	**1.962.577**
Depreciation	9.155.082	8.009.476	(1.145.606)
Adjustments for impairment	25.154	45.717	20.563
Total depreciation and	**9.180.236**	**8.055.193**	**(1.125.043)**
impairment	6.852.333	10.298.496	3.446.163
Expenses relating to external services	1.307.593	1.448.582	140.989
Expenses relating to other taxes, duties and similar payments	318.003	4.458.259	4.140.256
Other expenses	**8.477.929**	**16.205.337**	**7.727.408**
Total other operating expenses	0	**13.642.003**	**13.642.003**
Provision adjustments			
Total	**92.707.563**	**107.519.489**	**14.811.926**

The procurement prices of raw materials and supplies recorded significant increases compared to those recorded in the previous year, being mainly influenced by the significant rise in the price of electricity and natural gas.
In general, supply sources are secure, with the aim of maintaining a minimum of two suppliers per product range.
The amounts paid to the statutory auditor in 2025 were 100,146 lei (excluding VAT) and the recorded insurance expenses amounted to 334,627 lei.

23. FINANCIAL INCOME

Revenue	31 December 2024	31 December 2025	Difference (2025-2024)
Income from exchange rate differences	25,586	116,728	91,142
Interest income	863	0	(863)
Income from shares held in subsidiaries	0	0	0
Other financial income	0	41	41
Total	**26,449**	**116,769**	**90,320**

24. FINANCIAL EXPENSES

Expenses	31 December 2024	31 December 2025	Difference (2025 - 2024)
Interest expenses	2,093,083	2,594,368	501,285
Other financial expenses	89,894	263,596	173,702
Value adjustments on financial assets	200	0	(200)
Total	**2,183,177**	**2,857,964**	**674,787**

Interest expenses increased by 501,285 lei, from 2,093,083 lei (2024) to 2,594,368 lei (2025) (see the statement of short-term and long-term borrowings) due to the increase in the NBR's reference interest rate in the context of the company's rising debt levels.

25. CORPORATE INCOME TAX

Information on profit tax (according to Form 101):

Indicators	Amounts 31.12.2024	Amounts 31.12.2025
Operating revenue	96,189,341	66.971.908
Operating expenses	93,111,062	107.519.489
Operating profit	**3,078,279**	**(40.547.581)**
Financial income	26,449	116.769
Financial expenses	2,183,177	2.857.964
Financial result	(2,156,728)	(2.741.195)
Gross profit	**921,551**	**(43.288.776)**
Income-like items	**30,899**	**5.426.941**
Items similar to expenses	**0**	**0**
Tax depreciation	9,142,788	8.009.476
Deductible statutory reserve	0	0
Total deductions	**9,142,788**	**8.009.476**
Other non-taxable income	0	0
Total non-taxable income:	**0**	**0**
Income tax expense	403,499	-12.105
Fines, non-deductible penalties	32,933	17.031
Non-deductible entertainment expenses	725,990	372.157

Sponsorship expenses	255,766	61.437
Depreciation and amortisation expenses	9,155,082	8.009.476
Adjustments to provisions in excess of limits or under conditions other than those provided for by law	410,071	0 13.642.003
Other non-deductible expenses	352,883	354.470
Total non-deductible expenses	**11,336,224**	**22.444.469**
Total taxable profit	**3,049,811**	**(23.543.817)**
Total income tax	**487,969**	**0**
Amounts representing sponsorship within the limits provided for by law	84,470	0
Income tax	**403,499**	**0**
Tax relief Profit tax for the year following the deduction of the allowance	**0** **403,499**	**0**
Net profit	**921,551**	**(23.543.817)**

26. BASIC EARNINGS PER SHARE. DILUTED EARNINGS.

	2024	2025
Basic earnings per share	**0.0219**	**(1.0318)**
Diluted earnings	**0.0219**	**(1.0318)**

Basic and diluted earnings per share are the same because there are no financial instruments with a dilutive effect on earnings.

27. AVERAGE NUMBER OF EMPLOYEES

a) Employees

The average number of employees developed as follows:

	Financial year ended 31 December 2024	**Financial year ended 31 December 2025**
Management staff	3	2
Administrative staff	82	26
Production staff	192	95
TOTAL	**277**	**123**

b) The evolution of the employee structure by level of education is presented below:

Year	**2024**	**2025**
Staff with higher education	9%	9%
Staff with secondary education	7%	7%
Staff with vocational and qualification training	70%	70%
Unskilled staff	14%	14

c) The expenses for salaries and related taxes recorded during 2024 and 2025 are as follows:

	31 December 2024	**31 December 2025**
Salary expenses	22,064,817	23,961,997
Insurance and social security expenses	540,288	602,745
Voluntary pension expenses	9,630	12,570
Total	**22,614,735**	**24,577,312**

The company contributes to the national pension scheme in accordance with current legislation, and has operated a voluntary pension scheme since April 2008 for employees who have been with the company for at least one year and are aged between 18 and 52. The contribution is paid by the employer, up to a limit of 400 euros per year, in accordance with the Tax Code. The contracts entered into by employees are for the NN Optim Voluntary Pension Fund managed by NN Asigurari de viata SA. The company has no other post-employment obligations relating to these insurance schemes.
Payroll and tax expenses increased by 1,962,577 lei, from 22,614,735 lei in 2024 to 24,577,312 lei in 2025.

From 1 January 2019, given the NACE code under which it operates, namely 2361, Manufacture of concrete products for construction, the company is subject to the provisions of Government Emergency Ordinance No. 114/2018, under which the construction sector is declared a sector of national importance; the minimum wage becomes 3,000 lei/month (4,000 lei/month from 1 January 2023, 4,582 lei/month from 1 November 2024), employees benefit from exemption from income tax, exemption from health insurance contributions and a reduction in social security contributions from 25% to 21.25%, provided that at least 80% of turnover is derived from activities under the NACE code.

Following Law no. 296/2023, the Health insurance contribution relief for the construction sector no longer applies from 1 November 2023, meaning that all individuals earning income from wages and wage-like payments under an individual employment contract with PREFAB S.A. are obliged to pay Health insurance contribution. Following Ordinance 156/30 December 2024, the income tax relief for the construction sector no longer applies from 1 January 2025, so that all individuals earning income from wages and wage-like payments under an individual employment contract concluded with PREFAB S.A. are obliged to pay income tax. Thus, all the reliefs previously enjoyed by employees in this sector have been removed.

28. TRANSACTIONS WITH AFFILIATED PARTIES

The company is managed under a unitary system by a Board of Directors comprising three directors, who are temporary and revocable, elected by the General Meeting of Shareholders; the majority of the Board members are non-executive directors, elected for a term of four years, or two years (from 4 December 2025).

From 23 June 2025, in accordance with General Meeting Resolution No. 12 of 18 June 2025, until 4 December 2025, the Board of Directors of PREFAB S.A. was composed as follows:

No.	**Surname and first name**	**Position**	**Profession**
1.	Milut Petre Marian	Chairman of the Board	Engineer
2.	Naicu Cornelia	Member	Economist
3.	Milut Alexandru	Member	Data Analyst

From 4 December 2025, in accordance with General Meeting Resolution No. 17 of 4 December 2025, and until 3 December 2027, the Board of Directors of PREFAB S.A. shall consist of the following members:

No.	**Surname and first name**	**Position**	**Profession**
1.	Secareanu Ion	Chairman of the Board	Engineer
2.	Odor Irina	Member	Economist
3.	Negrisan Julieta	member	Economist

As at 31 December 2025, the directors hold shares in PREFAB S.A. as follows:

No.	Surname and first name	Number of shares	Percentage
1.	Secareanu Ion	0	0.00000%
2.	Odor Irina	0	0.00000%
3.	Negrisan Julieta	0	0.00000%

Until 4 December 2025**, the executive management** consisted of:

No.	Surname and first name	Position	Profession
1.	Milut Petre Marian	Managing Director	Engineer
2.	Boitan Daniela	Finance Director, acting as Deputy General Manager	Economist
3.	Buta Adrian	Director of Energy and Logistics	Engineer

Pursuant to Board Decision No. 35, with effect from 4 December 2025, the executive management consists of:

No.	Surname and first name	Position	Profession
1.	Secareanu Ion	Managing Director	Engineer
2.	Hotulig Vildan	Financial Director	Economist

Executive management's shareholding in the share capital of PREFAB S.A.

As at 31 December 2025, members of the executive management do not hold any shares in the share capital of PREFAB S.A.:

No.	Surname and first name	Number of shares	Percentage
1.	Secareanu Ion	0	0.00000%
2.	Hotulig Vildan	0	0.00000%

The total expenditure on the gross remuneration, fixed component, of the members of the Board of Directors during the 2025 financial year was 1,134,265 lei.
The total expenditure on gross remuneration, fixed component, for the executive management during the 2025 financial year was 1,701,406 lei.
The Company has no contractual obligations to former directors and managers and has not granted advances or loans to current directors and managers.
The company has not assumed any future obligations in the form of guarantees on behalf of the directors.

Information regarding relations with related parties, subsidiaries and associates

On 28 August 2025, as part of a transaction carried out through the Bucharest Stock Exchange, CELCO S.A. increased its stake in the share capital of PREFAB S.A., thereby acquiring sole direct control over the company.
This transaction represents a significant change in the governance and control structure and has the following main objectives:

- expansion into new markets;
- increasing sales volumes of autoclaved aerated concrete (AAC), adhesives, dry mortars and bagged lime;
- consolidating its position in the masonry materials market;
- achieving operational synergies within the group.

Company information.

As at 31 December 2025, the company no longer holds any stakes in subsidiaries.

As at 10 December 2025, CELCO SA Constanta held a 95.5568% stake in the share capital of PREFAB SA.

Balances and transactions with related parties as at 31 December 2024 and 31 December 2025 are presented below:

Liabilities to related parties are as follows:

	31 December 2024
Celco SA Constanta	1,111,354

	31 December 2025
Celco SA Constanta	3,569,689

Purchases of goods and services (values expressed in lei excluding VAT):

	31 December 2024
Celco SA Constanta	5,818,034

	31 December 2025
Celco SA Constanta	5,435,522

29. INFORMATION BY BUSINESS SEGMENT

Segment information is reported in accordance with the Company's activities. Transactions between business segments are conducted on an arm's length basis.

Segment assets and liabilities include both items directly attributable to the respective segments and items that can be allocated on a reasonable basis.

PREFAB SA is one of Romania's leading producers of:

a. Autoclaved Aerated Concrete (AAC) with a capacity of 500,000 m³ per year
b. Standardised precast products
c. Concrete pipes for water and sewerage networks (Premo and Sentab technology)
d. Structures for shops
e. Non-standard prefabricated elements

And one of the leading suppliers in the local market of:

f. Aggregates
g. Concrete Goods
h. PVC joinery
i. Electricity (from April 2013).

PREFAB SA has identified a business segment for which it reports information separately, namely **the AAC Branch** – which generated revenue of over 80.08% from sales of the AAC product.
Autoclaved Aerated Concrete (AAC) is the masonry material produced by PREFAB SA with the largest share of the company's turnover. In 2025, AAC production amounted to 189,024.90 cubic metres and approximately 209,450 cubic metres of AAC were sold.

PREFAB SA applies a uniform pricing policy and discounts to customers, depending on volume and payment terms (due date).

The structure of income and expenditure for this business segment is as follows:

Revenue	**31 December 2024**	**31 December 2025**
Sales	**67,788,293**	**55,013,496**
Other operating income		
Total revenue	**67,788,293**	**55,013,496**

Expenses	**31 December 2024**	**31 December 2025**

Cost of raw materials and supplies	29,479,278	25,608,134
Expenses for natural gas, energy and water	11,132,280	9,535,246
Other production costs	0	0
Total cost of materials	**40,611,558**	**35,143,380**
Salaries and allowances	6,330,763	7,020,464
Insurance and social security costs	142,441	156,492
Total staff costs	**6,473,204**	**7,176,956**
Depreciation	2,950,806	1,639,775
Adjustments for impairment	0	0
Total depreciation and impairment	**2,950,806**	**1,639,775**
Expenses relating to external services	1,795,896	1,341,584
Expenses relating to other taxes, duties and similar payments	281,266	412,205
Other expenses	11,985,223	29,903,594
Total other operating expenses	**14,062,386**	**31,657,383**
Total expenditure	**64,097,954**	**75,617,493**
Operating result	**3,690,339**	**(20,603,997)**

For the AAC business segment, we also report the following items:

Tangible fixed assets:

	Carrying amount	Depreciation	Net value
Land 33,392.80 sqm	8,804,961	0	8,804,961
Buildings and structures	13,630,159	5,831,619	7,798,540
Machinery and transport equipment	34,002,630	15,781,754	18,220,876
Total	**56,437,750**	**21,613,373**	**34,824,377**

Long-term liabilities: 3,785,110 lei
Short-term liabilities: 34,863,047 lei

PREFAB SA is one of the leading domestic manufacturers of construction materials, with a diverse portfolio of products on the market.
The main markets are: Romania and, occasionally, the Republic of Bulgaria and the Republic of Moldova
In Romania, the market structure is as follows:

a. for AAC: Muntenia, Transylvania, Moldova
b. for prefabricated products: the whole of Romania
c. for Aggregates, Ready-mix Concrete: the local market

A differentiated sales policy is applied depending on the specific characteristics of each product.

a. AAC is sold through distributors or DIY (Do It Yourself) chains

b. Prefabricated products are sold via tender or project-based negotiation

Sales by geographical area:

Geographical area	Sales in 2024	Sales in 2025
1. Muntenia	91.43%	93.01%
2. Transylvania	3.50%	2.48%
3. Moldova	5.07%	4.51%
4. Bulgaria	0.00%	0.00%
5. Republic of Moldova	0.00%	0.00%

ELECTRICITY GENERATION

Between 2011 and 2013, PREFAB SA carried out a major investment project, namely: Project: 'Construction of a combined heat and power plant to improve the energy efficiency of Prefab SA's operations', worth 22,400,846.58 lei (5,247,575 euros). The project was submitted on 20 July 2011 to the Intermediate Body for Energy for funding from European Funds under Priority Axis 4 of the Sectoral Operational Programme: Increasing Economic Competitiveness, and was declared eligible for funding, with funding contract no. 18 EE/28.05.2012 was concluded with the Ministry of Economy, Trade and Business Environment for a maximum non-repayable amount of 10,199,768.65 lei. **The main objective of the project** was to increase energy efficiency within the industrial activities of Prefab SA through the installation of a high-efficiency cogeneration plant.

The project was completed with the commissioning on 15 April 2013 of the new cogeneration capacity for the production of electricity and heat.

On 24 April 2013, PREFAB SA obtained, pursuant to ANRE Decision No. 1038/24 April 2013, 'Licence No. 1222 for the production of electricity for the commercial operation of the 5.4 MW gas turbine cogeneration plant. The electricity produced is supplied to the National Electricity System (SEN), with a portion being used for internal consumption.Results of the cogeneration plant's operations – the amount of electricity produced in 2024 was: 1,776 MWh, of which 1,395.31 MWh was supplied to the SEN, with the remaining 380.69 MWh used for internal consumption. For the amount of electricity supplied to the SEN, the company qualified for the cogeneration bonus under the Support Scheme for the Promotion of High-Efficiency Cogeneration. In 2025, the cogeneration plant was not in operation.

30. COMMITMENTS AND LIABILITIES

The company is involved in a number of lawsuits arising from the normal course of business, in which it acts as a creditor.

In addition, the following cases are currently pending before the courts:

1. **Case no. 2672/93/2023** – Plaintiff/Challenger: Benea Remus Mihai (former Commercial Director), defendant: PREFAB SA. The case concerns: *Challenge to dismissal decision no. 192/05.10.2023*.
    - Regarding this case, the court, by **JUDGMENT no. 285/19.03.2026**, rejected the lawsuit as unfounded. Under art. 451 para. 2 of the Civil Procedure Code, the plaintiff was ordered to pay the defendant RON 10,000 as legal expenses, representing a reduced attorney's fee.
2. **Case no. 1271/3/2024** – Plaintiff/Challenger: Miron Sorin (former General Director), defendant: PREFAB SA. The case concerns: *Action for declaratory judgment – revocation of mandate without just cause*; obliging Prefab SA to pay damages as follows:
a) RON 1,649,232.9, updated for inflation, representing the total value of fixed remuneration to which Miron Sorin would have been entitled until the termination of the contract upon its expiry, in accordance with art. 10.2.3 of Mandate Contract no. 5298/04.10.2022;

b) RON 6,212,277.7, representing the value of the unrealized benefit of Miron Sorin due to the non-granting of the SOP Share package (representing 5% of Prefab's share capital).

- The next hearing in this case is scheduled for **09.04.2026**.

3. **Case no. 9273/202/2025** – Plaintiff/Challenger: Prefab SA, defendant: Bucharest Forest Guard. Through this lawsuit, PREFAB SA filed a complaint against the Report for the finding and sanctioning of the forestry contravention, series CCS no. 0857189, concluded on 25.09.2025 in Călărași by the Bucharest Forest Guard. The report imposed on PREFAB SA the main contraventional sanction of a fine of up to RON 50,000 under art. 19 para. 1 letter e of Law no. 171/2010, as well as complementary sanctions consisting of the value-based confiscation of a stock of 6,721.503 cubic meters of timber and the establishment of damages amounting to RON 5,780,492.58. The case also contests Report no. 8759/25.09.2025 regarding the inspection of timber storage areas/markets and round timber processing facilities.

The management of the company believes that, apart from the amounts recorded as of 31.12.2025 in the financial statements as provisions or adjustments for asset impairments and described in the notes to these financial statements, other pending lawsuits are not expected to have a significant adverse effect on the company's financial position or results of operations.

Insurance
In 2025, the Company has insurance policies in place with several insurance companies, relating mainly to:

- Insurance of buildings and assets (mainly pledged or mortgaged to banks)
- Insurance for the vehicle fleet (MTPL, comprehensive)

31. RISK MANAGEMENT

Assessment of the company's risk management activities

The company is exposed to the following risks:
• Credit risk
• Liquidity risk
• Market risk
• Currency risk
• Operational risk
• Hedging cost risk
• Tax risk
• Data protection and processing risk
• Political and war risk

This section provides information regarding the Company's exposure to each of the risks mentioned above, the Company's objectives, risk assessment and management policies and processes, and capital management procedures.

General risk management framework
The Company's Board of Directors has overall responsibility for establishing and overseeing the risk management framework at the Company level.
This activity is governed by the following principles:
a) the principle of delegation of authority;
b) the principle of decision-making autonomy;
c) the principle of objectivity;
d) the principle of investor protection;
e) the principle of promoting the development of the stock market;
f) the principle of active involvement.
The Board of Directors is also responsible for reviewing and approving the Company's strategic, operational and financial plans, as well as the Company's corporate structure.
The Company's risk management policies are defined in such a way as to ensure the identification and analysis of the risks faced by the Company, the establishment of appropriate limits and controls, as well as the monitoring of risks and compliance with the established limits. Risk management policies and

systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Through its training and management standards and procedures, the Company aims to develop an orderly and constructive control environment in which all employees understand their roles and responsibilities.

Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of a customer or counterparty to a financial instrument failing to meet their contractual obligations, and this risk arises primarily from trade receivables.

The Company's exposure to credit risk is primarily influenced by the individual characteristics of each customer and the country in which they operate. The majority of the Company's customers operate in Romania.

The main financial instruments used by the Company from which financial instrument risks arise are:

- Trade receivables and other receivables
- Cash and cash equivalents
- Investments in unlisted affiliated entities
- Trade payables and other payables

A summary of financial instruments by category is provided below:

ASSETS	31 December 2024	31 December 2025
Trade and similar receivables	1,771,605	1,032,111
Cash and cash equivalents	396,033	273,354
Total	**2,167,638**	**1,305,465**

ASSETS	31 December 2024	31 December 2025
Shares held in subsidiaries	0	0
Other fixed assets	0	0
Total	**150,050**	

LIABILITIES	31 December 2024	31 December 2025
Trade and similar payables	13,584,586	13,473,990
Current income tax liabilities	208,164	0
Total	**13,792,750**	**13,473,990**

The company monitors its exposure to **credit risk** by analysing the age of the receivables recorded by and takes ongoing action to recover those that are past due or written off.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations associated with liabilities that are settled in cash or by the transfer of another financial asset. The Company's approach to liquidity risk is to ensure, as far as possible, that it holds sufficient liquidity at all times to meet its liabilities as they fall due, both under normal and stressed conditions, without incurring unacceptable losses or jeopardising the Company's reputation.
The Company has long-term loans outstanding.
To counter this risk factor, the Company has implemented restrictive policies regarding the delivery of products to unreliable customers. An important role was played by the Company's policy of requiring, in certain cases, advance payment for delivered products and a careful selection of new customers based on their creditworthiness and financial discipline. Guarantees were requested for supply contracts, and efforts were made to reduce the number of days stipulated in the contract for the settlement of receivables by the company's customers. Mortgage guarantee agreements were entered into in favour of the banks with which we have open credit lines, loans and bank guarantee letters, so that we can meet our obligations in the event of cash shortfalls.

Market risk

Market risk is the risk that fluctuations in market prices, such as exchange rates, interest rates and a reduction in market demand, may affect the Company's revenues.
Market risk – instability in the sales market for construction materials, characterised by a significant decline in demand, a risk mitigated through market research and marketing policies. Risk of price volatility for electricity, natural gas, metals and diesel, mitigated by finding new suppliers or renegotiating contracts with traditional suppliers.

Currency risk

The company has transactions and loans in a currency other than its functional currency (RON).
Transactions conducted in foreign currency are converted into lei at the exchange rate applicable on the transaction date.
The risk of exchange rate fluctuations has generally been mitigated through appropriate management, in particular by converting foreign currency loans into the national currency.

Operational risk

Operational risk is the risk of incurring direct or indirect losses arising from a wide range of causes associated with the Company's processes, personnel, technology and infrastructure, as well as from external factors other than credit, market and liquidity risk, such as those arising from legal and regulatory requirements and generally accepted standards of organisational conduct. The Company is also exposed to the risk of disasters. In these circumstances, the Company has taken steps to take out disaster insurance policies to protect the Company's assets.
Operational risks arise from all of the Company's operations. The primary responsibility for developing and implementing controls relating to operational risk lies with the entity's management. This responsibility is supported by the development of the Company's operational risk management standards in the following areas:
• Requirements for the segregation of duties;
• Compliance with regulatory and legal requirements;
• Documentation of controls and procedures;
• Requirements for the periodic analysis of the operational risk to which the Company is exposed and the adequacy of controls and procedures to prevent identified risks;

• Requirements for reporting operational losses and proposals for remedying the causes that generated them;
• Development of business continuity plans;
• Professional development and training;
• Establishment of ethical standards;
• Prevention of litigation risk, including insurance where applicable;
• Risk mitigation, including the effective use of insurance where appropriate.

