

**Quarterly Report according to  
A.S.F. Regulation no. 5/2018  
The I<sup>st</sup> Quarter of 2019  
Date of report for 15.05.2019**

**PREFAB S.A.**

**Registered Office: Bucharest**

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

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

**Tax Identification Number: RO 1916198**

**1. Economic and financial statement**

**a. STATEMENT OF FINANCIAL POSITION**

	<b>January 01, 2019</b>	<b>March 31, 2019</b>
Tangible assets	215.302.564	216.027.085
Intangible assets	8.388	8.284
Investment property	2.930.000	2.930.000
Investments in affiliates	9.439.869	9.439.869
Biological assets	10.192	9.933
<b>TOTAL INTANGIBLE ASSETS</b>	<b>227.691.013</b>	<b>228.415.171</b>
Stocks	10.176.461	11.522.276
Trade receivables and other receivables	36.557.102	35.386.683
Cash and cash equivalents	739.518	500.420
Other assets (Prepayments)	1.280.687	2.662.165
<b>TOTAL CURRENT ASSETS</b>	<b>48.753.768</b>	<b>50.071.544</b>
<b>1. TOTAL ASSETS</b>	<b>276.444.781</b>	<b>278.486.715</b>
Share capital	24.266.709	24.266.709
Adjustments of share capital	0	0
Other components of share capital	(394.835)	(394.835)
Share premium	14.305.342	14.305.342
Revaluation reserves	112.777.937	112.777.937
Reserves	36.758.847	36.758.847
Retained earnings except that from the adoption for the first time of IAS 29	9.552.175	11.657.931
Profit at the end of the reporting period	2.236.378	-751.775
Distribution of profit	130.621	0
<b>2. TOTAL EQUITY</b>	<b>199.371.932</b>	<b>198.620.156</b>
Long term loans	21.698.388	20.357.873
Deferred income tax liability	532.835	514.723
<b>TOTAL LONG-TERM</b>	<b>22.231.223</b>	<b>20.872.596</b>

<b>LIABILITIES</b>		
Trade payables and other payables	22.072.295	27.856.853
Short term loans	27.000.000	25.700.000
Current income tax debt	199.773	0
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>49.272.068</b>	<b>53.556.853</b>
<b>Subsidies for investment</b>	<b>5.569.558</b>	<b>5.437.110</b>
<b>3. TOTAL LIABILITIES</b>	<b>276.444.781</b>	<b>278.486.715</b>

**b. STATEMENT OF REVENUE AND EXPENDITURE**

	<b>March 31, 2018</b>	<b>March 31, 2019</b>
<b>NET TURNOVER</b>	<b>11.453.828</b>	<b>13.154.835</b>
Variation of finished products stocks and production in progress	2.841.882	2.415.799
Revenue from production of tangible assets	2.081.190	2.500.000
Other revenue	135.696	142.731
<b>OPERATING REVENUES - TOTAL</b>	<b>16.512.596</b>	<b>18.213.365</b>
Raw materials and consumables used	7.587.195	7.172.840
Other material expenses	803.573	651.927
Other external expenses (for energy and water)	2.335.433	3.723.946
Expenses on goods	0	0
Trade discounts received	28.589	41.176
Staff costs	2.825.251	3.097.049
- Wages and allowances	2.759.533	2.992.300
- Expenses on social security and welfare	65.718	104.749
Value adjustments on intangible and tangible assets, property investments and biological assets measured at cost	1.777.808	1.960.912
Expenses	15.152	0
Revenues	63.695	0
Value adjustments on current assets	48.543	0
- Expenses		
- Revenues		
Other operating expenses	1.575.152	1.713.445
- Expenses on external supply	1.278.987	1.458.063
- Other taxes, duties and similar expenses	241.432	193.708
- Other expenses	54.733	61.674
<b>OPERATING EXPENSES - TOTAL</b>	<b>16.890.975</b>	<b>18.278.943</b>

<b>OPERATING PROFIT OR LOSS</b>	<b>-378.379</b>	<b>-65.578</b>
Other financial revenues	42.023	20.825
<b>FINANCIAL REVENUE</b>	<b>42.023</b>	<b>20.825</b>
Interest expenses	505.941	530.391
Other financial expenses	64.439	176.631
<b>FINANCIAL EXPENSES</b>	<b>570.380</b>	<b>707.022</b>
<b>FINANCIAL PROFIT OR LOSS</b>	<b>-528.357</b>	<b>-686.197</b>
<b>TOTAL REVENUE</b>	<b>16.554.619</b>	<b>18.234.190</b>
<b>TOTAL EXPENSES</b>	<b>17.461.355</b>	<b>18.985.965</b>
<b>GROSS PROFIT</b>	<b>-906.736</b>	<b>-751.775</b>
<b>Tax revenue</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT</b>	<b>-906.736</b>	<b>-751.775</b>

