PREFAB S.A. ADMINISTRATORS' REPORT FOR THE FIRST HALF OF 2026
Half-Year Report in accordance with
Financial Supervisory Authority Regulation No. 5/2018 – Annex 14
(all amounts are expressed in RON, unless otherwise specified)

For the financial year: 2026 (first half)
Report date: 14 August 2026
Company name: PREFAB S.A.
Registered office: Constanta, Soseaua Industriala No. 5
Place of business: Calarasi, 396 Bucuresti Street
Telephone/Fax number: 0242-311715 / 0242-318975
Unique Registration Code: RO1916198
Trade Register registration number: J2003009212407
Regulated market on which the issued securities are traded: Bucharest Stock Exchange, Standard category
Subscribed and paid-up share capital: RON 41,303,072.50
Main characteristics of the issued securities: the Company has issued 82,606,145 registered shares, with a nominal value of RON 0.50 each, in dematerialized form
Accounting standard applied: Order of the Ministry of Public Finance No. 2844/2016 of December 12, 2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards
Audit: The interim financial statements are reviewed by the financial auditor.

1. Analysis of the Company's Activity
• Description of the Company's principal activity
PREFAB S.A.'s principal activity is: Manufacture of concrete products for construction purposes, CAEN Code – 2361.
The shareholding structure as at June 30, 2026, according to the records of the Central Depository, was as follows:

Shareholder	No. of shares	%
CELCO SA CONSTANTA	80.161.542	97.0406
OTHER SHAREHOLDERS – LEGAL ENTITIES	173.875	0.2105
OTHER SHAREHOLDERS – INDIVIDUALS	2.270.728	2.7489
TOTAL	**82.606.145**	**100.0000**

- **Date of incorporation of the Company**

PREFAB S.A. was established in 1990 through the full takeover of the assets of the former Călărași Construction Materials Enterprise, which had been operating since 1967.
PREFAB S.A. was organized in its current structure pursuant to Law No. 15/1990 and Government Decision No. 1200/12.11.1990, and was registered with the Trade Register under No. J2003009212407.

- **Description of any significant merger or reorganization of the Company, its subsidiaries or controlled companies during the financial year**

During the first half of 2026, there were no significant changes/reorganizations, mergers, demergers or dissolutions.
Operations approved prior to the reporting period and in the process of implementation as at the reporting date are presented in Section 3.3.
As at June 30, 2026, the Company has the following place of business:

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Călărași Place of Business, 396 Bucuresti Street, Călărași County

- **Description of acquisitions and/or disposals of assets**

The value of fixed assets increased by **2.16%**, from **RON 192,932,925** as at **December 31, 2025** to **RON 197,094,240** as at **June 30, 2026**, as a result of investments made in equipment and modernization works carried out on existing assets.

The most significant investments made during the period under review include the modernization of autoclaves, modernization of silos, the acquisition of **two vertical elevators**, laboratory equipment, moulds, as well as other investments aimed at increasing the efficiency of the production process.

During the period, no significant assets were disposed of that would have affected the conduct or achievement of the Company's principal business activity.

1.1.1. General Evaluation Elements

The financial statements are prepared in accordance with the provisions of Order of the Ministry of Public Finance No. 2,844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.

The main economic and financial indicators achieved during the first half of 2026 are as follows:

- **Gross loss:** RON 1,487,817;
- **Net loss:** RON 1,487,817;
- **Revenue from sales:** RON 26,534,333;
- **Total expenses:** RON 25,372,947, of which:
  - operating expenses: RON 23,969,810;
  - financial expenses: RON 1,403,137;
- **Total income:** RON 23,885,130, of which:
  - operating income: RON 23,765,926;
  - financial income: RON 119,204

Given the negative taxable result recorded during the reporting period, the Company did not recognize any income tax expense; therefore, gross loss and net loss are equal, amounting to RON 1,487,817.
The net result for the period is a loss of RON 1,487,817, resulting from the fact that the total income generated during the first half of 2026 did not fully cover the expenses incurred during the same period. The result was mainly affected by the costs associated with commissioning the new technological equipment, depreciation of the investments made, the performance of technological tests, as well as the low utilization rate of production capacities during the first part of the year.

The Autoclaved Aerated Concrete (AAC), a masonry material manufactured by PREFAB S.A., amounted to 63,873 cu. m. of production during the first half of 2026.
During the first half of 2026, PREFAB S.A. sold approximately 81,403.54 cu. m. of AAC, compared with approximately 102,266.47 cu. m. during the same period of 2025.
The difference between the volume produced and the volume sold is attributable to the utilization of finished goods inventories existing at the beginning of the period.

In the first half of 2026, the Company did not produce any precast elements or ready-mix concrete, with the total production volume for this segment amounting to 0 cu. m. This situation was due to the prioritization of the resumption of AAC production activities through the completion of the modernization investments at the AAC plant. Financial, technical and organizational resources were focused on recommissioning the AAC production capacities, this stage representing management's main objective during the reporting period. Following the completion of the reorganization and stabilization process, the Company intends to gradually resume the production of precast elements, depending on market demand and contracting opportunities.

Regarding the activity of the cogeneration plant, it was not operational during the first half of 2026. The decision was made against the backdrop of uncertainties regarding volatility in the energy market, in conjunction with the production of construction materials.

Liquidity:

- Cash and bank accounts at the beginning of the period: **RON 273,354**
- Cash and bank accounts at the end of the period: **RON 4,226,964**
- Cash flow: **RON 3,953,610**
- Current ratio: **1.51**
- Quick ratio: **0.80**

As at June 30, 2026, the Company's liquidity position improved significantly compared with the beginning of the financial year. Cash and bank balances increased from RON 273,354 to RON 4,226,964, representing a positive net cash flow of RON 3,953,610.

The liquidity ratios improved compared with the beginning of the financial year and reflect the strengthening of the Company's financial position. Thus, the current ratio as at June 30, 2026 was **1.51**, while the quick ratio was **0.80**, reflecting the availability of sufficient current assets to cover short-term liabilities as they fall due. At the same time, the level of cash and cash equivalents enables the Company to cover a significant portion of its current obligations, contributing to the maintenance of an adequate financial balance.

The evolution of these indicators was supported by the strengthening of the Company's financial position and by the measures adopted by management to ensure the resources necessary for carrying out current operations and implementing the planned investment programs.

1.1.2. Assessment of the Company's Technical Level

PREFAB S.A. is one of the leading producers in Romania of:
a. **AAC (Autoclaved Aerated Concrete)**, with a production capacity of approximately 500,000 cu. m/year;
b. **Standardized Precast Elements**, with a production capacity of 20,000 cu. m/year;
c. **Concrete pipes for water supply and sewerage networks** (Premo and Sentab technology);
d. **Non-standardized precast elements**;
and one of the important suppliers on the local market of:
e. **Ready-mix concrete**;
f. **Electricity** (since April 2013)

It should be noted that the production structure has been continuously aligned with market conditions, namely with the quantities and product mix requested.

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

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

PREFAB S.A. is one of the leading national producers of construction materials, with a diversified portfolio of products marketed.
The main sales markets are **Romania and, occasionally, the Republic of Bulgaria and the Republic of Moldova.**
In Romania, the sales market structure is as follows:

(all amounts are expressed in RON, unless otherwise specified)

a. for AAC: Muntenia, Transylvania and Moldavia;
b. for precast elements: throughout Romania;
c. for ready-mix concrete: the local market.
The sales policy is differentiated according to the specific characteristics of each product.
a. AAC is marketed through **CELCO – the main distributor**.
b. Precast elements are marketed through **tender procedures or project-based negotiations**.
The sale of AAC (Autoclaved Aerated Concrete) products is carried out through **CELCO S.A.** The commercial relationship is conducted under market conditions and in accordance with the commercial agreements concluded between the parties.
Given the Company's shareholding structure, the Company carries out transactions with related entities, particularly with **CELCO S.A.** These transactions are monitored and approved in accordance with the applicable internal procedures and are disclosed in the interim financial statements in accordance with IFRS requirements regarding related parties.
The Company considers this dependence to be a commercial risk factor that is continuously monitored.
Precast concrete products are marketed mainly as part of investment projects, through participation in public and private procurement procedures, respectively through tenders or direct negotiations, depending on the specific nature and requirements of each project.
During the first half of 2026, the Company's commercial strategy was primarily focused on restarting AAC production and strengthening the market presence of this product.
Over the medium term, the Company intends to diversify its distribution channels and expand its customer base, to the extent permitted by market conditions and its commercial strategy.

b. The share of each category of products or services in the Company's revenue and total sales:

PREFAB S.A. has continuously sought, over the years, to differentiate itself from its domestic competitors, placing particular emphasis on the modernization and upgrading of its production process, as well as on improving the quality of the products and services offered to customers, against the backdrop of declining purchasing power in the market.
Revenue from sales of products is structured into the following product categories:

Product name	30.06.2025 %	2025 %	30.06.2026 %
AAC	83.82%	80.08%	91.73%
Concrete pipes	2.68%	2.35%	2.93%
Precast products	10.49%	13.35%	0.72%
Electricity	0%	0.43%	0%
Other products	3.01%	3.79%	4.62%

The revenue generated from concrete pipes results from the sale of existing inventories and not from production carried out during the reporting period.

c. New products envisaged for which a substantial amount of assets will be committed in the future financial year, as well as the development stage of these products

In order to develop its business and strengthen its position in the construction materials market, the Company intends to make investments to expand its production capacity by implementing an automated production line designed to manufacture high-value-added AAC products.

1.1.3. Assessment of Technical and Material Procurement Activities

The main objectives of the procurement activities were:
- reducing procurement costs for all expense items and, consequently, reducing production costs;
- optimizing the number of employees in direct proportion to the level of production and reducing labor costs;
- identifying new suppliers;

(all amounts are expressed in RON, unless otherwise specified)

- ensuring the necessary quantities of raw materials and supplies, spare parts, in accordance with the inventory policy;
- obtaining the best possible contractual terms (quality/price/payment terms).

The current inventory, including the safety stock, ensures the smooth operation of the production activities.
The main suppliers of raw materials are:

- Heidelberg Devnya;
- Cristilory ;
- Celco SA;
- Alba Aluminiu;
- Engie Romania SA;

Commercial relationships with the main suppliers of raw materials are based on compliance with the terms and conditions set out in the sales and purchase agreements concluded or, as applicable, extended at the beginning of each year. The selection of suppliers is based primarily on the quality-price ratio, commercial terms and market developments for the respective product.

1.1.4. Assessment of Sales Activities

a. Description of the sequential evolution of sales on the domestic and/or foreign markets and sales prospects in the medium and long term

The sequential sales activity for the 2025–2026 period is presented in the table included in Section 1.1.2, point a)

The evolution of sales revenue is presented as follows:

30.06.2025	31.12.2025	30.06.2026
33.407.811 lei	68.703.933 lei	26.534.333

The Company's medium- and long-term development prospects are favorable, supported by the resumption of AAC production activities, the reorganization measures implemented in the context of the change in the shareholding structure, and the investment strategy focused on modernizing and expanding production capacities.
In the coming period, the Company aims to strengthen its position in the construction materials market by increasing AAC sales volumes, diversifying its product portfolio and developing commercial relationships with existing partners, as well as by identifying new market opportunities.
At the same time, the Company intends to make investments to expand its production capacity and increase the level of automation of its technological processes. This investment will enable the manufacture of new high-value-added AAC products and will contribute to improving competitiveness and operational efficiency.
With regard to precast concrete and ready-mix concrete activities, the Company's objective is to gradually resume production, depending on developments in market demand and the development of infrastructure and construction investment projects. Leveraging existing capacities and increasing their utilization rate are important directions of the Company's medium-term development strategy.
The Company's management considers that the implementation of the investment program, together with the opportunities arising from projects financed by European funds and the development of the construction sector, will create the conditions for strengthening the Company's operations and improving its economic and financial performance in the coming period.

b. Description of the competitive situation in the Company's field of activity, the Company's market share for its products or services, and its main competitors

During the first half of 2026, PREFAB S.A. sold approximately **81,403.54 cu. m. of AAC**.

Traditional competitors in the AAC market:

- Elpreco;
- Xella ;
- Holcim ;
- Soceram;

In the first half of 2026, the Company did not produce any precast elements or ready-mix concrete, with the total production volume for these product categories amounting to **0 cu. m**.

Furthermore, during the reporting period, no **PREMO-SENTAB sewerage pipes** were produced, with the production volume amounting to **0 cu. m.**

The absence of production for these product categories was due to the prioritization of the resumption of AAC production activities, with financial, technical and organizational resources being focused on recommissioning and stabilizing this activity.

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

The sale of AAC products is carried out through CELCO S.A. The commercial relationship is conducted under market conditions and in accordance with the commercial agreements concluded between the parties. Consequently, the revenues generated from the sale of AAC products are significantly dependent on the continuation of the commercial relationship with this partner.
In the first half of 2026, transactions with CELCO S.A. accounted for **85.97% of the Company's sales**, and were carried out under commercial terms comparable to those applicable to transactions between independent entities.
The Company considers that its commercial relationship with CELCO S.A. is stable and is conducted on the basis of established contractual and commercial arrangements. However, the termination or significant modification of the commercial relationship with this distributor could have a negative impact on the Company's revenues in the short term, until alternative distribution channels are identified and developed.
The Company's management continuously monitors this commercial dependence and seeks to adopt the necessary measures to mitigate the associated risks, including by strengthening the market position of its products and assessing opportunities to develop distribution channels, in accordance with the Company's commercial strategy.
Given the Company's shareholding structure, the Company carries out transactions with related entities, particularly with CELCO S.A. These transactions are monitored and approved in accordance with the applicable internal procedures and are disclosed in the interim financial statements in accordance with IFRS requirements regarding related parties.
Over the medium term, the Company intends to diversify its distribution channels and expand its customer base, to the extent permitted by market conditions and the Company's commercial strategy.

1.1.5. Assessment of Matters Related to the Company's Employees/Personnel

a. Number and level of qualification of the Company's employees, as well as the degree of unionization of the workforce

As at June 30, 2025, the average number of employees was **216**, while the actual number of employees was **259**.
As at June 30, 2026, the average number of employees was **196**, while the actual number of employees was **211**.
The reduction in the number of employees compared with the comparative period reflects the measures taken to improve operational efficiency and adapt the workforce structure to the current level of production activity.
In relation to the employer, the Company's employees are represented by two representatives elected from among the employees, in accordance with the provisions of labor legislation. The dialogue between the Company's management and the employees' representatives has been conducted in a collaborative and transparent manner, with the objective of maintaining a stable working environment and ensuring constructive social dialogue.
The Company has no liabilities towards directors or managers during the period under review, and no advances or loans were granted to directors or managers.

During the first half of 2026, the Company's recruitment and personnel selection activities were adapted to the needs arising from the resumption of production activities and the Company's reorganization. The recruitment process was carried out in a context characterized by the limited availability of qualified personnel in the labor market, particularly for occupations specific to the construction materials industry.
In order to fill the positions required for the Company's operations, the Company applied rigorous selection criteria, seeking to identify and attract qualified and experienced personnel capable of contributing to the achievement of operational objectives and the development of the business with efficiency and quality.
The Company places particular emphasis on the organization of *vocational training courses*, improving work practices and interdepartmental cooperation.

b. Description of the relationship between management and employees, as well as any conflicts characterizing such relationships
During the first half of 2026, there were no conflicts between the Company's management and its employees.

1.1.6. Assessment of the Impact of the Company's Core Activities on the Environment

PREFAB S.A. aims to intensify its efforts to ensure and maintain an environmental standard in line with international and European standards.
To this end, the following objectives have been established:
1. **Implementation and certification of an environmental management system.** The Company holds Environmental Management Certificate No. **08 / 20.06.2023**, valid until **June 19, 2026**, in accordance with **SR EN ISO 14001:2015**;
2. **Identification and control of environmental aspects** associated with all activities carried out within the Company, in order to ensure compliance with legal requirements and prevent pollution by:
- minimizing the quantities of waste generated and managing waste safely when its generation cannot be avoided;
- improving the quality of wastewater discharged by the Company;
- reducing emissions of pollutants into the atmosphere;
- reducing the consumption of natural resources.
3. **Ensuring communication of the environmental policy** to all internal and external stakeholders;
4. **Creating the conditions for the implementation, maintenance and continuous improvement of the Environmental Management System** by ensuring competent human resources and the material resources necessary to maintain the environmental policy and achieve the established objectives.

