

# BSE REPORT

## 3<sup>rd</sup> Quarter Results 2023

## 9 Month Performance 2023

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- ☑ **46.68 milion lei operational profit (EBITDA)**
- ☑ **130.0 milion lei Net Turnover**
- ☑ **36.30 milion lei Net Profit**

## General Manager Statement

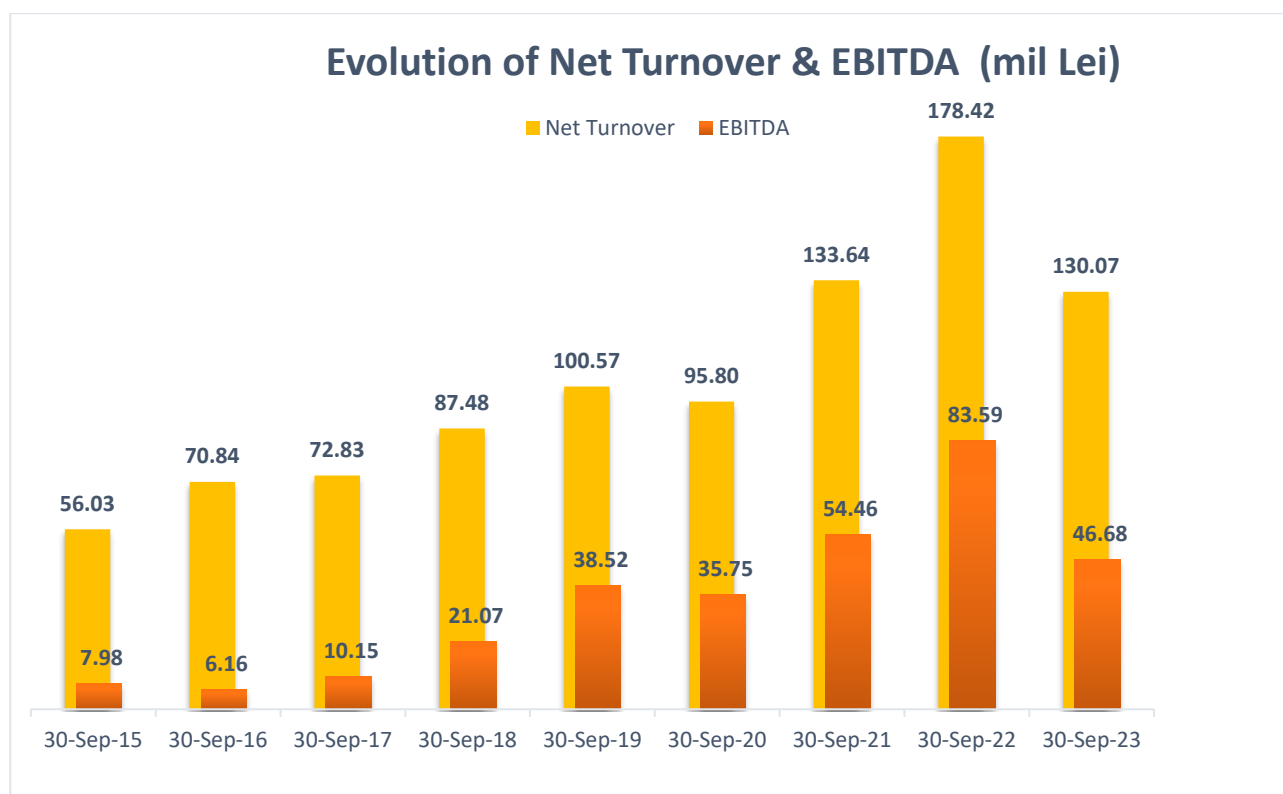
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In the face of a steep fall in demand for construction materials, the financial results at the end of September 2023 indicate maturity and resilience. CEMACON is a business that knows how to approach the economic cycles with agility and courage and to meet the needs of the beneficiaries, independent of the inherent macroeconomic conditions. Therefore, we work to increase those competitive advantages that place CEMACON products as the first choice for new constructions, by optimizing product recipes, technological upgrading and diversifying the range.

We are aware that the market will be increasingly demanding, so investments in technology and modernization are still a priority for us, as well as green energy projects, which will generate important savings in the spending budget, as well as a decrease in the footprint of carbon.

Even if we expect a prolonged period of reduced levels of demand for construction materials, we have the ambition to demonstrate once again that the versatility and creativity specific to a Romanian entrepreneurial company are unmatched assets in the competition with large corporations.

## Profit and loss Account – 9 Month Results 2023



In an unstable macroeconomic context, the turnover for the period January-September 2023 recorded a decrease of 27% compared to the same period of 2022.

The change in stocks registers higher values compared to the previous period, as a result of the gap between the quantities produced and those sold

Under other operating income, the income related to the EUA certificates received in 2022 is highlighted, and the amounts related to other gains and losses highlight the cancellation of the provisions established in the previous year and the establishment of provisions in the period.

The expenses with raw materials and materials registered a decrease compared to the same period of the year 2022, while the costs related to personnel registered an increase of 13%.