## EXPLANATORY NOTES

Because the activity of our company is seasonal, depending on the weather conditions, the results obtained during the first quarter of the year are not the most relevant for the activity of Prefab. In the first quarter of 2019, as in the first quarter of 2018, the activity was influenced by the same crisis that persists in the construction materials market, due in particular to the lack of large projects for investment in national infrastructure. Legislative changes that occurred at the end of 2018 marked the activity in particular through the Government Emergency Ordinance no. 114/2018, which sets a minimum wage in the building sector of 3000 lei and by introducing the additional tax of 2% applied to the turnover made from the sale of energy.

Although this ordinance was intended to encourage and support the construction sector, the initial impact was not that expected, as the expenses increased significantly compared to the demand in the market which maintains the same parameters.

In a milder winter, PREFAB has reopened its production activity in the second part of January 2019, after the repairs and the scheduled maintenance.

In these conditions, the turnover registered in the first quarter of 2019 is 13.154,835 lei, compared to 11.453,828 lei registered in the first quarter of 2018.

The value of fixed assets increased by 0.32%, from 227.691.013 lei (31.12.2018) to 228.415.171 lei (31.03.2019), the increase being mainly due to the modernization of existing production capacities.

The value of current assets and other assets increased by 2.70%, from 48.753.768 lei (31.12.2018) to 50.071.544 lei (31.03.2019), the increase being mainly due to the increase in stocks of finished products and raw materials.

Total debt increased by 4.09%, from 71.503.291 lei (31.12.2018) to 74.429.449 lei (31.03.2019), mainly due to the increase of advances received from customers for deliveries of goods that will take place in the second quarter of 2019.

The operating result on 31.03.2019 is in the amount of -65.578 lei, compared to -378.379 lei, achieved on 31.03.2018, in increase compared to the same period of the previous year, the appreciation being due to policies and strategies adopted in order to optimize the costs and margins practiced but due to a market affected by the lack of projects.

The operating result on 31.03.2019 is in the amount of -686.197 lei, compared to -528.357 lei achieved in the same period of year 2018, the difference being caused by the devaluation of the national currency against the European currency and the rise in interest costs.

On 31.03.2019, total revenues amounted to 18.234,190 lei, representing 110,15% compared to the revenues achieved in the same period of 2018, and total expenses amounting to 18.985,965 lei, representing 108.73% compared to the expenditures realized in the same period of 2018. Under these conditions, the gross result is -751.775 lei, a slight appreciation compared to the one registered in the same period of 2018.

During 2019 there were no significant mergers or reorganizations of the company and no main assets of the company were alienated.

## **2. Analysis of the Company's business**

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

During the first quarter of 2019, there were various risks, but they were predictable and properly managed by the management of the company, situation that has generated no substantial additional costs.

The company is exposed to the following risks:

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

#### **Credit risk**

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

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

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

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

#### **Liquidity risk**

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

The Company has committed long-term loans.

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

### **Market risk**

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

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

### **Exposure to interest rate risk**

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

#### **Interest rate risk management**

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

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

### **Currency risk**

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

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

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

### **Operational risk**

The operational risk is the risk of direct or indirect loss from a range of causes associated to the processes, staff, technology and infrastructure of Company and from external factors, other than the credit, the market and the liquidity risk, such as those arising from legal and regulatory requirements and the generally accepted standards regarding the organizational behavior. The Company is exposed to the risk of disasters

too. In these conditions, the Company acted towards concluding insurance policies to protect against disasters the company assets.

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

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

### **Risk related to balancing cost**

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

### **Tax risk**

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

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

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

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

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

The investments in 2019 will be mainly made from own sources.

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

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

- excessive taxation continued during the year 2019 too;
- price increases in some raw materials and fuel;
- emphasizing macroeconomic imbalances, with negative implications over the sales market;
- internal market entrance of similar products imported (fiber tubes - brick);
- volatility in the legislative field;
- excessive bureaucracy in obtaining approvals and permits required for operation.