Risk relating to balancing costs

This risk is specific to the business of generating and selling electricity and arises from potentially unrealistic forecasts of hourly electricity supply quantities and volumes, which may impact the financial position through the incurrence of additional balancing costs. It is considered that this risk is low as a result of the forecasting activities carried out by the entity's specialist department.

Taxation risk

The company has implemented the tax changes as required, but the manner of their implementation remains subject to tax audit for a period of 5 years from the 2009 financial year.
The interpretation of the texts and the practical implementation of the procedures under the new applicable tax regulations, harmonised with European legislation, may vary from entity to entity, and there is a risk that in certain situations the tax authorities may adopt a position different from that of the Company
The Company may be subject to tax audits as new tax regulations are issued.
Risk relating to data protection and processing

The risk may arise from situations such as the accidental loss or alteration of data, as well as unauthorised access to personal data. Regardless of the basis for processing, the Company 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 war

Since February 2022, global geopolitical tensions have escalated significantly following the Russian Federation's military intervention in Ukraine. As a result of these escalations, economic uncertainties in the energy and capital markets have increased, with global energy prices expected to be highly volatile in the foreseeable future, compounded by tensions arising from the domestic and international political crisis.
As at the date of this report, management is unable to reliably estimate the impact on the company's financial outlook and cannot rule out adverse consequences for its business, operations and financial position. Management considers that it is taking all necessary measures to support the sustainability and growth of the company's business under the current circumstances and that the professional judgements in these financial statements remain appropriate. The risks are those set out above.

32. ANALYSIS OF KEY ECONOMIC AND FINANCIAL INDICATORS

	2024	**2025**
1. Liquidity indicators		
Current liquidity ratio	0.72	0.39
Quick ratio	0.06	0.04

2. Risk indicators		
Debt ratio	0.22	0.30
Interest coverage ratio	1.63 times	(15.69) times
3. Activity ratios		
Inventory turnover	3.31 times	3.03 times
Number of days in stock	110 days	120 days
Turnover rate of customer accounts	98 days	3 days
Supplier credit turnover	58 days	79 days
Fixed asset turnover	0.42 times	0.36 times
Total asset turnover	0.37 times	0.33 times
4. Profitability indicators		
Return on capital employed	0.0173 times	(2.446) times
Gross profit margin	11%	13.51%
5. Earnings per share indicators		
Earnings per share	0.0219	(1.0318)

34. EVENTS AFTER THE REPORTING DATE

Global geopolitical tensions have escalated significantly following the Russian Federation’s military intervention in Ukraine, which began in 2022. As a result of these escalations, economic uncertainties in the energy and capital markets have increased, with global energy prices expected to remain highly volatile for the foreseeable future. At the date of this report, management cannot reliably estimate the effects on the company’s financial outlook and cannot rule out negative consequences for its business, operations and financial position. Management believes that it is taking all necessary measures to support the sustainability and growth of the company’s business under the current circumstances and that the professional judgements in these financial statements remain appropriate. The risks are those set out above.

Furthermore, management is not currently aware of any events, economic changes or other factors of uncertainty that could significantly affect the company’s revenue or liquidity, other than those mentioned.

The notes to the financial statements form an integral part of these financial statements.
The financial statements were approved by the Board of Directors on **7 April 2026** and were signed by:

Chairman of the Board of Directors,
Eng. Ion Secareanu

Financial Director,
Ec. Vildan Hotulig

Form **S1040_A1.0.0**
OMF No. 2036/2025
Version date: 12.02.2026

Annual accounting report *

Check sum **20,521,217**
Reporting date **31 December 2025**
Form type **IR**
Year **2025**

Identification details ►
** Mandatory fields*

FORM VALIDATED

Print | Unblock

* Entity
PREFAB SA

* Trade Register number
J2003009212407

* Unique Registration Code
1916198

LEI code (Legal Entity Identifier)
5 4 9 3 0 0 M 3 U 2 I Z Y P 6 0 U W 3 2

* Main activity: NACE code--Activity description
2363--Manufacture of concrete
Select

* Main activity actually carried out: CAEN code--Activity description
2363--Manufacture of concrete
Select

* Form of ownership
34--Public limited companies
Select

Street
Industrial Road
Number
5

Block | Staircase | Flat

Telephone
0241630825
Email
anca@prefab.ro

* County
Constanta
Sector

* Town Constanta

Annual accounting report
☑ *Form S1040*

☐ Annual financial statement
Form S1041

☐ Annual financial statements have been approved in accordance with the law

Tick if applicable

☐ Major taxpayers filing their balance sheets in Bucharest

☐ Branch

☐ Net assets less than half the value of of the subscribed capital

Signatures ►
** Mandatory fields*

The electronic signature can only be applied after the form has been successfully validated

Electronic signature

Legal representative
(The administrator or person is responsible for managing the entity)

* First name and surname
ION SECAREANU

Signature

Prepared
* First name and surname
VILDAN HOTULIG

* Position
11--Financial Director

Registration number with the professional body

Tax identification number

Signature

**Other person, authorised representative, employed in accordance with the law*
*** Authorised natural or legal person, member of CECCAR*

*) Annual financial statements as at 31 December 2025 prepared by entities subject to the accounting regulations in accordance with IFRS, approved by Order of the Minister of Public Finance No. 2.844/2016, as subsequently amended and supplemented, as provided for in point 1.1 of Annex 3 to the Order of the Minister of Finance No. 2036/2025 on the main aspects relating to the preparation and submission of annual financial statements and annual accounting reports by economic operators to the National Agency for Fiscal Administration

Indicators
Fields with calculated values

Total equity	Profit/loss	Subscribed capital
146.043.342	-43.276.671	20,969,441

CODE 10. STATEMENT OF ASSETS, LIABILITIES AND EQUITY as at 31 December 2025 (lei)
the rows and correlations in the ***'Row No.'*** *column should be taken into account, not those in the 'CodeRd' column*

Clear the data from this table (Code 10)

CodRd	Item name	Row No.	Current year balance as at: 01.01.2025	Current year balance as at: 31.12.2025
	A	B	1	2
	A. FIXED ASSETS			
	I. INTANGIBLE ASSETS			
01	1. Development costs (accounts 203 – 2803 – 2903)	01	0	0
02	2. Concessions, patents, licences, trade marks, rights and similar assets, and other intangible assets (accounts 205 + 208 - 2805 - 2808 - 2905 - 2907 - 2908)	02	931	652
03	3. Goodwill (account 2071)	03	0	0
04	4. Advances granted for intangible assets (accounts 4094–4904)	04	0	0
05	5. Intangible assets for the exploration and evaluation of mineral resources (accounts 206 - 2806 - 2906)	05	0	0
06	**TOTAL (lines 01 to 05)**	06	**931**	**652**
	II. TANGIBLE FIXED ASSETS			
07	1. Land and buildings (accounts 211 + 212 - 2811 - 2812 - 2911 - 2912)	07	149,037,709	144,063,533
08	2. Technical installations and machinery (accounts 213 + 223 - 2813 - 2913)	08	52,282,188	45,130,297
09	3. Other plant, machinery and furniture (accounts 214 + 224 - 2814 - 2914)	09	27,557	4,506
10	4. Investment property (accounts 215 + 251* - 2815 - 285* - 2915 - 295*)	10	0	2,057,220
11	5. Tangible assets under construction (accounts 231 - 2931)	11	0	1,043,065
12	6. Investment property under construction (account 235 - 2935)	12	0	0
13	7. Tangible assets for the exploration and evaluation of mineral resources (accounts 216 - 2816 - 2916)	13	0	0
14	8. Productive plants (accounts 218 - 2818 - 2918)	14	0	0
15	9. Advances granted for tangible fixed assets (accounts 4093-4903)	15	4,787,726	0
16	**TOTAL (lines 07 to 15)**	16	**206,135,180**	**192,298,621**
17	**III. PRODUCTIVE BIOLOGICAL ASSETS** (accounts 241 + 227 - 284 - 294)	17	3,978	2,223
303	**IV. RIGHTS TO USE LEASED ASSETS** (accounts 251* - 285* - 295*)[1]	18	791,493	631,429
	V. FINANCIAL FIXED ASSETS			
18	1. Shares held in subsidiaries (accounts 261–2961)	19	0	0

	A	B	1	2
19	2. Loans granted to group entities (accounts 2671 + 2672 - 2964)	20	0	0
20	3. Shares held in associates and jointly controlled entities (accounts 262 + 263 - 2962)	21	0	0
21	4. Loans granted to associates and jointly controlled entities (accounts 2673 + 2674 - 2965)	22	0	0
22	5. Other fixed-income securities (accounts 265 – 2963)	23	0	0
23	6. Other loans (accounts 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	24	0	0
24	**TOTAL (rounds 19 to 24)**	25	**0**	**0**
25	**FIXED ASSETS – TOTAL (lines 06 + 16 + 17 + 18 + 25)**	26	**206,931,582**	**192,932,925**
	B. CURRENT ASSETS			
	I. INVENTORIES			
26	1. Raw materials and consumables (accounts 301 + 302 + 303 ± 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	27	9,148,801	6,042,481
27	2. Fixed assets held for sale (account 311)	28	0	0
28	3. Work in progress (accounts 331 + 332 + 341 +/- 348* - 393 - 3941 - 3952)	29	175,419	83,082
29	4. Finished products and goods (accounts 326 + 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - from item 4428)	30	14,609,483	8,725,954
30	5. Advances (accounts 4091- 4901)	31	189,149	226,085
31	**TOTAL (lines 27 to 31)**	32	**24,122,852**	**15,077,602**
	II. RECEIVABLES			
32	1. Trade receivables (accounts 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 + 4642 - 491 - 494)	33	976,586	309,523
33	2. Advances paid (accounts 4092 - 4902)	34	25,538	135,211
34	3. Amounts receivable from group entities (accounts 451** - 495*)	35	0	0
35	4. Amounts receivable from associates and jointly controlled entities (account 453** - 495*)	36	0	0
36	5. Receivables arising from derivative transactions (account 4652)	37	0	0
37	6. Other receivables (accounts 425 + 4282 + 431** + 436** + 437** + 4382 + 441** + 4424 + 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 461 + 4662 + 473** + 4762** - 496 + 5187)	38	769,481	1,158,157
38	7. Subscribed but unpaid capital (accounts 456-495*)	39	0	0
301	8. Receivables representing dividends distributed during the financial year (account 463)	40	0	0
39	**TOTAL (lines 33 to 40)**	41	**1,771,605**	**1,602,891**

40	**III. SHORT-TERM INVESTMENTS** (accounts 505 + 506 + 507 + 508* - 595 - 596 - 598 + 5113 + 5114)	42	0	0
41	**IV. HOUSEHOLD AND BANK ACCOUNTS** (accounts 508* + 5112 + 512 + 531 + 532 + 541 + 542)	43	396,033	273,354
42	**CURRENT ASSETS – TOTAL (rows 32 + 41 + 42 + 43)**	44	**26,290,490**	**16,953,847**
43	**C. PREPAID EXPENSES** (accounts 471 + 474) **(lines 46 + 47)**, of which	45	**281,766**	**6,707**
44	Amounts to be recovered within one year (account 471* + account 474*)	46	281,766	6,707
45	Amounts to be carried forward over a period of more than one year (from account 471* + account 474*)	47	0	0
	D. LIABILITIES: AMOUNTS PAYABLE WITHIN ONE YEAR			
46	1. Loans from bond issues, with loans from convertible bond issues shown separately (accounts 161 + 1681 - 169)	48	0	0
47	2. Amounts owed to credit institutions (accounts 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	49	22,529,375	30,061,284
48	3. Advances received on orders (account 419)	50	2,940,234	2,345,260
49	4. Trade payables – suppliers (accounts 401 + 404 + 408 + 4641)	51	8,307,356	8,123,655
50	5. Trade bills payable (accounts 403 + 405)	52	0	0
52	6. Amounts due to group entities (accounts 1661 + 1685 + 2691 + 451***)	53	0	0
53	7. Amounts due to associates and jointly controlled entities (accounts 1663 + 1686 + 2692 + 453***)	54	0	0
54	8. Liabilities arising from derivative transactions (account 4651)	55	0	0
55	9. Other liabilities, including tax liabilities and social security liabilities (accounts 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 436*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 467 + 473*** + 4761*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	56	2,545,160	3,005,075
56	**TOTAL (rows 48 to 56)**	57	**36,322,125**	**43,535,274**
57	**E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (lines 44 + 46 - 57 - 74 - 77 - 80)**	58	**-10,279,386**	**-27,104,681**
58	**F. TOTAL ASSETS LESS CURRENT LIABILITIES (rows 26 + 47 + 58)**	59	**196,652,196**	**165,828,244**
	G. LIABILITIES: AMOUNTS PAYABLE IN MORE THAN ONE YEAR			
59	1. Loans from bond issues, with loans from convertible bond issues shown separately (accounts 161 + 1681 - 169)	60	0	0
60	2. Amounts owed to credit institutions (accounts 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	61	4,786,733	4,143,335
61	3. Advances received on orders (account 419)	62	0	0
62	4. Trade payables – suppliers (accounts 401 + 404 + 408 + 4641)	63	0	0

63	5. Trade bills payable (accounts 403 + 405)	64	0	0
65	6. Amounts due to group entities (accounts 1661 + 1685 + 2691 + 451***)	65	0	0
66	7. Amounts due to associates and jointly controlled entities (accounts 1663 + 1686 + 2692 + 453***)	66	0	0
67	8. Liabilities arising from derivative transactions (account 4651)	67	0	0
68	9. Other liabilities, including tax liabilities and social security liabilities (accounts 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 436*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 467 + 4761*** + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	68	717,805	316,537
69	**TOTAL (lines 60 to 68)**	69	**5,504,538**	**4,459,872**
	H. PROVISIONS			
70	1. Provisions for employee benefits (account 1517)	70	0	0
71	2. Other provisions (accounts 1511 + 1512 + 1513 + 1514 + 1518)	71	0	13,642,003
72	**TOTAL (lines 70 + 71)**	72	**0**	**13,642,003**
	REVENUE RECEIVED IN ADVANCE			
73	1. Investment grants (account 475) – total (lines 74 + 75), of which:	73	**2,623,950**	**2,212,988**
74	Amounts to be recovered within one year (account 475*)	74	529,517	529,961
75	Amounts to be recovered within a period of more than one year (account 475*)	75	2,094,433	1,683,027
76	2. Deferred income (account 472) – total (lines 77 + 78), of which:	76	**0**	**0**
77	Amounts to be reversed within one year (account 472*)	77	0	0
78	Amounts to be recovered within a period of more than one year (account 472*)	78	0	0
79	3. Prepaid income relating to assets received by transfer from customers (account 478) – total (lines 80 + 81), of which:	79	**0**	**0**
80	Amounts to be reversed within one year (account 478*)	80	0	0
81	Amounts to be recovered within a period of more than one year (account 478*)	81	0	0
82	**TOTAL (lines 73 + 76 + 79)**	82	**2,623,950**	**2,212,988**
	J. CAPITAL AND RESERVES			
	I. CAPITAL			
83	1. Paid-up subscribed capital (account 1012)	83	20,969,441	20,969,441
84	2. Unpaid subscribed capital (account 1011)	84	0	

85	3. Subscribed capital representing financial liabilities (account 1027)[2]		85	0	0
302	4. The company's equity (account 1015)		86	0	0
86	5. Adjustments to share capital/company assets (account 1028)	BALANCE C	87	0	0
87		BALANCE D	88	0	0
88	6. Other equity items (account 103)	BALANCE C	89	0	0
89		BALANCE D	90	448,224	181,435
90	**TOTAL (rows 83 + 84 + 85 + 86 + 87 - 88 + 89 - 90)**		91	**20,521,217**	**20,788,006**
91	**II. CAPITAL PREMIUMS** (account 104)		92	0	0
92	**III. REVALUATION RESERVES** (account 105)		93	117,173,624	106,660,888
	IV. RESERVES				
93	1. Statutory reserves (account 1061)		94	5,676,686	5,676,686
94	2. Statutory or contractual reserves (account 1063)		95	0	
95	3. Other reserves (account 1068)		96	35,469,333	36,390,883
96	**TOTAL (lines 94 to 96)**		97	**41,146,019**	**42,067,569**
97	Exchange differences arising from the translation of the separate annual financial statements into a presentation currency other than the functional currency (account 1072)	BALANCE C	98	0	0
98		BALANCE D	99	0	0
99	Treasury shares (account 109)		100	671,432	671,432
100	Gains relating to equity instruments (account 141)		101	0	0
101	Losses relating to equity instruments (account 149)		102	0	0
102	**V. RETAINED EARNINGS, EXCLUDING RETAINED EARNINGS ARISING FROM THE FIRST-TIME ADOPTION OF IAS 29** (account 117)	**BALANCE C**	103	9,962,246	20,474,982
103		**BALANCE D**	104	0	0
104	**VI. RETAINED EARNINGS ARISING FROM THE FIRST-TIME ADOPTION OF IAS 29** (account 118)	**BALANCE C**	105	0	0
105		**BALANCE D**	106	0	0
106	**VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD** (account 121)	**BALANCE C**	107	921,551	0
107		**BALANCE D**	108	0	43,276,671

108	Profit allocation (account 129)	109	0	
109	**EQUITY – TOTAL (lines 91 + 92 + 93 + 97 + 98 - 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 + 107 - 108 - 109)**	110	**189,053,225**	**146,043,342**
110	Private assets (account 1023)[3]	111	0	
111	Public assets (account 1026)	112	0	
112	**CAPITAL - TOTAL (rows 110 + 111 + 112)**	113	**189,053,225**	**146,043,342**

VALIDATED FORM	Check sum Form 10: 3079585754 / 6310707907X34363026251955594

Signatures ►

Legal representative
(The administrator or the person responsible for managing the entity)
First name and surname
ION SECAREANU
Signature

Drawn up
First name and surname
HOTULIG VILDAN
Position
11--Financial Director
Registration number with the professional body

Signature

* Accounts to be allocated according to the nature of the respective items.
** Debit balances of the respective accounts.
*** Credit balances of the respective accounts.

1) This line does not include rights of use that fall within the definition of an investment property and which will be presented in line 10.
2) This account records shares which, under IAS 32, constitute financial liabilities.
3) This form is to be completed by economic operators subject to the provisions of Order No. 668/2014 of the Minister of Public Finance and the Minister Delegate for the Budget, approving the Guidelines on the preparation and updating of the centralised inventory of privately owned by the State and of rights in rem subject to inventory, as subsequently amended and supplemented.

CODE 20. STATEMENT OF INCOME AND EXPENDITURE as at 31 December 2025 (lei)
*the rows and correlations in the **'Row No.'** column should be taken into account, not those in the 'CodeRd' column*

Delete the data from this table (Code 20)

CodRd	Name of indicators		Row No.	Reporting period 01/01/2024 - 31/12/2024	01.01.2025 - 31.12.2025
	A		B	1	2
01	1. Net turnover (lines 03 + 04 - 05 + 06)		01	86,476,711	68,703,933
306	- of which, net turnover corresponding to the main activity actually carried out		02	83,334,933	65,802,409
02	Production sold (accounts 701 + 702 + 703 + 704 + 705 + 706 + 708 - account 6815*)		03	89,950,732	74,683,362
03	Revenue from the sale of goods (account 707 - account 6815*)		04	0	0
04	Trade discounts granted (account 709)		05	3,474,021	5,979,429
05	Revenue from operating subsidies relating to net turnover (account 7411)		06	0	0
06	2. Revenue relating to the cost of work in progress (accounts 711 + 712 + 713)	BALANCE C	07	926,875	0
07		BALANCE D	08	0	5,123,912
08	Revenue from the production of fixed assets and investment property (lines 10 + 11)		09	7,910,671	1,501,015
09	Revenue from the production of intangible and tangible fixed assets (accounts 721 + 722)		10	7,910,671	1,501,015
10	Revenue from the production of investment property (account 725)		11	0	0
11	4. Income from fixed assets (or disposal groups) held for sale (account 753) (line 13 + line 14)		12	0	0
310	Gains on the valuation of assets held for sale (account 7531)		13	0	0
311	Revenue from the disposal of assets held for sale (account 7532)		14	0	0
12	5. Income from the revaluation of fixed assets (account 755)		15	0	0
13	6. Income from investment property (account 756)		16	0	0
14	7. Income from biological assets and agricultural produce (account 757)		17	0	0
15	8. Revenue from operating subsidies (accounts 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)		18	0	0
16	9. Other operating income (accounts 758 + 751), of which		19	875,084	1,890,872
17	- income from investment grants (account 7584)		20	529,516	529,961
301	- gains from purchases on favourable terms (account 7587)		21	0	0
18	**TOTAL OPERATING INCOME (lines 01 + 07 - 08 + 09 + 12 + 15 + 16 + 17 + 18 + 19)**		22	**96,189,341**	**66,971,908**
19	10.a) Expenditure on raw materials and consumables (ct. 601 + 602)		23	39,222,468	30,880,168
20	Other material expenses (accounts 603 + 604 + 606 + 608)		24	911,818	3,662,834

