

The logo for CEMCON, featuring the word "CEMCON" in white uppercase letters on a black background. The letter "M" is stylized with an orange triangle pointing upwards.

CEMCON

BSE REPORT

CLUJ-NAPOCA

1ST QUARTER RESULTS

2023

3 Month Performance 2023

- ☑ **16.7 million lei operational profit (EBITDA)**
- ☑ **Net turnover: 47.22 million lei**
- ☑ **122.1 million Cash**

General Manager Statement

At the end of a demanding first quarter, CEMACON's results demonstrate consistency and resilience, and the company maintains its solid position among industrial manufacturers in the area of construction materials.

We are going through a period of temporary downturn in the housing market, but we are witnessing a decrease in inflation and continued economic growth, so we expect investment in residential projects to be revived and demand for construction materials to increase.

The high level of investment in the industrial area gives confidence, which is based on an imbalance of local supply against demand, including in the area of construction materials, and on an expectation of managers, financiers and investors of a massive increase in demand in the context of the return of consumer confidence correlated with the decrease in inflation, energy costs, the multiplication of investments financed by the PNRR, but also the increase in the demand for construction materials in the surrounding countries.

CEMACON continues the development course assumed for the year 2023. We are on the last hundred meters with the completion of the new apparent brick factory, more precisely we have entered the testing stage. We have the most modern technology available today and will provide the market with authentic, durable products of excellent aesthetic value.

Also, with the approval of the Competition Council, we are finalizing the acquisition of EURO CĂRĂMIDA SA and focusing our efforts to achieve a successful integration and investments that will ensure a significant modernization at the level of production capacities and product portfolio.

Following a strong investment process, through which we significantly modernized the main factory, the newest of its kind in Romania, we bring improvements to the products from the established portfolio and launch new products, more performing in terms of benefits for builders and final beneficiaries.

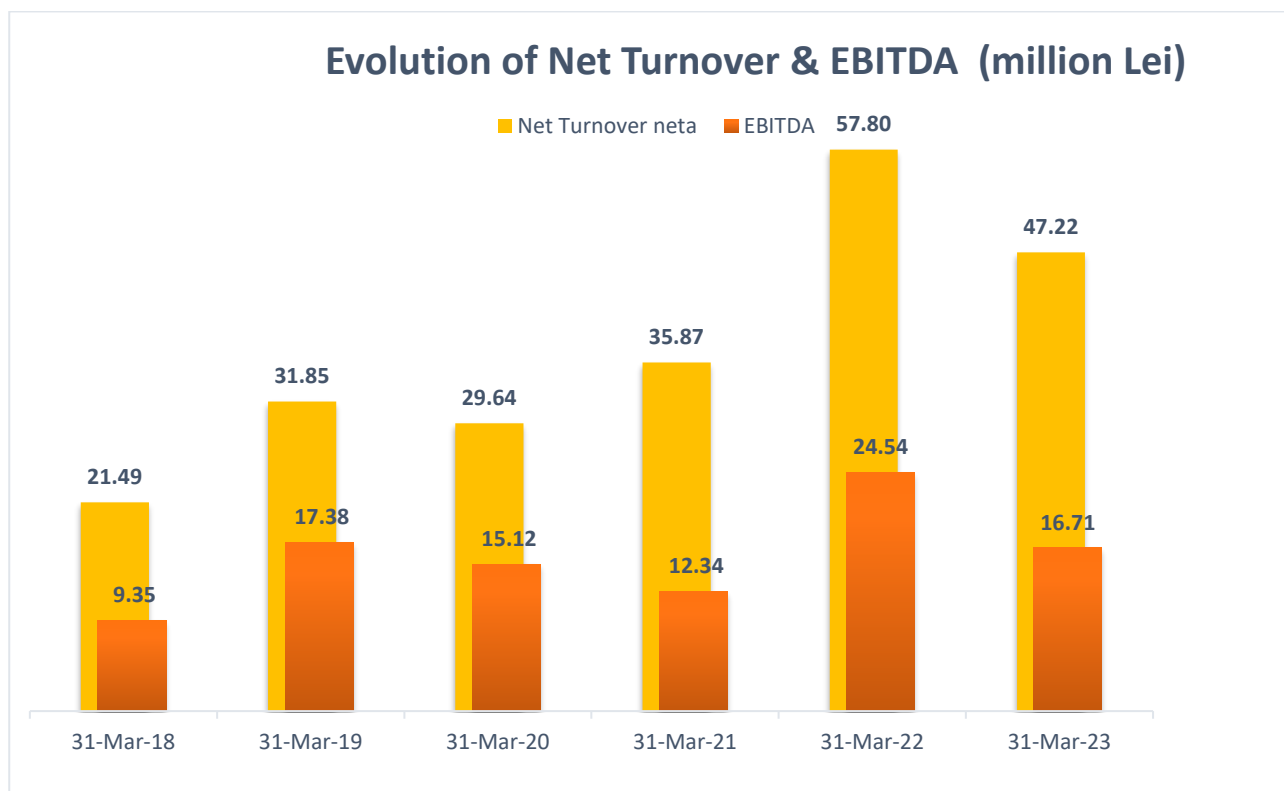
We remain the manufacturer with the highest energy efficiency and invest in renewable energy sources that ensure an increased level of autonomy.