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

Not applicable

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

Not applicable

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

Not applicable

**4. Significant transactions**

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

Not applicable

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

**Economic Director,  
Ec. Boitan Daniela**

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

## STATEMENT OF ASSETS, LIABILITIES AND EQUITY

On 31.03.2019

RON

Item name A		Row no. B	Balance on:	
			January 1, 2019 1	March 31, 2019 2
<b>A.</b>	<b>FIXED ASSETS</b>			
	<b>I. INTANGIBLE ASSETS</b>			
	1. Development expenses	01	0	0
	2. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	02	8.388	8.284
	3. Goodwill	03	0	0
	4. Intangible assets under construction	04	0	0
	<b>TOTAL</b>	<b>05</b>	<b>8.388</b>	<b>8.284</b>
	<b>II. TANGIBLE ASSETS</b>			
	1. Lands and constructions	06	150.844.993	150.330.297
	2. Plant and machinery	07	60.877.999	59.441.084
	3. Other installations, equipment and furniture	08	287.101	281.722
	4. Property investments	09	2.930.000	2.930.000
	5. Tangible assets under construction	10	3.151.435	5.651.435
	6. Advances	11	141.036	322.547
	<b>TOTAL</b>	<b>12</b>	<b>218.232.564</b>	<b>218.957.085</b>
	<b>III. Biological assets</b>	<b>13</b>	<b>10.192</b>	<b>9.933</b>
	<b>IV. FINANCIAL ASSETS</b>			
	1. Shares in subsidiaries	14	9.439.669	9.439.669
	2. Loans granted to entities in the group	15	0	0
	3. Shares held in associates and jointly controlled entities	16	0	0
	4. Loans granted to associates and jointly controlled entities	17	0	0
	5. Other fixed assets	18	200	200
	6. Other loans	19	0	0
	<b>TOTAL</b>	<b>20</b>	<b>9.439.869</b>	<b>9.439.869</b>
	<b>FIXED ASSETS - TOTAL</b>	<b>21</b>	<b>227.691.013</b>	<b>228.415.171</b>
<b>B.</b>	<b>CURRENT ASSETS</b>			
	<b>I. STOCKS</b>			
	1. Raw materials and consumables	22	3.995.184	3.750.444
	2. Assets held for sale	23	0	0
	3. Production in progress	24	981.252	712.421
	4. Finished products and goods	25	5.199.793	6.999.263
	5. Advances	26	232	60.148
	<b>TOTAL</b>	<b>27</b>	<b>10.176.461</b>	<b>11.522.276</b>
	<b>II. RECEIVABLES</b>			
	1. Trade receivables	28	34.902.741	33.991.714
	2. Advances paid	29	1.463.000	1.223.149
	3. Amounts receivable from group entities	30	0	0

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

Item name		Row no.	Balance on:	
			January 1, 2019	March 31, 2019
A		B	1	2
4. Amounts receivable from jointly controlled entity		31	0	0
5. Receivables from derivative operations		32	0	0
6. Other receivables		33	191.361	171.820
7. Capital subscribed and paid		34	0	0
<b>TOTAL</b>		<b>35</b>	<b>36.557.102</b>	<b>35.386.683</b>
<b>III. SHORT-TERM INVESTMENTS</b>		36	0	0
<b>IV. CASH AND BANK ACCOUNTS</b>		37	739.518	500.420
<b>CURRENT ASSETS - TOTAL</b>		<b>38</b>	<b>47.473.081</b>	<b>47.409.379</b>
<b>C. PREPAYMENTS</b>		<b>39</b>	<b>1.280.687</b>	<b>2.662.165</b>
<b>D. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR</b>				
1. Debenture loans		40	0	0
2. Amounts due to credit institutions		41	27.000.000	25.700.000
3. Advances collected for orders		42	623.520	5.234.687
4. Trade payables - suppliers		43	20.036.106	20.507.642
5. Bills to pay		44	0	0
6. Debts from financial leasing operations		45	2.744	12.352
7. Amounts due to group entities		46	0	0
8. Amounts due to associates and jointly controlled entities		47	0	0
9. Liabilities resulting from derivatives transactions		48	0	0
10. Other liabilities including tax and social security liabilities		49	1.609.698	2.102.172
<b>TOTAL</b>		<b>50</b>	<b>49.272.068</b>	<b>53.556.853</b>
<b>E. NET CURRENT ASSETS/ NET CURRENT LIABILITIES</b>		<b>51</b>	<b>-6.087.858</b>	<b>-8.922.419</b>
<b>F. TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>52</b>	<b>221.603.155</b>	<b>219.492.752</b>
<b>G. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD OF MORE THAN ONE YEAR</b>				
1. Debenture loans		53	0	0
2. Amounts due to credit institutions		54	21.698.388	20.357.873
3. Advances collected for orders		55	0	0
4. Trade payables - providers		56	0	0
5. Bills to pay		57	0	0
6. Debts from financial leasing operations		58	0	0
7. Amounts due to group entities		59	0	0
8. Amounts due to associates and jointly controlled entities		60	0	0
9. Liabilities resulting from derivative operations		61		
10. Other creditors including tax and social security liabilities		62	532.835	514.723
<b>TOTAL</b>		<b>63</b>	<b>22.231.223</b>	<b>20.872.596</b>