	A	B	1	2
21	b) Utility expenses (account 605), of which:	25	12,543,031	10,541,593
307	- energy consumption expenses (account 6051)	26	2,973,066	2,856,163
312	- natural gas consumption expenses (account 6053)	27	9,162,985	7,379,485
22	c) Expenses relating to goods (account 607)	28	0	0
23	Trade discounts received (account 609)	29	242,654	44,951
24	11. Staff costs (lines 31 + 32), of which:	30	22,614,735	24,577,312
25	a) Salaries and allowances (accounts 641 + 642 + 643 + 644)	31	22,064,817	23,961,997
26	b) Expenditure on insurance and social protection (accounts 645 + 646)	32	549,918	615,315
27	12.a) Value adjustments relating to fixed assets (lines 34 + 35 + 36 - 37)	33	9,155,082	8,009,476
28	a.1) Operating expenses relating to depreciation of fixed assets (account 6811)	34	9,155,082	8,009,476
303	a.2) Depreciation expenses relating to assets associated with rights to use leased assets (account 685)	35	0	0
317	a.3) Other expenses (accounts 6813 + 6816 + 6817 + from account 6818)	36	0	0
29	a.4) Revenue (accounts 7813 + 7816 + from account 7818)	37	0	0
30	b) Value adjustments relating to current assets (lines 39–40)	38	25,154	45,717
31	b.1) Expenses (accounts 654 + 6814 + from account 6818)	39	34,912	162,692
32	b.2) Revenue (accounts 754 + 7814 + from account 7818)	40	9,758	116,975
33	13. Other operating expenses (lines 42 + 43 + 47 + 49 + 51 + 53 + 54 + 55 + 58 + 59 + 60 + 61 + 62)	41	8,477,929	16,205,337
34	13.1. Expenditure on external services (accounts 611 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	42	6,546,160	10,061,122
318	13.2. Expenditure on royalties, management fees and rents (account 612) of which:	43	306,173	237,374
319	- expenses for royalties (account 6121)	44	0	0
320	- expenses relating to managed properties (account 6122)	45	0	0
321	- rental expenses (account 6123)	46	0	0
322	13.3. Expenses relating to intellectual property rights (account 616)	47	0	0
323	- of which, expenses relating to affiliated entities	48	0	0
324	13.4. Management expenses (account 617)	49	0	0
325	- of which, expenses relating to affiliated entities	50	0	0

326	13.5. Consultancy expenses (account 618)	51	0	0
327	- of which, expenses relating to affiliated entities	52	0	0
35	13.6. Expenditure on other taxes, duties and similar payments; expenditure representing transfers and contributions due under special legislation (accounts 635 + 6586)	53	1,307,593	1,448,582
36	13.7. Expenditure on environmental protection (account 652)	54	0	0
37	13.8. Expenses relating to fixed assets (or disposal groups) held for sale (account 653) (line 56 + line 57)	55	0	0
313	13.8.1. Losses from the valuation of assets held for sale (account 6531)	56	0	0
314	13.8.2. Expenses on the disposal of assets held for sale (account 6532)	57	0	0
38	13.9. Expenses from the revaluation of fixed assets (account 655)	58	0	0
39	13.10. Expenses relating to investment property (account 656)	59	0	0
40	13.11. Expenditure on biological assets (account 657)	60	0	0
41	13.12. Expenses relating to natural disasters and other similar events (account 6587)	61	0	0
42	13.13. Other expenses (accounts 651 + 6581 + 6582 + 6583 + 6584 + 6585 + 6588)	62	318,003	4,458,259
43	14. Adjustments to provisions (lines 64-65)	63	0	13,642,003
44	- Expenses (account 6812)	64	0	13,642,003
45	- Revenue (account 7812)	65	0	0
46	**OPERATING EXPENSES – TOTAL (lines 23 to 25 + 28 - 29 + 30 + 33 + 38 + 41 + 63)**	66	**92,707,563**	**107.519.489**
	OPERATING PROFIT OR LOSS:			
47	- Profit (line 22 - 66)	67	**3,481,778**	**0**
48	- Loss (line 66 - 22)	68	**0**	**40.547.581**
49	15. Income from shares held in subsidiaries (account 7611)	69	0	0
50	16. Income from shares held in associates (account 7612)	70	0	0
51	17. Income from shares held in associates and jointly controlled entities (account 7613)	71	0	0
52	18. Income from transactions in securities and other financial instruments (account 762)	72	0	0
53	19. Income from transactions in derivatives (account 763)	73	0	0
54	20. Income from exchange rate differences (account 765)	74	25,586	116,728
55	21.Interest income (account 766)	75	863	

56	- of which, income received from affiliated entities	76	0	
57	22. Income from operating subsidies for interest payable (account 7418)	77	0	
58	23. Income from short-term financial investments (account 7617)	78	0	
308	24. Income from deferred collection beyond normal credit terms (account 7681)	79	0	
59	25. Other financial income (accounts 7615 + 764 + 767 + 7688)	80	0	41
60	**FINANCIAL INCOME – TOTAL (lines 69 to 75 + 77 to 80)**	81	**26,449**	**116,769**
61	26. Value adjustments relating to financial assets and financial investments held as current assets (lines 83–84)	82	0	
62	- Expenses (account 686)	83	0	
63	- Revenue (account 786)	84	0	
64	27. Expenses relating to transactions in securities and other financial instruments (account 661)	85	200	
65	28. Expenses relating to transactions in derivatives (account 662)	86	0	
66	29.Interest expenses (account 666)	87	2,093,083	2,594,368
67	- of which, expenses relating to affiliated entities	88	0	
309	30. Expenses arising from deferred payments beyond the standard credit terms (account 6681)	89	0	
304	31. Expenses relating to interest on lease contracts (account 6685)	90	0	
68	32.Other financial expenses (accounts 663 + 664 + 665 + 667 + 6682 + 6688)	91	89,894	263,596
69	**FINANCIAL EXPENSES – TOTAL (lines 82 + 85 + 86 + 87 + 89 + 90 + 91)**	92	**2,183,177**	**2,857,964**
FINANCIAL PROFIT OR LOSS:				
70	- Profit (lines 81–92)	93	**0**	**0**
71	- Loss (lines 92–81)	94	**2,156,728**	**2,741,195**
72	**TOTAL REVENUE (lines 22 + 81)**	95	**96,215,790**	**67,088,677**
73	**TOTAL EXPENSES (lines 66 + 92)**	96	**94,890,740**	**110,377,453**
	GROSS PROFIT OR LOSS:			
74	- Profit (line 95 - 96)	97	**1,325,050**	**0**
75	- Loss (line 96 - 95)	98	**0**	**43,288,776**

76	33.Current income tax (account 691)	99	403,499	-12,105
77	34. Deferred income tax (account 692)	100	0	0
78	35. Income from deferred income tax (account 792)	101	0	0
305	36. Income tax expense arising from uncertainties regarding tax treatments (account 693)	102	0	0
315	37. Income tax expense, namely income tax at the minimum turnover tax rate, resulting from settlements within the tax group in respect of corporation tax (account 694)	103	0	0
316	38. Income from corporation tax, namely corporation tax at the minimum turnover tax rate, resulting from settlements within the tax group in respect of corporation tax (account 794)	104	0	0
302	39. Income tax expense at the minimum turnover tax rate (account 697)	105	0	0
79	40.Other taxes not included in the items above (account 698)	106	0	0
	NET PROFIT OR LOSS FOR THE REPORTING PERIOD:			
80	- Profit (lines 97–98–99–100–101–102–103–104–105–106)	107	**921,551**	**0**
81	- Loss (lines 98 + 99 + 100 - 101 + 102 + 103 – 104 + 105 + 106); (lines 98 + 99 + 100 - 101 + 102 + 103 – 104 + 105 + 106 - 97)	108	**0**	**43,276,671**

VALIDATED FORM

Checksum Form 20: 1446199088 /
6310707907X343630262519555940962186316319
15000094008881312156981933200094008881312
15698193321109526656300117515642580898257
28803323374482144190905611520600329094157
67017457978553305122468575691900000000000
01355745887847564296511791137709732071710
36469917054163287160064032335113669868080
09477297774471149307100000000000000000000
000000000000000000000000000000000

Signatures ►

Legal representative
(The administrator or the person responsible for managing the entity)
First name and surname
ION SECAREANU
Signature

Drawn up
First name and surname
VILDAN HOTULIG
Position
11--Financial Director
Registration number with the professional body

Signature

*) Accounts to be allocated according to the nature of the respective items.

Line 31 – includes employees' entitlements, as determined by labour legislation, which are transferred from the debit turnover of account 621 “Employee expenses”, sub-account “Individual employees”.

CODE 30. INFORMATIVE DATA as at 31 December 2025 (lei)
the rows and correlations in the ***'Row No.'*** *column should be taken into account, not those in the 'CodeRd' column*

Delete the data from this table (Code 30)

codRd	I. Data on the recorded result	Row No.	No. of units	Amounts
	A	B	1	2
01	Units that made a profit	01	0	0
02	Units that recorded a loss	02	1	43,276,671
03	Units that reported neither a profit nor a loss	03	0	0

	II. Data on outstanding payments	Row no.	Total (col. 2 + 3)	of which:	
				For current operations	For investment activities
	A	B	1	2	3
04	Outstanding payments – total (lines 05 + 09 + 15 to 17 + 19), of which:	04	0	0	0
05	Suppliers in arrears – total (rows 06 to 08), of which:	05	0	0	0
06	- over 30 days	06	0	0	0
07	- over 90 days	07	0	0	0
08	- over 1 year	08	0	0	0
09	Outstanding liabilities to the social security budget – total (row 10 in 14), of which:	09	0	0	0
10	- state social insurance contributions owed by employers, employees and other persons treated as such	10	0	0	0
11	- contributions to the National Health Insurance Fund	11	0	0	0
12	- contribution to the supplementary pension scheme	12	0	0	0
13	- contributions to the unemployment insurance fund	13	0	0	0
14	- other social security liabilities	14	0	0	0
15	Outstanding liabilities to special funds and other funds	15	0	0	0
16	Outstanding liabilities to other creditors	16	0	0	0
	Taxes, duties and contributions not paid by the due date to the , of which:	17	0	0	0
301	- employment insurance contribution	18	0	0	0
18	Taxes and duties not paid by the due date to local authorities	19	0	0	0

	III. Average number of employees	Row	31 December 2024	31 December 2025
	A	B	1	2
19	Average number of employees	20	277	150
20	The actual number of employees at the end of the period, namely on 31 December	21	291	197

	A	B	1	
	IV. Royalties paid during the reporting period, subsidies received and outstanding receivables	Row No.	**Amounts** (lei)	
	A	B	1	
21	Royalties paid during the reporting period for public domain assets received under concession, of which:	22	7,800	
22	- royalties for public domain assets paid to the state budget	23	7,800	
23	Mining royalty paid to the state budget	24	0	
24	Oil royalty paid to the state budget	25	0	
25	Rent paid during the reporting period for land[1)]	26	0	
26	Gross income from services paid to non-residents, of which:	27	0	
27	- tax payable to the state budget	28	0	
28	Gross income from services paid to non-residents of European Union Member States, of which:	29	0	
29	- tax payable to the state budget	30	0	
30	Grants received during the reporting period, of which:	31	0	
31	- grants received during the reporting period relating to assets	32	0	
32	- grants relating to revenue, of which:	33	0	
33	- subsidies to promote employment*)	34	0	
316	- subsidies for renewable energy	35	0	
317	- subsidies for fossil fuels	36	0	
34	Outstanding receivables, which have not been collected by the deadlines specified in commercial contracts and/or in the regulations in force, of which:	37	0	
35	- overdue receivables from entities in the majority or wholly state-owned sector	38	0	
36	- outstanding receivables from private sector entities	39	0	
	V. Vouchers granted to employees	Row no.	**Amounts** (lei)	
	A	B	1	
37	Value of vouchers granted to employees	40		
302	The value of vouchers issued to other categories of beneficiaries, other than employees	41		
	VI. Expenditure on research and development**)	Row no.	**31 December 2024**	**31 December 2025**
	A	B	1	2
38	Research and development expenditure	42	0	0
318	- of which, incurred to reduce the entity's environmental impact or to develop new technologies or more sustainable products	43	0	0

39	- by source of funding (rows 45 + 46), of which	44	0	0
40	- from public funds	45	0	0
41	- from private funds	46	0	0
42	- by nature of expenditure (rows 48 + 49), of which:	47	0	0
43	- current expenditure	48	0	0
44	- capital expenditure	49		
	VII. Innovation expenditure ***)	**Row no.**	**31 December 2024**	**31 December 2025**
	A	**B**	**1**	**2**
45	Innovation expenditure	50	0	0
319	- of which, incurred to reduce the entity's environmental impact or to develop new technologies or more sustainable products	51	0	0
	VIII. Other information	**Row No.**	**31 December 2024**	**31 December 2025**
	A	**B**	**1**	**2**
46	Advances granted for intangible assets (account 4094), of which:	52	0	0
303	- advances granted to non-resident non-affiliated entities for intangible assets (from account 4094)	53	0	0
304	- advances granted to non-resident affiliated entities for intangible assets (from account 4094)	54	0	0
47	Advances granted for tangible fixed assets (account 4093), of which:	55	4,787,726	0
305	- advances granted to non-resident non-affiliated entities for tangible fixed assets (from account 4093)	56	0	0
306	- advances granted to non-resident affiliated entities for tangible fixed assets (from account 4093)	57	0	0
48	Financial assets, gross amounts (lines 59 + 65), of which:	58	0	6,581
49	Shares held in affiliated entities, participating interests, other fixed assets and bonds, in gross amounts (lines 60 + 61 + 62 + 64), of which:	59	0	0
50	- unlisted shares issued by residents	60	0	0
51	- partnership interests issued by residents	61	0	0
52	- shares and equity interests issued by non-residents, of which	62	0	0
307	- holdings of at least 10%	63	0	0
53	- bonds issued by non-residents	64	0	0
54	Fixed assets, gross amounts (lines 66 + 67), of which:	65	0	6,581
55	- long-term receivables in lei and denominated in lei, settled at a foreign exchange rate (from account 267)	66	0	0
56	- long-term receivables in foreign currency (from account 267)	67	0	6,581

57	Trade receivables, advances for purchases of goods held in stock and for services rendered to suppliers, and other similar accounts, in gross amounts (accounts 4091 + 4092 + 411 + 413 + 418 + 4642), of which:	68	1,312,902	681,716
58	- trade receivables from non-resident non-affiliated entities, advances for purchases of inventory and for services rendered to non-resident non-affiliated suppliers and other similar accounts, in gross amounts relating to non-resident non-affiliated entities (from account 4091 + from account 4092 + from account 411 + from account 413 + from account 418 + from account 4642)	69	0	0
308	- trade receivables in relation to non-resident affiliated entities, advances for purchases of goods of an inventory nature and for services rendered to non-resident affiliated suppliers, and other similar accounts, in gross amounts in relation to non-resident affiliates (from account 4091 + from account 4092 + from account 411 + from account 413 + from account 418 + from account 4642)	70	0	0
59	Receivables not collected by the due date (from account 4091 + from account 4092 + from account 411 + from account 413)	71	0	0
60	Receivables relating to staff and similar accounts (accounts 425 + 4282)	72	302,000	570,780
61	Receivables relating to the social security budget and the state budget (from accounts 431 + 436 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (lines 74 to 78), of which:	73	458,336	576,824
62	- receivables relating to the social security budget (accounts 431 + 437 + 4382)	74	312,403	286,750
63	- tax receivables relating to the state budget (accounts 436 + 441 + 4424 + 4428 + 444 +446)	75	145,933	290,074
64	- subsidies receivable (account 445)	76	0	0
65	- special funds – taxes and similar payments (account 447)	77	0	0
66	- other receivables relating to the state budget (account 4482)	78	0	0
67	The entity’s receivables in relations with affiliated entities (account 451), of which:	79	0	0
68	- receivables from non-resident affiliated entities (from account 451), of which:	80	0	0
69	- trade receivables from non-resident affiliated entities (from account 451)	81	0	0
70	Receivables relating to the social security budget and the state budget not collected by the due date (from account 431 + from account 436 + from account 437 + from account 4382 + from account 441 + from account 4424 + from account 4428 + from account 444 + from account 445 + from account 446 + from account 447 + from account 4482)	82	0	0
71	Receivables from derivative transactions (account 4652)	83	0	0
72	Other receivables (accounts 453 + 456 + 4582 + 461 + 4662 + 471 + 473 + 4762), of which:	84	9,415	10,553
73	- settlements with associates and jointly controlled entities, settlements with shareholders regarding capital and settlements from joint ventures (accounts 453 + 456 + 4582)	85	0	0
74	- other receivables relating to natural persons and legal entities, other than receivables relating to public institutions (state institutions) (from accounts 461 + 4662 + from accounts 471 + from accounts 473)	86	0	0
75	- amounts transferred from account 542 "Treasury advances" representing treasury advances granted in accordance with the law and not settled by the reporting date (from account 461)	87	9,415	0
76	Interest receivable (account 5187), of which:	88	0	0

77	- from non-residents	89	0	0
314	Interest receivable from non-residents (from account 4518 + from account 4538)	90	0	0
78	Value of loans granted to economic operators****)	91	0	0
79	Short-term investments, gross amounts (accounts 505 + 506 + 507 + from account 508), of which:	92	0	0
80	- unlisted shares issued by residents	93	0	0
81	- shares issued by residents	94	0	0
82	- shares issued by non-residents	95	0	0
83	- bonds issued by non-residents	96	0	0
320	- holdings of green bonds	97	0	0
84	Other receivables (accounts 5113 + 5114)	98	0	0
85	Household expenditure in lei and foreign currency (lines 100 + 101), of which:	99	11,671	3,148
86	- in lei (account 5311)	100	11,671	3,148
87	- in foreign currency (account 5314)	101	0	
88	Current accounts with banks in lei and in foreign currency (lines 103 + 105), of which:	102	384,362	270,206
89	- in lei (account 5121), of which:	103	383,787	269,460
90	- current accounts in lei held with non-resident banks	104	0	0
91	- in foreign currency (account 5124), of which:	105	575	746
92	- current accounts in foreign currency held with non-resident banks	106	0	0
93	Other current accounts with banks and letters of credit (lines 108 + 109), of which:	107	0	0
94	- amounts pending settlement, letters of credit and other receivables, in lei (account 5112 + from account 5125 + 5411)	108	0	0
95	- amounts pending settlement and letters of credit in foreign currency (from accounts 5125 + 5414)	109	0	0
96	Liabilities (lines 111 + 114 + 117 + 118 + 121 + 124 + 127 + 128 + 133 + 137 + 140 + 141 + 147), of which:	110	41,826,663	48,261,935
97	Short-term external bank loans (loans received from non-resident financial institutions where the term of the loan agreement is less than 1 year) (from account 519), (lines 112 + 113), of which:	111	22,529,375	30,061,284
98	- in lei	112	22,529,375	30,061,284
99	- in foreign currency	113	0	0

100	Long-term external bank loans (loans received from non-resident financial institutions where the term of the loan agreement is one year or more) (from account 162), (lines 115 + 116), of which:	114	4,786,733	4,143,335
101	- in lei	115	4,786,733	4,143,335
102	- in foreign currency	116	0	0
103	Loans from the State Treasury and related interest (account 1626 + from account 1682)	117	0	0
104	Other loans and related interest (accounts 166 + 1685 + 1686 + 1687), (lines 119 + 120), of which:	118	0	0
105	- in lei and denominated in lei, the settlement of which is based on a foreign exchange rate	119	0	0
106	- in foreign currency	120	0	0
107	Other loans and similar liabilities (account 167), of which:	121	269,581	135,102
108	- value of concessions received (from account 167)	122	0	0
321	- the value of green bonds issued by the entity	123	0	0
109	Trade payables, advances received from customers and other similar accounts, gross amounts (accounts 401 + 403 + 404 + 405 + 408 + 419 + 4641), of which:	124	11,247,587	10,468,915
110	- trade payables to non-resident non-affiliated entities, advances received from non-resident non-affiliated customers and other similar accounts, on a gross basis in relation to non-resident non-affiliated entities (from account 401 + from account 403 + from account 404 + from account 405 + from account 408 + from account 419 + from account 4641)	125	0	0
309	- trade payables to non-resident affiliates, advances received from non-resident affiliated customers and other similar accounts, in gross amounts in relation to non-resident affiliates (from account 401 + from account 403 + from account 404 + from account 405 + from account 408 + from account 419 + from account 4641)	126	0	0
111	Liabilities relating to staff and similar accounts (accounts 421 + 422 + 423 + 424 + 426 + 427 + 4281)	127	1,284,325	1,248,793
112	Liabilities relating to the social security budget and the state budget (accounts 431 + 436 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481), (lines 129 to 132), of which:	128	1,391,740	790,975
113	- liabilities relating to the social security budget (accounts 431 + 437 + 4381)	129	675,530	471,438
114	- tax liabilities relating to the state budget (accounts 436 + 441 + 4423 + 4428 + 444 + 446)	130	697,007	295,319
115	- special funds – taxes and similar payments (account 447)	131	19,203	24,218
116	- other liabilities relating to the state budget (account 4481)	132	0	0
117	The entity's liabilities in relations with affiliated entities (account 451), of which:	133	0	0
118	- liabilities to non-resident affiliated entities [2] (from account 451), of which:	134	0	0
310	- with an original maturity of more than one year	135	0	0
119	- trade payables to non-resident affiliated entities regardless of maturity (from account 451)	136	0	0

120	Amounts due to shareholders/partners (account 455), of which:	137	0	0
121	- amounts owed to individual shareholders/partners	138	0	0
122	- amounts owed to shareholders/partners who are legal	139	0	0
123	Liabilities arising from derivative transactions (account 4651)	140	0	0
124	Other liabilities (accounts 269 + 453 + 456 + 457 + 4581 + 462 + 4661 + 467 + 472 + 473 + 4761 + 478 + 509), of which:	141	317,322	1,146,741
125	- settlements with associates and jointly controlled entities, settlements with shareholders/partners regarding capital, dividends and settlements from joint ventures (accounts 453 + 456 + 457 + 4581 + 467)	142	317,322	86,837
126	- other liabilities relating to natural and legal persons, other than liabilities relating to public institutions (state institutions)[3)] (from account 462 + account 4661 + from account 472 + from account 473)	143	0	1,059,904
127	- subsidies not included in revenue (from account 472)	144	0	0
128	- payments to be made for financial assets and short-term investments (accounts 269 + 509)	145	0	0
129	- deferred income relating to assets received by transfer from customers (account 478)	146	0	0
130	Interest payable (account 5186), of which:	147	0	0
311	- to non-residents	148	0	0
315	Interest payable to non-residents (from account 4518 + from account 4538)	149	0	0
131	Value of loans received from economic operators****)	150	0	0
132	Paid-up subscribed capital (account 1012) of which:	151	0	0
133	- listed shares [4)]	152	20,969,441	20,969,441
134	- unlisted shares [5)]	153	0	0
135	- shares	154	0	0
136	- subscribed capital paid up by non-residents (from account 1012)	155	0	0
137	Patents and licences (from account 205)	156	0	
	IX. Information on staff costs	**Row no.**	**31 December 2024**	**31 December 2025**
	A	**B**	**1**	**2**
138	Staff costs (account 621)	157	0	
	X. Information on state-owned public assets	**Row no.**	**31 December 2024**	**31 December 2025**
	A	**B**	**1**	**2**
139	Value of state-owned public assets under administration	158	0	0
140	Value of state-owned public assets under concession	159	0	0