Profit and loss Account – 3 Months Results 2023

In the first quarter of 2023, Cemacon recorded a turnover of 47.22 million lei and a net result of 12.78 million lei, maintaining the profitability rate above 27%.

All these results came in an economic context quite difficult to anticipate, with many changes in the area of energy resources, the increase in interest rates and a generalized inflation.

The production lines operated at capacity, with no major interruptions in the production flow, which allowed significant operational synergies to be obtained, with a direct impact on the production cost and the company's profitability.



Profit and loss Account – 3 Months Results 2023

	31-Mar-23	31-Mar-22	2023 vs 2022	2023 vs 2022
	LEI	LEI	LEI	%
Gross Turnover	52,885,638	61,331,140	(8,445,502)	-14%
Net Turnover	47,228,962	57,796,964	(10,568,002)	-18%
Sales revenues	47,223,800	57,791,771	(10,567,971)	-18%
Other operating revenues	74,238	80,902	(6,664)	-8%
Other gains and losses	732,988	444,403	288,585	65%
Change in inventories of FG & WIP	4,347,619	1,492,183	2,855,436	191%
Raw materials and consumables	(9,052,751)	(9,064,364)	11,614	0%
Personnel expenses	(10,328,012)	(8,309,545)	(2,018,467)	24%
Other operating expenses	(17,061,862)	(18,762,697)	1,700,835	-9%
EBITDA	16,712,457	24,545,301	(7,736,633)	-32%
Depreciation and amortization expenses	(3,823,316)	(3,418,997)	(404,319)	12%
Income impairment of assets	-	-	-	0%
EBIT	12,112,705	20,253,657	(8,140,952)	-40%
Financial Income	1,904,787	89,921	1,814,866	2018%
Financial Expenses	(523,987)	(176,235)	(347,752)	197%
Financial result	1,380,800	(86,313)	1,467,114	-1700%
Profit before tax*	13,493,505	20,167,344	(6,673,839)	-33%
Income tax expenses	(710,636)	(3,648,669)	2,938,033	-81%
Profit after tax	12,782,869	16,518,675	(3,735,806)	-23%
Total other elements of other Comprehensive income	-	-	-	-
Comprehensive income total	12,782,869	16,518,675	(3,735,806)	-23%

* EBITDA = Operating profit + Expenses with depreciation + Financial discounts granted - Income impairment of non-current assets

Statement of financial position- Results 31 March 2023

	31-Mar-23	31-Dec-22	2023 vs 2022	2023 vs 2022
	LEI	LEI	LEI	%
NON-CURRENT ASSETS				
Property, plant and equipment	232,011,201	203,699,307	28,311,894	18%
Investment property	8,885,960	8,885,960	-	0%
Intangible	1,262,289	1,131,377	130,912	9%
Rights of use assets	17,001,512	17,026,366	(24,854)	0%
Investments	1,000	1,000	-	0%
Other non-current assets	564,575	554,017	10,558	3%
NON-CURRENT ASSETS TOTAL	259,726,537	231,298,027	28,428,510	16%
CURRENT ASSETS				
Inventories	22,694,703	22,579,886	114,817	1%
Trade and other receivables	43,299,155	50,248,650	(7,001,666)	-28%
Other assets	3,499,716	16,612,591	(13,112,875)	-304%
Cash and cash equivalents	122,181,464	133,909,885	(11,728,422)	-12%
CURRENT ASSETS TOTAL	191,675,038	223,351,011	(31,728,144)	-23%
TOTAL ASSETS	451,401,575	454,649,038	(3,299,634)	-1%
CURRENT LIABILITIES				
Trade and other payables	32,768,392	47,212,962	(14,598,538)	-57%
Loans and borrowings	-	-	101,797	0%
Lease liabilities	720,503	702,461	18,042	3%
Obligations under finance leases	1,785,945	1,843,729	(57,784)	-3%
Grants received	762,101	766,040	(3,939)	-1%
Tax liability	-	-	0	0%
Provisions	9,288,264	10,045,567	(757,303)	-6%
CURRENT LIABILITIES TOTAL	45,325,204	60,570,757	(15,297,723)	-33%
NON-CURRENT LIABILITIES				
Non-current trade and other liabilities	-	-	-	0%
Loans and borrowings	-	-	-	0%
Lease liabilities	4,750,469	4,937,224	(186,755)	-4%
Obligations under finance leases	2,147,051	2,555,458	(408,406)	-11%
Grants received	6,546,216	6,735,832	(189,616)	-3%
Tax liability	3,004,628	3,004,628	0	0%
Provisions	2,848,866	2,848,866	0	0%
NON-CURRENT LIABILITIES TOTAL	19,297,230	20,082,008	(784,778)	-4%
TOTAL LIABILITIES	64,622,434	80,652,765	(16,082,502)	-24%

	31-Mar-23	31-Dec-22	2023 vs 2022	2023 vs 2022
	LEI	LEI	LEI	%
NET ASSETS	386,779,140	373,996,272	12,782,868	5%
EQUITY				
Issued capital as per IFRS	102,745,391	102,745,391	0	0%
TOTAL EQUITY	386,779,140	373,996,272	12,782,867	5%

At the balance sheet level, the changes in the fixed assets area are generated by the implementation of the new manufacturing line for apparent clinkerized brick plates, a project that is proceeding according to schedule.