**For the period ended September 30, 2023 CEMACON has an EBITDA of 46.680.963 lei and a net profit of 36.306.445 lei.**

## Profit and loss Account – 9 Month Results 2023

	30-Sept-23	30-Sept-22	2023 vs 2022	2023 vs 2022
	LEI	LEI	LEI	%
<b>Gross Turnover</b>	<b>147.698.477</b>	<b>194.561.414</b>	<b>(46.862.937)</b>	<b>-24%</b>
<b>Net Turnover</b>	<b>130.066.188</b>	<b>178.423.860</b>	<b>(48.357.672)</b>	<b>-27%</b>
<b>Sales revenues</b>	<b>130.046.255</b>	<b>178.408.332</b>	<b>(48.362.077)</b>	<b>-27%</b>
Other operating revenues	15.751.277	11.251.566	4.499.711	40%
Other gains and losses	4.855.895	3.275.962	1.579.933	48%
Change in inventories of FG & WIP	10.371.014	6.204.304	4.166.711	67%
Raw materials and consumables	(27.793.478)	(29.807.305)	2.013.827	-7%
Personnel expenses	(33.914.587)	(29.991.215)	(3.923.372)	13%
Other operating expenses	(52.635.413)	(55.754.248)	3.118.835	-6%
<b>EBITDA</b>	<b>46.680.965</b>	<b>83.587.395</b>	<b>(36.906.433)</b>	<b>-44%</b>
Depreciation and amortization expenses	(12.396.903)	(10.628.456)	(1.768.447)	17%
Income impairment of assets	-	-	-	0%
<b>EBIT</b>	<b>34.284.063</b>	<b>72.958.939</b>	<b>(38.674.876)</b>	<b>-53%</b>
Financial Income	5.694.094	1.991.966	3.702.128	186%
Financial Expenses	(3.173.531)	(1.160.100)	(2.013.431)	174%
<b>Financial result</b>	<b>2.520.564</b>	<b>831.867</b>	<b>1.688.697</b>	<b>203%</b>
<b>Profit before tax*</b>	<b>36.804.624</b>	<b>73.790.807</b>	<b>(36.986.183)</b>	<b>-50%</b>
Income tax expenses	(498.182)	(11.847.747)	11.349.565	-96%
<b>Profit after tax</b>	<b>36.306.445</b>	<b>61.943.060</b>	<b>(25.636.618)</b>	<b>-41%</b>
<b>Total other elements of other Comprehensive income</b>				
<b>Comprehensive income total</b>	<b>36.306.445</b>	<b>61.943.060</b>	<b>(25.636.618)</b>	<b>-41%</b>

\*At the time of presentation of the results for Semester 3 2023, no other comprehensive income and deferred tax items have been computed.

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

## Statement of financial position – Results 30<sup>th</sup> of September 2023

	30-Sep-23	31-Dec-22	2023 vs 2022	2023 vs 2022
ASSTES	LEI	LEI	LEI	%
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	241.164.821	203.699.307	37.465.514	18%
Investment property	8.885.960	8.885.960	-	0%
Intangible	1.164.892	1.131.377	33.514	3%
Rights of use assets	15.845.364	17.026.366	(1.181.002)	-7%
Investments	127.489.922	1.000	127.488.922	
Other non-current assets	583.506	554.017	29.489	5%
<b>NON-CURRENT ASSETS TOTAL</b>	<b>395.134.464</b>	<b>231.298.027</b>	<b>163.836.437</b>	<b>71%</b>
<b>CURRENT ASSETS</b>				
Inventories	31.185.459	22.579.886	8.605.574	38%
Trade and other receivables	55.929.326	50.248.650	5.680.676	11%
Other receivables	18.907.436	16.612.591	2.294.845	14%
Cash and cash equivalents	78.311.688	133.909.885	(55.598.198)	-42%
<b>CURRENT ASSETS TOTAL</b>	<b>184.333.909</b>	<b>223.351.011</b>	<b>(39.017.102)</b>	<b>-17%</b>
<b>TOTAL ASSETS</b>	<b>579.468.373</b>	<b>454.649.038</b>	<b>124.819.335</b>	<b>27%</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	41.361.031	47.212.962	(5.851.931)	-12%
Loans and borrowings	12.685.230	-	12.685.230	
Lease liabilities	757.698	702.461	55.237	8%
Obligations under finance leases	1.588.661	1.843.729	(255.068)	-14%
Grants received	938.163	766.040	172.123	22%
Tax liability	-	-	-	
Provisions	6.299.624	10.045.567	(3.745.942)	-37%
<b>CURRENT LIABILITIES TOTAL</b>	<b>63.630.407</b>	<b>60.570.757</b>	<b>3.059.650</b>	<b>5%</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current trade and other liabilities	-	-	-	-
Other liabilities	6.316.964	-	6.316.964	-
Loans and borrowings	72.940.073	-	72.940.073	-
Lease liabilities	4.400.405	4.937.224	(536.819)	-11%
Obligations under finance leases	1.424.468	2.555.458	(1.130.990)	-44%
Grants received	14.599.848	6.735.832	7.864.016	117%
Deferred tax	3.004.628	3.004.628	-	0%
Provisions	2.848.866	2.848.866	-	0%
<b>NON-CURRENT LIABILITIES TOTAL</b>	<b>105.535.253</b>	<b>20.082.008</b>	<b>85.453.244</b>	<b>426%</b>

	30-Sep-23	31-Dec-22	2023 vs 2022	2023 vs 2022
ASSTES	LEI	LEI	LEI	%
<b>TOTAL LIABILITIES</b>	<b>169.165.658</b>	<b>80.652.767</b>	<b>88.512.893</b>	<b>110%</b>
<b>NET ASSETS</b>	<b>410.302.718</b>	<b>373.996.272</b>	<b>36.306.445</b>	<b>10%</b>
<b>EQUITY</b>				
Issued capital as per IFRS	102.745.391	102.745.391	-	0%
<b>TOTAL EQUITY</b>	<b>410.302.718</b>	<b>373.996.272</b>	<b>36.306.445</b>	<b>10%</b>

The immovable assets have registered changes as a result of the ongoing investments, the recorded depreciation, as well as through the acquisition of the Euro Carămida company, thus CEMACON consolidates its business on the Romanian ceramic block market and opens the export prospect for the company's products.