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

Item name		Row no.	Balance on:	
			January 1, 2019	March 31, 2019
A		B	1	2
<b>H.</b>	<b>PROVISIONS</b>			
	1. Provisions for employee benefits	64	0	0
	2. Other provisions	65	0	0
	<b>TOTAL</b>	<b>66</b>	<b>0</b>	<b>0</b>
<b>I.</b>	<b>REVENUES FROM ADVANCE</b>			
	1. Subsidies for investmentS	67	5.569.558	5.437.110
	2. Revenues registered in advance, of which	68	0	0
	Amounts to take in a period in up to one year	69	0	0
	Amounts to take in a period exceeding one year	70	0	0
	Negative commercial fund	71	0	0
	<b>TOTAL</b>	<b>72</b>	<b>5.569.558</b>	<b>5.437.110</b>
<b>J.</b>	<b>CAPITAL AND RESERVES</b>			
	<b>I. CAPITAL</b>			
	1. Capital subscribed and paid	73	24.266.709	24.266.709
	2. Capital subscribed and unpaid	74	0	0
	3. Subscribed capital representing financial liabilities	75	0	0
	4. Adjustments of share capital <b>Balance C</b>	76	0	0
	<b>Balance D</b>	77	0	0
	5. Other equity items <b>Balance C</b>	78	0	0
	<b>Balance D</b>	79	394.835	394.835
	<b>TOTAL</b>	<b>80</b>	<b>23.871.874</b>	<b>23.871.874</b>
	<b>II. CAPITAL PREMIUMS</b>	<b>81</b>	<b>14.305.342</b>	<b>14.305.342</b>
	<b>III. REVALUATION RESERVES</b>	<b>82</b>	<b>112.777.937</b>	<b>112.777.937</b>
	<b>IV. RESERVES</b>			
	1. Legal reserves	83	4.471.426	4.471.426
	2. Statutory or contractual reserves	84	0	0
	3. Other reserves	85	32.287.421	32.287.421
	<b>TOTAL</b>	<b>86</b>	<b>36.758.847</b>	<b>36.758.847</b>
	5. Own shares	87	0	0
	Earnings related to equity instruments	88	0	0
	Losses related to equity instruments	89	0	0
	<b>V. RETAINED EARNINGS FROM ADOPTION FOR THE FIRST TIME OF IAS 29</b>			
	<b>Balance C</b>	<b>90</b>	<b>0</b>	<b>0</b>
	<b>Balance D</b>	<b>91</b>	<b>0</b>	<b>0</b>
	<b>VI. RETAINED EARNINGS, EXCEPT THE RETAINED EARNINGS FROM ADOPTION FOR THE FIRST TIME OF IAS 29</b>			
	<b>Balance C</b>	<b>92</b>	<b>9.552.175</b>	<b>11.657.931</b>
	<b>Balance D</b>	<b>93</b>	<b>0</b>	<b>0</b>
	<b>VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD</b>			
	<b>Balance C</b>	<b>94</b>	<b>2.236.378</b>	<b>0</b>
	<b>Balance D</b>	<b>95</b>	<b>0</b>	<b>751.775</b>
	Distribution of profit	96	130.621	0
	<b>EQUITY - TOTAL</b>	<b>97</b>	<b>199.371.932</b>	<b>198.620.156</b>

**PREFAB S.A. BUCHAREST**  
**FINANCIAL STATEMENTS**

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

		Row no.	Balance on:	
Item name			January 1, 2019	March 31, 2019
A		B	1	2
	Public heritage	98	0	0
CAPITALS - TOTAL		99	199.371.932	198.620.156