Inventories were maintained at a level similar to December 2022, receivables were reduced as a result of receipts from customers in the period January-March 2023. The decrease in other assets represents the counter value of the GHG certificates allocated for compliance in 2022 and the decrease in the balances of cash is mainly generated by the payments made for the investments made during the period.

Short-term liabilities have decreased as a result of payments to immobilization suppliers.

The company's net assets at the end of the reporting period ended on March 31, 2023 registered a 5% increase compared to the end of 2022, totaling 386.8 million lei.

Main Financial Ratios

Main Financial Ratios	31 Mar 23
1. Current liquidity indicator	4.23
2. Leverage indicator	0%
3. Turnover speed for client debit items (days)	80
4 Turnover speed for total assets	20%

The report, together with the related documents, can be consulted starting with 15 Mai 2023 at 18:00 at the company headquarters on Calea Turzii Street, no. 178K, Hexagon Offices, Cluj-Napoca or electronically on the company's website: www.cemacon.ro and on the Bucharest Stock Exchange website: www.bvb.ro***

The results presented are prepared in accordance with IFRS and have a preliminary nature, and will be subject to financial auditing in accordance with legal provisions.

CEMACON SA ranks second in the top of masonry manufacturers in Romania and is the market leader in Transylvania. The company operates the most modern and largest manufacturing capacity in Romania with innovative, differentiated products that bring added value to users, at very competitive production costs. CEMACON SA is a company listed on the Bucharest Stock Exchange; the company management is professional, independent, having strong sector expertise.

ernică expertiză de sector.

Cluj Napoca, 15th of May

INDIVIDUAL FINANCIAL STATEMENTS UNAUDITED FOR THE PERIOD ENDED 31st March 2023

Prepared according to International Reporting Standards



CEMACON

SC CEMACON SA COD
FISCAL 677858 COD
REGISTRUL COMERTULUI
J12/2466/2012

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CEMACON SA

**Situatia individuală a pozitiei financiare (Standalone Statement of financial position)
pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)**

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

	Notes	31-Mar-23	31-Dec-22
		LEI	LEI
ACTIVE (ASSETS)			
ACTIVE IMOBILIZATE			
NON-CURRENT ASSETS			
Imobilizari corporale <i>Property, plant and equipment</i>		232,011,201	203.699.307
Investitii imobiliare <i>Investment property</i>		8.885.960	8.885.960
Imobilizari necorporale <i>Intangible</i>		1,262,289	1.131.377
Drept de utilizare a activelor in leasing* <i>Right of use assets</i>		17,001,512	17.026.366
Investitii in actiuni <i>Investments</i>		1.000	1.000
Alte active imobilizate <i>Other non-current assets</i>		564,575	554.017
		259,726,537	231.298.027
ACTIVE CIRCULANTE			
CURRENT ASSETS			
Stocuri <i>Inventories</i>	9	22,694,703	22.579.885
Creante comerciale si similare <i>Trade and other receivables</i>	10	43.299.155	50.248.650
Alte active financiare <i>Other financial assets</i>		-	-
Alte active <i>Other assets</i>		3,499,716	16.612.591
Numerar si echivalente numerar <i>Cash and cash equivalents</i>	14	122,181,464	133.909.885
		191.675.038	223.351.011
Active clasificate drept detinute în vederea vânzării <i>Assets classified as held for sale</i>		-	-
		451.401.575	454.649.038
DATORII (LIABILITIES)			
DATORII CURENTE			
CURRENT LIABILITIES			
Datorii comerciale si similare <i>Trade and other payables</i>	11	32,614,424	47.212.962
Imprumuturi <i>Loans and borrowings</i>		101,797	-
Datorii din operatiuni de leasing* <i>Lease liabilities</i>		720,503	702.461
Obligatii din leasing financiar** <i>Obligations under finance leases</i>		1,785,945	1.843.727
Subventii pentru investitii <i>Grants received</i>		762,101	766.040
Datorii privind impozitul pe profit <i>Tax liability</i>		-	-
Provizioane <i>Provisions</i>		9,288,264	10.045.567
		45.325.204	60.570.757

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**Situatia individuală a pozitiei financiare (Standalone Statement of financial position)
pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)**