The transaction was approved by the Competition Council (Current Report no. 4738 dated 04.05.2023) and involves the assumption by CEMACON of a total cost of 30 million euros represented by the value of the transaction and the estimated investments for the next two years. The transaction is financed both from own sources and by accessing some investment credits to ensure the necessary flow for the modernization and integration of the EURO CARAMIDA company into the CEMACON ecosystem, which currently includes two brick factories, a lintel factory and a special elements factory and decorative facade elements.

Changes in inventories and receivables are generated by production and commercial activity related to the period. CEMACON SA's receivables are insured against the risk of non-payment, through a reputable insurer.

Current assets registered a significant increase due to the acquisition of Euro Caramida, this action also having an impact on the increase of tangible and intangible assets.

At the end of the period ending on September 30, 2023, the company's net assets show a 71% increase compared to the end of 2022, exceeding the amount of 410 million lei, thus CEMACON strengthens its financial position by adding added value.

## Main Financial Ratios

Indicatori financiari relevanti	30-Sep-23
1. Current liquidity indicator	2.90
2. Leverage indicator	21%
3. Turnover speed for client debit items (days)	98
4. Turnover speed for total assets	37%

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## Consolidated Statement Assets and Liabilities- September 30th 2023

	Notes	30-Sep-23	31-Dec-22
		LEI	LEI
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		346.071.034	203.699.307
Investment property		8.885.960	8.885.960
Goodwill		11.880.880	1.131.377
Intangible		7.031.848	-
Right of use assets		15.845.364	17.026.366
Investments		1.000	1.000
Other non-current assets		803.124	554.017
		<b>390.519.209</b>	<b>231.298.027</b>
<b>CURRENT ASSETS</b>			
Inventories	<a href="#">9</a>	40.718.718	22.579.886
Trade and other receivables	<a href="#">10</a>	47.668.806	50.248.650
Other financial assets		10.935	-
Other assets		31.426.678	16.612.591
Cash and cash equivalents		85.978.060	133.909.885
		<b>205.803.198</b>	<b>223.351.011</b>
Assets classified as held for sale		-	-
<b>TOTAL ASSETS</b>		<b>596.322.406</b>	<b>454.649.038</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<a href="#">11</a>	46.438.393	47.212.962
Loans and borrowings		12.685.230	-
Lease liabilities		757.698	702.461
Obligations under finance leases		1.588.661	1.843.727
Grants received		938.163	766.040

		225.055	-
<i>Tax liability</i>			
		6.481.468	10.045.567
<i>Provisions</i>			
		<b>69.114.668</b>	<b>60.570.757</b>
<b>NON-CURRENT LIABILITIES</b>			
	<b>11</b>	-	-
<i>Non-current trade and other liabilities</i>			
		6.316.964	-
<i>Other liabilities</i>			
		72.970.133	-
<i>Loans and borrowings</i>			
		4.400.405	4.937.224
<i>Lease liabilities</i>			
		1.424.468	2.555.458
<i>Obligations under finance leases</i>			
		17.045.618	6.735.832
<i>Grants received</i>			
		15.706.070	3.004.628
<i>Deferred tax</i>			
		2.848.866	2.848.866
<i>Provisions</i>			
		<b>120.712.523</b>	<b>20.082.009</b>
<b>TOTAL LIABILITIES</b>		<b>189.827.189</b>	<b>80.652.765</b>
<b>NET ASSETS</b>		<b>406.495.216</b>	<b>373.996.272</b>
<b>EQUITY</b>			
	<b>12</b>	102.745.391	102.745.391
<i>Issued capital</i>			
		(3.508.324)	(3.508.324)
<i>Deffered Tax</i>			
		21.735.848	21.735.848
<i>Share premium</i>			
		100.100.164	97.996.664
<i>Reserves</i>			
		185.422.137	155.026.694
<i>Retained earnings</i>			
		<b>406.495.216</b>	<b>373.996.272</b>



## Profit and Loss Consolidated - September 30th 2023

	Notes	30-Sept-23 LEI	30-Sept-22 LEI
<b>Sales revenues</b>	<u>4</u>	<b>136.869.895</b>	<b>178.408.332</b>
<i>Other operating revenues</i>	<u>5</u>	20.781.322	11.251.566
<i>Other gains and losses</i>	<u>5</u>	2.816.685	3.275.962
<i>Change in inventories of FG &amp; WiP</i>		9.476.273	6.204.304
<i>Raw material and consumables used</i>	<u>9</u>	(24.069.924)	(29.807.305)
<i>Personnel Expenses</i>		(35.470.380)	(29.991.215)
<i>Depreciation and amortisation expenses</i>		(14.560.703)	(10.628.456)
<i>Other operating expenses</i>	<u>6</u>	(61.307.898)	(55.754.248)
<b>Profit / (Loss) from operation</b>		<b>34.535.269</b>	<b>72.958.939</b>
<i>Financial income</i>	<u>8</u>	5.395.535	1.991.966
<i>Financial expenses</i>	<u>8</u>	(3.231.980)	(1.160.100)
<b>Financial Result</b>		<b>2.163.555</b>	<b>831.867</b>
<b>Profit / (Loss) before tax</b>		<b>36.698.824</b>	<b>73.790.807</b>
Tax Expenses		(470.299)	(11.847.747)
<b>Profit after tax</b>		<b>36.228.525</b>	<b>61.943.060</b>

The report, together with the related documents, can be consulted starting with **15 November 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](http://www.cemacon.ro) and on the Bucharest Stock Exchange website: [www.bvb.ro](http://www.bvb.ro)

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***The results presented are prepared in accordance with IFRS standards and are preliminary, and will be subject to financial audit according to legal provisions.***

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Cluj Napoca, 15<sup>th</sup> of November 2023

# INDIVIDUAL FINANCIAL STATEMENTS UNAUDITED FOR THE PERIOD ENDED 30<sup>st</sup> September 2023

Prepared according to International Reporting Standards

SC CEMACON SA COD  
FISCAL 677858 COD  
REGISTRUL COMERTULUI  
J12/2466/2012 <sup>1</sup>

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**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