During the first half of 2026, the Company sought to comply with the applicable legal requirements and those set out in regulatory acts, as also confirmed by the inspections carried out by the competent state authorities.
During the reporting period, no significant environmental incidents were recorded and no sanctions were imposed for non-compliance with environmental legislation.
With a view to developing its activities, the Company intends to implement investments aimed at modernizing and expanding its production capacities, with a focus on increasing energy efficiency, reducing specific consumption and minimizing the environmental impact.
At the same time, the Company intends to apply for the **PROINFRA state aid scheme** for the purpose of acquiring assets and equipment with a reduced environmental impact, energy-efficient and compliant with current requirements regarding environmental protection and sustainable development. Through the implementation of these investments, the Company aims to reduce emissions associated with its production activities, optimize resource consumption and improve the environmental performance of its technological processes.

1.1.7. Assessment of Research and Development Activities

In general, research activities within PREFAB S.A. are carried out through the Technical Department and the Company's own laboratories, as well as through collaborations with design and research institutes, with a direct impact on improving the quality of the Company's products and services through the improvement of production recipes and optimization schemes aimed at increasing labor productivity, namely: modernization of existing production capacities, improvement of the working environment, expansion of the sales market and product range, and automation of technological processes.

Against the backdrop of the current economic environment, the amounts allocated to research activities during the first half of 2026 were insignificant.

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
• Foreign exchange risk
• Operational risk
• Taxation risk
• Data protection and processing risk
• 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.
Furthermore, risk prevention is an integral part of the daily decision-making processes at management level and at every level of our Company. The risk management process is based on a preventive and systematic approach, aimed at identifying and managing risks in real time and, where possible, proactively, in order to avoid any potential adverse impact on the Company's operations and reputation. Each employee is aware of the risks associated with the activities they perform and takes daily action, using various techniques, to prevent and manage such risks.

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.

(all amounts are expressed in RON, unless otherwise specified)

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 2025	30 June 2026
Trade and other receivables	1.602.891	9.697.702
Cash and cash equivalents	273.354	4.226.964
Total	**1.876.245**	**13.924.666**

ASSETS	31 December 2025	30 June 2026
Shares held in subsidiaries	0	0
Other non-current securities	0	0
Total	**0**	**0**

LIABILITIES	31 December 2025	30 June 2026
Trade and other payables	10.468.915	8.695.815
Other liabilities, including current income tax	3.005.075	2.909.016
Total	**13.473.990**	**11.604.831**

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.

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 conducts commercial transactions in currencies other than its functional currency (the Romanian leu), mainly in connection with the purchase of raw materials, materials and equipment, as well as, occasionally, in the course of its external commercial relationships.
Foreign currency transactions are recorded in the accounting records in RON, using the exchange rate communicated by the National Bank of Romania applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies are revalued at the reporting date in accordance with the applicable accounting regulations.
The Company is exposed to foreign exchange risk; however, management continuously monitors this exposure and implements risk management measures by matching foreign currency cash inflows and outflows and carefully planning commercial transactions. Given the volume and structure of foreign currency transactions, foreign exchange risk is continuously monitored and is considered manageable in relation to the volume and nature of the Company's foreign currency transactions.

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.

Taxation risk

The Company has implemented the tax changes currently in force; however, the manner in which these changes have been implemented remains subject to tax audit for a period of five years.
The interpretation of the provisions and the practical implementation of procedures arising from the new applicable tax regulations, harmonized with European legislation, may vary from one entity to another, and there is a risk that, in certain circumstances, 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

The military conflict in Ukraine, which began in 2022, continues to generate a climate of uncertainty at regional and international level, affecting energy markets, supply chains, financing costs and the overall economic environment.
Although the direct impact on the Company's activities was limited during the reporting period, risks arising from the evolution of the conflict persist and may lead to volatility in energy and raw material prices, disruptions to supply chains, increased financing costs, intensified inflationary pressures, changes in tax policies and reduced investment in the construction sector. These developments may affect demand for the Company's products and its economic and financial results.
As at the date of preparation of this report, management continuously monitors developments in the geopolitical and economic environment and cannot reliably estimate the extent of the effects that these developments may have on the Company's activities and financial performance in future periods.
Management considers that the Company has the resources and capacity necessary to continue its activities on a going concern basis and continues to implement risk management measures, cost optimization measures and investment programs aimed at strengthening its market position and ensuring sustainable development.

Energy Price Risk
Given the energy consumption requirements specific to the production process, the Company is exposed to the risk of fluctuations in electricity and natural gas prices.

1.1.9. Forward-Looking Elements Regarding the Company's Activities

a. Presentation and analysis of trends, elements, events or uncertainties affecting or potentially affecting the Company's liquidity compared with the same period of the previous year.

The Company recognized provisions for litigation as at December 31, 2025, in a 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**, arising from **Case No. 1271/3/2024**, concerning an action for a declaratory judgment – revocation of a mandate without just cause, in which the Company is required to pay damages to **Sorin Miron**, the former General Manager of the Company, as follows :
   a) **The amount of RON 1,649,232.90**, adjusted for inflation, representing the total amount of fixed remuneration to which Sorin Miron would have been entitled until the termination of the agreement upon expiry, in accordance with Article 10.2.3 of Mandate Agreement No. 5298/04.10.2022,
   b) **The amount of RON 6,212,277.70**, representing the value of the benefit lost by Sorin Miron due to the non-granting of the SOP Share Package (representing **5% of PREFAB's share capital**).

2. **The amount of RON 5,780,492.58**, arising from the Minutes of Finding and Sanctioning of a Forestry Offence, series CCS No. 0857189, drawn up on September 25, 2025, in Călărași by the Bucharest Forest Guard, whereby PREFAB S.A. was subject to the principal contravention sanction of a fine in the maximum amount of RON 50,000, pursuant to Article 19(1)(e) of Law No. 171/2010, as well as to complementary sanctions consisting of the value-based confiscation of a stock of **6,721.503 cu. m. of timber** and the establishment of compensation in the amount of **RON 5,780,492.58**, as well as arising from Minutes No. 8759/25.09.2025 concerning the inspection of timber storage areas/markets and roundwood processing facilities.
   PPREFAB S.A. challenged this sanction before the court.

During the first half of 2026, the provision amounting to **RON 7,861,510.60**, recognized for the litigation with the Company's former General Manager, Mr. Sorin Miron (Case No. 1271/3/2024), was **reversed through income** following Judgment No. 1089 dated April 9, 2026, issued by the Bucharest Tribunal – 6th Civil Division, whereby the claim brought against the Company was dismissed as unfounded. The court also ordered the claimant to pay PREFAB S.A. **RON 72,096.81** in legal costs. The judgment is subject to appeal under the applicable law.
As at June 30, 2026, the Company continues to maintain a provision amounting to **RON 5,780,492.58**, relating to the litigation concerning the Minutes of Finding and Sanctioning of a Forestry Offence, series CCS No. 0857189 dated

September 25, 2025, issued by the Bucharest Forest Guard. The Company has challenged before the court both the contravention report and the inspection report No. 8759/25.09.2025, and the litigation is currently pending.
As a result of the reversal through income of the provision relating to the litigation with the former General Manager, the total amount of provisions for litigation decreased from **RON 13,642,003.18** to **RON 5,780,492.58** as at June 30, 2026.

b. Presentation and analysis of the effects of current, capital or anticipated expenditures on the Company's financial position compared with the same period of the previous year

The value of fixed assets increased by 2.16%, from RON 192,932,925 as at December 31, 2025 to RON 197,094,240 as at June 30, 2026, as a result of investments made in equipment and modernization works carried out on existing assets.
The most significant investments made during the period under review include the modernization of autoclaves, modernization of silos, the acquisition of two vertical elevators, laboratory equipment, moulds, as well as other investments aimed at increasing the efficiency of the production process.
The investment program for 2026 is estimated at RON 10,000,000, consisting of new technical equipment and installations and modernization works.

c. Presentation and analysis of events, transactions and economic changes that significantly affect revenue from the Company's core activities

The Company's economic and financial performance during the first half of 2026 was mainly affected by the completion of the modernization investments at the AAC plant and the process of commissioning the new technological equipment. During this period, installation, adjustment, technological testing and production flow optimization works were carried out, as necessary activities to ensure that the new production line operates at its designed parameters.
As a result, operational activities were focused on restarting and stabilizing AAC production, which temporarily affected production volumes and the level of revenue generated during the first part of the year. The benefits of the investments made are expected to be reflected gradually in increased production capacity, improved operational efficiency, reduced manufacturing costs, as well as an expanded range of AAC products.
Production of precast concrete elements, ready-mix concrete and PREMO-SENTAB pipes was not resumed during the first half of 2026, as the Company's priority was to complete the modernization process and stabilize AAC production activities. The resumption of activities in these sectors will take place gradually, depending on market demand, economic conditions and the Company's development strategy.
Management considers that the investments made create the conditions for increasing the Company's competitiveness, improving operational performance and ensuring sustainable business development, with their economic effects expected to be progressively reflected in the financial results of subsequent periods.

2. The Company's Tangible Assets

2.1. **Specification of the Location and Characteristics of the Company's Main Production Capacities**
The Company's assets and production capacities are located in Călărași, on land owned by the Company, and operate according to the following structure:

1. PREMO Pipes:
    - manufacturing technology: **IPREROM PREMO**;
    - production capacity: **210 km equivalent to Ø600**;
2. SENTAB Pipes:
    - production capacity: **122 km equivalent to Ø600**;

3. Autoclaved Aerated Concrete (AAC):
    - manufacturing technology based on the **HEBEL** license;
    - production capacity: **500,000 cu. m.**;

4. Various precast elements:
   - **Manufacturing technology:** STAND type;
   - **Designed production capacity:** 50,000 cu. m.;

5. **Energy:** a high-efficiency cogeneration plant equipped with a **5.4 MW generator**, producing electricity and process steam.

2.2. Description and Analysis of the Degree of Wear of the Company's Properties

- Buildings = 55.78 %
- Equipment = 56.22 %

2.3. Specification of Potential Issues Related to Ownership Rights over the Company's Tangible Assets

The Company owns its assets and there are no issues concerning ownership rights.

3. Market for Securities Issued by the Issuer.

3.1. Since **July 5, 2010**, the shares issued by PREFAB S.A. have been traded on the regulated market administered by the **Bucharest Stock Exchange (BVB)** and, since **January 5, 2015**, in the **STANDARD** category.

3.2. As at **December 31, 2025**, PREFAB S.A. recorded a loss amounting to **RON 43,276,671**, which was covered pursuant to the resolution of the General Meeting of Shareholders, in accordance with the applicable legal provisions.

The legal framework governing the establishment of own financing sources and other allocations from profit consists of the following legislative acts:

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

3.3. The shareholders who did not vote in favor of the Resolution of the Extraordinary General Meeting of Shareholders of PREFAB S.A. dated July 16, 2024, regarding the merger by absorption by PREFAB S.A., as the absorbing company, of ROMERICA INTERNATIONAL S.R.L., as the absorbed company, and PREFAB INVEST S.A., as the absorbed company, exercised their right to withdraw from the Company and request that their shares be purchased by the Company, in accordance with the provisions of Article 134 of Law No. 31/1990, Article 92 of Law No. 24/2017 and Article 182 of A.S.F. Regulation No. 5/2018.
In this context, during the second half of 2024, the Company purchased **167,963 of its own shares**, for a total amount of **RON 671,432**.
The price paid by PREFAB S.A. for the shares held by the **10 shareholders** who exercised their withdrawal right was **RON 3.9975 per share**, determined in accordance with the applicable valuation standards 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 reviewed by **FINEVEX S.R.L.** through independent expert **Ionela Morosan**, based on the expert report.
Subsequently, pursuant to Resolution No. **1/14.05.2026** of the Extraordinary General Meeting of Shareholders, the cancellation of these treasury shares held by the Company and the corresponding reduction of the share capital were approved. As at the date of this report, this transaction is in the process of implementation and will be completed upon fulfillment of all applicable legal formalities, including the registration of the corresponding amendments with the competent authorities. The transaction does not produce legal effects vis-à-vis third parties until the publicity formalities prescribed by law have been completed.
Until completion of the legal registration procedures, the share capital and number of shares presented in the report reflect the situation existing as at **June 30, 2026.**

3.4. As at June 30, 2026, PREFAB S.A. did not hold any interests in the share capital of other companies.

3.5. The Company has not issued any bonds or other debt securities.

(all amounts are expressed in RON, unless otherwise specified)

4. Company Management

4.1. Company Management
The Board of Directors of PREFAB S.A. has the following composition:
As of **December 4, 2025**, pursuant to **GMS Resolution No. 17/04.12.2025**, and until **December 3, 2027**, the Board of Directors of PREFAB S.A. has the following composition:

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: 72 years
Qualification: Engineer
Professional experience:
1975–1990 – Head of Workshop, Celco S.A. Constanta
1990–1998 – Head of AAC Section, Celco S.A. Constanta
1998–present – General Manager / Administrative Coordinator Director, Celco S.A. Constanta
04.12.2025–present – General Manager, Prefab S.A.
04.12.2025–present – Chairman of the Board of Directors, Prefab S.A.

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

3) Surname: Negrisan
First name: Julieta
Age: 50 years
Qualification: Economist
Professional experience:
1999–2000 – Economist, Mobicom S.A. Constanta
2000–2004 – Chief Accountant, Euroton S.R.L.
2004–present – Economic Director, Celco S.A. Constanta
04.12.2025–present – Member of the Board of Directors, PREFAB S.A.

b. It should be noted that there are no litigation proceedings or administrative proceedings involving the members of the Board of Directors.

(all amounts are expressed in RON, unless otherwise specified)

c. As at 30 June 2026, 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%

d**.** Any agreement, understanding or family relationship between the respective person and another person by virtue of which the respective person was appointed as a member of the Board of Directors.

The appointment of the directors was made pursuant to **GMS Resolution No. 17/04.12.2025**.

4.2. Pursuant to Board of Directors Decision No. 35, as of 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

a. Term of office for the person serving in the executive management: a 2-year mandate, commencing on December 4, 2025 and ending on December 3, 2027.

b. Any agreement, understanding or family relationship between the respective person and another person by virtue of which the respective person was appointed as a member of the executive management: Not applicable.

c. Executive management's shareholding in PREFAB S.A.

As at **June 30, 2026**, the members of the executive management held shares in the share capital of PREFAB S.A. as follows:

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

4.3. In the past five years, the persons presented in Sections 4.1 and 4.2 have not been involved in any litigation or administrative proceedings.

5. Subsequent Events

From the reporting date until the date of approval of this report, no subsequent events have been identified that would require adjustments to the interim financial statements or significant additional disclosures.