**Administrator,**

**Name and surname**  
**MILUT PETRE MARIAN**

**Signature**  
**Stamp of unit**

**Prepared by**

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

**Signature**

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

INCOMES AND EXPENSES STATEMENT		Row no.	Financial year	
			31.03.2018	31.03.2019
			1	2
Name of indicators		B		
A				
1.	<b>Net turnover (row 02+03-04+05+06)</b>	<b>01</b>	<b>11.453.828</b>	<b>13.154.835</b>
	Production sold (acct.701+702+703+704+705+706+708)	02	11.485.851	13.653.600
	Revenues from sale of goods (acct. 707)	03	0	0
	Trade discounts granted (acct. 709)	04	32.023	498.765
	Income from operating subsidies related to net turnover (acct.7411)	05	0	0
2.	Income cost products stocks (acct. 711+712)	2.841.882	2.415.799	2.841.882
	Balance C			
	Balance D			0
3.	Revenues from the production of tangible and intangible assets (acct. 721+ 722)	08	2.081.190	2.500.000
4.	Other operating incomes (acct. 758+7417+7815)	09	135.696	142.731
	<b>OPERATING INCOMES - TOTAL</b>	<b>10</b>	<b>16.512.596</b>	<b>18.213.365</b>
5.	a) Expenses for raw materials and consumables (acct. 601+602-7412)	11	7.587.195	7.172.840
	Other material expenses (acct. 603+604+606+608)	12	803.573	651.927
	b) Other external charges (for energy and water)( acct. 605-7413)	13	2.335.433	3.723.946
	c) Expenses on goods (acct. 607)	14	0	0
	Trade discounts received (acct. 609)	15	28.589	41.176
6	Staff costs, of which:	16	2.825.251	3.097.049
	a) Wages and salaries (acct. 641+642+643+644-7414)	17	2.759.533	2.992.300
	b) Insurance and social protection expenses (acct. 645-7415)	18	65.718	104.749
7.	a) Value adjustments on tangible and intangible assets	19	1.777.808	1.960.912
	a.1) Expenses (acct. 6811+6813)	20	1.777.808	1.960.912
	a.2) Incomes (acct. 7813)	21	0	0
	b) Value adjustments on current assets	22	15.152	0
	b.1) Expenses (acct. 654+6814)	23	63.695	0
	b.2) Incomes (acct. 754+7814)	24	48.543	0
8.	Other operating expenses	25	1.575.152	1.713.445
	8.1. Expenses on external services (acct. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	26	1.278.987	1.458.063
	8.2. Other taxes and similar (acct. 635)	27	241.432	193.708
	8.3. Other expenses (acct. 652+658)	28	54.733	61.674
	Adjustments for provisions	29	0	0
	- Expenses (acct. 6812)	30	0	0
	- Incomes (acct. 7812)	31	0	0
	<b>OPERATING EXPENSES - TOTAL (row 13 to 16 - 17 +18 + 21 + 24 + 27 + 32)</b>	<b>32</b>	<b>16.890.975</b>	<b>18.278.943</b>
	<b>OPERATING PROFIT OR LOSS</b>			
	- Profit	<b>33</b>	<b>0</b>	<b>0</b>
	- Loss	<b>34</b>	<b>378.379</b>	<b>65.578</b>

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

INCOMES AND EXPENSES STATEMENT		Row no.	Financial year	
			31.03.2018	31.03.2019
			1	2
Name of indicators				
A	B			
9. Income from exchange rate differences	35		42.019	20.825
				0
10. Interest income (acct.766*)	36		4	0
- of which, revenues from group entities	37		0	0
Income from shares in subsidiaries	38		0	0
<b>FINANCIAL INCOMES - TOTAL</b>	<b>39</b>		<b>42.023</b>	<b>20.825</b>
11. Value adjustments on financial assets and investments held as current assets	40		0	0
- Expenses (acct.686)	41		0	0
- Incomes (acct.786)	42		0	0
12. Interest expenses (acct. 666*-7418)	43		505.941	530.391
- of which, expenses in relation to group entities	44		0	0
Other financial expenses (acct. 663+664+665+667+668)	45		64.439	176.631
<b>FINANCIAL EXPENSES - TOTAL</b>	<b>46</b>		<b>570.380</b>	<b>707.022</b>
<b>FINANCIAL PROFIT OR LOSS</b>				
- Profit	47		0	0
- Loss	48		528.357	686.197
13. <b>CURRENT PROFIT OR LOSS</b>				
- Profit	49		0	0
- Loss	50		906.736	751.775
<b>TOTAL REVENUES</b>	<b>51</b>		<b>16.554.619</b>	<b>18.234.190</b>
<b>TOTAL EXPENSES</b>	<b>52</b>		<b>17.461.355</b>	<b>18.985.965</b>
<b>GROSS PROFIT OR LOSS</b>				
- Profit	53		0	
- Loss	54		906.736	751.775
14. Current income tax (acct. 691)	55		0	0
15. Deferred income taxes (acct. 692)	56		0	0
16. Other taxes not shown on the above items (acct. 698)	57		0	0
17. <b>NET PROFIT OR LOSS OF FINANCIAL YEAR:</b>				
- Profit	58		0	0
- Loss	59		906.736	751.775