	Notes	30-Sep-23	31-Dec-22
		LEI	LEI
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
		241.164.821	203.699.307
<i>Property, plant and equipment</i>		8.885.960	8.885.960
<i>Investment property</i>		1.164.892	1.131.377
<i>Intangible</i>		15.845.364	17.026.366
<i>Right of use assets</i>		127.489.922	1.000
<i>Investments</i>		583.506	554.017
<i>Other non-current assets</i>		<b>395.134.464</b>	<b>231.298.027</b>
<b>CURRENT ASSETS</b>			
	9	31.185.459	22.579.886
<i>Inventories</i>		55.929.326	50.248.650
<i>Trade and other receivables</i>	10	-	-
<i>Other financial assets</i>		18.907.436	16.612.591
<i>Other assets</i>		78.311.688	133.909.885
<i>Cash and cash equivalents</i>		<b>184.333.909</b>	<b>223.351.011</b>
		-	-
<i>Assets classified as held for sale</i>			
		<b>579.468.373</b>	<b>454.649.038</b>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
	11	41.361.031	47.212.962
<i>Trade and other payables</i>		12.685.230	-
<i>Loans and borrowings</i>		757.698	702.461
<i>Lease liabilities</i>		1.588.661	1.843.727
<i>Obligations under finance leases</i>		938.163	766.040
<i>Grants received</i>		-	-
<i>Tax liability</i>		6.299.624	10.045.567
<i>Provisions</i>		<b>63.630.407</b>	<b>60.570.757</b>

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

	Notes	30-Sep-23	31-Dec-22
		<i>LEI</i>	<i>LEI</i>
<b>NON-CURRENT LIABILITIES</b>			
	<b>11</b>	-	-
<i>Non-current trade and other liabilities</i>		6.316.964	-
<i>Other liabilities</i>		72.940.073	-
<i>Loans and borrowings</i>		4.400.405	4.937.224
<i>Lease liabilities</i>		1.424.468	2.555.458
<i>Obligations under finance leases</i>		14.599.850	6.735.832
<i>Grants received</i>		3.004.628	3.004.628
<i>Deferred tax</i>		2.848.866	2.848.866
<i>Provisions</i>		<b>105.535.253</b>	<b>20.082.009</b>
<b>TOTAL LIABILITIES</b>		<b>169.165.658</b>	<b>80.652.765</b>
<b>NET ASSETS</b>		<b>410.302.718</b>	<b>373.996.272</b>
<b>EQUITY</b>			
	<b>12</b>	102.745.391	102.745.391
<i>Issued capital</i>		(3.508.324)	(3.508.324)
<i>Deffered Tax</i>		21.735.848	21.735.848
<i>Share premium</i>		99.836.895	97.996.664
<i>Reserves</i>		189.492.908	155.026.694
<i>Retained earnings</i>		<b>410.302.718</b>	<b>373.996.272</b>
<b>TOTAL EQUITY</b>		<b>410.302.718</b>	<b>373.996.272</b>

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

	Notes	30-Sept-23 <i>LEI</i>	30-Sept-22 <i>LEI</i>
	<b>4</b>	<b>130.046.255</b>	<b>178.408.332</b>
<b>Sales revenues</b>			
<i>Other operating revenues</i>	5	15.751.277	11.251.566
<i>Other gains and losses</i>	5	4.855.896	3.275.962
<i>Change in inventories of FG &amp; WiP</i>		10.371.014	6.204.304
<i>Raw material and consumables used</i>	9	(27.793.476)	(29.807.305)
<i>Personnel Expenses</i>		(33.914.587)	(29.991.215)
<i>Depreciation and amortisation expenses</i>		(12.396.902)	(10.628.456)
<i>Other operating expenses</i>	6	(52.635.413)	(55.754.248)
<b>Profit / (Loss) from operation</b>		<b>34.284.064</b>	<b>72.958.939</b>
<i>Financial income</i>	8	5.694.094	1.991.966
<i>Financial expenses</i>	8	(3.173.531)	(1.160.100)
<b>Financial Result</b>		<b>2.520.564</b>	<b>831.867</b>
<b>Profit / Loss before tax</b>		<b>36.804.627</b>	<b>73.790.807</b>
Tax expenses		(498.182)	(11.847.747)
<b>Profit after tax</b>		<b>36.306.445</b>	<b>61.943.060</b>

**30-Sep-23**

**30-Sep-22**

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

	<b>LEI</b>	<b>LEI</b>
<b>Cash flow from operating activities</b>		
Customer encashments	151.515.041	201.644.078
Supplier payments	(84.958.514)	(92.135.399)
Payments to employees	(24.040.750)	(21.369.732)
Tax Payments	(13.026.735)	(25.696.988)
Income Tax Paid	(710.710)	(10.046.468)
Insurance encashments	47.428	8.048
Insurance payments	(794.198)	(579.166)
Other Encashments	84.475	
	<b>28.116.036</b>	<b>51.824.372</b>
<b>Cash from operating activities</b>		
<b>Cash flow from investing activities</b>		
Payments for acquiring assets	(40.431.566)	(51.827.344)
Encashments from sold assets	265.527	
Encashments from interest	3.864.763	1.304.867
Loans to other entities	(17.565.503)	
Share acquisition		
	<b>(53.866.779)</b>	<b>(50.522.477)</b>
<b>Cash from investing activities</b>		
	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Cash flow from financing activities</b>		
Encashments from share capital increase		64.448.533
Encashments from loans	88.511.010	
Payment of debts related to financial leasing – capital	(2.065.531)	(2.957.421)
Payment of debts related to financial leasing – interest	(341.573)	
Payments for financial lease	(10.558)	
Guarantee payments		
Collect funds - subsidies	9.546.196	640.705
Payments for the purchase of shares	(121.294.047)	(32.706)
	(3.155.328)	