(all amounts are expressed in RON, unless otherwise specified)

6. ECONOMIC AND FINANCIAL POSITION

6.a. STATEMENT OF FINANCIAL POSITION

Indicator	31.12.2025	%	30.06.2026	%	Change in RON	% Change
Property, plant and equipment	192.298.621	91,62%	196.605.410	87,82%	+4.306.789	+2,24%
Intangible assets	652	0,00%	86.714	0,04%	86.062	+13.199,69%
Right-of-use assets under leases	631.429	0,30%	400.297	0,18%	-231.132	-36,60%
Biological assets	2.223	0,00%	1.819	0,00%	-404	-18,17%
NON-CURRENT ASSETS	**192.932.925**	**91,92%**	**197.094.240**	**88,04%**	**+4.161.315**	**+2,16%**
Inventories	15.077.602	7,18%	12.283.770	5,49%	-2.792.993	-18,52%
Trade and other receivables	1.602.891	0,76%	9.697.702	4,33%	+8.093.972	+504,96%
Cash and cash equivalents	273.354	0,13%	4.226.964	1,89%	+3.953.610	+1.446,33%
Other assets – prepaid expenses	6.707	0,00%	571.433	0,26%	564.726	+8.419,95%
CURRENT ASSETS	**16.960.554**	**8,08%**	**26.779.869**	**11,96%**	**+9.819.315**	**+57,90%**
TOTAL ASSETS	**209.893.479**	**100,00%**	**223.874.109**	**100,00%**	**+13.980.630**	**+6,66%**
Share capital	20.969.441	9,99%	41.303.073	18,45%	+20.333.632	+96,97%
Other equity components	-181.435	-0,09%	-164.163	-0,07%	17.272	-9,52%*
Treasury shares	-671.432	-0,32%	-671.432	-0,30%	0	0,00%
Revaluation reserves	106.660.888	50,82%	106.533.119	47,59%	-127.769	-0,12%
Reserves	42.067.569	20,04%	42.067.570	18,79%	1	**0,00%**
Retained earnings	20.474.982	9,75%	-22.673.920	-10,13%	-43.148.902	-210,74%
Loss at the end of the reporting period	-43.276.671	-20,62%	-1.487.817	-0,66%	+41.788.854	-96,56%*
EQUITY	**146.043.342**	**69,58%**	**164.906.430**	**73,66%**	**+18.863.088**	**+12,92%**
Long-terms loans	4.143.335	1,97%	0	0,00%	-4.143.335	—
Amounts due to group entities	0	0,00%	33.653.846	15,03%	+33.653.846	—
Other liabilities, including tax liabilities	316.537	0,15%	216.493	0,10%	-100.044	-31,61%
NON-CURRENT LIABILITIES	**4.459.872**	**2,12%**	**33.870.339**	**15,13%**	**+29.410.467**	**+659,45%**
Trade and other payables	13.473.990	6,42%	11.604.831	5,18%	-1.869.159	-13,87%

(all amounts are expressed in RON, unless otherwise specified)

Amounts due to group entities	0	0,00%	5.799.328	2,59%	+5.799.328	—
Short-term loans	30.061.284	14,32%	0	0,00%	-30.061.284	—
CURRENT LIABILITIES	**43.535.274**	**20,74%**	**17.404.159**	**7,77%**	**-26.131.115**	**-60,02%**
Provisions	**13.642.003**	**6,50%**	**5.780.493**	**2,58%**	**-7.861.510**	**-57,63%**
Investment grants	**2.212.988**	**1,05%**	**1.912.688**	**0,85%**	**-300.3**	**-13,57%**
– Current portion	529.961	0,25%	545.031	0,24%	15.07	+2,84%
– More than one year	1.683.027	0,80%	1.367.657	0,61%	-315.37	-18,74%
TOTAL EQUITY AND LIABILITIES	**209.893.479**	**100,00%**	**223.874.109**	**100,00%**	**+13.980.630**	**+6,66%**

6.b. STATEMENT OF PROFIT OR LOSS

Indicator	**30.06.2025**	**%**	**30.06.2026**	**%**	**Change in RON**	**% Change**
Revenue	33.407.811	**79,76%**	26.534.333	**111,65%**	-6.873.478	**-20,57%**
Other operating income*	8.415.351	**20,12%**	-2.768.407	**-11,65%**	-11.183.758	**-132,90%**
Operating income	41.823.162	**100,00%**	23.765.926	**100,00%**	-18.057.236	**-43,18%**
Cost of goods sold	0	0,00%	11.137	0,05%	11.137	—
Material expenses	20.827.485	**49,62%**	16.277.838	**67,91%**	-4.549.647	**-21,84%**
Other operating expenses*	3.267.761	**7,79%**	3.395.519	**14,16%**	127.758	**+3,91%**
Taxes/fees/contributions	576.139	**1,37%**	860.76	**3,59%**	284.621	**+49,40%**
Personnel expenses	13.126.940	**31,28%**	7.521.943	**31,37%**	-5.604.997	**-42,70%**
Depreciation expenses	4.171.632	**9,94%**	3.764.124	**15,70%**	-407.508	**-9,77%**
Adjustments for provisions	0	0,00%	-7.861.511	**-32,79%**	-7.861.511	—
Operating expenses	41.969.957	**100,00%**	23.969.810	**100,00%**	-18.000.147	**-42,89%**
Operating result	-146.795	—	-203.884	—	-57.089	**+38,89%**
Financial income	98.998	**0,24%**	119.204	**0,50%**	20.206	**+20,41%**
Financial expenses	1.290.357	**3,07%**	1.403.137	**5,86%**	112.78	**+8,74%**
Financial result	-1.191.359	—	-1.283.933	—	-92.574	**+7,77%**
Total income	41.922.160	**100,00%**	23.885.130	**100,00%**	-18.037.030	**-43,03%**

(all amounts are expressed in RON, unless otherwise specified)

Total expenses	43.260.314	**100,00%**	25.372.947	**100,00%**	-17.887.367	**-41,35%**
Gross profit	-1.338.154	—	-1.487.817	—	-149.663	**+11,18%**
Income tax	0	—	0	—	0	—
Net profit	**-1.338.154**	—	**-1.487.817**	—	**-149.663**	**+11,18%**

Attached to this report are the Financial Statements as at 30.06.2026.

7. Signatures:

Chairman of the Board of Directors,
Secareanu Ion

Ion Secareanu
Semnat digital de Ion Secareanu
Data: 2026.08.13 14:52:06 +03'00'

PREFAB S.A. ADMINISTRATORS' REPORT FOR THE FIRST HALF OF 2026
Half-Year Report in accordance with
Financial Supervisory Authority Regulation No. 5/2018 – Annex 14
(all amounts are expressed in RON, unless otherwise specified)

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 S.A.
Registered office – Constanta, Soseaua Industriala No. 5
Place of business – Călărași, 396 Bucuresti Street
Unique Registration Code with the Trade Register Office – RO 1916198
Trade Register registration number – J2003009212407

The undersigned,
SECAREANU ION, in his capacity as General Manager, and
HOTULIG VILDAN, in his capacity as Economic Director,

hereby confirm that, to the best of our knowledge, the interim financial statements for the six-month period ended June 30, 2026, prepared in accordance with the International Financial Reporting Standards adopted by the European Union and Order of the Ministry of Public Finance No. 2844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards, provide a true and fair view of the Company's assets, liabilities, financial position, statement of profit and loss, and that the Board of Directors' Report includes a fair analysis of the Company's development and performance, as well as a description of the main risks and uncertainties specific to the activities carried out.
The Company conducts its activities on a going concern basis.

General Manager,	Economic Director,
Secareanu Ion	Hotulig Vildan
Ion Secareanu Semnat digital de Ion Secareanu Data: 2026.08.13 14:53:50 +03'00'	Vildan Hotulig Semnat digital de Vildan Hotulig Data: 2026.08.13 12:17:01 +03'00'

COUNTY: CONSTANTA	FORM OF OWNERSHIP: JOINT STOCK COMPANY
LEGAL ENTITY: PREFAB S.A.	PREDOMINANT ACTIVITY
ADDRESS: SOSEAUA INDUSTRIALA , NR.5 , CONSTANTA	(CAEN group name): MANUFACTURE OF CONCRETE ELEMENTS FOR CONSTRUCTION
PHONE: +40241636711; +40241636711	CAEN GROUP CODE: 2361
TRADE REGISTER NUMBER: J2003009212407	UNIQUE TAX REGISTRATION CODE: 1916198

STATEMENT OF ASSETS, LIABILITIES AND EQUITY
On 30.06.2026

RON

Item name		Line no.	Balance on: January 1 2026	June 30, 2026
A		B	1	2
A.	**FIXED ASSETS**			
	I. INTANGIBLE FIXED ASSETS			
	1. Development expenditure	01	0	0
	2. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible fixed assets	02	652	86.714
	3. Goodwill	03	0	0
	4. Advances	04	0	0
	5. Intangible assets for exploitation and evaluation of mineral resources	05	0	
	TOTAL	**06**	**652**	**86.714**
	II. TANGIBLE IMMOBILIZATIONS			
	1. Land and buildings	07	144.063.533	143.911.532
	2. Technical installations and machinery	08	45.130.297	50.179.382
	3. Other plant, machinery and furniture	09	4.506	50.022
	4. Real estate investments	10	2.057.220	2.057.220
	5. Tangible fixed assets in course of construction	11	1.043.065	0
	6. Real estate investments in progress	12	0	0
	7. Tangible assets for exploitation and evaluation of mineral resources	13	0	0
	8. Productive plants	14	0	0
	9. Advances	15	0	407.254
	TOTAL	**16**	**192.298.621**	**196.605.410**
	III. Productive biological assets	**17**	**2.223**	**1.819**
	IV. Rights of use of leased assets	**18**	**631.429**	**400.297**
	V. FINANCIAL FIXED ASSETS			
	1. Shares held in subsidiaries	19	0	0
	2. Loans granted to group entities	20	0	0
	3. Shares held in associated and jointly controlled entities	21	0	0
	4. Loans granted to associates and jointly controlled entities	22	0	0
	5. Other fixed assets	23	0	0
	6. Other loans	24	0	0
	TOTAL	**25**	**0**	**0**
	FIXED ASSETS - TOTAL	**21**	**192.932.925**	**197.094.240**
B.	**CURRENT ASSETS**			
	I. STOCKS			
	1. Raw materials and consumables	27	6.042.481	8.112.366
	2. Assets held for sale	28	0	0
	3. Work in progress	29	83.082	58.038
	4. Finished goods and commodities	30	8.725.954	3.177.802
	5.Advances	31	226.085	935.564
	TOTAL	**32**	**15.077.602**	**12.283.770**

	Item name	Line no.	Balance on: January 1 2026	Balance on: June 30, 2026
	A	B	1	2
	II. RECEIVABLES			
	1. Trade receivables	33	309.523	8.242.125
	2. Advances paid	34	135.211	142.983
	3. Amounts receivable from group entities	35	0	0
	4. Amounts receivable from jointly controlled entities	36	0	0
	5. Receivables from derivative transactions	37	0	0
	6. Other receivables	38	1.158.157	1.312.594
	7. Subscribed and paid-up capital	39	0	0
	8.Dividend receivables distributed during the financial year	40		
	TOTAL	**41**	**1.602.891**	**9.697.702**
	III. SHORT-TERM INVESTMENTS	42	0	0
	IV. CASH AND BANK ACCOUNTS	**43**	273.354	4.226.964
	CURRENT ASSETS - TOTAL	**44**	**16.953.847**	**26.208.436**
C.	**ADVANCE EXPENSES**	**45**	**6.707**	**571.433**
	Amounts to be resumed within up to one year	46	6.707	571.433
	Amounts to be taken over in more than one year	47	0	0
D.	**DEBTS: AMOUNTS DUE WITHIN A PERIOD OF UP TO ONE YEAR**			
	1. Borrowings from bond issues	48	0	0
	2. Amounts due to credit institutions	49	30.061.284	0
	3. Advances received on account of orders	50	2.345.260	1.964.920
	4. Trade payables - suppliers	51	8.123.655	6.730.895
	5. Trade effects to be paid	52	0	0
	6. Amounts due to group entities	53	0	5.799.328
	7. Amounts due to associated and jointly controlled entities	54	0	0
	8. Liabilities arising from derivative transactions	**55**		
	9. Other debts, including tax and social security debts	**56**	3.005.075	2.909.016
	TOTAL	**57**	**43.535.274**	**17.404.159**
E.	**NET CURRENT ASSETS / NET CURRENT LIABILITIES**	**58**	**-27.104.681**	**8.830.679**
F.	TOTAL ASSETS MINUS CURRENT LIABILITIES	59	**165.828.244**	**205.924.919**
G.	**DEBTS: AMOUNTS THAT MUST BE PAID OVER A PERIOD OF MORE THAN ONE YEAR**			
	1. Borrowings from bond issues	60	0	0
	2. Amounts due to credit institutions	61	4.143.335	0
	3. Advances received on account of orders	62	0	0
	4. Trade payables - suppliers	63	0	0
	5. Trade effects to be paid	64	0	0
	6. Amounts due to non group entities	65	0	33.653.846
	7. Amounts due to associated and jointly controlled entities	66	0	0

			Balance on:	
	Item name	**Line no.**	**January 1 2026**	**June 30, 2026**
	A	**B**	**1**	**2**
	8. Liabilities arising from derivative transactions	67		
	9. Other debts, including tax and social security debts	68	316.537	216.493
	TOTAL	**69**	**4.459.872**	**33.870.339**
H.	**PROVISIONS**			
	1. Provisions for employee benefits	70	0	0
	2. Other provisions	71	13.642.003	5.780.493
	TOTAL	**72**	**13.642.003**	**5.780.493**
I.	**ADVANCE INCOME**			
	1. Investment subsidies	73	**2.212.988**	**1.912.688**
	Amounts to be repaid in up to one year	74	529.961	545.031
	Amounts to be taken over in more than one year	75	1.683.027	1.367.657
	2. Income recorded in advance, of which	76	0	0
	Amounts to be repaid in up to one year	77	0	0
	Amounts to be taken over in more than one year	78	0	0
	3. Prepaid income related to assets transferred from customers, of which	79	0	0
	Amounts to be repaid in up to one year	80		
	Amounts to be taken over in more than one year	81		
	TOTAL	**82**	**2.212.988**	**1.912.688**
J.	**CAPITAL AND RESERVES**			
	I. CAPITAL			
	1. Subscribed paid-in capital	83	20.969.441	41.303.073
	2. Unissued subscribed capital	84	0	0
	3. Subscribed capital representing financial liabilities	85	**0**	**0**
	4.The patrimony	86	**0**	**0**
	5. Adjustments to the share capital SC	87	**0**	**0**
	SD	88	**0**	**0**
	6. Other equity items SC	89	**0**	**0**
	SD	90	**181.435**	**164.163**
	TOTAL	**91**	**20.788.006**	**41.138.910**
	II. CAPITAL PREMIUM	**92**	**0**	**0**
	III. REVALUATION RESERVES	**93**	**106.660.888**	**106.533.119**
	IV. RESERVES			
	1. Legal reserves	94	5.676.686	5.676.687
	2. Statutory or contractual reserves	95	0	0
	3. Other reserves	96	36.390.883	36.390.883
	TOTAL	**97**	**42.067.569**	**42.067.570**
	Exchange differences arising on the translation of the annual financial statements into a presentation currency different from the functional currency (Balance C)	98	0	0
	(Balance D)	99	0	0
	5. Own actions	100	**671.432**	**671.432**
	Gains related to equity instruments	101	0	0
	Losses related to equity instruments	102	0	0
	V. RESULT CARRIED FORWARD **Balance C**	**103**	**20.474.982**	**0**

Item name			Line no.	Balance on: January 1 2026	Balance on: June 30, 2026
A			B	1	2
	WITH THE EXCEPTION OF THE RES REP PR FROM THE ADOPTION FOR THE FIRST TIME OF IAS	**Balance D**	**104**	**0**	**22.673.920**
	VI. RETAINED RESULT RESULTING FROM THE ADOPTION FOR THE FIRST TIME OF IAS 29	**Balance C**	**105**	**0**	**0**
		Balance D	**106**	**0**	**0**
	VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD	**Balance C**	**107**	**0**	**0**
		Balance D	**108**	**43.276.671**	**1.487.817**
	Profit distribution		109	**0**	**0**
	EQUITY - TOTAL		**110**	**146.043.342**	**164.906.430**
	Private wealth		111	0	0
	Public heritage		112	0	0
	CAPITAL - TOTAL		**113**	**146.043.342**	**164.906.430**

STATEMENT OF REVENUE AND EXPENDITURE				Financial year	
	Name of indicators		Line no.	30.06.2025	30.06.2026
	A		B	1	2
1.	**Net turnover (rd. 02+03-04+05+06)**		**01**	**33.407.811**	**26.534.333**
	Production sold (ct.701+702+703+704+705+706+708)		02	36.477.544	26.567.878
	Proceeds from the sale of goods (ch. 707)		03	0	11.587
	Trade discounts granted (ct. 709)		04	3.069.733	45.132
	Income from operating subsidies related to net turnover (ct.7411)		05	0	0
2.	Income related to product stock costs (ct.711+712)	Sold C	06	0	0
		Sold D	07	1.340.424	5.857.193
3.	Income from real estate production and investment property		08	9.291.496	464.124
4.	Realized income from the production of tangible and intangible fixed assets (ct 721+ 722)		09	9.291.496	464.124
5.	Income from real estate investment production		10	0	0
6.	Income from fixed assets held for sale		11	0	0
7.	Income from revaluation of fixed assets		12	0	0
8.	Real estate investment income		13	0	0
9.	Income from biological assets and agricultural products		14	0	0
10.	Revenue from operating subsidies		15	0	2.271
11.	Other operating revenue (ch.758+7417+7815), of which		16	464.279	2.622.391
12.	- Revenue from subsidies for investments		17	264.981	300.300
13.	- Earnings from purchases on advantageous terms		18	0	0
	OPERATING REVENUE - TOTAL		**19**	**41.823.162**	**23.765.926**
14	a) Expenditure on raw materials and consumables (ct.601+602-7412)		20	14.264.291	11.345.268
	Other material expenses (ct.603+604+606+608)		21	1.132.225	1.730.329
	b) Other external charges (energy and water)(ct.605-7413)		22	5.456.961	3.202.241
	c) Goods-related expenses (ct.607)		23	0	11.137
	Trade discounts received (ct. 609)		24	25.992	0
15	Staff expenditure, of which:		25	13.126.940	7.521.943
	a) Salaries and allowances (ct.641+642+643+644-7414)		26	12.816.548	7.190.603
	b) Expenditure on social security and social protection (ct.645-7415)		27	310.392	331.340
16.	a) Value adjustments in respect of tangible and intangible fixed assets		28	4.171.632	3.764.124
	a.1) Expenditure (ct.6811+6813)		29	4.098.120	3.695.368
	a.2)Expenses related to assets and rights of use of leased assets		30	73.512	68.756
	a.3) Revenue (ct.7813)		31	0	0
	b) Value adjustments on current assets		32	0	0
	b.1) Expenditure (ct.654+6814)		33	0	0
	b.2) Revenue (ct.754+7814)		34	0	0
17.	Other operating expenditure		35	3.843.900	4.256.279
	1. Expenditure related to external services (ct.611+612+613+614+621+622+623+624+625+626+627+628-7416)		36	3.216.108	2.114.113
	2. Other taxes, duties and similar charges (ct.635)		37	576.139	860.760
	3.Environmental protection expenditure		38	0	0
	4. Expenditure related to fixed assets held for sale		39	0	0
	5. Expenditure from revaluation of fixed assets		40	0	0