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

	Notes	31-Mar-23	31-Dec-22
		<i>LEI</i>	<i>LEI</i>
DATORII PE TERMEN LUNG			
NON-CURRENT LIABILITIES			
Datorii comerciale si similare	11	-	-
<i>Non-current trade and other liabilities</i>			
Imprumuturi		-	-
<i>Loans and borrowings</i>			
Datorii din operatiuni de leasing*		4,750,469	4.937.224
<i>Lease liabilities</i>			
Obligatii din leasing financiar**		2,147,051	2.555.458
<i>Obligations under finance leases</i>			
Subventii pentru investitii		6,546,216	6.735.832
<i>Grants received</i>			
Impozit amanat		3,004,628	3.004.628
<i>Deferred tax</i>			
Provizioane		2,848,866	2.848.866
<i>Provisions</i>			
		19,297,230	20.082.008
TOTAL DATORII (TOTAL LIABILITIES)		64.622.434	80.652.765
		386,779,140	373.996.272
ACTIVE NETE (NET ASSETS)			
CAPITAL SI REZERVE (EQUITY)			
Capital social	12	102,745,391	102.745.391
<i>Issued capital</i>			
Beneficii acordate angajatilor in instrumente de capitaluri proprii		-	-
<i>Benefits granted to employees in equity instruments</i>			
Impozit profit amanat		(3,508,324)	(3.508.324)
<i>Deffered Tax</i>			
Actiuni proprii		-	-
<i>Own Shares</i>			
Prime legate de emiterea de actiuni		21,735,848	21.735.848
<i>Share premium</i>			
Rezerve din reevaluare aferente active destinate vanzarii		-	-
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale			
Rezerve		98,671,339	97.996.664
<i>Reserves</i>			
Rezultat reportat		167,134,886	155.026.694
<i>Retained earnings</i>			
Interesele care nu controleaza		-	-
<i>Non-controlling interest</i>			
TOTAL CAPITALURI (TOTAL EQUITY)		386,779,140	373.996.272

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**Situatia individuală a rezultatului global (Standalone Statement of comprehensive income)
pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)**

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

	Notes	31-Mar-23	31-Mar-22
		<i>LEI</i>	<i>LEI</i>
Venituri din vanzari	4	47,223,800	57.791.771
<i>Sales revenues</i>			
Alte venituri din exploatare	5	74,238	80.902
<i>Other operating revenues</i>			
Alte castiguri si pierderi	5	732,988	444.403
<i>Other gains and losses</i>			
Variatia stocurilor		4,347,619	1.492.183
<i>Change in inventories of FG & WiP</i>			
Materii prime si consumabile	9	(9,052,751)	(9.064.364)
<i>Raw material and consumables used</i>			
Cheltuieli de personal		(10,328,012)	(8.309.545)
<i>Personnel Expenses</i>			
Cheltuieli cu amortizarea		(3,823,316)	(3.418.997)
<i>Depreciation and amortisation expenses</i>			
Alte cheltuieli din exploatare	6	(17,061,862)	(18.762.697)
<i>Other operating expenses</i>			
Profit / (Pierdere) din exploatare		12,112,705	20.253.657
<i>Profit / (Loss) from operation</i>			
Venituri financiare	8	1,904,787	89.921
<i>Financial income</i>			
Cheltuieli financiare	8	(523,987)	(176.235)
<i>Financial expenses</i>			
Rezultat Financiar		1,380,800	(86.314)
<i>Financial Result</i>			
Profit / (Pierdere) inainte de impozitare		13,493,505	20.167.344
<i>Profit before tax</i>			
Cheltuieli cu impozite		(710,636)	(3.648.669)
Profit		12,782,869	16.518.675
<i>Profit after tax</i>			

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**Situatia individuală a fluxului de numerar (Standalone Statement of cash flow)
pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)**

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

	31-Mar-23	31-Mar-22
	<i>LEI</i>	<i>LEI</i>
Fluxuri din activitati de exploatare		
Cash flow from operating activities		
Incasari de la clienti	54,338,063	66.594.205
<i>Customer encashments</i>		
Plati catre furnizori	(31,445,079)	(29.849.564)
<i>Supplier payments</i>		
Plati catre angajati	(7,940,340)	(6.297.430)
<i>Payments to employees</i>		
Plati impozite si taxe	(4,414,999)	(7.691.310)
<i>Tax Payments</i>		
Impozit pe profit platit	-	-
<i>Income Tax Paid</i>		
Incasari din asigurari	-	8.047
<i>Insurance encashments</i>		
Plati de asigurari	(250,835)	(137.508)
<i>Insurance payments</i>		
Dobanzi platite	-	-
<i>Interest Paid</i>		
Alte incasari	-	-
<i>Other Encashments</i>		
Alte plati	-	-
<i>Other Payments</i>		
Plati ctr leasing pe termen scurt si active de val. mica	(74,621)	(30.531)
<i>Payments for short term leasing contracts and low value assets</i>		
Trezoreria neta din activitati de exploatare	10,212,189	22.595.909
Cash from operating activities		
Fluxuri de trezorerie din activitati de investitii		
Cash flow from investing activities		
Plati pentru achizitionarea de actiuni	-	-
<i>Payments for acquiring shares</i>		
Plati pentru achizitionarea de imobilizari corporale	(23,560,265)	(11.250.643)
<i>Payments for acquiring assets</i>		
Incasari din vanzarea de imobilizari corporale	142,335	-
<i>Encashments from sold assets</i>		
Dobanzi incasate	1,450,591	84.019
<i>Encashments from interest</i>		
Credite catre parti afiliate	-	-
<i>Loans to affiliated parties</i>		
Alte incasari- subventii pentru investitii	-	-
<i>Others Encashments</i>		
Dividende incasate	628,649	-
<i>Encashments from dividends</i>		
Trezoreria neta din activitati de investitie	(21,338,690)	(11.166.624)
Cash from investing activities		