141	Value of state-owned public assets under lease	160		
	XI. Information on immovable property in the private ownership of the state subject to inventory in accordance with the provisions of Article 356 of Government Emergency Ordinance No. 57/2019, in conjunction with the provisions of Government Decision No. 1176/2024	**Row No.**	**31 December 2024**	**31 December 2025**
	A	B	1	2
142	Net book value of assets6)	161	0	

	XII. Paid-up share capital	**Row no.**	**31 December 2024**		**31 December 2025**	
			Amount (col. 1)	**%** 7) (col.2)	**Total** (col. 3)	**%** 7) (col.4)
	A	B	1	2	3	4
143	Paid-up share capital (account 1012) 7) (lines 163 + 166 + 170 + 171 + 172 + 173), of which:	162	20,969,441	X	20,969,441	X
144	- held by public institutions (lines 164 + 165), of which:	163				
145	- held by central government institutions;	164				
146	- owned by local public institutions;	165				
147	- held by state-owned companies, of which:	166				
148	- wholly state-owned;	167				
149	- majority state-owned;	168				
150	- with minority state ownership;	169				
151	- owned by autonomous public enterprises	170				
152	- owned by private companies	171	6,509,701	31.04	20,124,437	95,97
153	- held by individuals	172	14,459,740	68.96	845,004	4.03
154	- held by other entities	173				

		Row no.	**Amounts (lei)**	
	A	**B**	**2024**	**2025**
155	**XIII. Dividends/payments due to the state or local budget, to be allocated from the profit for the financial year by national companies, state-owned companies, autonomous companies and autonomous public enterprises, of which:**	174	0	0

	A	B	1	2
156	- to central public institutions;	175	0	0
157	- to local public institutions;	176	0	0
158	- to other shareholders in which the state/local authorities/public institutions hold shares or stakes, directly or indirectly, regardless of their proportion.	177	0	0
		Row no.	Amounts (lei)	
	A	**B**	**2024**	**2025**
159	**XIV. Dividends/payments due to the state or local budget and transferred during the reporting period from the retained earnings of national companies, national enterprises, autonomous enterprises and autonomous administrations, of which:**	178	0	0
160	- dividends/payments from the profit of the previous financial year, of which transferred:	179	0	0
161	- to central public institutions;	180	0	0
162	- to local public institutions;	181	0	0
163	- to other shareholders in which the state/local authorities/public institutions hold shares or stakes, directly or indirectly, regardless of their proportion.	182	0	0
164	- dividends/distributions from profits of financial years prior to the previous year, of which transferred:	183	0	0
165	- to central public institutions;	184	0	0
166	- to local public institutions;	185	0	0
167	- to other shareholders in which the state/local authorities/public institutions hold shares or stakes, directly or indirectly, regardless of their proportion.	186	0	0
	XV. Dividends distributed to shareholders/members from retained earnings	Row no.	**Amounts (lei)**	
	A	B	2024	2025
313	- Dividends distributed to shareholders/partners during the reporting period from retained earnings	187	0	0
	XVI. Interim dividend distributions in accordance with Law No. 163/2018	Row No.	**Amounts (lei)**	
	A	B	2024	2025
312	- interim dividends distributed[8)]	188		
	XVII. Receivables acquired by assignment from legal entities *****)	Row no.	**Amounts (lei)**	
			31 December 2024	**31 December 2025**
	A	B	1	2
168	Receivables acquired by assignment from legal entities (at nominal value), of which:	189	0	0
169	- receivables acquired by assignment from affiliated legal entities	190	0	0
170	Receivables acquired by assignment from legal entities (at acquisition cost), of which:	191	0	0
171	- receivables acquired by assignment from affiliated legal entities	192	0	0

	XVIII. Income from agricultural activities ******)	Row no.	Amounts (lei)	
			31 December 2024	31 December 2025
	A	B	1	2
172	Income from agricultural activities	193	0	0
322	**XIX. Expenditure relating to natural disasters and similar events (account 6587), of which:**	194	0	0
323	- floods	195	0	0
324	- drought	196	0	0
325	- landslides	197	0	0

FORM SUBMITTED

Form 30 check sum: 328314901 /
6310707907×3436302625195559409621863163 19
15000094008881312156981933200094008881312
15698193321109526656300117515642580898257
28803323374482144190905611520600329094157
67017457978553305122468575691900000000000
01355745887847564296511791137709732071710
36469917054163287160064032335113669868080
09477297774471149307100000000000000000000
00000000000000000000000000000000000

Signatures ►

Legal representative
(The administrator or the person responsible for managing the entity)
First name and surname
ION SECAREANU
Signature

drawn up
First name and surname
VILDAN HOTULIG
Position
11--Financial Director
Registration number with the professional body

Signature

*) Employment promotion grants (transfers from the state budget to employers) – represent the sums granted to employers for the payment of graduates of educational institutions, to encourage unemployed persons to take up employment before the expiry of their unemployment benefit period, to encourage employers to offer permanent contracts to unemployed persons aged over 45, unemployed persons who are sole breadwinners, or unemployed persons who, within three years of the date of employment, meet the conditions to apply for a partial early retirement pension or an old-age pension, or for other situations provided for by the legislation in force concerning the unemployment insurance system and the promotion of employment.
**) This should be completed with the expenditure incurred for research and development activities, namely fundamental research, applied research, technological development and innovation, as defined in accordance with the provisions of Government Ordinance No. 57/2002 on scientific research and technological development, approved with amendments and additions by Law No. 324/2003, as subsequently amended and supplemented.
***) To be completed with expenditure incurred for innovation activities.
When completing the relevant rows for Chapters VI and VII, account is taken of the provisions of Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020 laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics and repealing 10 legal acts in the field of business statistics, published in the Official Journal of the European Union, Series L, No 271 of 18 August 2020. This Regulation repealed Commission Implementing Regulation (EU) No 995/2012 of 26 October 2012 laying down rules for the implementation of Decision No 1608/2003/EC of the European Parliament and of the Council concerning the production and development of Community statistics on science and technology.
****) The category of economic operators does not include entities falling within the accounting regulatory remit of the National Bank of Romania or the Financial Supervisory Authority, companies reclassified within the general government sector, or non-profit institutions serving households.
*****) For receivables acquired by assignment from legal entities, both their nominal value and their acquisition cost must be stated.
For the status of ‘affiliated legal entities’, the provisions of Article 7(26)(c) and (d) of Law No 227/2015 on the Fiscal Code, as subsequently amended and supplemented, shall apply.
******) In accordance with Article 11 of Commission Delegated Regulation (EU) No 639/2014 of 11 March 2014 supplementing Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and amending Annex X to that Regulation, ‘(1) ... income from agricultural activities means the income that a farmer has derived from his agricultural activity within the meaning of Article 4(1)(c) of

the aforementioned Regulation (EU) No 1307/2013, on his holding, including Union support from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD), as well as any national aid granted for agricultural activities, with the exception of complementary national direct payments under Articles 18 and 19 of Regulation (EU) No 1307/2013.
Income derived from the processing of agricultural products within the meaning of Article 4(1)((d) of Regulation (EU) No 1307/2013 shall be considered income from agricultural activities provided that the processed products remain the property of the farmer and that such processing results in another agricultural product within the meaning of Article 4(1)(d) of Regulation (EU) No
1307/2013.
Any other income shall be considered income from non-agricultural activities.
(2) For the purposes of paragraph (1), ‘income’ means gross income, before deduction of related costs and taxes......... ”.

1) This shall include rent paid for land occupied (agricultural crops, pastures, hayfields, etc.) and for commercial premises (terraces, etc.) belonging to private owners or public administration bodies, including rent for the use of water surfaces for recreational or other purposes (fishing, etc.).
2) The amount entered in the row “liabilities to non-resident affiliated entities (from account 451), of which:” is NOT calculated by adding the amounts from the lines “with an original maturity of more than one year” and “trade payables to non-resident affiliated entities regardless of maturity (from account 451)”.
3) In the category “Other liabilities relating to natural and legal persons, other than liabilities relating to public institutions (state institutions)”, subsidies relating to income existing in the balance of account 472 shall not be entered.
4) Securities conferring ownership rights in companies, which are negotiable and traded in accordance with the law.
5) Securities conferring ownership rights in companies, which are not traded.
6) This form is to be completed by economic operators to whom the provisions of Article 356 of Government Emergency Ordinance No. 57/2019 on the Administrative Code, as subsequently amended and supplemented, apply, Order of the Minister of Public Finance and the Minister Delegate for the Budget No. 668/2014 approving the Guidelines on the preparation and updating of the centralised inventory of immovable property owned by the State and of real rights subject to inventory, as subsequently amended and supplemented, in conjunction with Article 4(2)(b) of Government Decision No. 1176/2024 approving the Technical Rules for the preparation and updating of the inventory of assets in the public domain of the State and the inventory of immovable property in the private domain of the State
7) In section ‘XII Paid-up share capital’ at rows 163–173 in columns 2 and 4, entities shall enter the percentage corresponding to the share capital held as a proportion of the total paid-up share capital entered in row 162.
8) This line item includes dividends distributed in accordance with Law No. 163/2018 amending and supplementing the Accounting Law No. 82/1991, amending and supplementing the Companies Law No. 31/1990, and amending Law No. 1/2005 on the organisation and operation of cooperatives.

CODE 40. STATEMENT OF FIXED ASSETS as at 31 December 2025

Reset this form

-lei

Fixed assets	Row No.	Gross values				
		Opening balance	Increases[1]	Decreases[2]		Closing balance (col. 5 = 1 + 2 - 3)
				Total	of which: dismantling and scrapping	
A	B	1	2	3	4	5
I. Intangible assets						
1. Development costs	01	0	0	0	X	0
2. Concessions, patents, licences, trademarks, rights and similar assets, and other intangible assets	02	941,019	642	121,677	X	819,984
3. Goodwill	03				X	
4. Advances granted for intangible assets	04				X	
5. Intangible assets for the exploration and evaluation of mineral resources	05				X	
TOTAL (lines 01 to 05)	06	**941,019**	**642**	**121,677**	**X**	**819,984**
II. Tangible fixed assets						
1. Land and land improvements	07	110,518,883	0	2,057,220		108,461,663
2. Construction	08	82,209,250	0	610,783	610,783	81,598,467
3. Technical installations and machinery	09	143,187,799	2,094,632	33,134,676	30,866,080	112,147,755
4. Other plant, machinery and furniture	10	1,006,110	0	244,686	155,052	761,424
5. Investment property	11	0	2,057,220	0	0	2,057,220
6. Tangible assets under construction	12	0	1,043,065	0		1,043,065
7. Property investments in progress	13	0	0	0	0	0
8. Tangible assets for the exploration and evaluation of mineral resources	14	0	0	0	0	0
9. Productive plants	15	0	0	0	X	0
10. Advances granted for tangible fixed assets	16	4,787,726	0	4,787,726	X	0
TOTAL (lines 07 to 16)	17	341,709,768	5,194,917	40,835,091	31,631,915	**306,069,594**
III. Productive biological assets	18	**24,695**	**0**	**5,418**	X	**19,277**
IV. Rights to use leased assets	19	**954,780**	**0**	**0**	X	**954,780**

V. Financial assets	20	0	0	0	X	0
FIXED ASSETS – TOTAL (lines 06 + 17 + 18 + 19 + 20)	21	343,630,262	5,195,559	40,962,186	31,631,915	307,863,635

► STATEMENT OF DEPRECIATION OF FIXED ASSETS

Fixed assets	Row No.	Opening balance	Depreciation during year [1]	Reduction/write-off during the year of the depreciation [2]	Depreciation at the end of the year (col. 9 = 6 + 7 – 8)
A	B	6	7	8	9
I. Intangible assets					
1. Development costs	22	0	0	0	0
2. Concessions, patents, licences, trademarks, rights and similar assets, and other intangible assets	23	940,088	813	121,569	819,332
3. Intangible assets for the exploration and evaluation of mineral resources	24	0	0		0
TOTAL (lines 22 + 23 + 24)	25	**940,088**	**813**	**121,569**	**819,332**
II. Tangible fixed assets					
1. Land improvements	26	1,109,526	65,630	0	1,175,156
2. Construction	27	42,580,898	2,572,880	332,337	44,821,441
3. Technical installations and machinery	28	90,905,611	5,206,003	29,094,157	67,017,457
4. Other plant, machinery and furniture	29	978,553	3,051	224,685	756,919
5. Investment property	30	0	0	0	0
6. Tangible assets for the exploration and evaluation of mineral resources	31	0	0	0	0
7. Productive plants	32	0	0	0	0
TOTAL (lines 26 to 32)	33	**135,574,588**	**7,847,564**	**29,651,179**	**113,770,973**
III. Productive biological assets	34	**20,717**	**1,036**	**4,699**	**17,054**
IV. Rights to use leased assets	35	**163,287**	**160,064**	**0**	**323,351**
DEPRECIATION – TOTAL (lines 25 + 33 + 34 + 35)	36	136,698,680	8,009,477	29,777,447	114,930,710

► STATEMENT OF IMPAIRMENT ADJUSTMENTS

Fixed assets	Row No.	Opening balance	Adjustments made during the year	Adjustments reversed to income	Closing balance (c.13 = 10+11-12)
A	B	10	11	12	13
I. Intangible assets					
1. Development costs	37	0			0
2. Concessions, patents, licences, trade marks, similar rights and assets, and other intangible assets	38	0	0	0	0
3. Advances granted for intangible assets	39	0	0	0	0
4. Intangible assets for the exploitation and evaluation of mineral resources	40	0	0	0	0
TOTAL (lines 37 to 40)	41	0	0	0	0
II. Tangible fixed assets					
1. Land and land improvements	42	0	0	0	0
2. Construction	43	0	0	0	0
3. Technical installations and machinery	44	0	0	0	0
4. Other plant, machinery and furniture	45	0	0	0	0
5. Property investments	46	0	0	0	0
6. Tangible assets under construction	47	0	0	0	0
7. Property investments in progress	48	0	0	0	0
8. Tangible assets for the exploration and evaluation of mineral resources, measured at cost	49	0	0	0	0
9. Productive plants	50	0	0	0	0
10. Advances granted for tangible fixed assets	51	0	0	0	0
TOTAL (lines 42 to 51)	52	0	0	0	0
III. Productive biological assets	53	**0**	**0**	**0**	**0**
IV. Rights to use leased assets	54	**0**	**0**		**0**
V. Financial assets	55	**0**	**0**		**0**
IMPAIRMENT ADJUSTMENTS – TOTAL (lines 41 + 52 + 53 + 54 + 55)	56	0	0	0	0

STATEMENT OF FIXED ASSETS
1 includes increases resulting from revaluation or other transactions involving debits to fixed asset accounts
2 includes decreases resulting from revaluation or other transactions involving the crediting of fixed asset accounts
STATEMENT OF DEPRECIATION OF FIXED ASSETS
1 includes increases resulting from revaluation or other transactions involving the crediting of fixed asset depreciation accounts
2 This also includes reductions resulting from revaluation or other transactions involving debits to accounts relating to the depreciation of fixed assets

FORM VALIDATED	Check sum Form 40: NaN / 6310707907X343630262519555940962186

Signatures ►

Legal representative
(The administrator or person responsible for managing the entity)
First name and surname
ION SECAREANU

Signature

Drawn up
First name and surname
VILDAN HOTULIG

Position
11--Financial Director

Registration number with the professional body

Signature

DIRECTORS' REPORT OF PREFAB SA
for the year 2025
Annual Report in accordance with OMFP (Order of the Minister of Public Finance) No. 2844/2016 and FSA (Financial Supervisory Authority) Regulation No. 5/2018 – Annex 15

For the financial year 2025
Date of the report – 08.04.2026
Company name – Prefab SA
Registered office – Constanța, Soseaua Industrială, no. 5.
Branch office – Calarasi, 396 Bucharest Street
Telephone/Fax number – 0241/630.825
Unique registration code with the Trade Register Office – RO 1916198
Registration number in the Trade Register – J2003009212407
Regulated market on which the issued securities are traded – Bucharest Stock Exchange (BSE), Standard category
Subscribed and paid-up share capital 31.12.2025– 20,969,441.5 lei
Main characteristics of the securities issued – the company has issued **41,938,883** registered shares with a nominal value of 0.5 lei each, dematerialised (31.12.2025)
Accounting standard applied – International Financial Reporting Standards
Audit – The financial statements are audited.

1. Analysis of the company's operations

a. Description of the company's core business

PREFAB SA's principal activity is: Manufacture of concrete products for construction; NACE code – 2361.

The shareholding structure of PREFAB SA as at 10 December 2025 was as follows:

Shareholder	No. of shares	%
CELCO SA CONSTANTA	40,075,471	95.5568
OTHER SHAREHOLDERS – LEGAL ENTITIES	173,403	0.4135
OTHER SHAREHOLDERS – INDIVIDUALS	1,690,009	4.0297
TOTAL	**41,938,883**	**100.0000**

b. Specification of the date of incorporation of the company

Construction Materials Enterprise Călărași was founded in 1967 and was restructured in 1990 under the name PREFAB S.A. In 1998, it was privatised and entered a process of continuous modernisation and expansion.
PREFAB SA was organized in its current structure based on Law no. 15/1990 and Government Decision no. 1200/12.11.1990, being registered with the Trade Register under no. J2003009212407.

c. Description of any significant merger or reorganisation of the company, its subsidiaries or controlled entities during the financial year

On 28 August 2025, as part of a transaction carried out through the Bucharest Stock Exchange, CELCO S.A. acquired the majority stake, coming to hold over 95% of the company's share capital, thereby assuming majority control and strategic development direction.

This stage marks the integration of Prefab into a broader industrial vision, in which **CELCO is setting a new standard for performance and quality**, supported by **investments of approximately €10 million** aimed at modernising production capacities in Călărași. The aim of these investments is to meet the quality standards specific **to CELCO's autoclaved aerated concrete (AAC), with the Călărași subsidiary set to produce**

AAC in the coming period in accordance with the technological and performance requirements established in the market.
These initiatives reflect CELCO's commitment to **innovation, sustainability and industrial excellence**, consolidating its position in the Romanian construction materials market and laying the groundwork for increased competitiveness in the medium and long term.

d. Description of acquisitions and/or disposals of assets

The value of tangible fixed assets decreased by 6.71%, from 206,135,180 lei (31 December 2024) to 192,298,621 lei (31 December 2025), a decrease attributable to the removal from the balance sheet of worn-out and unused tangible fixed assets, with a view to replacing them with modern and more efficient machinery;

No assets were disposed of that would affect the achievement of the company's principal business objective or that would affect the realisation of future economic benefits.

1.1.1. General assessment

PREFAB SA has prepared its financial statements in accordance with the provisions **of OMFP (Order of the Minister of Public Finance) No. 2844/2016,** which are in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, in force as at the company's annual reporting date, namely 31 December 2025, resulting in *the* following general assessment *indicators*:

Gross profit	-43.288.779 lei
Net profit	-43.276.671 lei
Turnover	68.703.933 lei
Exports including intra-community supplies:	0 lei
Costs (total expenses)	110.377.453 lei
Operating expenses	107.519.489 lei
Financial expenses	2,857,964 lei
Financial income	116,769 lei
Operating income	66,971,908 lei
Total revenue:	67,088,677 lei

In 2025, a total of 189,024.90 m³ of Autoclaved Aerated Concrete (AAC) was produced, and 209,450 m³ was sold.
In 2025, the total volume of precast elements produced and sold was 2,715.67 m³, to which 1,456.60 m³ of ready-mix concrete was added.
In 2025, the total volume of pipes produced and sold was 407.48 m³.
As regards the operation of the combined heat and power plant, in 2025 it did not operate due to the high price of gas, which would not have allowed for a cost-effective energy production cost.

Liquidity:
- Cash and bank balances at the start of the period: 396,033 lei
- Cash and bank balances at the end of the period: 273,354 lei
- Cash flow: -122,679 lei
- Current liquidity: 0.39
- Quick ratio: 0.04

1.1.2. Assessment of the company's technical level

PREFAB SA is one of Romania's leading manufacturers of:

a. Autoclaved Aerated Concrete (AAC) with a capacity of approximately 500,000 m³/year
b. Standardised prefabricated elements with a capacity of 20,000 m³/year
c. Concrete pipes for water and sewerage networks (Premo and Sentab technology)
d. Non-standard prefabricated elements

And one of the suppliers in the local market of:

e. Ready-mixed concrete

f. Electricity (since April 2013)

The production structure is constantly adapted to market conditions and the quantities and product range required.

Description of the main products manufactured and/or services provided, specifying:

a. the main markets for each product or service and the distribution methods:

As one of the leading national manufacturers of construction materials, PREFAB SA has a diverse portfolio of products on offer.
The main markets are: Romania and, occasionally, the Republic of Bulgaria and the Republic of Moldova
In Romania, the market structure is:

a. for AAC: Muntenia, Transylvania, Moldova
b. for prefabricated products: the whole of Romania
c. for aggregates and ready-mix concrete: the local market

A differentiated sales policy is applied depending on the specific characteristics of each product.
a. AAC is sold through distributors or DIY (Do It Yourself) chains
b. Prefabricated products are sold via tender or project-based negotiation

Sales by geographical area:

Geographical area	Sales in 2024	Sales in 2025
1. Muntenia	91.43%	93.01%
2. Transylvania	3.50%	2.48%
3. Moldova	5.07%	4.51%
4. Bulgaria	0.00%	0.00%
5. Republic of Moldova	0.00%	0.00%

Due to the impact of transport costs, sales activities are concentrated within the geographical area where the company is located.

b. The share of each category of products or services in the company's turnover for the last two years:

Product name	2024	2025
AAC	78.39%	80.08%
Tubes	3.76%	2.35%
Prefabricated	14.21%	13.35%
Electricity	1.43%	0.43%
Other products	2.21%	3.79%

c. New products under consideration for which a substantial volume of assets will be allocated in the coming financial year, as well as the stage of development of these products

Due to the nature of its business, Prefab SA constantly has new products on the production line, depending on the structure of demand in the prefabricated products market; these are made-to-order products, in accordance with technical designs.

For the AAC product, the Hebel-type manufacturing technology is strict and does not allow for modifications to products manufactured in accordance with international product standards, but within the AAC branch, there are constant improvements to the manufacturing lines, updates to the process control IT systems, and periodic technological overhauls and updates to the equipment (overhead cranes, automatic cutting machines, autoclave control, etc.).

The Prefabricated Products branch manufactures and markets the following types of products: standardised products, electricity poles, prefabricated structures and ready-mixed concrete.