STATEMENT OF REVENUE AND EXPENDITURE

	Name of indicators	Line no.	Financial year 30.06.2025	Financial year 30.06.2026
	A	B	1	2
	6. Expenditure on real estate investments	41	0	0
	7. Expenditure on biological assets	42	0	0
	8. Expenditure on disasters and other similar events	43	0	0
	9 Other expenditure	44	51.653	1.281.406
	Adjustments to provisions	45	0	-7.861.511
	- Expenditure (ct.6812)	46	0	0
	- Revenue (ct.7812)	47	0	7.861.511
	EXPLOITATION EXPENDITURE - TOTAL	**48**	**41.969.957**	**23.969.810**
	OPERATING PROFIT OR LOSS		**0**	**0**
	- Profit	**49**	**0**	**0**
	- Loss	**50**	**146.795**	**203.884**

18.	Income from shares held in subsidiaries	51	0	0
19.	Income from shares in associated entities	52	0	0
20.	Income from shares in associates and jointly controlled entities	53	0	0
21	Income from transactions in securities and other derivative instruments	54	0	0
22	Income from derivatives transactions	55	0	0
23.	Exchange rate gains	56	98.998	6.608
24.	Interest income (ct.766*)	57	0	112.596
	- of which, income from group entities	58	0	0
25	Income from operating subsidies for interest owed	59	0	0
26	Income from short-term financial investments	60	0	0
27	Other financial income	61	0	0
28	**FINANCIAL REVENUE - TOTAL**	**62**	**98.998**	**119.204**
29..	Value adjustments on financial fixed assets and investments held as current assets	63	0	0
	- Expenditure (ct.686)	64	0	0
	- Revenue (ct.786)	65	0	0
30	Expenditure on transactions in securities and financial instruments	66	0	0
31	Expenditure on derivative transactions	67	0	0
32	Interest expenditure (ct.666*-7418)	68	1.234.891	1.359.245
	- of which, expenses relating to group entities	69	0	827.741
33	Expenditure on interest on leasing contracts	70	0	0
34	Other financial charges (ct.663+664+665+667+668)	71	55.466	43.892
35	**FINANCIAL EXPENDITURE - TOTAL**	**72**	**1.290.357**	**1.403.137**
36	**FINANCIAL PROFIT OR LOSS(A):**			
	- Profit	**73**	**0**	**0**
	- Loss	**74**	**1.191.359**	**1.283.933**
37	**TOTAL REVENUE**	**75**	**41.922.160**	**23.885.130**
38	**TOTAL EXPENDITURE**	**76**	**43.260.314**	**25.372.947**

STATEMENT OF REVENUE AND EXPENDITURE			Financial year	
	Name of indicators	Line no.	30.06.2025	30.06.2026
	A	B	1	2
	GROSS PROFIT OR LOSS:			
	- Profit	77	0	0
	- Loss	78	1.338.154	1.487.817
40	**Current profit tax (ct.691)**	79	0	0
41	**Deferred corporate income tax (ct.692)**	80	0	0
42	**Deferred corporate income tax revenues**	81	0	0
43	**Expenditure with corporation tax , due to uncertainties related to tax treatments**	82	0	0
44	**Activity-specific tax**	83	0	0
45	**Other taxes not shown under items above (ct.698)**	84	0	0
46.	**THE NET PROFIT OR LOSS(A) FOR THE FINANCIAL YEAR:**			
	- Profit	85	0	0
	- Loss	86	1.338.154	1.487.817

INFORMATION DATE

I. Data on the result recorded	Line no.	No. of units	Amount	
A	B	1	2	
Profit-making units:	01	0	**0**	
Loss-making units:	02	1	1.487.817	
Units that have neither recorded a profit nor a loss	03	0	0	
II.Data on outstanding payments:	**Line no.**	**Total, of which**	**For current activity**	**For investment activity**
A	B	1=2+3	2	3
Outstanding payments - , 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 the social insurance budget - total , of which:	09	0	0	0
- state social insurance contributions payable by employers, employees and other similar persons	10	0	0	0
- contributions to the social health insurance fund	11	0	0	0
- supplementary pension contribution	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 and other funds	15	0	0	0
Outstanding obligations towards other creditors	16	0	0	0
Taxes and duties not paid on time to the state budget	17	0	0	0
Unpaid taxes and fees on time to local budgets	18	0	0	0
Bank loans overdue - total , of which:	19	0	0	0
- outstanding after 30 days	20	0	0	0
- outstanding after 90 days	21	0	0	0
Remaining after 1 year	22	0	0	0
Outstanding interest	23	0	0	0

III. Average number of employees	Line no.	30.06.2025	30.06.2026
A	B	1	2
Average number of employees	24	216	196
Actual number of employees	25	259	211

IV. Interest and royalty payments	Line no.	Amount (lei)
A	B	1
Gross interest income paid by Romanian legal entities to non-resident individuals, of which:	26	0
- tax due to the state budget	27	0
Gross interest income paid by Romanian legal entities to non-resident individuals from EU Member States, of which:	28	0
- tax due to the state budget	29	0
Gross interest income paid by Romanian legal entities to non-resident affiliated legal entities, of which:	30	0
- tax due to the state budget	31	
Gross interest income paid by Romanian legal entities to non-resident legal entities from EU Member States, of which:	32	0
- tax due to the state budget	33	0
Gross dividend income paid by Romanian legal entities to non-resident legal entities, of which:	34	0
- tax due to the state budget	35	0
Gross income from dividends paid by Romanian legal entities to non-resident legal entities, according to art.117 letter h) of Law no.571/2003 on the Tax Code, with subsequent amendments and additions, of which:	36	0
- tax due to the state budget	37	0
Gross revenues from royalties paid by Romanian legal entities to non-resident affiliated legal entities from the Member States of the European Union, of which:	38	0
- tax due to the state budget	39	0
Gross revenues from royalties paid by Romanian legal entities to non-resident legal entities, of which	40	0
- tax due to the state budget	41	0
Royalties paid during the reporting period for public domain goods received in concession, of which:	42	7800
-revenues for public domain goods paid to the state budget	43	7800
Mining royalty paid	44	0

Gross income from services paid by Romanian legal entities to non-resident persons, of which:	45	0	
- tax due to the state budget	46	0	
Gross revenues from services paid by Romanian legal entities to non-residents from EU Member States, of which:	47	0	
- tax due to the state budget	48	0	
Grants received during the reporting period, of which:	49	0	
-grants received during the reporting period related to assets	50	0	
-income-related subsidies, of which:	51	0	
-subsidies to stimulate employment	52	0	
Outstanding receivables, which have not been collected within the deadlines stipulated in the commercial contracts and/or in the normative acts in force, of which:	53	0	
Outstanding receivables from wholly or majority state-owned entities	54	0	
-Overdue receivables from private sector entities	55	0	
V. Meal vouchers	**Line no.**	**Amount (lei)**	
A	B	1	
Reimbursement of meal vouchers granted to employees	56		
VI. Research and development expenses, of which:	**Line no.**	**30.06.2025**	**30.06.2026**
A	B	2	2
R&D expenditure, of which:	57	0	0
- from public funds	58	0	0
- from private funds	59	0	0
VII. Innovation expenditure:	**Line no.**	**30.06.2025**	**30.06.2026**
Innovation expenditure - tota, of which:	60	0	0
- innovation expenditure finalized during the period	61	0	0
- innovation expenditure being finalized during the period	62	0	0
- innovation expenditure abandoned during the period	63	0	0
VIII. OTHER INFORMATION	**Line no.**	**30.06.2025**	**30.06.2026**
A	B	1	2
Advances granted for intangible fixed assets	64		
Advances granted for tangible fixed assets	65	**4.682.317**	**407.254**
Financial fixed assets, in gross amounts, of which:	**66**	**6.581**	**0**
Shares held in affiliated entities, participating interests, other fixed assets and long-term bonds, gross of which:	67	0	0

- listed shares issued by residents	68		
- unquoted shares issued by residents	69	0	0
- shares issued by residents	70	0	0
- bonds issued by residents	71	0	0
- shares issued by collective investment undertakings (including SIFs) issued by residents	72	0	0
- shares and shares issued by non-residents	73	0	0
- bonds issued by non-residents	74	0	0
Non-current assets, gross amount, of which:	**75**	**6.581**	**0**
- receivables immobilized in lei and denominated in lei, the settlement of which is based on the exchange rate of a currency (from ct. 267)	76	6.581	0
- fixed claims in foreign currency (from ct. 267)	77		
Trade accounts receivable, advances to suppliers and similar accounts, in amounts gross (ct.409+ 411 + 413 + 418)	**78**	**840.368**	**8.406.433**
Receivables related to staff and similar accounts (ct. 425 + 4282)	**79**	**0**	**573.947**
Receivables related to the social insurance and state budget (ct. 431 + 437 +4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482)	**80**	**409.677**	**704.659**
Receivables of the entity from affiliated entities (ct .451)	**81**	**0**	**0**
Other receivables (ch. 451 + 453 + 456 + 4582 + 461 + 471 + 473)	**82**	**-3.175**	**33.308**
Interest receivable (ct. 5187)	83	0	680
Short-term investments, gross (ct. 501 + 505 + 506 + of ct. 508), of which	84	0	0
- listed shares issued by residents	85	0	0
- unlisted shares issued by residents	86	0	0
- shares issued by residents	87	0	0
- bonds issued by residents	88	0	0
- shares issued by resident collective investment undertakings (including SIFs)	89	0	0
- shares issued by non-residents	90	0	0
- bonds issued by non-residents	91	0	0
Other receivables (ct. 5113 + 5114)	92	0	0
House in lei and in foreign currency, of which	**93**	**2.945**	**809**
- in lei (ct. 5311)	94	2.945	809
- in foreign currency (ct. 5314)	95	0	0
Current accounts with banks in lei and foreign currency, of which	**96**	**270.212**	**4.226.155**
- in lei (ct. 5121)	97	268.296	4.223.543

- in foreign currency (ct. 5124)	98	1.916	2.612
Other current accounts with banks and letters of credit , of which	**99**	**0**	**0**
- amounts pending settlement, letters of credit and other amounts receivable, in lei (ct. 5112 + 5125 + 5411)	100	0	0
- amounts in course of settlement and letters of credit in foreign currency (ct. 5125 + 5412)	101	0	0
Debts, of which:	**102**	**47.014.940**	**51.274.498**
- Gross bond issues and related interest payable (ct. 161 + 1681)	103	0	0
- in lei	104	0	0
- in foreign currency	105	0	0
- Short-term domestic bank loans and related interest (ct. 5191 + 5192 + 5197 + from ct. 5198), of which	**106**	**28.854.801**	**0**
- in lei	107	28.854.801	0
- in foreign currency	108	0	0
-Short-term external short-term bank loans and related interest (ct. 5193 + 5194 + 5195 + out of ct. 5198), of which	109	0	0
- in lei	110	0	0
- in foreign currency	111	0	0
- Long-term bank loans and interest (ct. 1621 + 1622 + 1627) + from ct. 1682) of which	**112**	**4.939.922**	**0**
- in lei	113	4.939.922	0
- in foreign currency	114	0	0
- External long-term loans (ct. 1623 + 1624 + 1625 + from ct. 1682) (88+89)	115	0	0
- in lei	116	0	0
- in foreign currency	117	0	0
- Loans from the State Treasury (ct. 1626 + from ct. 1682)	118	0	0
- Other loans and related interest (ct. 166 + 167 + 1685 + 1686 + 1687)	**119**	**204.873**	**39.505.504**
- in lei and expressed in lei, the settlement of which is made according to the exchange rate a currency	120	0	0
- in foreign currency	121	0	0
- Trade accounts payable, advances received from customers and similar accounts in gross amount (ct. 401 + 403 + 404 + 405 + 408 + 419)	**122**	**9.261.676**	**8.695.815**
- Liabilities related to staff and similar accounts (ct. 421 + 423 + 424 + 426 + 427 + 4281)	**123**	**1.040.003**	**1.159.650**
- Social security and state budget liabilities (ct. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481)	**124**	**2.096.344**	**1.826.692**

- Liabilities of the entity to affiliated entities (ch.451)	**125**	**0**	**0**
- Amounts due to shareholders/associates (ct. 455)	**126**	**0**	**0**
- Other liabilities (ct. 451 + 453 + 455 + 456 + 457 + 4581 + 462 + 472 + 473 + 269 + 509)	**127**	**617.321**	**86.837**
- Interest payable (ct. 5186)	**128**	**0**	**0**
Subscribed paid-up capital (ct. 1012) of which,	**129**	**20.969.441**	**41.303.073**
- listed shares	130	20.969.441	41.303.073
- unlisted shares	131	**0**	0
- social shares	132	**0**	0
- Subscribed paid-up capital of non-residents (ct 1012)	133	**0**	0
Subscribed but unpaid share capital (ct 1011)	134	**0**	**0**
Patents and licenses (from ct 202)	135	**0**	0
IX. Information on expenses with collaborators	**Line no.**	**30.06.2025**	**30.06.2026**
A	B	1	2
Expenditure with collaborators (ct 621)	136	0	0

Administrator,

Surname and first name
SECAREANU ION

Signature
Unit stamp

Ion Secareanu
Semnat digital de Ion Secareanu
Data: 2026.08.13 14:55:03 +03'00'

Prepared by,

Surname and first name: HOTULIG VILDAN
Quality: Economic Director

Signature

Vildan Hotulig
Semnat digital de Vildan Hotulig
Data: 2026.08.13 12:17:37 +03'00'

Interim Financial Statements *prepared in accordance with the provisions of Order of the Ministry of Public Finance No. 2844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union* ***for the first half of 2026***

(all amounts are expressed in RON, unless otherwise specified)

CONTENTS

(all amounts are expressed in RON, unless otherwise specified)

STATEMENT OF FINANCIAL POSITION

		31 December 2025	**30 June 2026**
Tangible fixed assets	5	190.241.401	194.140.936
Intangible assets	4	652	86.714
Investment property	6	2.057.220	2.057.220
Biological assets		2.223	1.819
Advances			407.254
Rights of use of leased assets		631.429	400.297
TOTAL FIXED ASSETS		**192.932.925**	**197.094.240**
Inventories	8	15.077.602	12.283.770
Trade receivables and other receivables	7	1.602.891	9.697.702
Cash and cash equivalents	9	273.354	4.226.964
Other assets (prepaid expenses)		6.707	571.433
TOTAL CURRENT ASSETS		**16.960.554**	**26.779.869**
1. TOTAL ASSETS		**209.893.479**	**223.874.109**
Share capital	10	20.969.441	41.303.073
Other equity items		(181.435)	(164.163)
Revaluation reserves	11	106.660.888	106.533.119
Reserves	11	42.067.569	42.067.570
Retained earnings, excluding those arising from the first-time adoption of IAS 29	12	20.474.982	(22.673.920)
Treasury shares		(671.432)	(671.432)
Profit at the end of the reporting period	13	(43.276.671)	(1.487.817)
Allocation of profit	13	0	0
2. TOTAL EQUITY		**146.043.342**	**164.906.430**
Long-term loans	17	4.143.335	0
Amounts due to group entities	18	0	33.653.846
Other liabilities, including deferred income tax	19/20	316.537	216.493
TOTAL LONG-TERM LIABILITIES		**4.459.872**	**33.870.339**
Trade payables and other payables	18	10.468.915	8.695.815
Short-term loans	16	30.061.284	0
Amounts due to group entities		0	5.799.328
Other liabilities, including tax and social security liabilities	19	3.005.075	2.909.016
TOTAL SHORT-TERM LIABILITIES		**43.535.274**	**17.404.159**
Provisions	14	**13.642.003**	**5.780.493**
Investment grants, of which:	20	**2.212.988**	**1.912.688**
- current portion		529.961	545.031
- due in over one year		1.683.027	1.367.657
3. TOTAL LIABILITIES		**209.893.479**	**223.874.109**