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**Situatia individuală a fluxului de numerar (Standalone Statement of cash flow)
pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)**

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

	31-Mar-23	31-Mar-22
	<i>LEI</i>	<i>LEI</i>
Fluxuri de trezorerie din activitati de finantare		
Cash flow from financing activities		
Incasari din aport de capital	-	-
<i>Encashments from share capital increase</i>		
Incasari din imprumuturi	-	-
<i>Encashments from loans</i>		
Plata datoriilor aferente leasing-ului financiar-capital	(555,528)	(901.244)
<i>Payments for financial lease</i>		
Plata datoriilor aferente leasing-ului financiar-dobanda	(63,738)	(176.233)
<i>Payments for financial lease-interest</i>		
Rambursari credite	-	-
<i>Dividends paid and bank interest paid</i>		
Incasari garantie achizitionare actiuni	-	-
<i>Encashments from share purchase</i>		
Plata garantie achizitionare actiuni	(10,558)	-
<i>Payment for share purchase</i>		
Trezoreria neta din activitati de finantare	(629,824)	(1.077.477)
Cash from financing activities		
Efectul diferentelor de curs	27,904	(23.030)
<i>Effect of exchange rate changes</i>		
Crestere /scadere neta de numerar	(11,728,421)	10.328.778
Net increase/decrease in cash and cash equivalents		
Numerar si echivalente de numerar la inceputul perioadei	133,909,885	84.223.350
Cash and cash equivalents at beginning of period		
Numerar si echivalente de numerar la sfarsitul perioadei	122,181,464	94.552.128
Cash and cash equivalents at end of period		

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**Situația modificării capitalurilor proprii individuale (Statement of standalone changes in equity)
pentru perioada încheiată la 31 Martie 2023 (for the period ended 31 March 2023)
(toate sumele sunt exprimate în RON, dacă nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)**

	Capital subscris și ajustări	Prime de emisiune	Rezerve din reevaluare aferente active deținute spre vanzare	Rezerve din reevaluare	Rezerve legale	Alte rezerve	Rezultat nedistribuit	Alte elemente ale capitalurilor proprii	Prima aplicare a IAS29	Total
	Issued capital and adjustments	Share Premium	Revaluation reserve for HFS assets	Reevaluation reserves	Legal reserves	Other reserves	Undistributed result	Other capital elements	1st application of IAS 29	Total
31-Dec-21	59.779.702	253.004	-	31,455,172	9,430,921	33,589,330	106,689,799	(3,603,372)	-	237,594,557
Rezultatul global current <i>Current global result</i>	-	-	-	-	-	-	71,858,135	-	-	71,858,135
Majorare capital social Diferențe capitalizate aferente impozitului amnat <i>Capitalised differences related to deferred tax</i>	42,965,689	-	-	-	-	-	-	95,048	-	42,965,689 95,048
Constituire rezerva legală <i>Legal Reserve</i>	-	-	-	-	3,930,969	-	(3,930,969)	-	-	-
Rezerva din reevaluare <i>Revaluation reserve</i>	-	-	-	-	-	-	-	-	-	-
Alte rezerve Majorare prime de emisiune	-	-	-	-	-	19,590,272	(19,590,272)	-	-	- 21,482,844
31-Dec-22	102,745,391	21,735,848	-	31,455,172	13,361,890	53,179,602	155,026,693	(3,508,324)	-	373,996,272
Rezultatul global curent <i>Current global result</i>	-	-	-	-	-	-	-	-	-	12,782,867
Rezerve legale <i>Legal Reserve</i>	-	-	-	-	674,675	-	(674,675)	-	-	-
31-Mar-23	102,745,391	21,735,848	-	31,455,172	14,036,565	53,179,602	154,352,019	(3,508,324)	-	386.779.139

CEMACON SA

Note la Situațiile Financiare Individuale (*Notes to the standalone financial statements*) pentru perioada încheiată la 31 Martie 2023 (*for the period ended 31 March 2023*)

(*toate sumele sunt exprimate în RON, dacă nu este specificat altfel*) (*all amounts are expressed in RON, unless otherwise stated*)

1. Legal principals

The interim individual financial statements as at 31 March 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed individual financial statements as at 31 March 2023 included in this report are unaudited and an external limited review by an auditor was not performed.

The interim condensed individual financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual individual financial statements as of December 31, 2022.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the company since the last annual individual financial statements as at 31 December 2022.

2. Accounting policies

The accounting policies of the company are aligned with the international financial reporting standards (IFRS). A detail of them can be found in the individual financial statements at 31 December 2022.

3. Accounting estimates

The entity makes certain estimates and assumptions concerning the future. Estimates and judgements are assessed continuously based on the experience historical and other factors, including expectations regarding future events deemed to be reasonable in the circumstances. In the future, actual experience may differ from these estimates and assumptions.

4. Revenues

Sale revenues	31-Mar-23	31-Mar-22
Sales of finished goods	49,251,502	56.760.261
Sales of goods	3,284,766	4.316.742
Revenues from services rendered	344,208	248.944
Discounts granted	(5,656,676)	(3.543.176)
Total	47,223,800	57.791.771

The main revenues realized by the entity in 2023 were from the sale of finished products 49.25 million lei, the sale of goods 3.28 million lei and services rendered 0.34 million lei, while the value of discounts granted was 3.54 million lei.