Administrator,

Name and surname  
**MILUT PETRE MARIAN**

Signature  
Stamp of unit

Prepared by

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

Signature

**PREFAB S.A. BUCHAREST**  
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**INFORMATIONAL DATA**

<b>I. Data on the recorded result</b>	<b>Row no.</b>	<b>Units no.</b>	<b>Amounts</b>	
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>	
Units with profit:	01	0	0	
Units with loss:	02	1	751.775	
Units that have not recorded any profit or loss:	03	0	0	
<b>II. Data on outstanding payments:</b>	<b>Row no.</b>	<b>Total, of which</b>	<b>For current activity</b>	<b>For investment activity</b>
<b>A</b>	<b>B</b>	<b>1=2+3</b>	<b>2</b>	<b>3</b>
Outstanding payments - total, of which:	04	0	0	0
Outstanding suppliers - total, of which:	05	0	0	0
- over 30 days	06	0	0	0
- over 90 days	07	0	0	0
- over 1 year	08	0	0	0
Outstanding obligations to social security budget - total, of which:	09	0	0	0
- state social insurance contributions due by employers, employees and other assimilated persons	10	0	0	0
- contributions for health insurance fund	11	0	0	0
- contribution for supplementary pension	12	0	0	0
- contribution to the unemployment insurance budget	13	0	0	0
- other social debts	14	0	0	0
Outstanding obligations to special funds budget and other funds	15	0	0	0
Outstanding obligations to other creditors	16	0	0	0
Unpaid tax to the state budget deadline	17	0	0	0
Unpaid tax to the local budget deadline	18	0	0	0
Bank loans outstanding at maturity - total, of which:	19	0	0	0
- outstanding after 30 days	20	0	0	0
- outstanding after 90 days	21	0	0	0
Outstanding after 1 year	22	0	0	0
Outstanding interests	23	0	0	0

<b>III. Medium number of employees</b>	<b>Row no.</b>	<b>31.03.2018</b>	<b>31.03.2019</b>
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**PREFAB S.A. BUCHAREST**  
**FINANCIAL STATEMENTS**  
*(all amounts are expressed in Lei ("RON"))*

A	B	1	2
Medium number of employees	24	324	296
Other informations		0	0
<b>IV. Payments of interest and royalties</b>	<b>Row no.</b>	<b>Amounts ( lei)</b>	
A	B	1	
Gross income from interest paid by Romanian legal entities to non-resident individuals in the Member States of the European Union, of which:	25	0	
- the tax owed to the state budget	26	0	
Gross income from interest paid by Romanian legal entities to non-resident affiliated legal entities in the Member States of the European Union, of which:	27	0	
- the tax owed to the state budget	28	0	
Income from royalties paid by Romanian legal entities to non-resident affiliated legal entities from EU Member States, of which:	29	0	
- the tax owed to the state budget	30	0	
<b>V. Meal tickets</b>	<b>Row no.</b>	<b>Amounts ( lei)</b>	
A	B	1	
Value of meal tickets granted to employees	31		
<b>VI. Research - development expenses, of which:</b>	<b>Row no.</b>	<b>31.03.2018</b>	<b>31.03.2019</b>
A	B	1	2
Research - development expenses, of which:	32	0	0
- by public funds	33	0	0
- by private funds	34	0	0
<b>VII. Innovation expenses:</b>	<b>Row no.</b>	<b>31.03.2018</b>	<b>31.03.2019</b>
Innovation expenses - total, of which:	35	0	0
- innovation expenses finalized during the period	36	0	0
- innovation expenses to be finalized during the period	37	0	0
- innovation expenses abandoned during the period	38	0	0
<b>VIII. OTHER INFORMATION</b>	<b>Row no.</b>	<b>31.03.2018</b>	<b>31.03.2019</b>
A	B	1	2
Advance payments for intangible assets	40		
Advance payments for tangible assets	41	0	0
<b>Financial assets, in gross amounts, of which:</b>	<b>42</b>	<b>9.439.669</b>	<b>9.439.669</b>
Shares in affiliates, participating interests, other assets and long-term bonds, in gross amounts, of which:	43	9.439.669	9.439.669