(all amounts are expressed in RON, unless otherwise specified)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPONENTS OF COMPREHENSIVE INCOME
for the six-month period ended June 30, 2026

		Note	30 June 2025	30 June 2026
1.	Revenue from sales	22	33.407.811	26.534.333
2.	Cost of sales	23	31.554.805	21.631.955
3.	**Gross profit**		**1.853.006**	**4.902.378**
4.	Other operating income	22	8.415.351	5.093.104
5.	Distribution expenses	-	2.705.951	662.144
6.	Administrative expenses	-	6.356.195	7.732.378
7.	Other operating expenses	23	1.353.006	1.804.844
8.	**Operating profit**		**(146.795)**	**(203.884)**
9.	Finance income	24	98.998	119.204
10	Finance expenses	25	1.290.357	1.403.137
11.	**Finance result**		**(1.191.359)**	**(1.283.933)**
12.	**PROFIT FROM CURRENT OPERATIONS**		(1.338.154)	(1.487.817)
13.	Income tax expense	26	0	0
14.	**Net profit for the period**	**26**	**(1.338.154)**	**(1.487.817)**
15.	**Other comprehensive income for the period, total, of which:**		**0**	**0**
16.	-Increases/decreases in the revaluation reserve for property, plant and equipment		0	0
17.	-Tax relating to other comprehensive income		0	0
18.	**Total comprehensive income for the period**		**(1.338.154)**	**(1.487.817)**
19.	Basic earnings per share	27	(0.0319)	(0.0180)
20.	Diluted earnings per share	27	(0.0319)	(0.0180)

(all amounts are expressed in RON, unless otherwise specified)

STATEMENT OF CHANGES IN EQUITY for the six-month period ended June 30, 2026

	Share capital	Other equity items	Treasury shares	Legal reserves	Other reserves	Revaluation reserves	Retained earnings and current profit	Total
01 January 2026	**20.969.441**	**(181.435)**	**(671.432)**	**5.676.686**	**36.390.883**	**106.660.888**	**(22.801.689)**	**146.043.342**
Current comprehensive income							(1.487.817)	(1.487.817)
Allocations to other reserves					0		0	0
Increase in share capital	20.333.632							20.333.632
Increases/decreases in the revaluation reserve for property, plant and equipment		17.272				(127.769)	127.769	(17.272)
30 June 2026	**41.303.073**	**(164.163)**	**(671.432)**	**5.676.686**	**36.390.883**	**106.533.119**	**(24.161.737)**	**164.906.430**

(all amounts are expressed in RON, unless otherwise specified)

CASH FLOW STATEMENT
Indirect method

Item name	30.06.2025	30.06.2026
Cash flows from operating activities:		
(+) Net profit before tax	-1.338.154	-1.487.817
Adjustments for:		
(+)Depreciation and impairment adjustments relating to tangible and intangible fixed assets	4.171.632	3.764.124
(-)Impairment adjustments reversed during the year		
(+)Subsidies – change	-264.982	-300.300
(+)Interest expenses and other financial expenses	1.290.357	1.403.137
(-)Interest income and other financial income	-98.998	-119.204
(-)Loss / (profit) from the sale of tangible fixed assets		0
(+)Income tax paid	0	0
Operating profit before changes in working capital		**3.259.940**
(-)Decrease / (increase) in trade and other receivables	-639.782	+8.094.811
(-)Decrease / (increase) in inventories	-2.377.590	+2.793.832
(+)Decrease / (increase) in trade and other payables	-4.982.270	-3.897.084
Net cash from operating activities	**-4.239.787**	**10.251.499**
Cash flows from investing activities:		
(-)Payments for the acquisition of tangible and intangible fixed assets	-1.170.344	-9.642.670
(+)Proceeds from the sale of tangible and intangible fixed assets		0
(+)Interest received	98.998	119.204
Net cash from investing activities	**-1.071.346**	**-9.523.466**
Cash flows from financing activities:		
(+)Loans received	17.422.515	40.779.804
(-)Repayment of loans	-10.943.901	-36.151.090
(-)Interest paid	-1.290.357	-1.403.137
Dividend payments	0	0
Net cash from financing activities	**5.188.257**	**3.225.577**
Net increase / (decrease) in cash and cash equivalents	**-122.876**	**3.953.610**
Cash and cash equivalents at the beginning of the period	**396.033**	**273.354**
Cash and cash equivalents at the end of the period	**273.157**	**4.226.964**

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the six-month period ended June 30, 2026

1. Information about the company

PREFAB S.A. is a joint-stock company operating in accordance with the provisions of Law No. 31/1990 on companies, republished, as subsequently amended and supplemented. The Company was established pursuant to Government Decision No. 1200 of November 12, 1990, and is registered with the Trade Register Office under No. RCJ 2003009212407, having Unique Registration Code RO 1916198.

Established in 1967, PREFAB S.A. is principally engaged in the manufacture of precast concrete elements and other construction materials. The Company was established to meet the need for precast elements intended for the construction of residential buildings, industrial and agricultural facilities, and irrigation works. In 1999, the Company was privatized through the acquisition of the majority shareholding from the State Ownership Fund by Romerica International, a company with mixed capital.

As of August 28, 2025, following a transaction carried out through the Bucharest Stock Exchange, CELCO S.A. increased its shareholding in the share capital of PREFAB S.A., thereby acquiring direct sole control over the Company. This transaction represents an important milestone in the Company's development, resulting in significant changes in the shareholding and corporate governance structure and contributing to the strengthening of the Group's position in the construction materials market.

The strategic objectives pursued through this transaction are as follows:
- expansion into new markets;
- increasing the sales volume of AAC blocks, adhesives, dry mortars and bagged lime;
- strengthening the Company's position in the masonry materials market;
- leveraging operational and commercial synergies at Group level.

During the first half of 2026, the Company completed a share capital increase while observing the pre-emptive rights of the existing shareholders. The transaction was completed on March 4, 2026, and was reported to the market on March 10, 2026.
The main characteristics of the transaction were as follows:
- share capital prior to the increase: **RON 20,969,441.50**;
- number of new shares subscribed: **40,667,262**;
- nominal value per share: **RON 0.50**;
- total amount raised: **RON 20,333,631**;
- share capital following the increase: **RON 41,303,072.50**.

As part of the transaction, **96.97%** of the shares offered were subscribed, representing **40,667,262 shares**, while **1,271,621 shares** remained unsubscribed and were cancelled.
Following the registration of the share capital increase, the Company's subscribed and paid-up share capital amounts to **RON 41,303,072.50**, divided into **82,606,145 registered shares**, each having a nominal value of **RON 0.50**.
The share capital increase was aimed at strengthening the Company's financial position, ensuring the resources required to finance current operations, implementing the investment program and supporting the medium- and long-term development strategy.
The shares issued by PREFAB S.A. have been admitted to trading on the regulated market administered by the Bucharest Stock Exchange since July 5, 2010, and since January 5, 2015 they have been included in the Standard category.
As of July 22, 2026, the latest closing price of PREFAB S.A. shares on the Bucharest Stock Exchange was **RON 2.20/share**.
The specific independent registrar activities for PREFAB S.A. were performed by the *Central Depository*.

The Company has not issued bonds or other debt securities.

As of June 30, 2026, the Company has the following place of business: **Calarasi Place of Business, 396 Bucuresti Street, Calarasi County.**

The shareholding structure as of June 30, 2026, according to the data provided by the Central Depository, was as follows:

Shareholder	No. of shares	%
CELCO SA CONSTANTA	80.161.542	97.0406
OTHER SHAREHOLDERS – LEGAL ENTITIES	173.875	0.2105
OTHER SHAREHOLDERS – INDIVIDUALS	2.270.728	2.7489
TOTAL	**82.606.145**	**100.0000**

2. BASIS FOR PREPARATION

2.1. Statement of compliance

The Company's interim financial statements are prepared in accordance with the provisions of Order of the Ministry of Public Finance No. 2844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as subsequently amended and supplemented, and are available at the Company's registered office and on the Company's website.
These provisions correspond to the requirements of the International Financial Reporting Standards adopted by the European Union.
The interim financial statements as at June 30, 2026 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, prepared for the six-month period ended June 30, 2026.

2.2. Basis of measurement

The financial statements are presented in RON (“Romanian leu”) and have been prepared on the basis of historical cost, except for the revaluation of certain fixed assets and financial instruments that are measured at fair value, and the items of share capital, legal reserves and other reserves established from net profit, which were adjusted in accordance with International Accounting Standard (“IAS”) 29 “Financial Reporting in Hyperinflationary Economies” up to December 31, 2003.
The interim financial statements for the six-month period ended June 30, 2026 have been prepared using the going concern principle.

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 (the “functional currency”), i.e. the Romanian leu. The financial statements are presented in RON, which is the Company's functional and presentation currency.

(all amounts are expressed in RON, unless otherwise specified)

Accounting records are maintained in Romanian and in the national currency. Accounting records for transactions carried out in foreign currencies are maintained both in the national currency and in the foreign currency. Foreign currency means any currency other than the Romanian leu. The financial statements are prepared in Romanian and in the national currency.
Transactions denominated in foreign currencies are recorded in RON at the official exchange rate prevailing on the date of settlement of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of preparation of the statement of financial position are translated into RON at the exchange rate applicable on that date. Gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using the exchange rate at the end of the financial year are recognized in profit or loss for the period. Non-monetary assets and liabilities measured at historical cost and denominated in foreign currencies are recorded in RON at the exchange rate applicable at the date of the transaction.
For the measurement, at the end of each reporting period, of items denominated in foreign currencies, the foreign exchange market rate communicated by the National Bank of Romania on the last banking day of the relevant month is used.
The exchange rates of the main foreign currencies were as follows:

CURRENCY	Exchange rate June 30, 2025	Exchange rate December 31, 2025	Exchange rate June 30, 2026
EUR	5.0777	5.0985	5.2438
USD	4.3329	4.3417	4.6010

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.

According to the accounting policies adopted, accounting revaluations are carried out once every seven years. Pursuant to Law No. 252/2022, the Company has opted to update the taxable value of buildings and land at least once every five 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 S.A. has opted to use the straight-line depreciation method for all categories of fixed assets.

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 assets and property, plant and equipment are reviewed to identify whether there are any indications of impairment at the reporting date. For intangible assets with an indefinite useful life, the impairment test is performed annually, even if there is no indication of impairment. If the net carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized to reduce the asset’s net carrying amount to its recoverable amount. If the circumstances that led to the recognition of the impairment loss cease to exist in subsequent periods, the asset’s net carrying amount is increased to the level of the net carrying amount that would have been determined had no impairment loss been recognized. The difference is presented as other operating income.
The carrying amount of an item of property, plant and equipment is derecognized upon disposal or when no future economic 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 derecognized, upon disposal or retirement.
The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognized.
If items of property, plant and equipment that have been held for rental to others are repeatedly sold, such assets shall be transferred to inventories at their carrying amount at the date when they cease to be rented and are held for sale. Proceeds from the sale of such assets are recognized as revenue in accordance with IFRS 15 “Revenue from Contracts with Customers”.
Assets classified as “held for sale” are presented at the lower of their net carrying amount and fair value less costs to sell. Non-current assets (or disposal groups) are classified as “held for sale” if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such classification is based on the assumptions that the sale of the respective assets is highly probable and that the assets are available for immediate sale in their present 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 elected to use the fair value model for the subsequent measurement and presentation of investment property in the financial statements. Fair value is determined annually by an authorized valuer. The fair value of investment property reflects market conditions at the end of the reporting period.
From an accounting perspective, depreciation is no longer recognized; instead, decreases/increases in value resulting from the annual fair value measurement are recognized through profit or loss, depending on the outcome of the valuation.
As of June 30, 2026, the Company has investment properties recorded in its accounting records amounting to RON 2,057,220, as detailed in Note 6 – Investment Properties.

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 of June 30, 2026, the Company has 8 lease agreements in effect.

3.3. Biological assets

Under IAS 41 "Agriculture", agricultural activity represents the management by an entity of the biological transformation and harvesting of biological assets for sale or for conversion into agricultural produce or into additional biological assets. A biological asset is a living animal or a living plant. Upon initial recognition of a biological asset, market-determined prices or values may not be available and alternative estimates of fair value may be determined to be clearly unreliable. In such cases, in accordance with paragraph 30 of IAS 41, the asset in question shall be measured at cost less any accumulated depreciation and any accumulated impairment losses.

The Company has recognized a vineyard as a biological asset, measured at cost less depreciation, based on the above provisions. Once fair value can be measured reliably, the asset will be presented at fair value less costs to sell.
The depreciation period is 24 years. The entire difference arising from the revaluation of the asset reclassified to this category was 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 include shares held in subsidiaries, associates and jointly controlled entities, loans granted to these entities, other investments held as non-current assets and other loans.
PREFAB S.A. presents investments in subsidiaries at cost.

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 of June 30, 2026, the Company has no related parties.

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.
The Company does not currently grant benefits in the form of employee participation in profits, but may grant such benefits subject to 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.

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 outstanding during the period.
The weighted average number of ordinary shares outstanding during the period = the number of shares outstanding at the beginning of the period, adjusted for the number of shares repurchased or issued during the period, multiplied by a time-weighting factor.
The time-weighting factor is the number of days during which the respective shares were outstanding, 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 member of that person's family is considered related to the Company if that person:

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

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (executive or otherwise) of the entity. Transactions with key management personnel include exclusively the employee benefits granted to them, as presented in the Notes.
Information regarding relationships with related parties is presented in Note 29.

3.21. Changes in accounting policies

The accounting policies applied in preparing the individual financial statements are consistent with those used in the previous financial year, except for the application of new standards and amendments adopted by the European Union, which are mandatory for annual reporting periods beginning on or after January 1, 2026.
As of January 1, 2026, the Company has applied the following standards and amendments:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – Classification and Measurement of Financial Instruments, which provide clarifications regarding the derecognition of financial liabilities settled through electronic payment systems, the assessment of certain contractual features of financial assets, and expand the disclosure requirements relating to financial instruments.
- Amendments to IFRS 9 and IFRS 7 regarding contracts for the purchase of electricity dependent on nature (Nature-dependent Electricity Contracts), which introduce exceptions to certain hedge accounting requirements and additional disclosure requirements for eligible electricity purchase contracts. Following its analysis, the Company concluded that these amendments have no impact on the individual financial statements, as it does not engage in such transactions.
- Annual Improvements to IFRS Accounting Standards – Volume 11, which include targeted amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, aimed at clarifying existing requirements and eliminating drafting inconsistencies, without changing the fundamental accounting principles.

The Company has analyzed the effects of applying these standards and amendments and considers that they have not had a material impact on its financial position, financial performance, cash flows or accounting policies applied, taking into account the nature of its activities and the structure of its financial assets and liabilities.
The Company has not early adopted any standards or amendments issued and adopted by the European Union that are not yet mandatory.
Standards and amendments issued and adopted by the European Union that become mandatory effective January 1, 2027

IFRS 18 "Presentation and Disclosure in Financial Statements"
IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 "Presentation of Financial Statements" and is applicable to annual reporting periods beginning on or after January 1, 2027.
The standard introduces new requirements regarding the presentation and disclosure of information in the financial statements, with the aim of improving the comparability of financial information and the transparency of reporting. The main changes concern:

- restructuring the statement of profit or loss by introducing mandatory categories for the classification of income and expenses (operating, investing, financing, income tax and discontinued operations), as well as the presentation of mandatory subtotals, including operating profit or loss;
- introducing general principles for the aggregation and disaggregation of information presented in the financial statements and in the explanatory notes, so that the information provided is more relevant and easier for users to understand;
- introducing the requirement to disclose management-defined performance measures (MPMs), together with a reconciliation of these measures to the most directly comparable totals or subtotals determined in accordance with IFRS Accounting Standards;
- targeted amendments to IAS 7 "Statement of Cash Flows" relating to the classification and presentation of certain cash flows.