5. Other operational revenues

Other operational revenues are generated from activities that are not part of the general subject of activity of the entity, which is why they are presented differently from income from sales.

CEMACON SA

Note la Situațiile Financiare Individuale *(Notes to the standalone financial statements)* pentru perioada încheiată la 31 Martie 2023 *(for the period ended 31 March 2023)*

(toate sumele sunt exprimate în RON, dacă nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

5. Other operational revenues (continued)

Other operational revenues	31-Mar-23	31-Mar-22
Revenues from various activities	30.765	24.020
Subsidies for operating activities	24,564	28.663
Revenues from subsidy to asset values	18.909	18.909
Revenues from indemnifications	-	9.310
Total	74,238	80.902

Revenues related to the operating subsidy in the amount of 0.024 million lei to the state aid granted during the COVID 19 pandemic and to the professional development project, co-financed by the Human Capital Operational Project (POCU).

In 2010 the Company received a subsidy for investments in amount of 1.6 mil lei, and in 2022 the company has recognized as income corresponding to these subsidies the amount of 0.018 mil lei. Income from subsidies is recognized related to the depreciation of the corresponding fixes assets. The recognized subsidy refers to the grant of 15% of the value of the credit received from EBRD sources, for the energy efficiency project started in 2009 with the construction of the new brick factory in Recea.

Other gains and losses	31-Mar-23	31-Mar-22
Income from the sale of assets	137,661	-
Expenses from the sale of assets	-	(161,976)
Revenue from the cancellation of provisions	2.618.497	2,153,504
Revenues from the resumption of value adjustments regarding impairment of current assets	-	-
Expenses from establishing provisions	(2.174.094)	(1,396,201)
Expenses from value adjustments regarding impairment of current assets	-	-
Gains and losses Total	732,988	444.403

6. Operating expenses

Other operating expenses	31-Mar-23	31-Mar-22
Utilities	6,886,384	6.691.129
Repairs	746,480	786.279
Rent	74,621	25.656
Insurance	326,963	204.487
Personal training	29,726	8.093
Commissions	34.170	42.320
Advertising	128,528	163.701
Transport and logistics	4.060.296	5.043.737
Post and telecommunications	40,129	36.392
Other services provided by third parties	1,240,189	872.831
Taxes	432,629	391.252
Miscellaneous	3,061,747	4.496.820
Total	17,061,862	18.762.697

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(toate sumele sunt exprimate în RON, dacă nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

7. Personnel structure

The structure and average number of employees is: 281.

<i>Average number of employees</i>	31-Mar-23	31-Mar-22
Administrative staff	75	70
Personnel in production	206	191
Total	281	261

8. Financial income and expenses

Financial Income	31-Mar-23	31-Mar-22
Income from interest	1,450,591	84.019
Exchange rate differences in income	454,196	5.904
Total	1,904,787	89.992

Financial Expenses	31-Mar-23	31-Mar-22
Interest costs	(47,460)	(67.999)
Other financial expenses	(86,713)	(80.322)
Exchange rate differences	(389,815)	(27.913)
Total	(523,987)	(176.235)

Financial expenses consist mainly of the following categories: Interest expenses 0.047 million lei, Expenses related to exchange rate differences related to 0.38 million lei and other financial expenses 0.086 million lei.

Financial income is represented by interest income of 1.45 million lei, income from exchange rate differences of 0.45 million lei.

9. Inventory

Inventory	31-Mar-23	31-Dec-22
Raw materials and consumables	4.413.096	4.637.181
Adjustments	-	-
Packing	3.722.918	4.735.920
Adjustments	(2.400.413)	(2.400.413)
WIP	71.627	139.893
Adjustments	-	-
Billets and finished products	15.859.794	13.430.515
Adjustments	(328.479)	(328.479)
Merchandise	1.718.761	2.727.871
Adjustments	(362.603)	(362.603)
Total	22.694.703	22.579.885

CEMACON SA**Note la Situațiile Financiare Individuale (Notes to the standalone financial statements)
pentru perioada încheiată la 31 Martie 2023 (for the period ended 31 March 2023)***(toate sumele sunt exprimate în RON, dacă nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)***9. Inventory (continued)**

The cost of inventories recognized in the income statement has the following structure:

Raw materials and consumables	31-Mar-23	31-Mar-22
Raw materials	3,610,273	4.124.608
Auxiliary materials	1,708,601	1.670.598
Packing	38,414	288.068
Merchandise	2,327,654	1.399.394
Inventory items	57,645	54.418
Other consumables	46,299	23.956
Miscellaneous	1,263,865	1.503.322
Total	9,052,752	9.064.364

Inventory Adjustments

Where necessary, adjustments are made for inventory items, physically or morally exploited. The net realizable value is estimated on the basis of the selling price less the sales costs.