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- quoted shares issued by residents	44		
- unquoted shares issued by residents	45	9.420.750	9.420.750
- holdings issued by residents	46	0	0
- bonds issued by residents	47	0	0
- shares issued by collective investment undertakings (including by SIF) issued by residents	48	0	0
- shares and holdings issued by non-residents	49	18.919	18.919
- bonds issued by non-residents	50	0	0
<b>Fixed receivables, in gross amounts, of which:</b>	<b>51</b>	<b>204</b>	<b>204</b>
- fixed receivables in lei and expressed in lei, whose settlement is based on a foreign currency (of acct. 267)	52	204	204
- foreign currency receivables (of acct. 267)	53		
<b>Trade receivables, advances granted to suppliers and other similar accounts, in gross amounts (acct. 411 + 413 + 418+4092)</b>	<b>54</b>	<b>33.269.694</b>	<b>35.785.137</b>
<b>Receivables related to personnel and assimilated accounts (acct. 425 + 4282)</b>	<b>55</b>	<b>5.286</b>	<b>480</b>
<b>Receivables related to the social insurance budget and the state budget (acct. 431 + 437 +4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482)</b>	<b>56</b>	<b>118.920</b>	<b>162.947</b>
<b>Receivables entity related to the affiliated entities (acct. 451)</b>	<b>57</b>	<b>0</b>	<b>0</b>
<b>Other receivables (acct. 451 + 453 + 456 + 4582 + 461 + 471 + 473+542)</b>	<b>58</b>	<b>7.617</b>	<b>8.393</b>
Interest to be receivable (acct. 5187)	59	0	0
Short-term investments, in gross amounts (acct. 501 + 505 + 506 + of acct. 508), of which	60	0	0
- quoted shares issued by residents	61	0	0
- unquoted shares issued by residents	62	0	0
- holdings issued by residents	63	0	0
- bonds issued by residents	64	0	0
- shares issued by collective investment undertakings (including by SIF)	65	0	0
- shares issued by non-residents	66	0	0
- bonds issued by non-residents	67	0	0
Other amounts receivable (acct. 5113 + 5114)	68	0	0
<b>Cash in lei and foreign currency, of which</b>	<b>69</b>	<b>16.345</b>	<b>3.999</b>
- in lei (acct. 5311)	70	16.345	3.999
- in foreign currency (acct. 5314)	71	0	
<b>Current accounts in banks in lei and foreign currency, of which</b>	<b>72</b>	<b>819.014</b>	<b>496.421</b>
- in lei (acct. 5121)	73	802.692	480.393
- in foreign currency (acct. 5124)	74	16.332	16.028
<b>Other current accounts at banks and credit, of which</b>	<b>75</b>	<b>0</b>	<b>0</b>