Standardised prefabricated products are those designed for various types of works. Centrifugally cast reinforced concrete poles for overhead power lines are standardised products with special specifications.

On the other hand, industrial and commercial projects (industrial or commercial buildings such as hypermarkets) require the dimensions of the prefabricated elements in the project to be followed, which in practice means introducing new products and moulds into production without a substantial volume of new assets for the production line.

Since 2013, the new outputs have been electricity and heat, produced through high-efficiency cogeneration, intended to meet the internal consumption required for the production process as well as to supply electricity to the National Grid.

1.1.3. Assessment of technical and material supply activities

The main objectives of the procurement activity were:
- reducing procurement costs, thereby reducing production costs,
- identifying new suppliers,
- ensuring the supply of raw materials, materials and spare parts in accordance with stock policy,
- securing the best procurement terms at the time of contracting (quality/price/payment terms).

The current stock, which includes the safety stock, ensures that production activities run smoothly.
Main suppliers of raw materials: Heidelberg Cement, Celco, Grimm Metallpulver, Miras International, Mairon Bucharest, Engie Romania SA.
Commercial relations with the main suppliers of raw materials are based on compliance with the terms set out in the sales and purchase contracts concluded or, where applicable, extended at the beginning of each year. The choice of supplier is made on the basis of the following principles: value for money, payment terms and market trends for the product in question.

1.1.4. Assessment of sales activity

a. Description of the sequential evolution of sales on the domestic and/or foreign market and of the medium- and long-term sales outlook

The evolution of turnover over the last 2 years is as follows:

2024	2025
86,476,711	**68,703,933**

Medium- and long-term sales prospects are based on the factory’s existing capacity and the expansion of production capacity. The share of turnover accounted for by the top 5 customers as at 31 December 2025 is 58.75%. Main customers: Codrut Construct, Arcocim, G&M Road, Metale International, Midaschin.

For the period 2026-2028, we aim to:

Domestic market:
- Increasing sales volumes in traditional markets for AAC and gaining new markets;
- To win new markets for prefabricated products;
- To increase sales volumes for prefabricated products in traditional markets;

Export market:
- Gaining new markets in the Republic of Bulgaria and the Republic of Moldova for the AAC product.

b. Description of the competitive situation in the company’s field of activity, the market share of the company’s products or services, and the main competitors

Traditional competitors in the AAC market:
- Elpreco Craiova
- Somaco / Holcim
- Soceram
- Macon Deva

Traditional competitors in the precast and pipe market:
- Asa Cons Consolis Turda
- Bauelemente Ploiești
- Ergon Ploiești
- Somaco Prefabricated Group
- Con A Sibiu

- Incontro Prefabricated Timisoara
- Macon Deva
- Ferrobeton Ploiești
- Buildcorp Prefabricated Iasi
- SW Umwelttechik Giurgiu Timisoara

c. Description of any significant dependence of the company on a single customer or on a group of customers whose loss would have a negative impact on the company's revenue

Both in terms of its customer portfolio – distribution chain – and its balanced geographical spread, Prefab SA is not significantly dependent on a single customer; consequently, the loss of a customer cannot have a negative impact on the company.

1.1.5. Assessment of aspects relating to the company's employees/staff

a. specifying the number and level of training of the company's employees, as well as the degree of unionisation of the workforce

Employees	2024	2025
Average	277	150
Actual number	291	197

In relations with management, employees were represented by the Prefab Free Trade Union. Unionisation stood at 99% in 2025.

With regard to *staff recruitment and selection*, this period was characterised by a limited supply of qualified personnel, leading to the introduction of more rigorous selection stages for potential candidates.

b. a description of the relationship between management and employees, as well as any areas of conflict characterising these relations

During 2025, there were no conflicts between the company's management and employees.

1.1.6. Assessment of aspects relating to the impact of the issuer's core business on the environment

PREFAB SA aims to intensify its efforts to ensure and maintain an environment that meets the standards set by International and European Standards.
To this end, the following objectives have been set:

1. Implementation and certification of an environmental management system. The company holds the, valid until 19 June 2026, in accordance with SR EN ISO 14001:2015;
2. Identifying and controlling the environmental aspects associated with all activities carried out within the company, to ensure compliance with legal requirements and prevent pollution by:

- minimising the quantities of waste generated and managing it safely where its generation cannot be avoided;
- improving the quality of water discharged from the company;
- reducing emissions of pollutants into the atmosphere;
- reducing the consumption of natural resources.

3. Ensuring the policy is communicated to all internal and external stakeholders;
4. Creating the conditions for the implementation, maintenance and continuous improvement of the Environmental Management System by ensuring the competent human resources and material resources necessary to maintain the environmental policy and achieve the proposed objectives.

During 2025, compliance with legal requirements and those contained in regulatory legislation was monitored, and this was confirmed following inspections carried out by the authorised bodies.
There are no disputes, nor are we aware of any potential disputes regarding breaches of environmental protection legislation.

1.1.7. Assessment of research and development activities

Research activities within PREFAB SA are carried out by the Technical Department and the company's own laboratories, as well as through collaborations with design institutes, resulting in improved quality of our company's products and services, through the refinement of manufacturing processes and optimisation schemes aimed at increasing labour productivity.

Given the economic context of the last three years, the amounts allocated to research and development in 2025 are insignificant; in-house research has been carried out on manufacturing processes without incurring additional costs.

1.1.8. Assessment of the company's risk management activities

The company is exposed to the following risks:
• Credit risk
• Liquidity risk
• Market risk
• Currency risk
• Operational risk
• Hedging cost risk
• Tax risk
• Data protection and processing risk
• Political and war risk

This section provides information regarding the Company's exposure to each of the risks mentioned above, the Company's objectives, risk assessment and management policies and processes, and capital management procedures.

General risk management framework

The Company's Board of Directors has overall responsibility for establishing and overseeing the risk management framework at the Company level.

This activity is governed by the following principles:
a) the principle of delegation of authority;
b) the principle of decision-making autonomy;
c) the principle of objectivity;
d) the principle of investor protection;
e) the principle of promoting the development of the stock market;
f) the principle of active involvement.

The Board of Directors is also responsible for reviewing and approving the Company's strategic, operational and financial plans, as well as its corporate structure.

The Company's risk management policies are defined in such a way as to ensure the identification and analysis of the risks faced by the Company, the establishment of appropriate limits and controls, as well as the monitoring of risks and compliance with the established limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop an orderly and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of a customer or counterparty to a financial instrument failing to meet their contractual obligations, and this risk arises primarily from trade receivables.

The Company's exposure to credit risk is primarily influenced by the individual characteristics of each customer and the country in which they operate. The majority of the Company's customers operate in Romania.

The main financial instruments used by the company, which give rise to financial instrument risks, are:

- Trade receivables and other receivables
- Cash and cash equivalents
- Investments in unlisted affiliated entities
- Trade payables and other payables

A summary of financial instruments by category is provided below:

ASSETS	31 December 2024	31 December 2025
Trade and similar receivables	1,771,605	1,602,891
Cash and cash equivalents	396,033	273,354
Total	**2,167,638**	**1,876,245**

ASSETS	31 December 2024	31 December 2025
Shares held in subsidiaries	0	0
Other fixed assets	0	0
Total **150,050**		**0**

LIABILITIES	31 December 2024	31 December 2025
Trade and similar payables	13,584,586	13,473,990
Current income tax liabilities	208,164	0
Total	**13,792,750**	**13,473,990**

The company monitors its exposure to **credit risk** by analysing the age of the receivables it records and takes continuous action to recover those that are past due or written off.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations associated with liabilities that are settled in cash or by the transfer of another financial asset. The Company's approach to liquidity risk is to ensure, as far as possible, that it holds sufficient liquidity at all times to meet its liabilities as they fall due, both under normal and stressed conditions, without incurring unacceptable losses or jeopardising the Company's reputation.
The Company has long-term loans outstanding.
To counter this risk factor, the Company has implemented restrictive policies regarding the delivery of products to unreliable customers. An important role was played by the Company's policy of requiring, in certain cases, advance payment for delivered products and a careful selection of new customers based on their creditworthiness and financial discipline. Guarantees were requested for supply contracts, and efforts were made to reduce the number of days stipulated in the contract for the settlement of receivables by the company's customers. Mortgage guarantee agreements were entered into in favour of the banks with which we have open credit lines, loans and bank guarantee letters, so that we can meet our obligations in the event of cash shortfalls.

Market risk

Market risk is the risk that fluctuations in market prices, such as exchange rates, interest rates and a reduction in market demand, may affect the Company's revenues.
Market risk – instability in the sales market for construction materials, characterised by a significant decline in demand, a risk mitigated through market research and marketing policies. Risk of price volatility for electricity, natural gas, metals and diesel, mitigated by finding new suppliers or renegotiating contracts with traditional suppliers.

Currency risk

The company has transactions and loans in a currency other than the functional currency (RON).
Transactions conducted in foreign currency are converted into lei at the exchange rate applicable on the transaction date. The risk of exchange rate fluctuations has generally been mitigated through appropriate management, in particular by converting foreign currency loans into the national currency.

Operational risk

Operational risk is the risk of incurring direct or indirect losses arising from a wide range of causes associated with the Company's processes, personnel, technology and infrastructure, as well as from external factors other than credit, market and liquidity risk, such as those arising from legal and regulatory requirements and generally accepted standards of organisational conduct. The Company is also exposed to the risk of disasters. In these circumstances, the Company has taken steps to take out disaster insurance policies to protect the Company's assets.
Operational risks arise from all of the Company's operations. The primary responsibility for developing and implementing controls relating to operational risk lies with the entity's management. This responsibility is supported by the development of the Company's operational risk management standards in the following areas:
• Requirements for the segregation of duties;
• Compliance with regulatory and legal requirements;

• Documentation of controls and procedures;
• Requirements for the periodic analysis of the operational risk to which the Company is exposed and the adequacy of controls and procedures to prevent identified risks;
• Requirements for reporting operational losses and proposals for remedying the causes that generated them;
• Development of business continuity plans;
• Professional development and training;
• Establishment of ethical standards;
• Prevention of litigation risk, including insurance where applicable;
• Risk mitigation, including the effective use of insurance where appropriate.

Risk relating to balancing costs

This risk is specific to the business of generating and selling electricity and arises from potentially unrealistic forecasts of hourly electricity supply quantities and volumes, which may impact the financial position through the incurrence of additional balancing costs. It is considered that this risk is low as a result of the forecasting activities carried out by the entity's specialist department.

Taxation risk

The company has implemented the tax changes as required, but the manner of their implementation remains subject to tax audit for a period of 5 years from the 2009 financial year.
The interpretation of the texts and the practical implementation of the procedures under the new applicable tax regulations, harmonised with European legislation, may vary from entity to entity, and there is a risk that in certain situations the tax authorities may adopt a position different from that of the Company
The Company may be subject to tax audits as new tax regulations are issued.

Risk relating to data protection and processing

The risk may arise from situations such as the accidental loss or alteration of data, as well as unauthorised access to personal data. Regardless of the basis for processing, the Company 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 war

Since February 2022, global geopolitical tensions have escalated significantly following the Russian Federation's military intervention in Ukraine. As a result of these escalations, economic uncertainties in the energy and capital markets have increased, with global energy prices expected to be highly volatile in the foreseeable future, compounded by tensions arising from the domestic and international political crisis.
As at the date of this report, management is unable to reliably estimate the impact on the company's financial outlook and cannot rule out adverse consequences for its business, operations and financial position. Management considers that it is taking all necessary measures to support the sustainability and growth of the company's business under the current circumstances and that the professional judgements in these financial statements remain appropriate. The risks are those set out above.

1.1.9. Forward-looking statements regarding the company's operations

a. Presentation and analysis of trends, factors, events or uncertainties affecting or likely to affect the company's liquidity compared with the same period of the previous year.
With regard to Emergency Ordinance No. 114/2018, Prefab SA fell within its scope, given that the company generates at least 80% of its total turnover from the production of construction materials, with its scope of activity covering some of the NACE codes set out in Article 66(1) of Emergency Ordinance 114/2018.

Although the provisions of Government Emergency Ordinance 114/2018, in its original form, were applicable from 1 January 2019 to 31 December 2028, amendments were subsequently introduced, the latest being the removal, from 1 January 2025, of tax relief for construction workers via Government Emergency Ordinance 156/December 2024.

The abolition, from 1 January 2025, of tax relief for construction workers, as well as the introduction of a construction tax at a rate of 0.5% on the net value of existing buildings in taxpayers' portfolios as at 31 December 2024, from which the value of buildings subject to property tax is deducted, the possibility of removing price caps on gas and electricity for business customers, the war on the country's border, political instability, high inflation, rising financing costs, and a market downturn, particularly in the residential sector, will affect the company's liquidity.

The company established, as of 31.12.2025, provisions for litigation in the total amount of RON 13,642,003.18, which could have an impact on the company's future liquidity, as follows:

1. The amount of RON 7,861,510.60 resulting from Case no. 1271/3/2024, representing an action for declaratory judgment – revocation of mandate without just cause, in which the company is obliged to pay damages to Miron Sorin, former General Director of the company, as follows:
   a) the amount of RON 1,649,232.9, updated with the inflation rate, representing the total value of fixed remuneration to which Miron Sorin would have been entitled until the termination of the contract upon its expiry, in accordance with art. 10.2.3 of Mandate Contract no. 5298/04.10.2022;
   b) the amount of RON 6,212,277.7 representing the value of the unrealized benefit of Miron Sorin due to the non-granting of the SOP Shares package (representing 5% of Prefab's share capital).
2. The amount of RON 5,780,492.58 resulting from the Report for the finding and sanctioning of the forestry contravention, series CCS no. 0857189, concluded on 25.09.2025 in the locality of Călărași by the Bucharest Forest Guard, by which the company PREFAB SA was sanctioned with the main contraventional penalty consisting of a fine in the maximum amount of RON 50,000 pursuant to art. 19 para. 1 letter e of Law no. 171/2010, as well as complementary sanctions consisting of the value-based confiscation of a stock of 6,721.503 cubic meters of timber and the establishment of damages amounting to RON 5,780,492.58, as well as against Report no. 8759/25.09.2025 regarding the control of storage spaces for timber materials/markets and wood processing facilities.

Prefab SA has challenged this sanction in court.

b. presentation and analysis of the effects of capital, current or anticipated expenditure on the company's financial position compared with the same period last year

The value of tangible fixed assets fell by 6.71%, from 206,135,180 lei (31 December 2024) to 192,298,621 lei (31 December 2025), a decrease attributable to the disposal of worn-out and unused tangible fixed assets, with a view to replacing them with modern and more efficient equipment;

No assets were disposed of that would affect the achievement of the company's main business objective or that would affect the realisation of future economic benefits.

The investment programme for the period 2026 is estimated at 10.000.000 lei, comprising new technical equipment and installations and modernisation works.

c. presentation and analysis of events, transactions and economic changes that significantly affect revenue from core business

In 2025, PREFAB SA recorded a significant decline in financial performance, highlighted by a decrease in turnover and the emergence of a substantial net loss. The company's activity was negatively affected by the economic context, rising costs, and reduced demand for its products. At the same time, the majority takeover by CELCO and the investment plans indicate prospects for recovery in the medium and long term.

2. The company's tangible assets

2.1. Specification of the location and characteristics of the main production facilities owned by the company

The assets and production facilities are located on land owned by the company at the Calarasi site and operate under the following structure:

1. PREMO pipes
   - PREMO – IPREROM manufacturing technology;
   - production capacity: 210 km equivalent (∅ ,600)
2. SENTAB pipes:
   - production capacity: 122 km equivalent (∅ ,600);
3. Autoclaved aerated concrete:
   - manufacturing technology based on the HEBEL licence;
   - production capacity: 500,000 m^3;
4. Various prefabricated elements:
   - manufacturing technology – STAND type;
   - designed capacity: 50,000 m^3;
5. Mineral aggregates:

- extraction technology from the Danube using a dredger with a suction-and-discharge system;
- processing of raw materials in sorting and grading plants;
- production capacity: 700,000 m^3;

6. Energy: high-efficiency combined heat and power plant equipped with a 5.4 MW generator, which produces electricity and steam.

2.2. Description and analysis of the degree of wear and tear of the company’s properties

- Buildings = 54.93%
- Equipment = 59.55%

2.3. Clarification of potential issues relating to the ownership of the company’s tangible assets

The company owns its assets and there are no disputes regarding ownership.

3. The market for securities issued by the company.

3.1. Since 5 July 2010, the shares issued by PREFAB S.A. have been traded on the regulated market administered by the Bucharest Stock Exchange (BSE), within the Equity Securities Sector, Standard Category.

3.2. Dividends

As at 31 December 2024, Prefab S.A. recorded a net profit of 921,551 lei, which will be distributed in accordance with the GMS (General Meeting of Shareholders) resolution, in line with legal regulations.

Proposed distribution of current profit for 2024:

Net profit 2024:	921,551.00 lei
Other reserves:	921,551.00 lei

The legal framework for the constitution of own sources of funding and other profit distributions consists of the following legislative acts:

- Law No. 227/2015 on the Fiscal Code, as subsequently amended
- Law No. 31/1990, as republished, on commercial companies

As at 31 December 2025, Prefab SA recorded a loss of 43.276.671 lei, which will be covered in accordance with the resolution of the General Meeting of Shareholders, in line with legal regulations.

3.3. Shareholders who did not vote in favour of the Resolution of the Extraordinary General Meeting of Shareholders of PREFAB SA dated 16 July 2024 regarding the merger by absorption by PREFAB SA, as the absorbing company, of ROMERICA INTERNATIONAL SRL, as the absorbed company, and of PREFAB INVEST SA, as the absorbed company, respectively, have exercised their right to withdraw from the company and to request the purchase of their shares by the company, in accordance with the provisions of Article 134 of Law 31/1990, Article 92 of Law No. 24/2017 and Article 182 of FSA Regulation No. 5/2018.
In this context, the Company acquired 167,963 of its own shares, worth 671,432 lei, representing 0.4004% of the share capital.

The price paid by PREFAB SA for the shares of the 10 shareholders who exercised their right of withdrawal was 3.9975 lei per share, a price determined in accordance with the valuation standards in force and the provisions of Articles 91 and 92 of Law no. 24/2017, based on a valuation report prepared by CMF CONSULTING S.A. and verified by FINEVEX SRL through the independent expert Morosan Ionela, on the basis of the Expert Report.

3.4. Holdings of PREFAB SA:

As at 31 December 2024 and 31 December 2025, respectively, PREFAB SA holds no shares in the share capital of other companies.

3.5. The company has not issued bonds or other debt securities.

4. Management of the company

4.1. The company is managed under a unitary system by a Board of Directors comprising three directors, who are temporary and revocable, elected by the General Meeting of Shareholders; the majority of the Board of Directors' members are non-executive directors, elected for a term of four years, and two years respectively (from 4 December 2025).

From 23 June 2025, in accordance with General Meeting Resolution No. 12 of 18 June 2025, until 4 December 2025, the Board of Directors of PREFAB S.A. was composed as follows:

No.	Surname and first name	Position	Occupation
1.	Milut Petre Marian	Chairman of the Board	Engineer
2.	Naicu Cornelia	Member	Economist
3.	Milut Alexandru	Member	Data Analyst

From 4 December 2025, in accordance with General Meeting Resolution No. 17 of 4 December 2025, and until 3 December 2027, the Board of Directors of PREFAB S.A. shall consist of the following members:

No.	Surname and first name	Position	Profession
1.	Secareanu Ion	Chairman of the Board	Engineer
2.	Odor Irina	Member	Economist
3.	Negrisan Julieta	Member	Economist

a. 1) Surname: Secareanu
First name: Ion
Age: 71
Qualification: Engineer
Professional experience:
1975–1990 – Workshop Manager, Celco SA, Constanta
1990–1998 – Head of the AAC Department, Celco SA Constanta
1998–present – Managing Director/Administrative Coordinator, Celco SA Constanta
04.12.2025–present – Managing Director, Prefab SA
4 December 2025–present – Chairman of the Board of Directors, Prefab SA

2) Surname: Odor
First name: Irina
Age: 45
Qualification: Economist
Professional experience:
2004–2008 – Head of Marketing and Sales, Celco SA, Constanta
2008–present – Commercial Director, Celco SA, Constanta
04.12.2025 – present – Member of the Board of Directors, PREFAB SA

3) Surname: Negrisan
First name: Julieta
Age: 49
Qualification: Economist
Professional experience:
1999–2000 – Economist, Mobicom SA, Constanța
2000–2004 – Chief Accountant, Euroton SRL
2004–present – Financial Director, Celco SA, Constanța
04.12.2025–present – Member of the Board of Directors, PREFAB SA

b. We would like to point out that there are no legal disputes or administrative proceedings in which members of the Board of Directors are involved.

c. As at 31 December 2025, the directors hold the following number of shares in PREFAB SA:

No.	**Surname and first name**	**Number of shares**	**Percentage**
1.	Secareanu Ion	0	0.00000%
2.	Odor Irina	0	0.00000%
3.	Negrisan Julieta	0	0.00000%

d. Any agreement, understanding or family relationship between the person in question and another person, as a result of which the person in question was appointed as a member of the Board of Directors

The appointment of directors was made pursuant to General Meeting Resolution No. 17 of 04.12.2025.

4.2. a. Up to 04.12.2025**, the executive management** consisted of:

No.	Surname and first name	Position	Occupation
1.	Milut Petre Marian	Managing Director	Engineer
2.	Boitan Daniela	Finance Director, acting as Deputy General Manager	Economist
3.	Buta Adrian	Director of Energy and Logistics	Engineer

Pursuant to Board Decision No. 35, effective from 4 December 2025, the executive management consists of:

No.	Surname and first name	Position	Profession
1.	Secareanu Ion	Managing Director	Engineer
2.	Hotulig Vildan	Financial Director	Economist

b. Term for which the person is a member of the executive management: a two-year term, commencing on 4 December 2025 and ending on 3 December 2027.

c. Any agreement, understanding or family relationship between the person in question and another person on the basis of which the person in question was appointed as a member of the executive management; Not applicable.

d. As at 31 December 2025, the members of the executive management hold shares in the share capital of PREFAB SA as follows:

No.	Surname and first name	Number of shares	Percentage
1.	Secareanu Ion	0	0%
2.	Hotulig Vildan	0	0%

4.3. Over the last 5 years, the persons referred to in points 4.1 and 4.2 have not been involved in any legal disputes or administrative proceedings.