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

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*Credit repayments*

*Interest paid*

(1.191.524)

---

**(30.085.830)      62.099.110**

---

***Cash from financing activities***

238.376      (44.873)

Effect of exchange rate changes

---

(55.598.197)      63.356.133

---

Net increase/decrease in cash and cash equivalents

---

133.909.885      84.223.350

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Cash and cash equivalents at beginning of period

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**78.311.688      147.579.483**

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***Cash and cash equivalents at end of period***



**CEMACON SA**  
**Standalone Statement of financial position**  
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	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
<b>31-Dec-21</b>	<b>59.779.703</b>	<b>253.004</b>	-	<b>31.455.172</b>	<b>9.430.921</b>	<b>33.589.330</b>	<b>106.689.799</b>	<b>(3.603.372)</b>	-	<b>237.594.557</b>
<i>Current global result</i>	-	-	-	-	-	-	71.858.135	-	-	<b>71.858.135</b>
<i>Share Capital Increase</i>	42.965.689	-	-	-	-	-	-	-	-	<b>42.965.689</b>
<i>Share Premium Increase</i>	-	21.482.844	-	-	-	-	-	-	-	21.482.844
<i>Capitalization differences related to deferred tax</i>	-	-	-	-	-	-	-	95.048	-	<b>95.048</b>
<i>Legal Reserve</i>	-	-	-	-	3.930.969	-	(3.930.969)	-	-	-
<i>Other reserve</i>	-	-	-	-	-	19.590.272	(19.590.272)	-	-	-
<b>31-Dec-22</b>	<b>102.745.391</b>	<b>21.735.848</b>	-	<b>31.455.172</b>	<b>13.361.890</b>	<b>53.179.602</b>	<b>155.026.693</b>	<b>(3.508.324)</b>	-	<b>373.996.272</b>
<i>Current global result</i>	-	-	-	-	-	-	36.306.445	-	-	<b>36.306.445</b>
<i>Other reserve</i>	-	-	-	-	1.840.231	-	(1.840.231)	-	-	-
<b>30-Sep-23</b>	<b>102.745.391</b>	<b>21.735.848</b>	-	<b>31.455.172</b>	<b>15.202.121</b>	<b>53.179.602</b>	<b>189.492.908</b>	<b>(3.508.324)</b>	-	<b>410.302.718</b>

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

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## 1. Legal principles

The interim individual financial statements as at 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim individual financial statements 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

	30-Sep-23	30-Sep-22
<b>Sale revenues</b>		
Sales of finished goods	132.938.810	181.053.651
Sales of goods	13.423.256	12.285.030
Revenues from services rendered	1.316.477	1.207.205
Discounts granted	(17.632.289)	(16.137.554)
<b>Total</b>	<b>130.046.255</b>	<b>178.408.332</b>

The main revenues realized by the entity in 2023 were from the sale of finished products 132.93 million lei, the sale of goods 13.42 million lei and services rendered 1.31 million lei, while the value of discounts granted was 17.63 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**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

**5. Other operational revenues (continued)**

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Other operational revenues</b>		
Revenues from various activities	15.312.011	11.098.395
Subsidies for operating activities	163.828	83.543
Revenues from subsidy to asset values	56.727	56.727
Revenues from indemnifications	218.711	12.901
<b>Total</b>	<b>15.751.277</b>	<b>11.251.566</b>

In the category of incomes from various activities are included incomes of greenhouse gas certificates are accounted for. Revenues related to the operating subsidy in the amount of 0.051 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).

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Other gains and losses</b>		
Income from the sale of assets	223.132	377.520
Expenses from the sale of assets	(175,112)	(44.792)
Revenue from the cancellation of provisions	7.550.685	10.797.513
Venituri din reluarea ajustarilor de valoare privind deprecierea activelor circulante	1.646.590	605.507
Expenses from establishing provisions	(3.804.743)	(7.833.038)
Expenses from value adjustments regarding impairment of current assets	(584.657)	(626.748)
<b>Gains and losses Total</b>	<b>4.855.896</b>	<b>3.275.962</b>

**6. Operating expenses**

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Other operating expenses</b>		
Utilities	17.345.986	19.720.626
Transport and logistics	13.728.304	14.826.248
Miscellaneous	10.262.204	10.501.317
Expenses with environment	3.090.196	2.465.982
Advertising	1.780.884	2.181.633
Repairs	2.256.099	2.612.726
Taxes	1.632.661	1.667.804
Insurance	887.134	652.939
Commissions	302.062	127.649
Rent	409.676	82.065
Personal training	135.260	114.738
Post and telecommunications	125.052	110.661
<b>Total</b>	<b>52.635.413</b>	<b>55.754.248</b>

**CEMACON SA**  
**Standalone Statement of financial position**  
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*(all amounts are expressed in RON, unless otherwise stated)*

## 7. Personnel structure

The structure and average number of employees is: 289.

<i>Average number of employees</i>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Administrative staff	78	71
Personnel in production	211	194
<b>Total</b>	<b>289</b>	<b>265</b>

## 8. Financial income and expenses

<b>Financial Income</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Income from interest	4.211.603	1.304.867
Exchange rate differences in income	1.482.491	687.099
<b>Total</b>	<b>5.694.094</b>	<b>1.991.966</b>

<b>Financial Expenses</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Interest costs	(1.319.028)	(186.626)
Other financial expenses	(246.245)	(244.711)
Exchange rate differences	(1.608.258)	(728.762)
<b>Total</b>	<b>(3.173.531)</b>	<b>(1.160.100)</b>

Financial expenses consist mainly of the following categories: Interest expenses 1.31 million lei, Expenses related to exchange rate differences related to 1.60 million lei and other financial expenses 0.24 million lei.