10. Commercial receivables and other receivables

Commercial receivables and other receivables	31-Mar-23	31-Dec-22
Trade receivables	29.710.776	26.231.945
Adjustments for trade receivables	(1.623.228)	(1.623.228)
Intragroup adjustment receivables		
Tax	4,375,871	5.086.507
Other claims against the State Budget	834.931	864.365
Grants	-	630.237
Debtors and other receivables	1,601,217	301.501
Interest to cash	-	-
Total financial assets other than cash, classified as loans and receivables	34,899,567	31.491.326
Advance paid	8,399,588	18.757.323
Total	43,299,155	50.248.650

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**Note la Situatiile Financiare Individuale (Notes to the standalone financial statements)
pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)**

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

11. Trade and other payables

Trade and other payables	31-Mar-23	31-Dec-22
Trade liabilities	10,647,004	17.179.797
Suppliers of fixed assets	7,798,757	7.479.514
Intra-group liabilities	24,004	11.239
Lease liabilities	-	2.838
Debt related to employees	1,288,889	2.081.858
Taxes and social contributions	723.066	1.065.719
Other tax liabilities	2,476,688	745.965
Other liabilities	3,065,522	13.568.543
Interest to pay	-	-
Total debt less loans classified as measured at amortized cost	26,023,929	42.135.473
Advances	653,876	425.669
Revenue in advance	6,090,587	4.651.820
Total	32,768,392	47.212.962

12. Issued Capital

On the 31st of March 2023 the structure of issued capital was as follows:

Issued capital structure	31-Mar-23	31-Dec-22
Subscribed share capital	93,531,042 lei	93,531,042 lei
Elements assimilated to capital	9,214,349 lei	9,214,349 lei
Total issued capital	102,745,391 lei	102,745,391 lei

On the 31st of March 2022 the structure of subscribed share capital was as follows:

Structure of subscribed share capital	31-Mar-22	31-Dec-22
Number of authorized shares	935,310,418 pcs	935,310,418 pcs
Number of subscribed and paid-up shares	935,310,418 pcs	935,310,418 pcs
Number of subscribed and unpaid-up shares	-	-
Nominal value of a share	0.10 lei	0.10 lei
Subscribed share capital value	935,310,418 pcs	935,310,418 pcs

All shares of the company are common and have the same voting right.

The movements of the capital structure in 2022 are presented in the following table:

	31-Mar-23		31-Dec-22	
	Number	Amount	Number	Amount
Ordinary shares of RON 0.1 each	505,653,533 pcs	50,565,353 lei	505,653,533 pcs	50,565,353 lei
Reduction by entrainment of losses	-	-	-	-
Emissions during the year	-	-	429,656,885 pcs	429,656,885 pcs
Purchase of own shares	-	-	-	-
TOTAL	505,653,533 pcs	50,565,353 lei	935,310,418 pcs	935,310,418 lei

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Note la Situatiile Financiare Individuale (Notes to the standalone financial statements) pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

12. Issued Capital (continued)

The shareholding structure on 31 December 2022 consists of:

Shareholder	Shares	Percent
PAVAL HOLDING SRL	731.442.021	78.2031%
PIF INDUSTRIAL	156.730.172	16.7570%
alti actionari / others	47.138.225	5.0399%
TOTAL	935.310.418	100%

Source: DEPOZITARUL CENTRAL Data: 12/31/2021

As a result of the transactions on the capital market in 2023, the shareholding structure on 15 Martie 2023 is composed of:

Shareholder	Shares	Percent
S.C PAVAL HOLDING S.R.L	731.442.021	78.2031%
PIF Industrial	156.730.172	16.7570%
Persoane fizice	35.080.558	3.7507%
Persoane juridice	12.057.667	1,2892 %
TOTAL	935.310.418	100%

Source: DEPOZITARUL CENTRAL Data: 04/15/2022

13. Transactions with Affiliates

The company's affiliates in 2022 are:

- DEDEMAN SRL with registered office in Bacău, Str. Alexei Tolstoi, nr. 8, CUI: 2816464, Nr.Ord.Reg.Com.: J04/2621/1992 – significant shareholder;
- PIF INDUSTRIAL SRL with registered office in Bacău, Str. Alexei Tolstoi, nr. 8, CUI: 18227759, Nr.Ord.Reg.Com.: J04/2200/2005 – shareholder;
- DEDEMAN AUTOMOBILE SRL with registered office in Bacău, Str. Republicii, Nr. 185, CUI: 15934070, Nr.Ord.Com.: J04/ 1513/2003 - company from Dedeman group;
- PAVAL HOLDING SRL with registered office in Bacău, Str. Alexei Tolstoi, nr. 8, CUI: 39895050, Nr.Ord.Reg.Com.: J04/ 1405/2018 - company from Dedeman group;
- Sologon Daniel – General Manager and President of Board of Directors
- Karina Paval – member of the Board of Directors
- Dana-Rodica Beju – member of the Board of Directors
- Dragos Paval – member of the Board of Directors
- Adrian Fercu- member of the Board of Directors

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Note la Situatii Financiare Individuale (Notes to the standalone financial statements)

pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

13. Transactions with Affiliates (continued)

Transactions with affiliated parties are summarized in the following table:

Affiliates	Sales		Acquisitions	
	1 Jan – 31 Mar 2023	1 Jan – 31 Mar 2022	1 Jan – 31 Mar 2023	1 Jan – 31 Mar 2022
Dedeman SRL	1,996,168	6,561,488	26,563	39,394
Total	1,996,168	6,561,488	26,563	39,394

Amounts expressed in Lei

Balances with affiliated parties are summarized in the following table:

Affiliates	Receivables from affiliated parties		Debts to affiliated parties	
	31-Mar-2023	31-Dec-22	31-Mar-2023	31-Dec-22
Dedeman SRL	1,040,516	9.023	24,004	11.239
Total	1,040,516	9.023	24,004	11.239

Amounts expressed in Lei

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Note la Situațiile Financiare Individuale (Notes to the standalone financial statements)

pentru perioada încheiată la 31 Martie 2023 (for the period ended 31 March 2023)

(toate sumele sunt exprimate în RON, dacă nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

14. Cash and cash equivalents

Cash and cash equivalents	31-Mar-23	31-Dec-22
Available in the bank	122,174,683	133,896,748
Cash and cash equivalents	6,781	13,138
Total	122,181,464	133,909,885

On March 31, 2023 there are no financial instruments that generate exposure to credit risk. Cash balances denominated in foreign currency at 31.03.2023 are not material.

15. Adjustments of accounting errors

During January-March 2023, the Company did not record corrections of accounting errors, related to the previous years.

16. Other information

Segment Reporting:

The company has a single reporting segment, represented by the production and marketing of building bricks. The nature of the products in the range of the Company is similar, as well as their production process. Also, the nature of the economic and legislative environment to which the Company is subject is the same for all the production and marketing activities undertaken by the Company. The company does not record significant sales on the foreign market that would meet the reporting criteria of a distinct segment. The assets held by the Company are fully located within Romania and are used to produce and market the products mentioned above. Also, all liabilities, respectively the results recorded in the individual financial statements, are exclusively related to the only segment of the Company's activity, represented by the production and marketing of building bricks.

Information on Company Presentation:

Cemacon SA is a Romanian legal entity, incorporated as a joint stock company pursuant to the GD No. 1200/1991 with registered office in Cluj-Napoca, 178K Calea Turzii Street, Hexagon Offices, 1st Floor, county of Cluj. The company's main object of activity is the "Manufacture of bricks, tiles and construction products, from baked clay".

Conversion bases used to express in national currency assets and liabilities, income and expenses originally denominated in a foreign currency:

Main exchange rates used to convert foreign currency denominated balances into lei at 31 December 2022 and 31 March 2023 are:

Foreign currency	Abbreviation	Exchange rate	
		31-Mar-23	31-Dec-22
Dolar SUA	USD	4.6031	4.6885
Euro	EUR	4.9263	4.9315

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Note la Situatiile Financiare Individuale (Notes to the standalone financial statements)

pentru perioada incheiata la 31 Martie 2023 (for the period ended 31 March 2023)

(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)

16. Other information (continued)

Amendments:

Administrators do not have the right to subsequently amend the financial statements. The financial statements together with the notes to the financial statements are authorized to be issued on May 16, 2023. It is not possible for the financial statements to be amended after they have been issued.

The quarterly financial statements were not audited.

17. Contingencies

Taxation

The Company considers that it has paid in full and in full all taxes, penalties, penalties and penalties, insofar as this is the case. All amounts due to the State for taxes have been paid or recorded at the balance sheet date. The fiscal system in Romania is undergoing consolidation and harmonization with European legislation, with different interpretations of the authorities in relation to tax legislation, which may give rise to additional taxes, fees and penalties. If the state authorities discover violations of the legal provisions in Romania, they may, as the case may be: confiscation of the amounts in question, imposition of additional tax obligations, application of fines, application of late payments (applied to the actual payment amounts). Therefore, the fiscal sanctions resulting from violations of the legal provisions may reach significant amounts to be paid to the state. In Romania, the fiscal exercise remains open for verification for a period of 5 years.

Transfer price

In accordance with relevant tax legislation, the tax assessment of a transaction with affiliated parties is based on the concept of market price for that transaction. Based on this concept, transfer pricing needs to be adjusted to reflect market prices that would have been set between entities that do not have an affiliate relationship and that act independently, based on "normal market conditions".

It is likely that transfer pricing checks will be carried out in the future by tax authorities to determine whether those prices comply with the "normal market conditions" principle and that the taxpayer's taxable base is not distorted.

General Manager

Financial Manager

Sologon Daniel

Cojocaru-Lungu Bogdan

The information contained in this document are provided under IFRS (International Financial Reporting Standards). The company has made every effort to ensure the information presented is complete, accurate and free of material errors. Where necessary, both the company and management, used the professional judgment in conjunction with international financial reporting standards to present information in a manner consistent with the specific activity of the business. Interpretation of information presented in this document must be made in accordance with these standards. If there are gaps nor interpretations different from the mentioned regulations the provisions set out in International Financial Reporting Standards (IFRS) will apply. The unaudited financial information set forth above is preliminary and subject to adjustments and modifications. Adjustments and modifications to the financial statements may be identified during the course of the audit work, which could result in significant differences from this preliminary unaudited financial information.

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