

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.

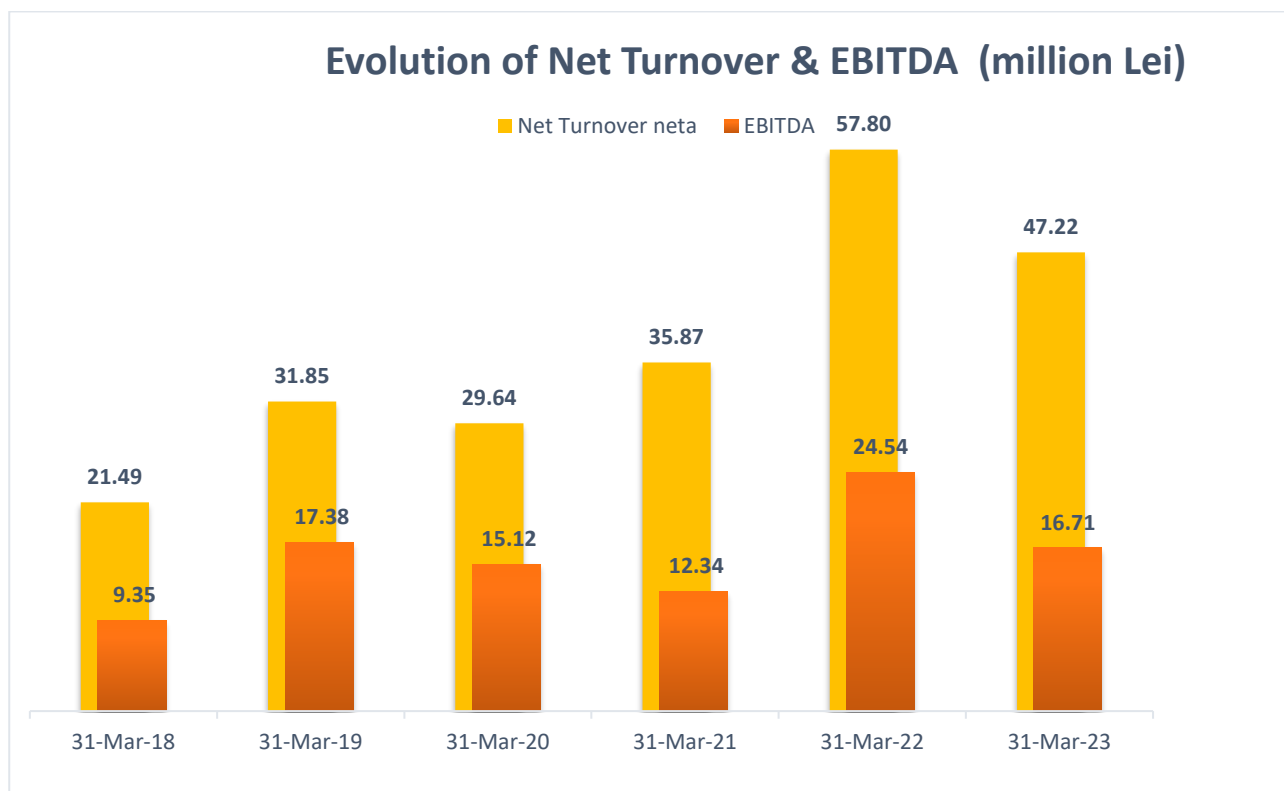
We remain the manufacturer with the highest energy efficiency and invest in renewable energy sources that ensure an increased level of autonomy.

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.

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