Financial income is represented by interest income of 4.21 million lei, income from exchange rate differences of 1.48 million lei.

## 9. Inventory

<b>Inventory</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Raw materials and consumables	5.976.860	4.637.181
Packing	2.543.379	4.735.920
Adjustments	(1.417.850)	(2.400.413)
WIP	158.765	139.893
Billets and finished products	18.083.612	13.430.515
Adjustments	(328.479)	(328.479)
Merchandise	6.531.773	2.727.871
Adjustments	(362.603)	(362.602)
<b>Total</b>	<b>31.185.459</b>	<b>22.579.885</b>

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(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:

<b>Raw materials and consumables</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Raw materials	11.630.040	13.852.123
Auxiliary materials	3.693.962	4.396.411
Packing	2.576.297	3.544.626
Merchandise	7.566.661	5.079.049
Inventory items	360.516	444.460
Other consumables	109.155	89.578
Miscellaneous	1.856.846	2.401.058
<b>Total</b>	<b>27.793.476</b>	<b>29.807.305</b>

**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**

<b>Commercial receivables and other receivables</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Trade receivables	32.295.773	26.231.945
Adjustments for trade receivables	(1.543.858)	(1.623.228)
Intragroup receivables	18.391.228	-
Corporate tax	212.454	5.086.507
Other debts against the State Budget	1.273.318	864.365
Subsidies	-	630.237
Sundry debtors and other receivables	56.984	301.501
Adjustments for other receivables	-	-
<b>Total financial assets other than cash, classified as loans and receivables</b>	<b>50.685.899</b>	<b>31.491.326</b>
Advance paid	5.243.427	18.757.323
<b>Total</b>	<b>55.929.326</b>	<b>50.248.650</b>

**CEMACON SA**  
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**11. Trade and other payables**

<b>Trade and other payables</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Trade liabilities	10.932.871	17.179.797
Suppliers of fixed assets	830.174	7.479.514
Intra-group liabilities	6.546.314	11.239
Lease liabilities	0	2.838
Debt related to employees	1.292.631	2.081.858
Taxes and social contributions	727.738	1.065.719
Other tax liabilities	3.368.146	745.965
Other liabilities	9.207.711	13.568.543
Interest to pay	0	0
<b>Total debt less loans classified as measured at amortized cost</b>	<b>32.905.584</b>	<b>42.135.473</b>
Advances	1.059.840	425.669
Revenue in advance	7.395.607	4.651.820
<b>Total</b>	<b>41.361.031</b>	<b>47.212.962</b>

**12. Issued Capital**

On the 30<sup>st</sup> of September 2023 the structure of issued capital was as follows:

<b>Issued capital structure</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Subscribed share capital	93.531.042 lei	93.531.042 lei
Elements assimilated to capital	9.214.349 lei	9.214.349 lei
<b>Total issued capital</b>	<b>102.745.391 lei</b>	<b>102.745.391 lei</b>

On the 30<sup>st</sup> of September 2023 the structure of subscribed share capital was as follows:

<b>Structure of subscribed share capital</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Number of authorized shares	935.310.418 buc	935.310.418 buc
Number of subscribed and paid-up shares	935.310.418 buc	935.310.418 buc
Number of subscribed and unpaid-up shares	-	-
Nominal value of a share	0.10 lei	0.10 lei

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

The movements of the capital structure in 2023 are presented in the following table:

	<b>30-Sep-23</b>		<b>31-Dec-22</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Ordinary shares of RON 0.1 each	935.310.418 buc	93.531.041 lei	505.653.533 buc	50.565.353 lei
Reduction by entrainment of losses	-	-	-	-
Emissions during the year	-	-	429.656.885 buc	42.965.688 lei
Purchase of own shares	-	-	-	-
<b>TOTAL</b>	<b>935.310.418 buc</b>	<b>93.531.041 lei</b>	<b>935.310.418 buc</b>	<b>93.531.041 lei</b>

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

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## 12. Issued Capital (continued)

The shareholding structure on 31 December 2022 consists of:

<b>Shareholder</b>	<b>Shares</b>	<b>Percent</b>
S.C PAVAL HOLDING S.R.L	731.442.021	78.2031%
PIF Industrial	156.730.172	16.7570%
Alti actionari/others	47.138.225	5.0399%
<b>TOTAL</b>	<b>935.310.418</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 12/31/2022

As a result of the transactions on the capital market in 2023, the shareholding structure on 30 September 2023 is composed of:

<b>Shareholder</b>	<b>Shares</b>	<b>Percent</b>
S.C PAVAL HOLDING S.R.L	753.963.090	80.6110%
PIF Industrial	156.730.172	16.7570%
Alti actionari/others	24.617.156	2.632%
<b>TOTAL</b>	<b>935.310.418</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 12/31/2022

## 13. Transactions with Affiliates

The company's affiliates in 2023 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;
- EURO CARAMIDA SA with registered office in Biharia, Str. Caramizii, nr. 1, Bihor, CUI: 16131690, Nr.Ord.Reg.Com.: J05/209/2004 - CEMACON SA acquired 100% of the share capital of EURO CARAMIDA S.A
- 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

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

**13. Transactions with Affiliates (continued)**

Transactions with affiliated parties are summarized in the following table:

<b>Affiliates</b>	<b>Sales 1 Jan - 30 Sep 2023</b>	<b>Sales 1 Jan-30 Sept 2022</b>	<b>Acquisitions 1 Jan-30 Sept 2023</b>	<b>Acquisitions 1 Jan-30 Sep 2022</b>	<b>Loans granted 1 Jan-30 Sept 2023</b>	<b>Loans granted 1 Jan-30 Sep 2022</b>
Dedeman SRL	6.305.614	15.086.546	86.386	138.488	0	0
Euro Caramida	669.984	0	10.069.504	0	17.573.999	0
<b>Total</b>	<b>7.440.585</b>	<b>15.086.546</b>	<b>10.155.890</b>	<b>138.488</b>	<b>17.573.999</b>	<b>0</b>