**PREFAB S.A. BUCHAREST**  
**FINANCIAL STATEMENTS**

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

- amounts in course of settlement, letters of credit and other values receivable, in lei (acct. 5112 + 5125 + 5411)	76	0	0
- amounts in course of settlement, letters of credit in foreign currency (acct. 5125 + 5412)	77	0	0
<b>Liabilities, of which:</b>	<b>78</b>	<b>70.409.002</b>	<b>74.429.448</b>
- Loans from bonds and interest, in gross amounts (acct. 161 + 1681)	79	0	0
- in lei	80	0	0
- in foreign currency	81	0	0
<b>- Short-term domestic bank loans and interest (acct. 5191 + 5192 + 5197 + din ct. 5198), of which:</b>	<b>82</b>	<b>28.577.586</b>	<b>25.700.000</b>
- in lei	83	28.577.586	25.700.000
- in foreign currency	84	0	0
- Short-term foreign bank loans and interest (acct. 5193 + 5194 + 5195 + din ct. 5198), of which:	85	0	0
- in lei	86	0	0
- in foreign currency	87	0	0
<b>- Long-term bank loans and interest (acct. 1621 + 1622 + 1627 + din ct. 1682) of which</b>	<b>88</b>	<b>22.335.721</b>	<b>20.357.873</b>
- in lei	89	22.335.721	20.357.873
- in foreign currency	90	0	0
- Long-term foreign loans (acct. 1623 + 1624 + 1625 + din ct. 1682) (88+89)	91	0	0
- in lei	92	0	0
- in foreign currency	93	0	0
- Credits from the state treasury (acct. 1626 + of acct. 1682)	94	0	0
<b>- Other loans and related interests (acct. 166 + 167 + 1685 + 1686 + 1687)</b>	<b>95</b>	<b>199.527</b>	<b>119.888</b>
- in lei and expressed in lei, whose settlement is based on a foreign currency	96	0	0
- in foreign currency	97	199.527	119.888
<b>- Trade payables, advances from customers and other similar accounts in gross amounts (acct. 401 + 403 + 404 + 405 + 408 + 419)</b>	<b>98</b>	<b>17.367.393</b>	<b>25.754.681</b>
<b>- Debt related to personnel and assimilated accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)</b>	<b>99</b>	<b>598.657</b>	<b>823.165</b>
<b>- Debt related to the social insurance budget and state budget (acct. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481)</b>	<b>100</b>	<b>1.198.322</b>	<b>1.528.580</b>
<b>- Liabilities of entity related to affiliate entities (acct. 451)</b>	<b>101</b>	<b>0</b>	<b>0</b>
<b>- Amounts due to shareholders/associates (acct. 455)</b>	<b>102</b>	<b>0</b>	<b>0</b>

**PREFAB S.A. BUCHAREST**  
**FINANCIAL STATEMENTS**

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

- Other liabilities (acct. 451 + 453 + 455 + 456 + 457 + 4581 + 462 + 472 + 473 + 269 + 509)	103	131.796	145.262
- Interest payable (acct. 5186)	104	0	0
Capital subscribed and paid (acct. 1012) of which,	105	24.266.709	24.266.709
- quoted shares	106	24.266.709	24.266.709
- unquoted shares	107		
- holdings	108		
- capital subscribed and paid by non-residents (acct. 1012)	109		
Patents and licenses (of acct. 202)	110		
<b>IX. Informations regarding the expenses with contributors</b>	<b>Row no.</b>	<b>31.03.2018</b>	<b>31.03.2019</b>
A	B	1	2
Expenses with contributors (acct. 621)	111	0	0

**Administrator,**

**Name and surname**  
**MILUT PETRE MARIAN**

**Signature**  
Stamp of unit

**Prepared by**

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

**Signature**

## FINANCIAL AND ECONOMIC INDICATORS

<b>Name of indicator</b>	<b>Calculation</b>	<b>Result</b>
<b>1. Current liquidity indicator</b>	<b>Current assets (circular)/ Current liabilities</b>	<b>=47.409.379/53.556.853=0.89</b>
<b>2. Indebtedness indicator</b>	<b>Borrowed capital (t0+t1)/ Own capital (t0=t1)</b>	<b>[71.503.291+74.429.449)/2]/ [(199.371.932+198.620.156/2] =0.37</b>
<b>3. Rotation speed of debits - clients</b>	<b>Average balance customers/ turnover x 90</b>	<b>[(36.557.102+35.386.683)/2] / 13.154.835x90=246</b>
<b>4. Rotation speed of fixed assets</b>	<b>Turnover/ Fixed assets</b>	<b>13.154.835/228.415.171=0.06</b>

**Accounting Service,  
Ec. Cosmin Dinca**

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

The Board of Directors of PREFAB S.A. hereby states that assumes responsibility for the preparation of the Financial Statements prepared on March 31, 2019.

The Board of Directors of PREFAB S.A. confirms, in respect of the Financial Statements prepared on March 31, 2019, the following:

- a) The Financial Statements on March 31, 2019 are prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union.
- b) The accounting policies used to prepare the Financial Statements from March 31, 2019 are in accordance with the applicable accounting regulations.
- c) The Financial Statements prepared on March 31, 2019 provides a true picture of the financial position, financial performance and other information about the business.
- d) The Company carries out its activity in continuity.

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

**Chairman of the Board of Directors,**

**Eng. Milut Petre Marian**