5.a. ECONOMIC AND FINANCIAL SITUATION

Indicators	31 December 2024	31 December 2025
Tangible fixed assets	206,135,180	190,241,401
Intangible assets	931	652
Investment property	0	2,057,220
Investments in affiliated companies	0	0
Other fixed assets	0	0
Biological assets	3,978	2,223
Right to use leased assets	791,493	631,429
TOTAL FIXED ASSETS	**206,931,582**	**192,932,925**
Inventories	24,122,852	15,077,602
Trade receivables and other receivables	1,771,605	1,602,891
Cash and cash equivalents	396,033	273,354
Other assets (prepaid expenses)	281,766	6,707
TOTAL CURRENT ASSETS	**26,572,256**	**16,960,554**
1. TOTAL ASSETS	**233,503,838**	**209,893,479**
Share capital	20,969,441	20,969,441
Adjustments to share capital	0	0
Other equity items	(448,224)	(181.435)
Share premium	0	0
Revaluation reserves	117,173,624	106,660,888
Reserves	41,146,019	42,067,569
Treasury shares	(671,432)	(671,432)
Retained earnings, excluding those arising from the first-time adoption of IAS 29	9,962,246	20,474,982
Profit at the end of the reporting period	921,551	(43,276,671)
Profit allocation	0	0
2. TOTAL EQUITY	**189,053,225**	**146,043,342**
Long-term loans	4,786,733	4,143,335
Other liabilities, including deferred income tax	717,805	316,537
TOTAL LONG-TERM LIABILITIES	**5,504,538**	**4,459,872**
Trade payables and other payables	11,247,590	10,468,915
Short-term loans	22,529,375	30,061,284
Other liabilities, including tax and social security liabilities	2,545,160	3,005,075
TOTAL CURRENT LIABILITIES	**36,322,125**	**43,535,274**
Provisions		**13.642.003**
Investment grants, of which:	**2,623,950**	**2,212,988**
- current portion	529,517	529,961
- due after one year	2,094,433	1,683,027
3. TOTAL LIABILITIES	**233,503,838**	**209,893,479**

5.b. PROFIT AND LOSS ACCOUNT

Indicators	31 December 2024	31 December 2025
Turnover	86.476.711	68.703.933
Other operating income	9.712.630	(1.732.025)
Operating income	**96.189.341**	**66.971.908**
Cost of goods sold	0	0
Material costs	52.434.663	45.039.644
Other operating expenses	7.170.336	14.756.755
Taxes/duties/levies	1.307.593	1.448.582
Staff costs	22.614.735	24.577.312
Depreciation and amortisation expenses	9.155.082	8.009.476
Adjustments to current assets	25.154	45.717
Provision adjustments		**13.642.003**
Total operating expenses	**92.707.563**	**93.877.486**
Operating profit	**3.481.778**	**(40.547.581)**
Financial income	26.449	116.769
Financial expenses	2.183.177	2.857.964
Financial result	(2.156.728)	(2.741.195)
Total Revenue	**96.215.790**	**67.088.677**
Total Expenses	**94.890.740**	**110.377.453**
Profit before tax	**1.325.050**	**(43.288.776)**
Income tax	403.499	(12.105)
Net profit	**921.551**	**(43.276.671)**

5.c. CASH FLOW STATEMENT
Indirect method

Indicators	2024	2025
Net cash from operating activities	**19,479,803**	**(2,773,562)**
Net cash from investing activities	**(14,540,789)**	**(1,379,664)**
Net cash flow from financing activities	**(5,046,698)**	**4,030,547**
Net increase/decrease in cash and cash equivalents	**(107,684)**	**(122,679**
Cash and cash equivalents at the beginning of the financial year	**503,717**	**396,033**
Cash and cash equivalents at the end of the financial year	**396,033**	**273,354**

5. STATEMENT ON CORPORATE GOVERNANCE

In Romania, the Corporate Governance Code was adopted by the Bucharest Stock Exchange Council in December 2007.

The initial version required issuers listed on the BSE to comply with the provisions of the Corporate Governance Code from the 2008 Annual Report onwards; subsequently, the implementation deadline was amended – for the the 2010 Annual Report – to accommodate their level of preparedness, and more recently the new BSE Corporate Governance Code was implemented from 2016 onwards.

The Bucharest Stock Exchange's Corporate Governance Code is primarily intended for companies whose financial instruments are traded on the regulated market operated by the BSE.

The current version of the Bucharest Stock Exchange Corporate Governance Code is available on the BSE website (www.bvb.ro).

PREFAB S.A. has been listed on the BSE since 5 July 2010, pursuant to BSE Council Decision No. 54/29.06.2010, and in the STANDARD category since 5 January 2015.
Currently, the company's management structure is unitary.
PREFAB S.A. voluntarily and on its own initiative adopts the provisions of the Bucharest Stock Exchange Corporate Governance Code, approving in this regard its own Corporate Governance Code, which it updated on 19.03.2026.

Regulation: Application of the relevant legal framework: the provisions of Law No. 31/1990 on commercial companies, as subsequently amended and supplemented, of Law No. 297/2004 on the capital market, as subsequently amended and supplemented, Law No. 24/2017 on Issuers, as subsequently amended and supplemented, and FSA Regulation No. 5/2018 and the BSE Corporate Governance Code, creates the conditions for compliance with established corporate governance requirements.

In accordance with the BSE Corporate Governance Code, issuers shall draw up a Corporate Governance Regulation, in which the main aspects of corporate governance are defined and described.

PREFAB S.A. drew up a Corporate Governance Regulation on 7 March 2011, which is published on the company's website: www.prefab.ro and which was updated in accordance with the new BSE Corporate Governance Code during 2019 ,2021 and 2026.

Corporate governance structures

The company's main administrative, management and supervisory structures are: the Board of Directors, the Directors, the Audit Committee, the internal auditor and the external auditor.

1. The Board of Directors and Executive Management – powers and responsibilities

1.1. Structure of the Board of Directors

The structure of the Board of Directors ensures a balance between executive and non-executive members. The decision-making process remains a collective responsibility of the Board of Directors, which shall be held jointly and severally liable for all decisions taken in the exercise of its powers. Directors continuously update their skills and improve their knowledge of the Company's operations and best corporate governance practices in order to fulfil their role.

PREFAB SA is managed by a Board of Directors, which has general authority to carry out all acts necessary for the successful fulfilment of the company's objects of business, with the exception of matters falling within the competence of the General Meeting of Shareholders in accordance with the provisions of the Articles of Association updated on 4 December 2025.

The Board of Directors consists of three members (see the Articles of Association), who ensure the effective supervision, analysis and evaluation of the company's activities, as well as the fair treatment of shareholders. The members of the Board of Directors are elected by the General Meeting of Shareholders for a two-year term, with the possibility of being removed by the Ordinary General Meeting in the event of failure to meet the main objectives. Members of the Board of Directors may be shareholders. The Board of Directors of PREFAB SA is chaired by a Chairman appointed from among the members of the Board of Directors by the Board itself, who ensures the optimal functioning of the company's governing bodies. Members of the Board of Directors who are also shareholders attend all general meetings of shareholders and exercise their mandate in full knowledge of the facts, in good faith in the interests of the company, with due diligence and care, without disclosing the company's confidential information and trade secrets both during their term of office and after its termination. The Articles of Association of PREFAB SA, updated on 4 December 2025 and approved by the Board of Directors, govern the duties, responsibilities and powers of the Board of Directors, as well as the obligations of the company's directors.

The Board of Directors is composed as follows:

1. Secareanu Ion - Chairman.
Date of birth: 22 April 1954, Borcea commune, Calarasi county
Ovidius University of Constanța, Faculty of Mechanical Engineering – Engineer
Length of service on the Board: one month (from 4 December 2025 – first term)
Date on which the term of office on the Board expires: 3 December 2027
Board member (other companies): not applicable

2. Odor Irina - Member.
Date and place of birth: 28 September 1980, Constanța
Ovidius University of Constanta, Faculty of Economic Sciences – economist
Length of service on the Board: one month (from 4 December 2025 – first term)
Date on which the term of office on the Board expires: 3 December 2027
Board member (other companies): not applicable

3. Negrisan Julieta - Member.
Date and place of birth: 21 April 1976, Constanța
Ovidius University of Constanta, Faculty of Law and Administrative Sciences – lawyer
Bucharest Academy of Economic Studies, Faculty of Accounting and Management Information Systems – economist
Length of service on the Board: one month (first term)
Date on which the term of office on the Board expires: 3 December 2027
Member of the Board of Directors (other companies): not applicable

Members of the Board of Directors and Executive Management are not members of the board of directors of other companies listed on the Bucharest Stock Exchange.

The Board of Directors is responsible for the management of PREFAB SA. It acts in the company's best interests and safeguards the general interests of the shareholders by ensuring the company's sustainable development. The Board of Directors shall operate as a collective body, based on accurate and complete information. The information obtained shall be used solely for the purpose of fulfilling its mandate.

The Board of Directors is responsible for carrying out all acts necessary and useful for the fulfilment of the company's corporate purpose, with the exception of those reserved by law for the General Meeting of Shareholders. It ensures that the company has all the financial and human resources required to achieve its objectives.

The Board of Directors delegates the management of the company to the Executive Board. The company's annual financial statements are subject to a statutory audit requirement; the delegation of management is mandatory.

The Executive Board reports directly to the Chairman of the Board of Directors.

The Board of Directors has the following core responsibilities, which cannot be delegated to directors:

a) setting the company's main directions of activity and development;

b) establishing accounting policies and the financial control system, as well as approving the financial planning;

c) appointing and dismissing directors and determining their remuneration;

d) supervising the activities of the directors;

e) preparing the annual report, organising the general meeting of shareholders and implementing its resolutions;

f) filing an application to initiate insolvency proceedings against the company;

and, by delegation of powers granted by the Extraordinary General Meeting, the exercise of powers relating to:

g) the establishment or closure of secondary offices: branches, agencies, representative offices or other similar units without legal personality and those covered by the delegation of powers.

In accordance with the law, the Board of Directors shall determine the 'depreciation regime' and the 'normal useful lives' of fixed assets.

The Board of Directors performs any other duties and has all the powers arising from the law (organisation of accounting, health and safety, etc.), the Articles of Association or the resolution of the General Meeting of Shareholders.

The responsibilities of the Board of Directors and the executive management are clearly divided and defined.

The Board of Directors has delegated the management of the company to the Executive Board, comprising several directors, who are natural persons, including a 'Chief Executive Officer' and a 'Deputy Chief Executive Officer'.

The Board of Directors of PREFAB SA consists of 3 directors.

PREFAB SA adheres to the criteria for the independence of non-executive directors set out in corporate governance, namely:

a) a non-executive director or member of the Supervisory Board (SB) is not a director of the company or of a company controlled by it and has not held such a position in the last five years;

b) is not an employee of the company or of a company controlled by it and has not had such an employment relationship in the last five years;

c) does not receive and has not received from the company or from a company controlled by it any additional remuneration or other benefits, other than those corresponding to their capacity as a non-executive director or member of the Supervisory Board;

d) is not and does not in any way represent a significant shareholder of the company;

e) does not have and has not had, in the last financial year, any business relations with the company or with a company controlled by it, either directly or as a partner, shareholder, director, manager or employee of a company in such a relationship with the company. Business relationships include, but are not limited to, the position of: significant supplier of goods or services (including financial, legal and consultancy services, etc.) and/or major client of the company or of organisations receiving significant contributions from the company or its group, as applicable;

f) is not and has not been, in the last three years, a partner or employee of the company's current or former financial auditor or of a company controlled by it;

g) is not a director in another company in which a director of the company is a non-executive director or a member of the Supervisory Board, and has no significant links with the company's directors due to a position held in other companies or entities;

h) has not been a non-executive member of the company's Board of Directors or Supervisory Board for a period exceeding three terms of office;

i) is not a close family member – spouse or relative up to and including the fourth degree – of any of the members of the Board of Directors or directors of the company or of the persons referred to in points (a) to (h) above.

The members of the Board of Directors are responsible for fulfilling all obligations laid down by law and the Articles of Association. They are guided by a spirit of loyalty towards the company and its shareholders.

Directors shall exercise their mandate with loyalty, in the interests of the company.

Members of the Board of Directors are jointly and severally liable with their immediate predecessors if, having knowledge of irregularities committed by them, they fail to report these to the internal auditors and the financial auditor.

Members of the Board of Directors are jointly and severally liable to the company for:

a) the reality of payments made by shareholders;

b) the actual existence of dividends paid;

c) the existence of the registers required by law and their correct maintenance;

d) the exact implementation of the resolutions of the general meetings;

e) the strict fulfilment of the duties imposed by law and the Articles of Association.

The Board of Directors implements induction programmes for new members of the executive management, so that they may participate actively and to the full extent of their capabilities in the decision-making process as soon as possible after taking up their posts. Promotion to executive director positions is made only from among employees who have knowledge of the company and the sector in which they operate, or from persons who have demonstrated their competence in other companies.

All members of the Board of Directors and the executive management attended the GMS meetings.

The Board of Directors of PREFAB SA meets at regular intervals, monthly, and adopts decisions that enable it to fulfil its duties effectively and efficiently.

In 2025, the Board of Directors held 16 meetings, with 100% attendance.
The key decisions adopted by the Board of Directors were:

- Decisions approving the annual financial statements for 2024.
- Decisions approving the half-yearly financial statements for the first half of 2025.
- Decisions regarding the increase in share capital.
- Decisions approving the monthly and quarterly production programmes.
- Decisions regarding the establishment of committees to monitor the streamlining and optimisation of production activities.
- Organisational decisions to strengthen discipline.
- Decisions regarding investments made in the company.
- Decisions regarding appointments to positions and remuneration.

PREFAB SA ensures the services of directors and managers with sound professional training and an impeccable ethical profile through an appropriate remuneration policy, consistent with the company's long-term strategy and interests.

The company has drawn up a remuneration policy for directors and managers. The remuneration of non-executive directors is commensurate with their responsibilities and the time dedicated to performing their duties. The total amount of direct and indirect remuneration for directors for the year 2025, resulting from their positions, is presented in the table below:

lei

Surname and first name	Position	Net fixed remuneration 2025	Net variable allowance for meeting ICP 202 4
Milut Petre Marian	Chairman of the Board (until 04.12.2025)	400,000	0
Milut Anca Teodora	Member (until 18 June 2025)	60,000	0
Ionescu Marian Valentin	Member (from until 18 June 2025)	60,000	0
Milut Alexandru	Member (from 18 June 2025)	60,000	0
Naicu Cornelia	Member (from 18 June 2025)	60,000	0
Ion Secareanu	Chairman of the Board (since 4 December 2025)	3,685	0
Odor Irina	Member (since 04.12.2025)	2,632	0
Negrisan Julieta	Member (since 04.12.2025)	2,632	0

Variable allowances for 2025 relating to the year 2024 were not granted because the KPIs were not met. Furthermore, for the year 2025, as the KPIs were not achieved, no additional bonuses will be granted in addition to the fixed allowances/meeting approved at the GMS.

The remuneration due for the current financial year to the members of the Board of Directors, as well as the general limits on the additional remuneration of Board members entrusted with specific functions within that body and the remuneration of directors, is determined at Ordinary General Meetings.

The Board of Directors makes proposals to the General Meeting of Shareholders regarding the remuneration of directors, establishes the salary scale for all staff and the remuneration of auditors, and identifies and nominates candidates for various management positions.

The Board of Directors ensures that auditors have the necessary conditions to oversee the management of the entity and to verify whether the financial statements are drawn up in accordance with the law and in line with the records, whether these are kept regularly, whether the valuation of assets has been carried out in accordance with the rules established for the preparation of financial statements, as well as how they fulfil their obligations.

The Board of Directors continuously analyses the risks to which the company is exposed with regard to the identification, recording, monitoring and control of significant risks.

1.2. Executive Management

The executive management of PREFAB SA for the year 2025 was provided by three directors until 04.12.2025, of whom: one General Manager, one director with the duties of Deputy General Manager, and one Director of Energy and Logistics. From 4 December 2025, the executive management is comprised of two directors, one of whom is the Managing Director and the other the Finance Director.

The executive management is appointed by the Board of Directors and confirmed by the General Meeting of Shareholders. PREFAB SA is represented by the two appointed directors who have signed the employment contracts vis-à-vis third parties and in legal proceedings. The Board of Directors retains the power to represent the Company in its dealings with the directors it has appointed.

The organisation of the directors' work was established by a decision of the Board of Directors, in accordance with the approved organisational chart.

The duties of the Chief Executive Officer were established by the Company's Rules of Organisation and Operation (ROF).

The directors are responsible for taking all measures relating to the management of the company, within the limits of the company's scope of activity and in compliance with the exclusive powers reserved by law or the Articles of Association for the Board of Directors and the General Meeting of Shareholders.

The directors shall perform their duties loyally, in the interests of the company.

Directors shall inform the Board of Directors regularly and comprehensively of the operations undertaken and those envisaged.

Directors shall notify the Board of Directors of any irregularities discovered in the course of performing their duties.

Directors are jointly and severally liable with their immediate predecessors if, having knowledge of irregularities committed by the latter, they fail to report them to the internal auditors and the financial auditor.

Directors are not permitted to disclose confidential information or trade secrets of the company to which they have access in their capacity as directors. This obligation shall continue to apply for a period of 3 years following the termination of their term of office as directors.

In 2025, the company's executive management was as follows:

1) **Milut Petre Marian - Chief Executive Officer – until 04.12.2025**
   Date of birth: 29 December 1955, Craiova, Dolj County
   Faculty of Automation and Computing – Engineer
   Length of service at PREFAB SA: 27 years
   Board member (other companies): not applicable

2) **Boitan Daniela - Financial Director, acting as Deputy Managing Director – until 04.12.2025**
   Date and place of birth: 9 October 1968, Calarasi

Bucharest Academy of Economic Studies, Faculty of Finance – Banking and Accounting - Economist
Total length of service: 32 years
Length of service at PREFAB SA: 32 years
Board member (other companies): not applicable

3) Buta Adrian – Director of Energy and Logistics – until 04.12.2025
Date and place of birth: 15 April 1958, Calarasi
Faculty of Automation and Computing – Electrical Engineering
Total length of service: 43 years
Length of service at PREFAB SA: 13 years
Board member (other companies): not applicable

4) Secareanu Ion – Chief Executive Officer – since 4 December 2025
Date of birth: 22 April 1954, Borcea commune, Calarasi county
Ovidius University of Constanța, Faculty of Mechanical Engineering – Engineer
Length of service at PREFAB SA: one month
Date on which the term of office on the Board of Directors expires: 3 December 2027
Board member (other companies): not applicable

5) Hotulig Vildan – Financial Director – from 4 December 2025
Date of birth: 13 November 1982, Constanta
Ovidius University of Constanta, Faculty of Economics and Finance – Accounting
Length of service at PREFAB SA: one month
Date on which the term of office on the Board of Directors expires: 3 December 2027
Board member (other companies): not applicable

The remuneration payable to the executive management for the year 2025 is set out in the table below.

Surname and first name	Position	Fixed net remuneration 2025	Net variable allowance for meeting the ICP 2024 lei
1. Milut Petre Marian	Chief Executive Officer – until 04.12.2025	580,101	0
2. Boitan Daniela	Deputy General Manager (Finance) – until 4 December 2025	278,413	0
3. Buta Adrian	Director of Energy and Logistics	105,911	0
4. Secareanu Ion	Chief Executive Officer – since 04.12.2025	4,501	0
5. Hotulig Vildan	Financial Director – since 4 December 2025	4,501	0

Variable remuneration for 2025 relating to 2024 was not awarded because the KPIs were not met. Furthermore, for 2025, as the KPIs were not achieved, no additional bonuses will be awarded on top of the fixed remuneration.

In accordance with the mandate agreements, remuneration for both directors and executive management is fixed, and includes a variable component payable only if the indicators set out in the Management Plan are met.

2. Transparency, internal control, financial reporting, and risk management

2.1. Transparency

PREFAB SA provides regular and ongoing reporting on significant events concerning the company, including but not limited to its financial position, performance, ownership and management, both in the media and on its own website. The company prepares and disseminates relevant periodic and ongoing information in accordance with both national accounting standards and international financial reporting standards, as well as other reporting standards, including environmental, social and governance (ESG) standards. The company organises meetings with financial analysts, brokers, market specialists and investors when disseminating annual and half-yearly financial statements, which are relevant to investment decisions.

PREFAB SA has taken measures to make effective use of electronic communication channels for:

- posting all press releases addressed to market participants on the company's website, after they have been sent to the market operator (BSE);
- posting on the website announcements regarding meetings/assemblies/events and related information materials;
- providing investors with updates via email office@prefab.ro

The company has established a specialised department dedicated to shareholder/investor relations, whose staff are continuously trained and professionally qualified in legal matters concerning shareholder relations, corporate governance principles, management, customer relations, etc.

2.2. Financial reporting, internal control and risk management.

The financial statements, as well as the operations of PREFAB SA subject to authorisation, supervision and control by the Financial Supervisory Authority, in accordance with the law, are audited by AUDIT EXPERT SRL, with its registered office in Ploieşti, 14A Mircea cel Bătrân Street, Prahova County, registered with the Trade Register under no. J29/68/22.01.1998, CUI 10117602, 'financial auditors' being active persons, registered in the ASPPAS Electronic Public Register under no. FA50.

The appointment of the 'financial auditor' is decided by the Ordinary General Meeting of Shareholders.

In the exercise of their specific duties, the financial auditor has the following obligations:

a) to draw up a 'financial audit report' in accordance with the auditing standards issued by the Chamber of Financial Auditors of Romania;

b) draws up, within 30 days, on the basis of the information provided by the directors, 'supplementary reports' – in accordance with financial audit standards and the reporting framework defined by the ASF/C.N.V.M. regulations relating to transactions challenged by shareholders representing at least 5% of the total voting rights – where the securities issued by the company are traded on a regulated market;

c) provides additional services, subject to compliance with the principle of independence.

To ensure an objective review of all activities carried out, with a view to providing an independent assessment of risk management, control and governance processes, the company has established an 'internal audit' function and will ensure that internal audit activities are carried out in accordance with the standards drawn up by the Chamber of Financial Auditors of Romania for this purpose.

The internal audit is carried out through an external contract with a financial auditor who is a member of the CAFR, and its main objectives are:

a) verifying the compliance of the company's activities with its policies, programmes and management, in accordance with legal provisions;

b) to assess the adequacy and application of the financial and non-financial controls established and implemented by the entity's management with a view to enhancing the efficiency of the entity's operations;

c) assessing the adequacy of the financial and non-financial data/information provided to management to reflect the true state of affairs within the company;

d) safeguarding on-balance-sheet and off-balance-sheet assets and identifying methods to prevent fraud and losses of any kind within the company.