*Amounts expressed in Lei*

Balances with affiliated parties are summarized in the following table:

<b>Affiliates</b>	<b>Receivables from affiliated parties 30 Sep 2023</b>	<b>Receivables from affiliated parties 30 Dec 2022</b>	<b>Debts to affiliated parties 30 Sept 2023</b>	<b>Debts to affiliated parties 30 Dec 2022</b>	<b>Loans balance against related parties 30 Sept 2023</b>	<b>Loans balance against related parties 30 Dec 2022</b>
Dedeman SRL	54.199	9.023	2.128	11.239	0	0
Euro Caramida	416.190	0	6.544.186	0	17.920.839	0
<b>Total</b>	<b>470.389</b>	<b>9.023</b>	<b>6.546.314</b>	<b>11.239</b>	<b>17.920.839</b>	<b>0</b>

*Amounts expressed in Lei*



**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

**14. Cash and cash equivalents**

<b>Cash and cash equivalents</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Available in the bank	78.307.569	133.896.748
Cash and cash equivalents	4.118	13.138
<b>Total</b>	<b>78.311.688</b>	<b>133.909.885</b>

On June 12, 2023, Cemacon signs as borrower and guarantor a credit agreement in the amount of 17.850.000 euros.

**15. Adjustments of accounting errors**

During January-September 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 30 September 2023 are:

<b>Foreign currency</b>	<b>Abbreviation</b>	<b>Exchange rate</b>	
		<b>30-Sep-23</b>	<b>31-Dec-22</b>
Dolar SUA	USD	4.6470	4.6885
Euro	EUR	4.9657	4.9315

**CEMACON SA**  
**Standalone Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

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## 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 November 15, 2023. It is not possible for the financial statements to be amended after they have been issued.

The half-yearly financial statements were not audited.

### **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.

Director General

Sologon Daniel

Director Financiar

Cojocaru-Lungu Bogdan

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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.

This document was translated from Romanian to English using automated translating software, for information purposes only. Cemacon SA is not responsible for any translation errors or misinterpretation of information contained in this document. Reporting language is Romanian and in case of misinterpretation the Financial Statements issued in Romanian shall apply.

Cluj Napoca, November 15<sup>th</sup> 2023

# CONSOLIDATED FINANCIAL

# STATEMENTS UNAUDITED

For the period ended

**30<sup>st</sup> September 2023**

Prepared according to International Reporting Standards

SC CEMACON SA COD  
FISCAL 677858 COD  
REGISTRUL COMERTULUI  
J12/2466/2012 <sup>1</sup>

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**CEMACON SA**  
**Consolidated Statement of financial position**  
**for the period ended 30 September 2023**  
*(all amounts are expressed in RON, unless otherwise stated)*

	Notes	30-Sep-23	31-Dec-22
		<i>LEI</i>	<i>LEI</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
		346.071.034	203.699.307
<i>Property, plant and equipment</i>		8.885.960	8.885.960
<i>Investment property</i>		11.880.880	1.131.377
Goodwill		7.031.848	-
<i>Intangible</i>		15.845.364	17.026.366
<i>Right of use assets</i>		1.000	1.000
<i>Investments</i>		803.124	554.017
<i>Other non-current assets</i>		<b>390.519.209</b>	<b>231.298.027</b>
<b>CURRENT ASSETS</b>			
	<b>9</b>	40.718.718	22.579.886
<i>Inventories</i>		47.668.806	50.248.650
<i>Trade and other receivables</i>	<b>10</b>	10.935	-
<i>Other financial assets</i>		31.426.678	16.612.591
<i>Other assets</i>		85.978.060	133.909.885
<i>Cash and cash equivalents</i>		<b>205.803.198</b>	<b>223.351.011</b>
		-	-
<i>Assets classified as held for sale</i>			
		<b>596.322.406</b>	<b>454.649.038</b>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
	<b>11</b>	46.438.393	47.212.962
<i>Trade and other payables</i>		12.685.230	-
<i>Loans and borrowings</i>		757.698	702.461
<i>Lease liabilities</i>		1.588.661	1.843.727
<i>Obligations under finance leases</i>		938.163	766.040
<i>Grants received</i>		225.055	-
<i>Tax liability</i>		6.481.468	10.045.567
<i>Provisions</i>		<b>69.114.668</b>	<b>60.570.757</b>

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	Notes	30-Sep-23	31-Dec-22
		<i>LEI</i>	<i>LEI</i>
<b>NON-CURRENT LIABILITIES</b>			
	<b>11</b>	-	-
<i>Non-current trade and other liabilities</i>		6.316.964	-
<i>Other liabilities</i>		72.970.133	-
<i>Loans and borrowings</i>		4.400.405	4.937.224
<i>Lease liabilities</i>		1.424.468	2.555.458
<i>Obligations under finance leases</i>		17.045.618	6.735.832
<i>Grants received</i>		15.706.070	3.004.628
<i>Deferred tax</i>		2.848.866	2.848.866
<i>Provisions</i>		<b>120.712.523</b>	<b>20.082.009</b>
<b>TOTAL LIABILITIES</b>		<b>189.827.189</b>	<b>80.652.765</b>
<b>NET ASSETS</b>		<b>406.495.216</b>	<b>373.996.272</b>
<b>EQUITY</b>			
	<b>12</b>	102.745.391	102.745.391
<i>Issued capital</i>		(3.508.324)	(3.508.324)
<i>Deffered Tax</i>		21.735.848	21.735.848
<i>Share premium</i>		100.100.164	97.996.664
<i>Reserves</i>		185.422.137	155.026.694
<i>Retained earnings</i>		<b>406.495.216</b>	<b>373.996.272</b>
<b>TOTAL EQUITY</b>		<b>406.495.216</b>	<b>373.996.272</b>