As at the date these financial statements were authorized for issue, the Company is in the process of assessing the effects of implementing IFRS 18. Based on the analyses performed to date, it is estimated that the application of the standard will primarily affect the presentation and disclosures in the financial statements, without affecting the recognition and measurement principles applicable to assets, liabilities, equity or profit or loss for the period.
As at the date these financial statements were authorized for issue, the Company has not identified any other standards or amendments adopted by the European Union, with mandatory application beginning on January 1, 2027, that are expected to have a significant impact on the individual financial statements.

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, the useful lives have been estimated at 3 years.
The statement of intangible assets as at June 30, 2026 is as follows:

(all amounts are expressed in RON, unless otherwise specified)

Cost

	Other intangible assets	Total
Balance as at 1 January 2026	**819.984**	**819.985**
Additions	86.201	86.201
Disposals	0	0
Balance as at 30 June 2026	**906.185**	**906.186**

Accumulated amortisation

	Other intangible assets	Total
Balance as at 1 January 2026	**819.332**	**819.332**
Cost for the period	139	139
Disposals	0	0
Balance as at 30 June 2026	**819.471**	**819.471**
Net book value 1 January 2026	**652**	**652**
Net book value 30 June 2026	**86.714**	**86.714**

5. TANGIBLE FIXED ASSETS

As at December 31, 2020, the Company revalued, with the assistance of independent experts authorized in the field, the property, plant and equipment in the categories of land and buildings held by the Company at that date (ANEVAR (National Association of Authorized Valuers in Romania) - authorized valuer Neacsu Ileana). Depreciation was restated proportionately to the change in the asset's gross carrying amount, so that the carrying amount of the asset after revaluation was equal to its revalued amount.

(all amounts are expressed in RON, unless otherwise specified)

	Land and land improvements	Buildings	Technical installations and machinery	Other installations, equipment and furniture	Investment property	Property, plant and equipment under construction and advances	Total
Cost							
Balance at January 1, 2026	108.461.663	81.598.467	112.147.753	761.426	2.057.220	1.043.065	**306.069.594**
Additions	–	956.703	8.851.469	48.826	–	2.493.093	**12.350.091**
Disposals / Transfers	–	(74.604)	(7.642.336)	–	–	(3.128.904)	**(10.845.844)**
Balance at June 30, 2026	**108.461.663**	**82.480.566**	**113.356.886**	**810.252**	**2.057.220**	**407.254**	**307.573.841**
Accumulated depreciation							
Balance at January 1, 2026	1.175.155	44.821.440	67.017.456	756.920	–	–	**113.770.971**
Depreciation expense for the period	32.815	1.072.936	2.585.764	3.310	–	–	**3.694.825**
Depreciation relating to disposed assets	–	(71.649)	(6.425.717)	–	–	–	**(6.497.366)**
Balance at June 30, 2026	**1.207.970**	**45.822.727**	**63.177.503**	**760.230**	**–**	**–**	**110.968.430**
Net carrying amount							
At January 1, 2026	**107.286.508**	**36.777.027**	**45.130.297**	**4.506**	**2.057.220**	**1.043.065**	**192.298.621**
At June 30, 2026	**107.253.693**	**36.657.839**	**50.179.383**	**50.022**	**2.057.220**	**407.254**	**196.605.411**

(all amounts are expressed in RON, unless otherwise specified)

5.1. Tangible fixed assets acquired and put into operation
The value of property, plant and equipment increased by 2.24%, from RON 192,298,621 as at December 31, 2025 to RON 196,605,411 as at June 30, 2026. This increase is attributable to investments made both in new equipment and in the modernization of existing production equipment.

5.2 Disposals of Property, Plant and Equipment

- During the first half of 2026, sales and disposals of fixed assets were carried out in a total amount of RON 7,716,940, as follows:
- buildings and constructions: RON 74,604;
- technical installations and machinery: RON 7,642,336.
- During the reporting period, no assets were disposed of that would have affected the Company's main business activity or its ability to generate future economic benefits.

5.*3 Pledged fixed assets*
During the first half of 2026, the Company fully and early repaid the credit facilities contracted with ING Bank and Intesa Sanpaolo Bank, as well as the long-term loans contracted with ING Bank. Following the full settlement of the contractual obligations, the security interests in real property granted in favor of the credit institutions were released. As at the reporting date, the Company no longer has any financial liabilities arising from these loan agreements, and no mortgages remain in place in favor of these credit institutions.

5.*4 Assets under construction and advances for investments*
As of June 30, 2026, the Company has no property, plant and equipment under construction.
As at the same date, the Company reports under "Advances for investments" an amount of RON 407,254, representing advances paid under contracts concluded with the suppliers Ircat-Co, for the purchase of compressors, and Still Material Handling, for the purchase of forklifts.

6. PROPERTY INVESTMENTS

As of June 30, 2026, the Company has the following investment properties recorded (account 2151.02):

Name of location	Area - sqm	Value - RON	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**		

(all amounts are expressed in RON, unless otherwise specified)

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 2025**	**Balance at 30 June 2026**
1	Trade receivables from affiliated entities (subsidiaries)	0	8.579.368
2	Trade receivables – third parties	330.848	(315.918)
3	**Total trade receivables**	**330.848**	**8.263.450**
4	Adjustments for impairment of trade receivables	(21.325)	(21.325)
5=3-4	**Trade receivables, net**	**309.523**	**8.242.125**

The main receivables are:

Trade receivables from customers in Romania amount to RON 9,368,684 and arise from sales made on the domestic market. The largest share of these receivables consists of amounts due from CELCO S.A., a related party of the Company.
The commercial relationship with CELCO S.A. is conducted on market terms, based on the commercial agreements concluded between the parties. Transactions are carried out in accordance with the arm's length principle, are monitored and approved in accordance with the Company's internal procedures, and are presented in the interim financial statements in accordance with the requirements of IAS 24 – Related Party Disclosures.
The Company continuously monitors the concentration of trade receivables and considers that the significant proportion of receivables related to this customer represents a commercial risk factor. In this context, over the medium term, the Company intends to diversify its distribution channels and expand its customer base, to the extent permitted by market conditions and the commercial strategy.
As of June 30, 2026, the balance of the “Customers – invoices to be issued” line item amounts to **RON -1,105,234**, representing revenue related to goods delivered by the reporting date, for which the invoices were to be issued subsequently, in accordance with the contractual provisions and the Company's applicable accounting policies.
As of June 30, 2026, trade receivables from doubtful or litigated customers have a gross carrying amount of RON 22,442, with their balance remaining at the level recorded at the beginning of the financial year, with no changes during the reporting period.
For these customers, the legal proceedings initiated in previous years for the recovery of the receivables have been continued.
For receivables from customers for which management considered there to be a risk of non-recovery, impairment allowances for receivables amounting to RON 21,325 were recognized. At the same time, the Company continues the legal actions undertaken to recover these receivables.

(all amounts are expressed in RON, unless otherwise specified)

Liquidity analysis Trade receivables	**Balance as at 31 December 2025**	**Balance as at 30 June 2026**
Less than one year	**309.823**	**8.242.125**
Over one year	**0**	**0**

Other assets	**Balance as at 31 December 2025**	**Balance as at 30 June 2026**
b) Other assets, of which:		
Debtors	10.553	33.308
Prepaid expenses	6.707	571.433
VAT recoverable	279.387	0
VAT not chargeable	10.687	423.348
Trade receivables	135.211	142.983
Other receivables	857.530	855.938
Total	**1.300.075**	**2.027.010**

Liquidity analysis Other assets	**Balance as at 31 December 2025**	**Balance as at 30 June 2026**
Less than one year	**1.300.075**	**2.027.010**
Over one year	**0**	**0**

Prepaid expenses
As of June 30, 2026, prepaid expenses amount to RON 571,433 and mainly represent insurance premiums relating to liability insurance policies, maintenance expenses, as well as local taxes and duties paid in advance.
These expenses are recognized in profit or loss as the related economic benefits are consumed, by allocating them to expenses on a monthly basis, in accordance with the Company's accounting policies.

c) Impairment adjustments for trade receivables and other receivables

The movement in impairment allowances is as follows:

	31 December 2025	**30 June 2026**
At the beginning of the period	**121.629**	**21.325**
Increases/(reversals)	16.671	0
Decreases	(116.975)	0
At the end of the period	**21.325**	**21.325**

(all amounts are expressed in RON, unless otherwise specified)

8. INVENTORIES

31 December 2024	Cost	Adjustments	Net value
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**

30 June 2026	Cost	Adjustments	Net value
1. Raw materials and consumables	8.112.366	0	8.112.366
2. Work in progress	58.038	0	58.038
3. Finished goods and merchandise	3.207.731	29.929	3.177.802
4. Advances	935.564	0	936.403
Total	**12.313.699**	**29.929**	**12.283.770**

Inventories
The main categories of inventories held by the Company are: raw materials and consumables, work in progress, finished goods, goods for resale and advances for purchases of inventories.
The cost of inventories comprises all costs of purchase and conversion, as well as other costs incurred in bringing the inventories to their present location and condition.
The cost of finished goods and work in progress includes direct production costs, namely direct materials, energy consumed for technological purposes, direct labor and other direct costs, as well as a reasonably allocated portion of production overheads, to the extent that these relate to the manufacturing process.
Upon being issued from inventory, inventories are measured using the weighted average cost method (WAC). This method involves determining the cost of each item based on the weighted average cost of similar items in inventory at the beginning of the period and the cost of similar items purchased or produced during the period. The weighted average cost is calculated monthly, at the end of each month.
At the reporting date, inventories are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price that can be obtained in the ordinary course of business, less the estimated costs of completion, where applicable, and the estimated costs necessary to make the sale.
When there are indications of impairment, the Company recognizes impairment allowances for obsolete, slow-moving or non-conforming inventories. As of June 30, 2026, impairment allowances for inventories amount to RON 29,929.

9. CASH AND CASH EQUIVALENTS

As of June 30, 2026, cash and cash equivalents amount to RON 4,226,964, higher than the amount recorded as at December 31, 2025, of RON 273,354, with the following composition:

	Balance as at 31 December 2025	Balance as at 30 June 2026
Cash on hand	3.148	809
Deposits and cash at bank	270.206	4.226.155

(all amounts are expressed in RON, unless otherwise specified)

Letters of credit	0	0
Total	**273.354**	**4.226.964**

Of the total cash and cash equivalents, there are no restricted amounts as at December 31, 2025 or June 30, 2026.

10. EQUITY

The subscribed and paid-up share capital amounts to RON 41,303,072.50, comprising 82,606,145 shares with a nominal value of RON 0.50 per share. The shareholding structure as at June 30, 2026 is as follows:

Shareholder	No. of shares	%
CELCO SA CONSTANTA	80.161.542	97.0406
OTHER SHAREHOLDERS – LEGAL ENTITIES	173.875	0.2105
OTHER SHAREHOLDERS – INDIVIDUALS	2.270.728	2.7489
TOTAL	**82.606.145**	**100.0000**

As of June 30, 2026, the members of the Board of Directors held shares in the Company traded on the market (as independent shareholders), as follows:

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

The shares are registered shares, issued in dematerialized form, each share having a nominal value of RON 0.50 per share. During the first half of the 2026 financial year, the nominal value of one share did not change.
As of July 5, 2010, the shares issued by PREFAB S.A. have been traded on the regulated market administered by the Bucharest Stock Exchange and have been included in the STANDARD category since January 5, 2015. The Company's share prices have shown a fluctuating trend, due to the small number of shares traded, the lack of market liquidity and the decrease in the number of transactions on the Bucharest Stock Exchange.
The latest trading price of the shares of PREFAB S.A. valid as at July 22, 2026 was RON 2.20 per share.
The specific independent registrar activities for PREFAB S.A. are carried out by the *Central Depository*.

11. RESERVES

Reserves include the following components:

	Balance as at 31 December 2025	Balance as at 30 June 2026

Statutory reserves	5.676.686	5.676.686
Other reserves	36.390.883	36.390.883
Revaluation reserves	106.660.888	106.533.119
Total	**148.728.457**	**148.600.688**

As of June 30, 2026, the Company reports an amount of RON 5,676,686 in account 1061 – “Legal reserves”, of which RON 1,482,798 represents reserves established in accordance with the provisions of IAS 29 – Financial Reporting in Hyperinflationary Economies, resulting from the restatement of the historical cost of legal reserves for the effect of inflation up to December 31, 2003.
As at the same date, the balance of account 1068 – “Other reserves” amounts to RON 36,390,883, of which RON 2,676,474 represents reserves established in accordance with the provisions of IAS 29 – Financial Reporting in Hyperinflationary Economies, resulting from the restatement of the historical cost of other reserves for the effect of inflation up to December 31, 2003.
As of June 30, 2026, revaluation reserves amount to RON 106,533,119.
The latest revaluation of land and buildings was performed as at December 31, 2020, in accordance with the applicable regulations, based on a valuation report prepared by an authorized valuer, a member of ANEVAR, for the purpose of determining the fair value of these assets. The valuation took into consideration factors such as market developments, the characteristics and technical condition of the assets, their utility and other relevant factors for determining fair value.
The revaluation differences were recognized in accordance with the Company's accounting policies and the provisions of IAS 16 – Property, Plant and Equipment, and were reflected in the revaluation reserve to the extent required by the applicable standards.
The nature and purpose of each reserve within equity are described below.

Reserve	**Description and purpose**
Statutory reserves	Under Law No. 31/1990, each year at least 5% of the profit is allocated to the reserve fund until it reaches at least one-fifth of the share capital.
Other reserves	Other reserves as at June 30, 2026 include reserves established upon the distribution of net profit, as well as the inflation adjustment of certain reserves in accordance with IAS 29.
Revaluation reserves for fixed assets	If the carrying amount of an item of property, plant and equipment is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity as a revaluation surplus. Revaluation reserves may not be distributed or used to increase the share capital.

12. RETAINED EARNINGS

Retained earnings include the following components:

(all amounts are expressed in RON, unless otherwise specified)

	Balance at December 31, 2025	**Balance at June 30, 2026**
Retained earnings, excluding retained earnings arising from the first-time adoption of IAS 29 (account 117)	20.474.982	(22.673.920)
Total	**20.474.982**	**(22.673.920)**

13. PROFIT DISTRIBUTION

As of December 31, 2025, PREFAB S.A. recorded a loss amounting to RON 43,276,671. Pursuant to the Resolution of the General Meeting of Shareholders dated May 14, 2026, the loss was transferred to retained earnings and is to be covered from the results of future financial years, in accordance with the applicable legal provisions and the resolution adopted by the shareholders.
The legal framework governing the establishment of own financing sources and other profit allocations consists of the following legal acts:

- Law No. 227/2015 on the Tax Code, as subsequently amended and supplemented
- Law No. 31/1990 on companies, republished

14. PROVISIONS

The Company recognized provisions for litigation as at December 31, 2025, in a total amount of RON 13,642,003.18, which could have an impact on the Company's future liquidity, as follows:

1. An amount of RON 7,861,510.60 arising from Case No. 1271/3/2024, concerning an action for a declaration of rights – revocation of mandate without just cause, in which the Company was ordered to pay damages to Miron Sorin, the Company's former General Manager, as follows:

a) an amount of RON 1,649,232.90, adjusted for inflation, representing the total amount of fixed remuneration to which Miron Sorin would have been entitled until the termination of the contract upon expiry, in accordance with Article 10.2.3 of Mandate Agreement No. 5298/04.10.2022;
b) an amount of RON 6,212,277.70, representing the value of the benefit not received by Miron Sorin as a result of the non-granting of the SOP Share Package (representing 5% of PREFAB's share capital).

2. An amount of RON 5,780,492.58 arising from the report on the finding and sanctioning of the forestry contravention, Series CCS No. 0857189, drawn up on September 25, 2025, in Calarasi, by the Bucharest Forest Guard, whereby PREFAB S.A. was subject to the principal contravention sanction consisting of a maximum fine of RON 50,000 pursuant to Article 19(1)(e) of Law No. 171/2010, as well as supplementary sanctions consisting of the confiscation by equivalent value of the stock of 6,721.503 cubic meters of timber and the determination of compensation in the amount of RON 5,780,492.58, as well as from the challenge against Report No. 8759/25.09.2025 concerning the inspection of timber storage areas/markets and facilities for processing roundwood.