The reports prepared are submitted to the Board of Directors.

Within PREFAB S.A. during 2025, the Audit Committee, together with the internal auditor, through internal control activities, formed an integral part of the management process through which the company sought to achieve its proposed objectives. The control focused on the application of internal control standards and procedures at all hierarchical and functional levels: approval, authorisation, verification, assessment of operational performance, asset security, and segregation of duties. The Audit Committee met monthly prior to the Board of Directors' meetings

As in previous years, in 2025 - the company's management focused on designing, implementing and maintaining internal controls relevant to the smooth running of the business as a whole, as well as to the proper preparation and presentation of the company's assets and performance in the financial statements, so that these do not contain any material misstatements.

A key focus was the selection and application of appropriate accounting policies to ensure effective internal control. The members of the board of directors and the company's management demonstrated experience and independence.

Internal control covered the following components:

- a clear definition of responsibilities, adequate resources and procedures, reporting methods and systems, and appropriate tools and practices;
- the internal dissemination of reliable information, knowledge of which enabled everyone to fulfil their responsibilities;
- a system for analysing the main identifiable risks in relation to the company's objectives and, furthermore, ensuring the existence of procedures for managing these risks;
- appropriate control activities for each process, designed to mitigate risks likely to affect the achievement of the company's objectives;
- ongoing monitoring of the internal control framework, as well as an assessment of its functioning.

The objective of internal control was achieved by ensuring the consistency of objectives, identifying key success factors and communicating performance and outlook information to the company's management in real time.

During 2025, the reports prepared by the Audit Committee and the Internal Auditor were submitted to the Board of Directors for information and review.

3. Shares and Shareholders' Rights

The shares issued by PREFAB SA are 'registered shares', with a 'nominal value' of 0.5 lei each, issued in 'dematerialised form' and freely negotiable.

Shares of the same category and/or class issued by PREFAB SA confer equal rights on their holders and ensure fair treatment through the provision of relevant information, enabling them to exercise their rights. All investors may obtain information regarding the rights attached to each class of securities prior to purchasing them. Minority shareholders are protected against abusive actions, and all measures are taken to remedy such situations should they arise.

Every fully paid-up ordinary share entitles **the holder to one vote at the general meeting**, **the right to elect and be elected to the company's governing bodies, the right to share in the distribution of profits, and the right of pre-emption, in accordance with the provisions of the articles of association and the relevant legislation.**

The exercise of voting rights is suspended for shareholders who are not up to date with payments due.

Shares are indivisible in relation to the company, which recognises only one owner for each share. Where a registered share issued by the company becomes the property of several persons, the company shall not register the transfer until such time as those persons designate a single representative to exercise the rights resulting from the share.

Holders of securities issued by PREFAB SA must exercise the rights conferred by them in good faith, whilst respecting the rights and legitimate interests of other holders and the overriding interest of the company; otherwise, they shall be liable for any resulting damages.

Ownership of registered shares issued in dematerialised form and traded on a regulated market is transferred in accordance with the regulations applicable to the regulated market on which those securities are traded.

All holders of shares issued by PREFAB SA shall be treated fairly. All issued shares confer equal rights on their holders; any amendment to the rights conferred by them shall be subject to the approval of the holders directly affected.

PREFAB SA facilitates and encourages shareholders' participation in the proceedings of General Meetings of Shareholders (GMS), as well as the full exercise of their rights.

For complex issues relating to the conduct of the GMS, the company provides appropriate details via its website and through publication in the Official Gazette and the newspaper ‘Bursa’.

Every shareholder has the right to ask questions regarding the items on the agenda of the general meeting. The company may respond by posting the answer on the company’s website, www.prefab.ro-Secţiunea Shareholders. Shareholders’ questions may be submitted in writing, either by post or courier service, or by electronic means, to the email address e-mail:office@prefab.ro

For shareholders who are unable to attend, PREFAB SA offers the option to exercise 1) proxy voting, based on a special power of attorney, 2) postal voting, and 3) remote voting, so that the voting process does not become unnecessarily difficult or expensive.

PREFAB SA encourages, within the GMS, dialogue between shareholders and members of the Board of Directors and/or management, with relevant questions receiving appropriate answers, except where they are likely to prejudice the company, its shareholders or its employees.

To provide shareholders with relevant information in a timely manner, PREFAB SA has created a special, easily accessible and constantly updated section on the website www.prefab.ro. The page is structured to contain all the information required by security holders: information regarding the GMS, financial calendar, periodic and current reports, ratings, dividends, corporate governance, etc.

Furthermore, PREFAB SA has specialised internal structures for investor relations and relations with its own shareholders.

The shares are indivisible, dematerialised and are traded in accordance with BSE Council Decision No. 54/29.06.2010 on the regulated market administered by the BSE, in the STANDARD category, with effect from 5 January 2015.

Transactions in shares or other financial instruments (the company’s securities) carried out on their own account by directors or other involved individuals must be reported to the company within 24 hours of the transaction. The company prepares a press release for the BSE, which is also published on the company’s website.

Ownership of registered shares issued in dematerialised form and traded on an organised market is transferred in accordance with the regulations applicable to the regulated market on which those securities are traded.

The Company may acquire its own shares only with the authorisation of the Extraordinary General Meeting of Shareholders, subject to the conditions and restrictions provided for by law. Only fully paid-up shares may be acquired. The period for which authorisation to acquire own shares is sought is 18 months from the date of publication of the resolution in the Official Gazette of Romania, Part IV.

Payment for the shares to be acquired shall be made from the company’s available reserves, as recorded in the company’s financial statements, approved by the Ordinary General Meeting of Shareholders.

The acquisition of own shares is carried out for the purpose of distributing them to the company’s directors, managers and employees, within the limits and under the conditions to be approved by the Extraordinary General Meeting of Shareholders.

Shareholders are entitled, in the event of the company’s liquidation, to receive from the company that portion of the assets remaining after the settlement of all the company’s debts.

The extent of this right is determined either in proportion to the contribution to the share capital or in accordance with other rules laid down in the company’s articles of association.

Shareholders may request the following documents for information and to exercise control:

a) published periodic and annual financial results
b) the income and expenditure budget
c) current reports submitted to the BSE/ASF
d) the resolutions of ordinary and extraordinary general meetings

4. Conflict of interest and transactions with related parties

4.1 Conflict of interest

Members of the Board of Directors make decisions in the interests of the Company and do not take part in discussions or decisions that create a conflict between their personal interests and those of the Company or of subsidiaries controlled by the Company.

4.2 Transactions with related parties

Each director shall ensure that any direct or indirect conflict of interest with the Company or a subsidiary controlled by it is avoided and shall inform the Board of any conflicts of interest as they arise and shall abstain from discussions and voting on the relevant matters, in accordance with the applicable legal provisions.

To ensure the procedural fairness of transactions with related parties ("self-dealing"), the Board has applied the following criteria:

- retaining the Board's authority to approve the most significant transactions;
- seeking a prior opinion on the most significant transactions from the internal control structures;
- entrusting negotiations regarding these transactions to one or more independent directors or to directors who have no links with the relevant related parties;
- consulting independent experts.

5. Corporate Disclosure Policy

The Board of Directors establishes the corporate policy on the dissemination of information, in compliance with the legislation in force and the company's Articles of Association. This policy guarantees equal access to information for shareholders and investors and prevents the misuse of confidential information or information regarding 'self-dealing'.

Directors and officers shall maintain the confidentiality of documents and information received during their term of office.

6. Social Responsibility

As part of its sustainable development strategy, the social responsibility policy aims to continuously increase the company's accountability towards employees, shareholders, partners, the community and the environment.

PREFAB SA continuously identifies individuals who may be interested in its activities, recognises their legal rights and encourages their cooperation with the Company, with the aim of creating prosperity and jobs and ensuring the sustainability of a financially sound enterprise. Corporate Social Responsibility is a management process, an integral part of the Company's business strategy, through which PREFAB SA aims to contribute to the development of a sustainable and high-performing Romanian society.

The Company is committed to addressing the social issues faced by its own employees and the community in which it operates, whilst taking into account the interests of society. PREFAB SA's vision is to promote national values such as innovation, team spirit, respect for diversity and commitment. The company has chosen to engage in education, sport, art and culture, humanitarian initiatives and social development.

The Company's employees have elected the Employee Council Delegate, in the person of the Company's Trade Union President – Tony Bajenaru – who represents them at General Shareholders' Meetings and Board of Directors' meetings. The conditions for employee participation in decision-making through a representative are ensured.

The Company's employees are included in professional training and retraining programmes and participate in further training courses.

The company has had a voluntary pension scheme in place since April 2008 for employees who have been with the company for at least one year and are aged between 18 and 52. The contribution was paid by the employer, up to a limit of €400 per year, in accordance with the Tax Code. The contracts entered into by employees were for the NN Optim Voluntary Pension Fund managed by NN Asigurari de viata SA.

The company honours its commitments to employees, creditors, suppliers, customers and investors (stakeholders).

We attach to this report the financial statements as at 31 December 2025.

7. Signatures

Chairman of the Board of Directors,

Eng. Ion Secareanu

Declaration: Apply or Explain (DAE)   Company name: PREFAB SA

Section	Principle	No.	Provision (detailed)	Yes	Partial	No	Explanation (text and URL link if the document is on the website)
A: GOVERNING BODIES							
A: GOVERNING BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and its shareholders, whilst taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 1	The Board must have internal rules that formalise and clearly specify its role and responsibilities. The Articles of Association, the Board's internal rules and other internal regulations must clearly delineate the roles and powers of the Board, the General Meeting of Shareholders (GMS) and the executive management.	X			https://www.prefab.ro/wp-content/uploads/2026/04/Regulament-CA-2026.pdf
A: GOVERNING BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and its shareholders, whilst taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 2	The Board's internal regulations must include, amongst other things, the Board's duties, as well as the fiduciary responsibilities of Board members to act in full knowledge of the facts, in good faith, with due diligence and care, and in the interests of the Company and its shareholders, whilst taking into account the interests of other stakeholders, in accordance with legal requirements.	X			
A: GOVERNING BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and its shareholders, whilst taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 3	To support the Company's long-term viability and success, the Board should: • Oversee the development and approve the Company's strategy and ensure that it incorporates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; • Appoint and remove the chief executive officer and other members of the executive management to whom executive management responsibilities have been delegated (referred to as "executive management") and ensure succession planning for them; •To oversee the performance of the executive management, the role of the executive management in addressing material sustainability-related risks and opportunities, and to align the remuneration of the executive management with the long-term interests and sustainability of the Company, in accordance with the provisions of the Company's remuneration policy; • To ensure that there is a robust framework for internal control and risk management; • To ensure that the Company has procedures in place to enable effective communication with shareholders and other stakeholders.	X			
A: GOVERNING BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and its shareholders, whilst taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 4	The term of office of Board members and executive management should be clearly defined and should, as far as possible, promote stability and predictability.	X			

A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 1	The board must have at least five members.		X		The current Board of Directors consists of 3 members, as established in the company's Articles of Association. Any change in the number of Board members can only be made with the approval of the General Meeting of Shareholders (GMS) and an amendment to the Articles of Association. The resizing of the number of Board members will be discussed in the future.
A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 2	The Board must have a policy on Board and executive management diversity and ensure that diversity in terms of gender, age, experience and skills is incorporated into the Nomination Policy.	X			
A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 3	The Board must develop a Board profile specifying the desired characteristics and traits of its members, including factors such as independence, diversity, integrity, specific skills and experience, industry knowledge, the ability and willingness to devote time and effort commensurate with the responsibilities of the Board, in the context of the needs of the Board and its committees and their exercise of the Board's strategic and supervisory role. The Board profile may form part of the Nomination Policy.	X			
A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 4	The majority of Board members must be non-executive. At least one-third of Board members must be independent. Each independent member of the Board must submit a declaration of independence at the time of their nomination for election or re-election, as well as whenever there is any change in their status, in accordance with the independence criteria set out in the legislation and in Annex A to the Code.	X			
A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 5	The Nomination and Remuneration Committee (or the entire Board where there is no Nomination and Remuneration Committee) shall assess whether Board members can be considered independent on the basis of the factors taken into account, examining whether there are any business or other personal relationships that could significantly affect the independence and objectivity of the Board member and their ability to act in the interests of the Company, the shareholders and the stakeholders.	X			
A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 6	It is advisable that the roles of Chairman of the Board and Chief Executive Officer be held by different individuals.			X	
A: GOVERNING BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to fulfil its duties and responsibilities effectively.**	A.2., 7	If the roles of Chair of the Board and Chief Executive Officer are held by the same person, it is recommended that the Company appoint an independent Deputy Chair.			X	
A: GOVERNING BODIES	**A.3. The Board must ensure that a formal, rigorous and transparent procedure is in place for the appointment of new members to the Board.**	A.3., 1	The Company shall develop and publish a Board Nomination Policy which shall define the processes and procedures for the nomination, election or replacement of a Board member. The Nomination Policy, approved by the competent governance body, shall describe how the Company receives and evaluates nominations from shareholders (including minority shareholders) or from Board members, including with regard to the Board's profile, independence and diversity.			X	

A: GOVERNING BODIES	**A.3. The Board must ensure that a formal, rigorous and transparent procedure is in place for the appointment of new members to the Board.**	A.3., 2	The Board, through the Nomination and Remuneration Committee, if any, shall oversee the process of nominating candidates for the position of Board member.	**X**			
A: GOVERNING BODIES	**A.3. The Board must ensure that a formal, rigorous and transparent procedure is in place for the appointment of new members to the Board.**	A.3., 3	The company shall inform shareholders of the experience and CVs of candidates for the position of Board member, which they need in order to make an informed decision regarding the appointment or re-election of Board members, including the following: •the candidates' professional commitments and involvements, including executive and non-executive roles in companies, public authorities, non-profit organisations and other organisations; •any existing or potential conflicts of interest, including whether they have business, family or other relationships that could affect their performance as a Board member; • which shareholder or Board member nominated each candidate for the position of Board member.	**X**			
A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 1	The Board shall establish an Audit Committee to enhance its oversight of financial reporting, the internal control framework, internal and external audit processes, and compliance with applicable laws and regulations. Where it is not required by law or a dedicated risk management committee has not already been established, the Audit Committee shall also include responsibilities for monitoring the effectiveness of the risk management framework.	**X**			
A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 2	It is recommended that the Audit Committee comprise only non-executive members of the Board. It is also recommended that the majority of the Committee's members be independent, including the Committee Chair. The Audit Committee must, as a whole, possess relevant expertise in the field in which the Company operates. The Committee and its members must comply with the requirements of applicable national and European legislation.	**X**			
A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 3	The Board of Companies listed in the Premium Category must establish a Nomination and Remuneration Committee comprising non-executive members of the Board. It is recommended that the majority of the Committee's members be independent, including the Committee Chair. The Board may also establish separate Nomination and Remuneration Committees, where the composition of the Board permits this and where justified, given the size and complexity of the business and the Company's governance structures.			**X**	Prefab SA is listed in the Standard category
A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 4	In addition to its specific responsibilities as set out in this Code, the Nomination and Remuneration Committee: i. Reviews and recommends to the Board the size and composition of the Board and leads the creation and ongoing review of the Board's profile; ii. Identifies qualified individuals to become members of the Board and the executive management, if requested; assesses candidates for executive management positions; assesses candidates proposed by shareholders or Board members for Board membership and reports accurately to the AGM; iii.Makes recommendations to the Board regarding appointments to committees (other than the Nomination and Remuneration Committee); iv. Coordinates an annual evaluation of the Board, Board members and committees in accordance with the provisions of Principle A.5.; v. Assists the Board in fulfilling its responsibilities regarding the Company's remuneration policy; vi.Assists the Board in developing succession plans for executive management, as well as contingency succession plans and the recruitment process for the Chief Executive Officer, as appropriate; vii. Oversees the administration of the Company's compensation and benefits plans.			**X**	Prefab SA does not have a Nomination and Remuneration Committee

A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 5	The roles and responsibilities of the Board committees must be set out in separate internal regulations (rules of procedure) and published on the Company's website. Where the Company chooses not to establish any of the Board committees not required by law, the corresponding tasks and responsibilities shall be carried out by the Board and must be duly mentioned in the Board's internal regulations.	**X**			
A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 6	The assessment of the independence of committee members, including committee members appointed by the General Meeting of Shareholders, shall be carried out in accordance with the same procedure applicable to independent members of the Board.	**X**			
A: GOVERNING BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges and managing sensitive issues with a high potential for conflict of interest.**	A.4., 7	The Chairmen of the Audit Committee and the Nomination and Remuneration Committee must not be the Chairman of the Board or of other committees, unless this is justified by the size of the Board.	**X**			
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 1	The Chair of the Board is primarily responsible for ensuring that the Board functions properly. The Board's rules of procedure must set out the role and responsibilities of the Chair of the Board, and the Chair of the Board must, at a minimum: • Set the agenda for Board meetings, chair these meetings and ensure that minutes of these meetings are taken; • Ensure that the Board receives accurate, timely, useful and concise information to enable the Board to make sound decisions; • Ensure that the Board has sufficient time for consultation and decision-making; • To facilitate the proper functioning of committees and ensure effective communication with the Board's committees, including timely and relevant reports from the committees to the full Board; • To ensure that the Board's performance is assessed and discussed at least once a year and disclosed publicly in accordance with provision D.1., 3; •Ensure that the Board has an appropriate working relationship with executive management. The Chief Executive Officer and the Chair of the Board (where these roles are held by different individuals) shall meet regularly; • Address and manage internal disputes and conflicts of interest concerning Board members.	**X**			
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 2	The Board must meet whenever necessary, but no fewer than six (6) times a year.	**X**			

A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 3	The Board may request the appointment of a Secretary General to assist the Board in fulfilling its obligations under the law, the Board's internal regulations and other policies. The Secretary General must be a senior expert within the Company, tasked with assisting the Board and its committees in organising their activities, preparing meetings, conducting the annual performance review of the Board and the committees, and delivering training programmes for Board members, if required.			**X**	
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 4	The Board must clearly define the rights and responsibilities, scope of authority and other matters relating to the Secretary General.			**X**	
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 5	The Board and its committees must draw up and approve an annual internal work plan identifying the matters to be addressed during the year before the end of the preceding year. The plan must take into account the decisions to be proposed to the AGM, reporting by executive management and internal control functions, the required frequency of Board and committee meetings, and must be reviewed by the Chair with the support of the Secretary General.	**X**			
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 6	The Board must carry out an annual assessment of the composition, activity and dynamics of the Board and its committees, individually and as a whole, which must be coordinated by the Nomination and Remuneration Committee.	**X**			
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 7	The Nomination and Remuneration Committee must share the results of the Board assessment with the full Board and determine follow-up actions, if necessary, including professional development and training plans for the Board to address any gaps.	**X**			
A: GOVERNING BODIES	**A.5. The Board must establish robust procedures for the functioning of the Board, as well as mechanisms for the ongoing evaluation and development of the Board to enhance the skills of Board members and their ability to fulfil their responsibilities effectively.**	A.5., 8	The Board's internal regulations must require induction programmes for newly appointed Board members, delivered by the Company's internal staff. The Board's internal regulations may refer to continuing training programmes for Board members, if necessary. The implementation of induction and continuing training programmes for Board members (in accordance with the Board's decision) shall be overseen by the Nomination and Remuneration Committee, with the support of the Secretary General. Based on the results of the annual Board evaluation, the Nomination and Remuneration Committee, together with the Chair of the Board, shall develop professional development programmes focused on areas where capacity should be built among Board members.	**X**			

A: GOVERNING BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of leading the Company effectively, and that the composition, competence, roles and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 1	The executive management must lead the Company and be accountable to the Board. The division of responsibilities between the Board and the executive management, and between the various members of the executive management, must be clearly set out in the Company's articles of association and internal regulations.	**X**			
A: GOVERNING BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of leading the Company effectively, and that the composition, competence, roles and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 2	Where the roles of Chairman of the Board and Chief Executive Officer are held by the same person, the distinct responsibilities of the Chairman of the Board and the Chief Executive Officer must be clearly defined and distinguished in the Company's articles of association.	**X**			
A: GOVERNING BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of leading the Company effectively, and that the composition, competence, roles and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 3	The Board must ensure that the executive management comprises individuals with the appropriate knowledge, skills, diversity and experience to support the Company's successful performance, and that measures are in place to ensure the orderly succession of the executive management.	**X**			
A: GOVERNING BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of leading the Company effectively, and that the composition, competence, roles and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 4	The Board, with the support of the Nomination and Remuneration Committee, must annually assess the performance of the executive management and the effectiveness of its cooperation with the Board, including the information provided to the Board.	**X**			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK							

B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The company must have an adequate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations and risk profile, including the potential environmental and social impact of its activities.**	B.1., 1	The Board determines the nature and extent of the risks the Company is willing to take as necessary to achieve the Company’s strategic objectives (i.e. the Company’s risk appetite) and must ensure that there are clear structures, policies and procedures in place to identify, assess, report, manage and monitor significant and emerging risks, including risks related to sustainability, cybersecurity and the use of digital technologies. The Board must explain in the annual report the mechanisms and processes established for identifying and managing risks.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The company must have an adequate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations and risk profile, including the potential environmental and social impact of its activities.**	B.1., 2	The Board must adopt a formal risk management policy to ensure the accurate, complete and timely identification, measurement and reporting of risks, the existence of appropriate and feasible risk control measures, and the integration of E&S risks into the risk management framework, with a view to implementing the Company’s strategy.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The company must have an adequate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations and risk profile, including the potential environmental and social impact of its activities.**	B.1., 3	The Board and the Audit Committee must understand emerging changes related to information technology and artificial intelligence, so as to mitigate cybersecurity risks. Time must be allocated on the Board’s agenda to AI and cybersecurity risks and opportunities, to ensure an understanding of cybersecurity.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The company must have an adequate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations and risk profile, including the potential environmental and social impact of its activities.**	B.1., 4	It is recommended that the Company establish a risk management function responsible for ensuring the accurate, complete and timely identification of risks, ensuring that appropriate and feasible risk control measures are in place and monitoring risk management procedures. The risk management function, through the Chief Risk Officer (CRO), if any, must have direct communication and functional reporting lines to the Board and the Audit Committee (if there is no dedicated Risk Committee).			X	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The company must have an adequate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations and risk profile, including the potential environmental and social impact of its activities.**	B.1., 5	The Board, assisted by the Audit Committee, must assess at least annually the adequacy and effectiveness of the Company’s risk management and internal control framework (including operational and compliance controls) and make relevant recommendations. The assessment must take into account the effectiveness and scope of the internal audit function, the adequacy of risk management and compliance, internal control reports, where required by applicable law, addressed to the Audit Committee of the Board, the responsiveness and effectiveness of management in addressing identified internal control deficiencies or weaknesses, and the submission of relevant reports to the Board.	X			

