

Press Release - Quarterly Report - Quarter I 2024

Report date: 15.05.2024

Company name: PREFAB SA

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Phone/fax number: 021-3315116 / 021-3305980

Unique registration code at the Trade Register Office: RO1916198

Commercial register number: J40/9212/2003

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

Subscribed and paid-up share capital: 24.266.709,5 lei

Main characteristics of the issued securities: the company has issued a total of 48,533,419 registered shares with a nominal value of 0.5 lei each, dematerialized.

Accounting standard applied: International Financial Reporting Standards

In the first quarter of 2024, the national economy continues to face multiple challenges related to stability and predictability that have been amplified by high inflation but also by issues related to the economic implications of the armed conflict at the border and the consequences of the energy crisis.

Since 2020 the economy has faced numerous crises, starting with the health crisis, then the crisis caused by the economic lockdown that affected the supply chain, followed by the energy crisis in Europe, culminating in the crisis triggered by the war in Ukraine. This whole spiral of crises caused an inflationary shock that manifested itself strongly in all sectors of the national economy both in terms of prices for electricity, natural gas, fuels, industrial raw materials causing price increases and bottlenecks in production chains. At the same time we have seen a significant increase in financing costs. These consequences slow down the pace of economic activities.

The current economic context continues to be dominated by uncertainties, and there is no possibility of making accurate forecasts for the coming period.

Although we have gone through a special period that the economic environment has not experienced before, the company has paid increased attention to the activity and has acted with prudence and responsibility in the managerial act.

Currently the most worrying phenomenon is inflation, which has led to a decrease in the purchasing power of potential customers, thus decreasing the demand in the building materials market and the orientation of consumption towards existing products.

Under these conditions, as of March 31, 2024, compared to the same period of 2023, the bottleneck in the building materials market caused by the lack of liquidity and the decrease in the purchasing power of consumers will continue. As regards the market for reinforced and prestressed concrete precast products, electric poles, highway elements, prefabricated parts, beams for road bridges, the cause is the slow settlement of executed works due to financial bottlenecks in the national investment field, the low volume of large projects for national infrastructure as well as 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.

The economic climate is still characterized by excessive and changing taxation, with the risk of increasing taxes and duties to finance public spending, cumbersome legislation, excessive

bureaucracy in obtaining the necessary permits and authorizations for operation, currency risk with influence on the price of some raw materials and materials.

The turnover recorded on 31.03.2024 is decreasing by 19.48 % compared to that recorded on 31.03.2023, the depreciation of this indicator being due to the decrease in the volumes sold.

The operating result recorded an appreciation of 1,610,455 lei, from -921,170 lei (31.03.2023) to 689,285 lei (31.03.2024), the appreciation being due to the company's policies applied to reduce production costs.

The financial result recorded on 31.03.2024 is in the amount of -546.479 lei, compared to -558.052 lei recorded in the same period of 2023, being in the same range of values.

The value of fixed assets decreased by 0.42 %, from 205.550.934 lei (31.12.2023) to 204.679.648 lei (31.03.2024), decrease due to depreciation of land and buildings, technical installations and machinery, other installations, equipment and furniture.

The value of current assets increased by 3.07 %, from 51.598.503 lei (31.12.2023) to 53.184.649 lei (31.03.2024), while net current assets appreciated, recording a value of 17.175.875 lei compared to 15.489.240 lei recorded on 31.12.2023.

Total debts increased by 3.45%, from 40,927,365 lei (31.12.2023) to 42,343,418 lei (31.03.2024), mainly due to inflation, which caused the increase in supply prices and labour costs.

As of 31.03.2024, total revenues amounted to 20,479,438 lei, representing 68.19% of the revenues realized in the same period of 2023 and total expenses amounted to 20,336,166 lei, representing 64.53% of the expenses realized in the same period of 2023. The gross result under these conditions is 143,272 lei.

Indicators (lei)	31.12.2023	31.03.2024	Variation
Fixed assets	205.550.934	204.679.648	-0.42%
Current and other assets	51.887.819	54.161.349	+4.38%
Total debts	40.927.365	42.343.418	+3.45%
Equity and other liabilities	216.511.388	216.497.579	0.00%

Indicators (lei)	31.03.2023	31.03.2024	Variation
Net turnover	24.367.427	19.619.654	-19.48%
Other operating income	5.592.650	856.318	-84.69%
Operating expenses	30.881.299	19.786.687	-35.93%
Operating result	-921.222	689.285	-174.82%
Depreciation	2.420.521	2.120.781	-12.38%
EBITDA	1.499.299	2.810.066	+87.43%
Financial income	72.010	3.465	-95.19%
Financial expenses	630.012	549.479	-12.78%
Financial result	(558.002)	(546.014)	-2.15 %
Total income	30.032.087	20.479.437	-31.81%
Total expenditure	31.511.311	20.336.166	-35.46 %
Gross profit	(1.479.224)	143.271	+109.68%
Net profit	(1.479.224)	86.236	+105.55%

PREFAB S.A. informs investors that the Quarterly Report prepared as of 31.03.2024, in accordance with the provisions of Law no. 24/2017 republished and Financial Supervisory Authority Regulation no. 5/2018, is not audited and will be made available to the public from 15.05.2024, ora 8³⁰, at the company's headquarters and on the website at www.prefab.ro (Shareholders - Periodic Reports/Reports).

Further information can be obtained from the Shareholders Department, tel/fax: 0242-311715/ 0242-318975, e-mail: actionariat@prefab.ro.

This press release as well as the Quarterly Report for the first quarter of 2024 have been sent simultaneously to the Bucharest Stock Exchange and the Financial Supervisory Authority.

Milut Petre Marian
Director General