PREFAB S.A. challenged this sanction before the courts.
During the first half of 2026, the provision amounting to RON 7,861,510.60, recognized for the litigation with the Company's former General Manager, Mr. Miron Sorin (Case No. 1271/3/2024), was reversed to income following Judgment No. 1089 dated April 9, 2026, issued by the Bucharest Tribunal – Civil Division VI, whereby the claim filed against the Company was dismissed as unfounded. At the same time, the court ordered the claimant to pay PREFAB S.A. the amount of RON 72,096.81, representing legal costs. The judgment is subject to appeal under the applicable law.
As of June 30, 2026, the Company maintains a provision amounting to RON 5,780,492.58 relating to the litigation concerning the report on the finding and sanctioning of the forestry contravention, Series CCS No. 0857189 dated September 25, 2025, prepared by the Bucharest Forest Guard. The Company

(all amounts are expressed in RON, unless otherwise specified)

challenged before the courts both the contravention report and Control Report No. 8759/25.09.2025, and the litigation is currently pending.
Following the reversal to income of the provision relating to the litigation with the former General Manager, the total amount of provisions for litigation decreased from RON 13,642,003.18 to RON 5,780,492.58 as at June 30, 2026.

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 2025**	**Balance at 30 June 2026**
Amounts owed to credit institutions	34.204.619	0
Advances received on orders	2.345.260	1.964.920
Trade payables – suppliers, related parties	0	1.781.499
Trade payables – third-party suppliers	8.123.655	4.949.396
Amounts due to group entities		39.453.174
Other liabilities, including tax liabilities and social security liabilities	3.321.612	3.125.509
Total liabilities	**47.995.146**	**51.274.498**
Maturity analysis	**Balance as at 31 December 2025**	**Balance at 30 June 2026**
Less than one year	43.535.274	17.404.159
Over one year	4.459.872	33.870.339
Total	**47.995.146**	**51.274..498**

Amounts owed to credit institutions	**Balance as at 31 December 2025**	**Balance at 30 June 2026**
Short-term loans	30.061.284	0
Long-term loans	4.143.335	0
Total	**34.204.619**	**0**

Amounts due to group entities	**Balance as at 31 December 2025**	**Balance at 30 June 2026**
- Short-term loans	0	5.799.328
- Long-term loans	0	33.653.846
Total	**0**	**39.453.174**

(all amounts are expressed in RON, unless otherwise specified)

16. SHORT-TERM LOANS

During the first half of 2026, the Company obtained short-term loans from commercial banks, as follows:

Bank	Type of loan	Contract date	Maturity	Currency	Principal	Balance as at 30.06.2026
ING Bank N.V.	Credit facility	Credit facility agreement no. 9184/01	Indefinite term	lei	19,000,000	0 lei
Intesa Sanpaolo Bank	Credit facility	Credit facility agreement no. 8929/10.10.2013	14.09.2026	lei	12,400,000	0 lei
Total						**0 lei**

17. LONG-TERM LOANS

During the first half of 2026, the Company obtained long-term loans from commercial banks, as follows:

Description	Loan type	Contract date	Maturity	Currency	Principal	Balance as at 30.06.2026
ING Bank N.V.	Investment loan	Credit facility agreement 9181/02	20.12.2026	lei	5,000,000	0 lei
ING Bank N.V.	Loan for financing and refinancing current operations	Credit facility agreement 9181/03/01.12.2024	31.01.2029	lei	5,000,000	0 lei
Total						**0 lei**

During the first half of 2026, the Company fully and early repaid the credit facilities contracted with ING Bank and Intesa Sanpaolo Bank, as well as the long-term loans contracted with ING Bank. Following the full settlement of the contractual obligations, the security interests in real property granted in favor of the credit institutions were released. As at the reporting date, the Company no longer has any financial liabilities arising from these loan agreements, and no mortgages remain in place in favor of these credit institutions.

18. AMOUNTS DUE TO GROUP ENTITIES

During the first half of 2026, the Company obtained loans from related parties to finance the investment program, repay long-term loans and credit facilities contracted with credit institutions, and support its working capital requirements. As at the reporting date, the balance of loans received from related parties is as follows:

Description	Loan type	Contract date	Maturity	Currency	Principal	Balance as at 30.06.2026
Celco S.A.	36-month loan	72/147/09.01.2026 + additional	25.01.2029	lei	5.000.000	4.583.333 lei
DD Group	120-month loan	18/25.02.2026 + additional	25.01.2036	lei	35.000.000	34.250.000 lei
Total						**38.833.333 lei**

(all amounts are expressed in RON, unless otherwise specified)

19. OTHER LIABILITIES

These consist mainly of the following:

Other liabilities	Balance as at 31 December 2025	Balance as at 30 June 2026
Liabilities relating to staff and similar	1.248.793	1.159.650
Liabilities relating to the social security budget	501.313	579.512
Liabilities relating to the state budget	108.228	1.083.017
Liabilities to shareholders	86.837	86.837
Other creditors	1.059.904	0
Total liabilities	**3.005.075**	**2.909.016**

19. DEFERRED TAX

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

Description	31 December 2025	30 June 2026
Opening balance	448.224	181.434
Deferred tax on revaluation differences	(266.790)	((17.271)
Closing balance	**181.434**	**164.163**

20. INVESTMENT SUBSIDIES

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

Description	31 December 2025	30 June 2026
Opening balance	2.623.950	**2.212.988**
Recorded during the year	119.000	0
Reversed during the year	0	0
Reversed to income	(529.962)	(300.300)
Closing balance	**2.212.988**	**1.912.688**

The amounts recorded under this item represent grants related to assets (co-financing) acquired under investment projects carried out by the Company, as well as other deferred income related to assets, as follows:

- **The "Rational Energy Use Plan – Energy Efficiency Project at Prefab S.A."**, carried out in partnership with the **European Bank for Reconstruction and Development (EBRD)**, with a total investment value of **EUR 1,200,000**. Under the project, the Company received non-reimbursable financing amounting to **15%** of the value of the eligible investments, i.e. **RON 812,124** (equivalent to **EUR 180,000**).
- **The "Construction of a Cogeneration Plant for the Purpose of Improving the Energy Efficiency of Prefab S.A.'s Operations"**, partially financed from European funds under

(all amounts are expressed in RON, unless otherwise specified)

Priority Axis 4 of the Sectoral Operational Programme **"Increase of Economic Competitiveness"**. In this respect, the Company entered into Financing Agreement No. **18 EE/28.05.2012** with the Ministry of Economy, Trade and Business Environment. The total amount of non-reimbursable financing approved under the agreement was **RON 10,199,768.65**, of which **RON 6,140,662.41** was received in 2013 and **RON 1,503,822.08** in 2014.

- **The "Rabla" Programme**, under which the Company acquired **10 passenger cars** at the end of 2023 and beginning of 2024, benefiting from the subsidies provided under the programme.
- At the end of 2025, an amount of **RON 119,000** was recognized, representing the value of inventory surpluses identified in respect of fixed assets during the annual inventory count. This amount is recognized gradually in income as depreciation of the related assets is recorded, in accordance with the Company's accounting policies.

20. OPERATING INCOME

Revenue	30 June 2025	30 June 2026	Difference (2026-2025)
Turnover	33.407.811	26.534.333	(6.873.478)
Income related to the costs of inventories of products	(1.340.424)	(5.857.193)	(4.516.769)
Income from the production of fixed assets and investment property	9.291.496	464.124	(8.827.372)
Income from operating subsidies	0	2.271	2.271
Other operating income	464.279	2.622.391	2.158.112
Total	**41.823.162**	**23.765.926**	**(18.057.236)**

Operating revenues generated in the first half of 2026 amounted to RON 23,765,926, representing a decrease of RON 18,057,236 compared to the same period of 2025.
Turnover generated during the reporting period amounted to RON 26,534,333, down by RON 6,873,478 compared to the first half of 2025, against the background of a decrease in sales volume.
Income related to the costs of inventories of products recorded a negative variation of RON 4,516,769, reflecting a decrease in production transferred to inventories compared to the corresponding period of the previous year.
Income from products sold is structured into the following product categories:

Product name	30.06.2025 %	2025 %	30.06.2026 %
AAC	83.82%	80.08%	91.73%
Tubes	2.68%	2.35%	2.93%
Precast products	10.49%	13.35%	0.72%
Electricity	0%	0.43%	0%
Other products	3.01%	3.79%	4.62%

(all amounts are expressed in RON, unless otherwise specified)

Autoclaved Aerated Concrete (AAC), the masonry material manufactured by PREFAB SA, amounted to a production volume of 63,873 cu m in the first half of 2026.
In the first half of 2026, PREFAB SA sold approximately 81,403.54 cu m of AAC, compared to approximately 102,266.47 cu m in the corresponding period of 2025.
The difference between the volume produced and the volume sold is due to the sale of finished goods inventories existing at the beginning of the period.
In the first half of 2026, the Company did not produce precast elements or ready-mix concrete, with the total production volume for this segment amounting to 0 cu m. This situation was due to the prioritization of the resumption of AAC production activities through the completion of the investments aimed at upgrading the AAC plant. Financial, technical and organizational resources were focused on recommissioning the AAC production capacities, this stage representing the main objective of management during the reporting period. Following the completion of the reorganization and stabilization process, the Company intends to gradually resume the production of precast elements, depending on market demand and contracting opportunities.
With regard to the activity of the cogeneration plant, it was not operational during the first half of 2026. This decision was made against the backdrop of uncertainties regarding volatility in the energy market, correlated with the production of construction materials.

22. OPERATING EXPENSES

	30 June 2025	30 June 2026	Difference (2026-2025)
Expenses			
Expenses for raw materials and materials	**14.264.291**	**11.345.268**	**(2.919.023)**
Expenses for energy and water	5.456.961	3.202.241	(2.254.720)
Other production expenses	1.106.233	1.741.466	635.233
Total material costs	**20.827.485**	**16.288.975**	**(4.538.510)**
Salaries and allowances	12.816.548	7.190.603	(5.625.945)
Expenses for social security and social protection	310.392	331.340	20.948
Total personnel expenses	**13.126.940**	**7.521.943**	**(5.604.997)**
Depreciation	4.171.632	3.764.124	(252.763)
Impairment adjustments	0	0	0
Total depreciation and impairment	**4.171.632**	**3.764.124**	**(252.763)**
Expenses related to external services	3.216.108	2.114.113	(1.101.995)
Expenses related to other taxes, duties and similar payments	576.139	860.760	284.621
Other expenses	51.653	1.281.406	1.229.753
Total other operating expenses	**3.843.900**	**4.256.279**	**412.379**
Adjustments for provisions	0	**(7.861.511)**	**(7.861.511)**
Total	**41.969.957**	**23.969.810**	**(18.000.147)**

(all amounts are expressed in RON, unless otherwise specified)

Operating expenses for the first half of 2026 amounted to RON 23,969,810, representing a decrease of RON 18,000,147 compared to the same period of 2025.
The reduction in operating expenses was mainly driven by a decrease of RON 2,919,023 in expenses for raw materials and materials, RON 2,254,720 in expenses for energy and water, and RON 5,604,997 in personnel expenses, against the backdrop of a reduction in the volume of activity carried out during the reporting period.
Depreciation expenses decreased by RON 407,508, while expenses related to external services decreased by RON 1,101,995 compared to the first half of 2025.
At the same time, other operating expenses increased by RON 412,379, mainly as a result of the increase in expenses related to other taxes and duties and other operating expenses.
Furthermore, in the first half of 2026, the Company recorded reversals of provisions amounting to RON 7,861,511, which had a favorable effect on the operating result by reducing the expenses attributable to the period.

24. FINANCIAL INCOME

Income	**30 June 2025**	**30 June 2026**	**Difference (2026-2025)**
Income from foreign exchange differences	98.998	6.608	(92.390)
Interest income	0	112.596	112.596
Total	**98.998**	**119.204**	**20.206**

Financial income generated in the first half of 2026 amounted to RON 119,204, representing an increase of RON 20,206 compared to the same period of 2025.
The structure of financial income changed compared to the comparative period, mainly due to a decrease of RON 92,390 in income from foreign exchange differences and the recognition of interest income amounting to RON 112,596, generated by the Company's cash balances and the applicable remuneration conditions.
Overall, the increase in financial income in the first half of 2026 was mainly attributable to interest income, which offset the decrease in income from foreign exchange differences.

25. FINANCIAL EXPENSES

Expenses	**30 June 2025**	**30 June 2026**	**Difference (2026 -2025)**
Interest expenses	1.234.891	1.359.245	124.354
Other financial expenses	55.466	42.892	(12.574)
Total	**1.290.357**	**1.403.137**	**112.780**

(all amounts are expressed in RON, unless otherwise specified)

Financial expenses for the first half of 2026 amounted to RON 1,403,137, representing an increase of RON 112,780 compared to the same period of 2025.
The increase in financial expenses was mainly driven by higher interest expenses, which increased by RON 124,354 compared to the first half of 2025.

26. INCOME TAX

Information on income tax (according to accounting and tax records):

Indicators	**Amounts 30.06.2025**	**Amounts 30.06.2026**
Operating income	**41.823.162**	**23.765.926**
Operating expenses	41.969.957	23.969.810
Operating result	**(146.795)**	**(203.884)**
Financial income	98.998	119.204
Financial expenses	1.290.357	1.403.137
Financial result	(1.191.359)	(1.283.933)
Net result	**(1.338.154)**	**(1.487.817)**
Income-like items, of which:	**15.450**	**107.948**
- income-like items arising from other restatements		
Expense-like items arising from other restatements	**0**	**0**
Tax depreciation	4.165.485	3.764.124
Deductible legal reserve	0	0
Other deductible amounts	0	0
Total deductions	**4.165.485**	**3.764.124**
Dividend income, of which:	**0**	**0**
Dividend income received from a Romanian legal entity, under the conditions provided by law	0	
Other non-taxable income	0	0
Total non-taxable income:	**0**	**7.861.511**
Corporate income tax expense	0	
Non-deductible fines and penalties	651	28.821
Non-deductible entertainment expenses	0	4.072
Sponsorship expenses	0	0

(all amounts are expressed in RON, unless otherwise specified)

Accounting depreciation expense	4.171.632	3.764.124
Other non-deductible expenses	651.132	60.509
Total non-deductible expenses	**4.823.415**	**3.857.526**
Total taxable profit	**(664.774)**	**(9.147.978)**

As at 30 June 2026, the Company recorded an accounting loss before tax amounting to RON 1,487,817, compared to an accounting loss of RON 1,338,154 as at 30 June 2025.
The determination of the taxable result is presented below:

Item	**30.06.2025 (lei)**	**30.06.2026 (lei)**
Accounting loss before tax	(1.338.154)	(1.487.817)
Income-like items	15.450	107.948
Non-deductible expenses	4.823.415	3.857.526
Tax deductions	(4.165.485)	(3.764.124)
Non-taxable income	–	(7.861.511)
Taxable result (tax loss)	(664.774)	(9.147.978)

Non-deductible expenses mainly comprise accounting depreciation, fines and penalties, non-deductible entertainment expenses, and other expenses that, under tax legislation, are not deductible when determining the taxable result.
Tax deductions mainly include tax depreciation calculated in accordance with the provisions of the Tax Code.
For the period ended 30 June 2026, the Company recorded non-taxable income amounting to RON 7,861,511, which contributed to a reduction in the taxable result.
Given that the taxable result for the period is a tax loss, the Company has no current corporate income tax payable for the period ended 30 June 2026 (30 June 2025: RON 0). Consequently, the current corporate income tax expense recognized in the income statement is zero.

(all amounts are expressed in RON, unless otherwise specified)

27. BASIC EARNINGS PER SHARE. DILUTED EARNINGS PER SHARE.

	30.06.2025	30.06.2026
Basic earnings per share	**(0.0319)**	**(0.0180)**
Diluted earnings	**(0.0319)**	**(0.0180)**

Basic and diluted earnings per share have the same amount, as there are no financial instruments with a dilutive effect on earnings.