B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The company must have an adequate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations and risk profile, including the potential environmental and social impact of its activities.**	B.1., 6	The Board must develop and make available on the Company's website, free of charge, a whistleblowing mechanism enabling employees and other stakeholders to report alleged breaches or irregularities in accordance with applicable legislation in force.			X	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective framework for risk management and internal control, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 1	In addition to its responsibilities set out in legislation and elsewhere in the Code, the Audit Committee must: • Review the Company's internal controls and risk management framework; • Monitor the development and implementation of the Company's policies on conflicts of interest and transactions with related parties; • Ensure the independence and review the effectiveness of the Company's internal audit function and make recommendations to the Board; • Oversee the internal audit function; • Oversee the preparation of sustainability reports and the information contained therein, unless this task is assigned to another committee; • To oversee the framework for ensuring the Company's compliance with applicable legal and regulatory requirements, as well as with the Company's internal regulations (such as procedures for reporting breaches of the law or the Company's Code of Conduct), unless this task is assigned to another committee.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective framework for risk management and internal control, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 2	Whenever the Code refers to reviews or analyses to be carried out by the Audit Committee, these must be followed by periodic (at least annual) or ad hoc reports to be submitted to the Board.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective framework for risk management and internal control, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 3	The Audit Committee must monitor the independence and objectivity of the external auditor. The Committee should approve a policy regarding the provision of non-audit services permitted by the external auditor, in accordance with legal requirements, and ensure the implementation of this policy. The Committee's findings regarding the independence of the external auditor must be disclosed in the annual report.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective framework for risk management and internal control, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 4	The Audit Committee must discuss the annual work plan with the external auditor, covering the scope and materiality of the activities to be audited. The Audit Committee must meet with the external auditor whenever necessary to discuss identified issues and to monitor the quality of the services provided.	X			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 1	The Board must ensure that the internal audit function has the appropriate authority, resources and procedures to assist the Board in ensuring the effectiveness and efficiency of the Company's risk management and internal control framework.	X			

B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 2	To ensure the fulfilment of the core functions of internal audit, the head of this function must be appointed and report functionally directly to the Board, through the Audit Committee, which is responsible for approving his or her appointment and dismissal. This is without prejudice to administrative reporting to the Chief Executive Officer and the exchange of information with the Company's executive management, in accordance with legal requirements and professional standards.	**X**			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 3	The internal audit function must be established in accordance with applicable legal requirements and industry standards (e.g. those of the Institute of Internal Auditors). The authority of the internal audit function, its composition, remuneration, annual budget, working procedures and other relevant aspects shall be governed by internal audit regulations, approved by the Board, following the recommendation of the Audit Committee.	**X**			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 4	The Audit Committee must agree on an annual work plan for internal audit together with the internal auditor, receive internal audit reports and updates on key audit matters, monitor the implementation of internal audit recommendations and provide the necessary guidance.	**X**			
C: PERFORMANCE, MOTIVATION AND REWARD							
C: PERFORMANCE, MOTIVATION AND REWARD	**C.1. Board members must receive remuneration commensurate with the scope and importance of their duties and responsibilities, rather than with the performance of the management or the Company. The structure and level of remuneration for Board members must enable the Company to attract, retain and motivate competent and qualified Board members.**	C.1., 1	Board members must receive remuneration in accordance with the Company's Remuneration Policy. Members who also sit on Board committees must receive additional remuneration for this work. However, under no circumstances shall remuneration be linked to the number of Board or Committee meetings.	**X**			
C: PERFORMANCE, MOTIVATION AND REWARD	**C.2. The Board must ensure that there is a formal and transparent policy and procedure for determining the remuneration of executive management, which is aligned with the Company's long-term interests and strategy. This policy shall be submitted to the AGM for approval, in accordance with legal requirements.**	C.2., 1	The Board must determine the annual remuneration of the executive management, based on the recommendations of the Nomination and Remuneration Committee and in accordance with the Company's Remuneration Policy. The Remuneration Policy must be drawn up in accordance with the relevant legal requirements.	**X**			

C: PERFORMANCE, MOTIVATION AND REWARD	**C.2. The Board must ensure that there is a formal and transparent policy and procedure for determining the remuneration of executive management, which is aligned with the Company's long-term interests and strategy. This policy shall be submitted to the AGM for approval, in accordance with legal requirements.**	C.2., 2	Remuneration levels for members of the executive management and the key performance indicators taken into account when determining the variable (performance-based) component of remuneration must be established in advance and must be measurable and appropriate in relation to the agreed strategy and risk appetite, the economic environment in which the Company operates, as well as the remuneration and conditions of the Company's employees. In particular, these should include indicators relating to non-financial performance and appropriate sustainability objectives.	**X**			
C: PERFORMANCE, MOTIVATION AND REWARD	**C.2. The Board must ensure that there is a formal and transparent policy and procedure for determining the remuneration of executive management, which is aligned with the Company's long-term interests and strategy. This policy shall be submitted to the AGM for approval, in accordance with legal requirements.**	C.2., 3	The Company's shares and/or share options must represent a significant portion (e.g., no less than 10%) of the total variable remuneration of the member of the executive management.			**X**	
D: REPORTING AND RELATIONS WITH INVESTORS							
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 1	The Company must ensure that it provides accurate, complete and timely financial and operational information, including quarterly, half-yearly and annual reports, as well as current reports. Companies must ensure that all relevant information is readily accessible to investors, including via the Company's website and other public information sources, as appropriate.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 2	It is recommended that the Company has an investor relations (IR) function and should appoint a dedicated person responsible for the IR function. The contact details of the person or persons responsible for the IR function shall be available on the Company's website. The IR function shall report directly to the Chief Executive Officer/Chief Financial Officer, highlighting its importance within the Company's hierarchy and emphasising its central role in managing and communicating the Company's commitments and status on the capital market. The Company must organise induction and periodic training courses, if necessary, for the IR function, tailored to its specific needs and responsibilities.			**X**	
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include on its website a section dedicated to Investor Relations, containing all relevant information of interest to investors, available in both Romanian and English.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • Key corporate governance documents: the updated Articles of Association, AGM procedures, the Board's internal regulations and the internal regulations of the Board's committees;	**X**			

D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The company must include in the section dedicated to Investor Relations: •A list of the current members of the Board, the Board committees and the Executive Management, stating their updated independence status, professional CVs (containing at least: surname, first name, gender, nationality, age; professional experience by year, position and company; education, field of study and the academic or professional institution awarding the degree), other professional commitments, including executive and non-executive positions on boards of directors in companies, non-profit organisations and state institutions; relationship with shareholders holding at least 5% of the voting rights/shares issued by the Company; the term of office of members of the Board, committees and executive management, specifying the date on which they were appointed;	X			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • Current and periodic reports (quarterly, half-yearly and annual reports);	X			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • Information regarding the AGM: the agenda, supporting materials and resolutions passed; the procedure for conducting the AGM; the Nomination Policy, together with professional CVs (containing at least: surname, first name, gender, nationality, age; professional experience by year, position and company; education, field of study and the academic or professional institution awarding the degree), as well as any other information specified in A.3., 3; the communication channels through which shareholders may address questions to the Company; answers to shareholders' questions regarding the agenda; declarations of independence by candidates for the Board and assessments made by the Nomination and Remuneration Committee/Board regarding the candidates, including their compliance with the independence criteria;	X			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the Investor Relations section: • Information regarding the Board's assessment, carried out in accordance with provision A.5., 7, including the assessment criteria and process, as well as a summary of the assessment results and the actions that have been or will be taken as a result of the assessment;			X	
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The company must include in the section dedicated to Investor Relations: • Information on corporate events, such as the payment of dividends and other distributions to shareholders or other events leading to the acquisition or restriction of a shareholder's rights, including the timelines and principles applied to such transactions. This information must be published in a timeframe that allows investors to make investment decisions;	X			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: •Corporate policies, including the Code of Conduct, Dividend Policy, Remuneration Policy, Forecast Policy, Investor Relations Policy, Corporate Social Responsibility (CSR) / Sponsorship Policy, Policy on Related Party Transactions, Diversity, Equity and Inclusion Policy, and Whistleblowing Policy (if not already part of the Code of Conduct);		X		
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 4	The Company must organise at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions must be published in the IR section of the Company's website at the time of the meetings/conference calls.		X		The company holds such meetings, but the information presented is due to be published on the website.

D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 5	The Company must disclose material and reportable non-financial and sustainability aspects, with a focus on the environmental, social and governance (ESG) issues of its business and operations, in accordance with a recognised sustainability reporting standard. The Company's sustainability statements will be published on its website.			**X**	
D: REPORTING AND RELATIONS WITH INVESTORS	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulators and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 6	The Company should have a CSR/sponsorship policy to guide its activities in the field of CSR and sponsorship.			**X**	
D: REPORTING AND RELATIONS WITH INVESTORS	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary means and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 1	The Company must have a dividend policy as a set of guidelines that the Company intends to follow regarding the distribution of net profit.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary means and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 2	The procedure for conducting the AGM must not restrict shareholders' participation in the AGM or the exercise of their rights. Amendments to the procedure for conducting the AGM must come into effect, at the earliest, from the next AGM.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary means and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 3	External auditors must attend the AGM at which their reports are presented, in order to answer shareholders' questions.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary means and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 4	The Board must present to the Annual General Meeting a summary of the assessment of the adequacy and effectiveness of the risk management and internal control framework, in accordance with the relevant information included in the annual report.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary means and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 5	The company must foster engagement with shareholders and investors by: • Encouraging active shareholder participation in General Meetings of Shareholders, including ensuring the conditions for virtual participation; • Organising regular briefings and updates for investors, particularly during significant corporate events; •Establishing channels through which shareholders can provide feedback and ask questions, ensuring that responses are timely and comprehensive.	**X**			
D: REPORTING AND RELATIONS WITH INVESTORS	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary means and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 6	Any professional, consultant, expert or financial analyst may attend the AGM upon prior invitation by the Chairman of the Board. Accredited journalists may also attend the AGM, unless the Chairman decides otherwise.	**X**			
E: SUSTAINABILITY AND STAKEHOLDERS							

E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The company must integrate sustainability considerations into its strategy and mitigate any material negative social and environmental impacts of its operations, to the extent possible.**	E.1., 1	The Board must ensure that sustainability, environmental and social considerations are integrated into the Company's strategy and operations, risk management and remuneration practices, and must oversee this integration. A dedicated sustainability committee or one of the Board's standing committees shall assist the Board in fulfilling these tasks.			X		
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The company must integrate sustainability considerations into its strategy and mitigate any material negative social and environmental impacts of its operations, to the extent possible.**	E.1., 2	The Board must ensure that the Company's operations are conducted in accordance with national and international E&S standards and that the Company's E&S policies are consistent with its long-term objectives. In particular, the Company must maintain internal documentation regarding its environmental and social responsibilities, as well as policies and procedures that enable it to identify significant factors and assess the impact on the Company's activities.			X		
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The company must integrate sustainability considerations into its strategy and mitigate any material negative social and environmental impacts of its operations, to the extent possible.**	E.1., 3	Whenever a decision to be taken by the Board has a potential significant and adverse impact in the E&S sphere, the Board must receive from executive management (i) an analysis of how this decision aligns with the Company's sustainability objectives and E&S policies, or (ii) a proposal for measures to mitigate the negative E&S impact.			X		
E: SUSTAINABILITY AND STAKEHOLDERS	**E.2. The Company must have a process for identifying stakeholders affected by the Company's operations. The Board must take into account the interests of stakeholders and ensure that there is active communication between the Company and stakeholders.**	E.2., 1	The Board must ensure that there is a formal process for identifying the Company's stakeholders, including investors, creditors, customers, employees and suppliers, as well as specific approaches for engaging priority stakeholders.			X		
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board must adopt a Code of Conduct (Code of Ethics) with an appropriate scope, which includes guiding principles that reflect the Company's commitment to ethics, integrity and quality of performance.**	E.3., 1	The Board must develop a mission statement and a vision statement, as well as articulate the Company's values, so that the entire organisation understands the Company's strategic direction.			X		
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board must adopt a Code of Conduct (Code of Ethics) with an appropriate scope, which includes guiding principles that reflect the Company's commitment to ethics, integrity and quality of performance.**	E.3., 2	The Board must adopt a Code of Conduct for Board members, executive management and Company employees, with clear provisions designed to prevent and sanction fraud and bribery. The Board must not permit any exemption from ethical requirements for any Board member, executive manager or employee.			X		
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board must adopt a Code of Conduct (Code of Ethics) with an appropriate scope, which includes guiding principles that reflect the Company's commitment to ethics, integrity and quality of performance.**	E.3., 3	The Board must ensure that the policies set out in the Code of Conduct are integrated into the Company's practices and incorporated into the onboarding process for new employees. The Board must ensure the effective implementation and monitoring of compliance with the Code of Conduct and review it periodically.			X		

DECLARATION
in accordance with the provisions of Article 65 (2) (c) of Law No. 24/2017 on issuers of financial instruments and market operations

Company name – Prefab SA
Registered office – Constanța, Soseaua Industrială, no. 5.
Branch office – Calarasi, 396 Bucharest Street
Unique registration code with the Trade Register Office – RO 1916198
Registration number in the Trade Register – J2003009212407

The undersigned,
SECAREANU ION, in his capacity as General Director, and
HOTULIG VILDAN, in his capacity as Chief Financial Officer,

hereby confirm that, to the best of our knowledge, the annual financial statements for the year ended 31 December 2025, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with Order of the Minister of Public Finance No. 2844/2016 approving the accounting regulations compliant with International Financial Reporting Standards, present a true and fair view of the assets, liabilities, financial position, and profit and loss account of the Company.
We also confirm that the report of the Board of Directors includes a fair review of the development and performance of the Company, as well as a description of the main risks and uncertainties specific to its activity.
The Company operates on a going concern basis.

General Director,	**Financial Director,**
Ion Secareanu	Vildan Hotulig

AUDIT EXPERT S.R.L.
Ploieşti, str. Mircea cel Bătrân, nr. 14 A, Trade Register no. J29/ 68/ 1998 Unique registration code: RO 10117602 Phone/fax: 0244 596 421, e-mail: auditexpert2004@yahoo.com
Registration Number in the Electronic Public Register ASPAAS-FA 50

Independent auditor's report on the Financial Statements prepared as of 31.12.2025

To

PREFAB S.A.- Constanta shareholders

Opinion

1 We audited the attached financial statements of the Company **PREFAB S.A. ("the Company")**, with registered office in Constanta, Soseaua Industriala Street, nr.5, Constanta County, identified by the unique tax registration code 1916198, which include the statement of financial position as of December 31, 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flows for the financial year then ended, and the notes to the financial statements.

2 The financial statements on 31 December 2025 are identified as follows:

- Net Asset/ Total Equity: 146.043.342 lei
- Net profit/ Net loss of the financial year: -43.276.671 lei

3 3In our opinion, the attached financial statements give a true and fair view of the financial position of the Company as of December 31, 2025, as well as of the financial performance and cash flows for the financial year then ended, in accordance with the requirements of OMFP 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards adopted by the European Union, as amended.

Basis for opinion

4 We conducted our audit in accordance with International Standards on Auditing ("ISA"), EU Regulation no. 537 of the European Parliament and of the Council (hereinafter the "Regulation") and Law no. 162/2017 ("the Law"), as amended. Our responsibilities under these standards and regulations are further described in the "Auditor's Responsibilities in an Audit of the Financial Statements" section of our report. We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), and in accordance with the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit key issues

5 Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We do not consider that there are any key audit matters that need to be communicated in our report.

Highlighting some aspects

6 6 As shown in the "Statement of financial position" and the "Statement of profit/loss and other comprehensive income", the Company presents a decrease in equity of 43,009,883 lei, mainly as a result of the loss recorded on 31.12.2025. The Explanatory Notes detail the aspects that formed the basis of the value of the assets included in the financial statements, values resulting from the general inventory of the assets on 31.12.2025.
The management does not estimate significant uncertainties regarding the company's ability to continue its activity in the future.
The company's management has initiated actions to restructure production capacities and the share capital increase action has also been finalized, as presented in Note 10 "Equity" of the financial statements on 31.12.2025.

7 7 Given the existence of a state of war both in Ukraine and in other areas of the world, as well as the increase in the price of energy and natural gas and other materials, we cannot anticipate their impact on the entity's activity over the next year.

We specify that these aspects do not modify our audit opinion.

Other Information

8 Administrators are responsible for compiling and presenting other information. That other information includes the Directors' Report and Remuneration Report but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover this other information, and unless expressly stated in our report, we do not express any assurance about it.
With regard to the audit of the financial statements for the year ended 31 December 2025, it is our responsibility to read that other information and, in this regard, to assess whether that other information is materially inconsistent with the financial statements or with the knowledge we have acquired, we obtained during the audit, or if they appear to be significantly distorted.

As far as the Administrators' Report is concerned, we read and report on whether it was drawn up, in all material respects, in accordance with the provisions of the Minister of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

Regarding the Remuneration Report, we read and report if it was prepared, in all significant aspects, in accordance with the provisions of law 24/2017, paragraphs no. 106-107.
Based solely on the activities to be carried out during the audit of the financial statements, in our opinion:

a) The information presented in the Directors' Report for the financial year for which the financial statements were prepared is consistent, in all material respects, with the financial statements;
b) The Administrators' Report has been prepared in all material respects in accordance with the provisions of the Minister of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.
c) The Remuneration Report was prepared in all significant aspects, in accordance with the provisions law 24/2017, paragraphs no.106-107.

In addition, based on our knowledge and our understanding with regard at the Company and its environment, acquired in the course of our audit of the financial statements for the year ended 31 December 2025, we are required to report whether we have identified significant misstatements in the Directors' Report and the Remuneration Report. We have nothing to report on this issue.

Responsibilities of the management and those responsible for governance for the financial statements

9 The management of the Company is responsible for preparing the financial statements to provide a true and fair view in accordance with the provisions of the Minister of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments and for internal control that management deems necessary to enable the preparation of financial statements without significant misstatement, whether due to fraud or error.

10 In preparing the financial statements, management is responsible for evaluating the Company's ability to continue its business, to present, as appropriate, business continuity issues and to use the business continuity accounting, unless the management plans to liquidate the Company or to stop the operations, or to have no other realistic alternative outside of them.

11 The persons responsible for governance are responsible for overseeing the financial reporting process of the Company.

Auditor's responsibilities in an audit of financial statements

12 Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to the issuance of an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect significant misstatement, if any. Distortions may be caused either by fraud or by error and are considered significant if reasonable assumptions can be made that they, individually or cumulatively, will influence the economic decisions of users made on the basis of these financial statements.

13 As part of an audit in accordance with ISA, we exercise professional judgment and we maintain a professional skepticism during the audit. Also:

- We identify and evaluate the risks of material misstatement of financial statements, whether due to fraud or error, we design and execute audit procedures in response to those risks, and obtain sufficient audit evidence to provide a basis for our opinion. The risk of not detecting significant misstatement caused by fraud is higher than the failure to detect a significant misstatement caused by error, as fraud may imply secret, false, deliberate omissions, false statements, and avoidance of internal control.
- We understand the internal audit relevant to the audit in order to design audit procedures that are appropriate to the circumstances but without the purpose of expressing an opinion on the effectiveness of internal control of the Company.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
- We formulate a conclusion on the adequacy of management's use of accruals based on the continuity of activity and we determine, based on the audit evidence obtained, whether there is significant uncertainty about events or conditions that could generate significant doubts about the Company's ability to continue their activity. If we conclude that there is significant uncertainty, we need to draw attention to the auditor's report on the accompanying financial statements or, if these presentations are inappropriate, to change our opinion. Our findings are based on audit evidence obtained by the date of the auditor's report. However, future events or conditions may cause the Company not to continue operating on a business continuity basis.
- We evaluate the presentation, structure and content of the financial statements, including disclosures and the extent to which the financial statements reflect the transactions and events underlying them in a manner that results in a fair presentation.

14 We communicate to those responsible with governance, among other things, the planned area and timing of the audit, as well as the main audit findings, including any significant internal control deficiencies that we identify during the audit.

15 We also provide those responsible with governance with a statement about our compliance with ethical requirements for independence, and communicate to them all relationships and other matters that can reasonably be considered to affect our independence and, where appropriate, related safety measures.

Of the issues we have communicated to those charged with governance, we set out those issues that were of greater importance in the audit of the financial statements of the current period and therefore are key aspects of the audit. We describe these issues in our audit report, unless legislation or regulations hinder public disclosure of the issue, or where, in extremely rare circumstances, we consider that an issue should not be communicated in our report because it is anticipated in that the benefits of the public interest are outweighed by the negative consequences of this communication.

Report on other legal and regulatory provisions

16 In accordance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we provide the following information:

We were appointed by the General Meeting of Shareholders on 27.04.2021 to audit the financial statements of PREFAB S.A. Constanta for the financial year ended 31 December 2025. The total uninterrupted duration of this engagement is in accordance with the provisions of Law No. 162/2017 (the "Law"), as amended and supplemented.

We confirm that:

- Our audit opinion is consistent with the additional report presented to the Audit Committee of the company, which we issued on the same date as we issued this report. We also maintained our independence from the audited entity in the conduct of our audit.
- We did not provide the Company with prohibited non-audit services, as referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Ploiesti, 07.04. 2026

On behalf of

AUDIT EXPERT S.R.L. Ploiesti
registered to the Authority for Public Oversight of the Statutory Audit Activity under the number FA 050

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Firma de Audit: S.C. AUDIT EXPERT S.R.L.
Registrul Public Electronic: FA 050

General Director

Constantin Maria registered to the Authority for Public Oversight of the Statutory Audit Activity under the number AF 184

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: MARIA CONSTANTIN
Registrul Public Electronic: AF 184

Name of signatory

Roman Ileana registered to the Authority for Public Oversight of the Statutory Audit Activity under the number AF 1199

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: ILEANA ROMAN
Registrul Public Electronic: AF 11[illegible]