28. AVERAGE NUMBER OF EMPLOYEES

a) Employees

The average number of employees developed as follows:

	30 June 2025	30 June 2026
Management staff	3	2
Administrative staff	43	46
Production staff	170	148
TOTAL	**216**	**196**

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

Year	30 June 2025	30 June 2026
Staff with higher education	7%	7%
Staff with secondary education	24,5%	26%
Staff with vocational and qualification training	58%	58.5%
Unskilled staff	10,5%	8,5%

c) The salary expenses and related taxes recorded during the first half of 2025 and the first half of 2026 are as follows:

	30 June 2025	30 June 2026
Salary expenses	12.816.548	7.190.603
Insurance and social security expenses	303.372	331.340
Voluntary pension expenses	7.020	0
Total	**13.126.940**	**7.521.943**

The Company contributes to the public pension system in accordance with the provisions of the applicable legislation. Apart from mandatory contributions and, where applicable, contributions to voluntary pension funds, the Company has no obligations relating to post-employment benefits or other defined benefit plans in respect of its employees.

(all amounts are expressed in RON, unless otherwise specified)

Employee benefit expenses decreased by RON 5,604,997 (approximately 42.7%) in the first half of 2026, from RON 13,126,940 in the first half of 2025 to RON 7,521,943. The decrease was mainly driven by lower salary expenses as a result of the reduced level of activity and adjustments to the number of employees, while mandatory social security contributions remained in line with the level of remuneration granted during the reporting period.

29. TRANSACTIONS WITH AFFILIATED PARTIES

The Company is managed under a unitary system by a Board of Directors consisting of three members, elected by the Ordinary General Meeting of Shareholders for a **two-year term**, in accordance with the provisions of the Articles of Association and Companies Law No. 31/1990, republished, as subsequently amended and supplemented. The majority of the members of the Board of Directors are non-executive directors.

As of 4 December 2025, pursuant to Resolution No. 17/04.12.2025 of the Ordinary General Meeting of Shareholders, for the term of office from **4 December 2025 to 3 December 2027**, the composition of PREFAB S.A.'s Board of Directors is as follows:

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 30 June 2026, 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%

Pursuant to Board of Directors Decision No. 35, as of 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

(all amounts are expressed in RON, unless otherwise specified)

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

As at 30 June 2026, the members of the executive management held shares in the share capital of PREFAB S.A. as follows:

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

The gross remuneration of the members of the Board of Directors during the first half of 2025 amounted to RON 102,000.
The gross remuneration of the executive management during the first half of 2025 amounted to RON 102,576.
The Company has no contractual obligations towards former directors and directors and has not granted advances or loans to current directors or directors.
The Company has not assumed any future obligations in the form of guarantees on behalf of the members of the Board of Directors.

Information regarding relations with related parties, subsidiaries and associates

On 28 August 2025, following a transaction carried out through the Bucharest Stock Exchange, CELCO S.A. Constanța increased its interest in the share capital of PREFAB S.A. and acquired direct sole control over the Company.
As at 30 June 2026, CELCO S.A. Constanța holds 97.0406% of the share capital of PREFAB S.A. and exercises control over the Company in accordance with the provisions of IFRS 10 – Consolidated Financial Statements.
The DD Group is a related party of the Company due to the existence of the same controlling shareholder exercising control over the respective entities. The relationship with the DD Group is presented in accordance with the provisions of IAS 24 – Related Party Disclosures.
Transactions between the Company and related parties are carried out in the ordinary course of business and, in management's assessment, are conducted on market terms, in accordance with the arm's length principle.
The significant balances and transactions with related parties for the six-month period ended 30 June 2026 are presented below:

1**. Amounts owed to related parties**

Related party	**30 June 2026 (RON)**
CELCO S.A. Constanța	4.583.333
DD Group	34.250.000
Total	**38.833.333**

2. Interest on amounts owed to related parties

Related party	**30 June 2026 (RON)**
CELCO S.A. Constanța	78.417
DD Group	541.424
Total	**619.841**

(all amounts are expressed in RON, unless otherwise specified)

3. Amounts receivable from related parties

Related party	**30 June 2026 (RON)**
CELCO S.A. Constanța – accounts 4111, 418 and 461	8.612.676
Total	**8.612.676**

4. Amounts payable to related parties

Related party	**30 June 2026 (RON)**
CELCO S.A. Constanța – accounts 401, 404 and 408	1.790.978
Total	**1.790.978**

5. Sales to related parties
The amounts presented below relate to the first half of 2026 and are stated exclusive of VAT:

Related party	**First Half of 2026 (RON)**
CELCO S.A. Constanța	22.811.836
Total	**22.811.836**

6. Purchases of goods and services from related parties
The amounts presented below relate to the first half of 2026 and are stated exclusive of VAT:

Related party	**First Half of 2026 (RON)**
CELCO S.A. Constanța	10.299.979
Total	**10.299.979**

The balances relating to amounts owed to related parties and receivables and payables from and to related parties are presented in the statement of financial position, while the transactions for the period are recognized in the statement of comprehensive income, in accordance with the applicable accounting policies.
Management considers that transactions with related parties were carried out in the ordinary course of business and on market terms. The information presented above was determined based on the Company's accounting records and the information available as at the reporting date.

30. INFORMATION BY BUSINESS SEGMENT

Segment information is reported based on the Company's activities. Transactions between operating segments are carried out under normal market conditions.
Segment assets and liabilities include both items directly attributable to the respective segments and items that can be allocated using a reasonable basis.
PREFAB S.A. is the leading producer in Romania of:
a. **Autoclaved Aerated Concrete (AAC)**, with an annual production capacity of 500,000 cu m;
b. **Standardized precast products**, with an annual production capacity of 20,000 cu m;
c. **Concrete pipes for water supply and sewerage networks** (Premo and Sentab technologies);
d. **Non-standardized precast products**;
and one of the important suppliers in the local market of:
e. **Ready-mix concrete**;
f. **Electricity** (since April 2013).
Autoclaved Aerated Concrete (AAC), the masonry material manufactured by PREFAB S.A., amounted to a production volume of 63,873 cu m in the first half of 2026.

(all amounts are expressed in RON, unless otherwise specified)

In the first half of 2026, PREFAB S.A. sold approximately 81,403.54 cu m of AAC, compared to approximately 102,266.47 cu m in the corresponding period of 2025.
The difference between the volume produced and the volume sold is due to the sale of finished goods inventories existing at the beginning of the period.
The breakdown of income and expenses for this operating segment is as follows:

Income	**30 June 2025**	**30 June 2026**
Sales of products	**28.002.095**	**20.677.140**
Other operating income	-938.479	0
Total income	**27.063.616**	**20.677.140**

Expenses	**30 iunie 2025**	**30 iunie 2026**
Expenses for raw materials and materials	10.188.771	11.884.312
Expenses for energy, gas and water	4.919.096	2.939.728
Other production expenses	0	0
Total material costs	**15.107.867**	**14.824.040**
Salaries and allowances	3.125.610	4.507.299
Expenses for social security and social protection	70.329	94.320
Total personnel expenses	**3.195.939**	**4.601.619**
Depreciation	822.408	1.036.353
Impairment adjustments	**0**	**0**
Total depreciation and impairment	**822.408**	**1.036.353**
Indirect expenses	2.198.115	1.169.943
Total other operating expenses	**2.198.115**	**1.169.943**
Administrative expenses	5.191.237	7.732.378
Distribution expenses	494.309	662.135
Total expenses	**27.009.875**	**30.026.468**
Operating result	**53.741**	**-9.349.328**

PREFAB S.A. is one of the leading national producers of construction materials, with a diverse portfolio of products sold.
The Company's main markets are Romania, Bulgaria and the Republic of Moldova.
In Romania, the sales market is structured as follows:
a. for AAC: Muntenia, Transylvania and Moldavia;
b. for precast products: throughout Romania;
c. for aggregates, ready-mix concrete and PVC joinery: the local market.
The sales policy is differentiated according to the specific characteristics of each product.

a. AAC is sold through distributors or DIY (Do It Yourself) chains;
b. Precast products are sold through tender procedures or direct negotiations for each project.

31. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved in a number of litigations arising in the ordinary course of its business, mainly as a creditor, for the purpose of recovering trade receivables.

The Company is also involved in an employment dispute concerning the challenge of a dismissal decision. By the judgment rendered by the court of first instance, the claimant's action was dismissed. The claimant has lodged an appeal, and the case is currently pending before the competent court.

Based on the information available and the assessment carried out together with the Company's legal advisers, management considers that, apart from the provisions and impairment adjustments recognized and disclosed in the notes to the financial statements, these litigations are not likely to give rise to any significant additional liabilities and will not have a significant impact on the Company's financial position, financial performance or cash flows.

Insurance

During the first half of 2026, the Company maintained insurance policies with reputable insurance companies, covering mainly:

• buildings and other significant tangible assets;
• the vehicle fleet, through mandatory motor third-party liability insurance (RCA) and voluntary comprehensive insurance (CASCO).

Management considers that the level of insurance coverage is adequate in relation to the nature and magnitude of the risks associated with the Company's activities.

Related Party Transactions and Transfer Pricing

In the course of its business activities, the Company enters into transactions with related parties. These transactions are carried out in compliance with the applicable tax legislation on transfer pricing and in accordance with the arm's length principle, according to which the commercial and financial terms applied are comparable to those that would have been agreed between independent parties under similar circumstances.

Management considers that purchases made from Celco are carried out at values consistent with the arm's length principle and has not identified any matters indicating the need for significant adjustments to the prices applied.

32. RISK MANAGEMENT

The Company is exposed to the following risks:

• Credit risk
• Liquidity risk
• Market risk
• Foreign exchange risk
• Operational risk
• Taxation risk
• Data protection and processing risk
• 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.

(all amounts are expressed in RON, unless otherwise specified)

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.
Furthermore, risk prevention is an integral part of the daily decision-making processes at management level and at every level of our Company. The risk management process is based on a preventive and systematic approach, aimed at identifying and managing risks in real time and, where possible, proactively, in order to avoid any potential adverse impact on the Company's operations and reputation. Each employee is aware of the risks associated with the activities they perform and takes daily action, using various techniques, to prevent and manage such risks.

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 2025	30 June 2026
Trade and other receivables	1.602.891	9.697.702
Cash and cash equivalents	273.354	4.226.964
Total	**1.876.245**	**13.924.666**

ASSETS	31 December 2025	30 June 2026
Shares held in subsidiaries	0	0
Other non-current securities	0	0
Total	**0**	**0**

(all amounts are expressed in RON, unless otherwise specified)

LIABILITIES	31 December 2025	30 June 2026
Trade and other payables	10.468.915	8.695.815
Other liabilities, including current income tax	3.005.075	2.909.016
Total	**13.473.990**	**11.604.831**

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.

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 conducts commercial transactions in currencies other than its functional currency (the Romanian leu), mainly in connection with the purchase of raw materials, materials and equipment, as well as, occasionally, in the course of its external commercial relationships.
Foreign currency transactions are recorded in the accounting records in RON, using the exchange rate communicated by the National Bank of Romania applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies are revalued at the reporting date in accordance with the applicable accounting regulations.
The Company is exposed to foreign exchange risk; however, management continuously monitors this exposure and implements risk management measures by matching foreign currency cash inflows and outflows and carefully planning commercial transactions. Given the volume and structure of foreign currency transactions, foreign exchange risk is continuously monitored and is considered manageable in relation to the volume and nature of the Company's foreign currency transactions.

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.

Taxation risk

The Company has implemented the tax changes currently in force; however, the manner in which these changes have been implemented remains subject to tax audit for a period of five years.

The interpretation of the provisions and the practical implementation of procedures arising from the new applicable tax regulations, harmonized with European legislation, may vary from one entity to another, and there is a risk that, in certain circumstances, 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

The military conflict in Ukraine, which began in 2022, continues to generate a climate of uncertainty at regional and international level, affecting energy markets, supply chains, financing costs and the overall economic environment.

Although the direct impact on the Company's activities was limited during the reporting period, risks arising from the evolution of the conflict persist and may lead to volatility in energy and raw material prices, disruptions to supply chains, increased financing costs, intensified inflationary pressures, changes

(all amounts are expressed in RON, unless otherwise specified)

in tax policies and reduced investment in the construction sector. These developments may affect demand for the Company's products and its economic and financial results.
As at the date of preparation of this report, management continuously monitors developments in the geopolitical and economic environment and cannot reliably estimate the extent of the effects that these developments may have on the Company's activities and financial performance in future periods.
Management considers that the Company has the resources and capacity necessary to continue its activities on a going concern basis and continues to implement risk management measures, cost optimization measures and investment programs aimed at strengthening its market position and ensuring sustainable development.

Energy Price Risk
Given the energy consumption requirements specific to the production process, the Company is exposed to the risk of fluctuations in electricity and natural gas prices.

33. ANALYSIS OF KEY ECONOMIC AND FINANCIAL INDICATORS

	30.06.2025	30.06.2026
1. Liquidity Ratios		
Current Ratio	0.56	1.51
Quick Ratio	0.03	0.80
2. Risk Ratios		
Debt Ratio	0.25	0.32
Interest Coverage Ratio	-0.08 times	-0.15 times
3. Activity Ratios		
Inventory Turnover	1.38 times	1.58 times
Number of Days in Inventory	130 days	115 days
Trade Receivables Turnover	8 days	38 days
Trade Payables Turnover	61 days	80 days
Fixed Asset Turnover	0.16 times	0.13 times
Total Asset Turnover	0.14 times	0.11 times
4. Profitability Ratios		
Return on Capital Employed	-0.10%	-0.10%
Gross Profit Margin	5.55%	18.48%
5. Earnings per Share Indicators		
Earnings per Share	(0.0319)	(0.0180)

34. EVENTS AFTER THE REPORTING DATE

Management declares that, up to the date on which these financial statements were authorized for issue, no events after the reporting period have been identified that would require adjustments to the amounts recognized in the financial statements or the disclosure of additional information, except for those presented in the notes to the financial statements, where applicable.
The notes to the financial statements form an integral part of these financial statements.
These financial statements were authorized for issue by the Board of Directors on 30 July 2026 and were signed by:

Chairman of the Board of Directors,
Eng. Ion Secareanu

Financial Director,
Ec. Vildan Hotulig

Vildan Hotulig
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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 S.A.
Registered office – Constanta, Soseaua Industriala No. 5
Place of business – Călărași, 396 Bucuresti Street
Unique Registration Code with the Trade Register Office – RO 1916198
Trade Register registration number – J2003009212407

The undersigned,
SECAREANU ION, in his capacity as General Manager, and
HOTULIG VILDAN, in his capacity as Economic Director,

hereby confirm that, to the best of our knowledge, the interim financial statements for the six-month period ended June 30, 2026, prepared in accordance with the International Financial Reporting Standards adopted by the European Union and Order of the Ministry of Public Finance No. 2844/2016 approving the Accounting Regulations compliant with the International Financial Reporting Standards, provide a true and fair view of the Company's assets, liabilities, financial position, statement of profit and loss, and that the Board of Directors' Report includes a fair analysis of the Company's development and performance, as well as a description of the main risks and uncertainties specific to the activities carried out.
The Company conducts its activities on a going concern basis.

General Manager,
Secareanu Ion

Ion Secareanu
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Economic Director,
Hotulig Vildan

Vildan Hotulig
Semnat digital de Vildan Hotulig
Data: 2026.08.13 12:18:15 +03'00'

PREFAB S.A.
Strada Industriala, nr. 5
Constanta

INDEPENDENT AUDITOR'S REVIEW REPORT

On the condensed interim financial statements as of 30 June 2026

To the Shareholders of PREFAB S.A.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of PREFAB S.A. (the "Company") as at 30 June 2026, and the related condensed interim statement of profit or loss and statement of comprehensive income, for the six-month period then ended, and selected explanatory notes (the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with Order of the Minister of Public Finance no. 2844/2016 approving the Accounting Regulations compliant with International Financial Reporting Standards, as subsequently amended ("OMFP 2844/2016"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

These interim financial statements are identified as follows:

Equity:	RON 164,906,430
Loss:	RON 1,487,817

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with OMFP 2844/2016.

August 6th , 2026 nr. 505
Bucharest, Romania

In the name of
JPA Audit & Consultanta SRL
ASPAAS FA319

Autoritatea pentru Supravegherea Publică Activității de Audit Statutar (ASPAAS)
Firma de Audit:
JPA AUDIT & CONSULTANȚĂ S.R.L.
Registrul Public Electronic: FA 319

Florin Toma
Digitally signed by Florin Toma
Date: 2026.08.06 10:56:17 +03'00'

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)
Auditor financiar: FLORIN TOMA
Registrul Public Electronic: AF 1747

Florin Toma
Authorized auditor ASPAAS AF1747
Registered with the Romanian Chamber of Auditors