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	Notes	30-Sept-23 <i>LEI</i>	30-Sept-22 <i>LEI</i>
	<b>4</b>	<b>136.869.895</b>	<b>178.408.332</b>
<b>Sales revenues</b>			
<i>Other operating revenues</i>	5	20.781.322	11.251.566
<i>Other gains and losses</i>	5	2.816.685	3.275.962
<i>Change in inventories of FG &amp; WiP</i>		9.476.273	6.204.304
<i>Raw material and consumables used</i>	9	(24.069.924)	(29.807.305)
<i>Personnel Expenses</i>		(35.470.380)	(29.991.215)
<i>Depreciation and amortisation expenses</i>		(14.560.703)	(10.628.456)
<i>Other operating expenses</i>	6	(61.307.898)	(55.754.248)
<b>Profit / (Loss) from operation</b>		<b>34.535.269</b>	<b>72.958.939</b>
<i>Financial income</i>	8	5.395.535	1.991.966
<i>Financial expenses</i>	8	(3.231.980)	(1.160.100)
<b>Financial Result</b>		<b>2.163.555</b>	<b>831.867</b>
<b>Profit / (Loss) before tax</b>		<b>36.698.824</b>	<b>73.790.807</b>
Tax Expenses		(470.299)	(11.847.747)
<b>Profit after tax</b>		<b>36.228.525</b>	<b>61.943.060</b>







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## 1. Legal principles

The interim individual financial statements as at 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed individual financial statements as at 30 June 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

	30-Sep-23	30-Sep-22
<b>Sale revenues</b>		
Sales of finished goods	139.223.887	181.053.651
Sales of goods	16.256.853	12.285.030
Revenues from services rendered	1.454.998	1.207.205
Discounts granted	(20.065.842)	(16.137.554)
<b>Total</b>	<b>136.869.895</b>	<b>178.408.332</b>

The main revenues realized by the entity in 2023 were from the sale of finished products 139.22 million lei, the sale of goods 16.25 million lei and services rendered 1.45 million lei, while the value of discounts granted was 20.06 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.

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**5. Other operational revenues (continued)**

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Other operational revenues</b>		
Revenues from various activities	20.341.992	11.098.395
Subsidies for operating activities	163.828	83.543
Revenues from subsidy to asset values	56.727	56.727
Revenues from indemnifications	218.711	12.901
<b>Total</b>	<b>20.781.322</b>	<b>11.251.566</b>

In the category of incomes from various activities are included incomes of greenhouse gas certificates are accounted for. Revenues related to the operating subsidy in the amount of 0.051 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).

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Other gains and losses</b>		
Income from the sale of assets	204.631	377.520
Expenses from the sale of assets	(175.112)	(44.792)
Revenue from the cancellation of provisions	7.698.951	10.797.513
Venituri din reluarea ajustarilor de valoare privind deprecierea activelor circulante	1.646.590	605.507
Expenses from establishing provisions	(3.977.904)	(7.833.038)
Expenses from value adjustments regarding impairment of current assets	(2.580.473)	(626.748)
<b>Gains and losses Total</b>	<b>2.816.685</b>	<b>3.275.962</b>

**6. Operating expenses**

	<b>30-Sep-23</b>	<b>30-Sep-22</b>
<b>Other operating expenses</b>		
Utilities	19.387.241	19.720.626
Transport and logistics	14.254.220	14.826.248
Miscellaneous	14.770.716	10.501.317
Expenses with environment	4.256.465	2.465.982
Advertising	1.780.884	2.181.633
Repairs	2.309.720	2.612.726
Taxes	1.667.184	1.667.804
Insurance	924.888	652.939
Commissions	303.375	127.649
Rent	417.362	82.065
Personal training	135.260	114.738
Post and telecommunications	136.231	110.661
<b>Total</b>	<b>61.307.898</b>	<b>55.754.248</b>

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## 7. Personnel structure

The structure and average number of employees is: 289.

<i>Average number of employees</i>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Administrative staff	78	71
Personnel in production	211	194
<b>Total</b>	<b>289</b>	<b>265</b>

## 8. Financial income and expenses

<b>Financial Income</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Income from interest	3.912.324	1.304.867
Exchange rate differences in income	1.483.211	687.099
<b>Total</b>	<b>5.395.535</b>	<b>1.991.966</b>

<b>Financial Expenses</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Interest costs	(1.375.650)	(186.626)
Other financial expenses	(246.245)	(244.711)
Exchange rate differences	(1.608.258)	(728.762)
<b>Total</b>	<b>(3.231.980)</b>	<b>(1.160.100)</b>

## 9. Inventory

<b>Inventory</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Raw materials and consumables	8.349.393	4.637.181
Packing	4.585.304	4.735.920
Adjustments	(1.786.423)	(2.400.413)
WIP	575.453	139.893
Billets and finished products	23.099.323	13.430.515
Adjustments	(328.479)	(328.479)
Merchandise	6.586.749	2.727.871
Adjustments	(362.603)	(362.602)
<b>Total</b>	<b>40.718.718</b>	<b>22.579.885</b>

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## 9. Inventory (continued)

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

<b>Raw materials and consumables</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>
Raw materials	11.630.040	13.852.123
Auxiliary materials	3.693.962	4.396.411
Packing	2.576.297	3.544.626
Merchandise	7.566.661	5.079.049
Inventory items	360.516	444.460
Other consumables	109.155	89.578
Miscellaneous	1.856.846	2.401.058
<b>Total</b>	<b>27.793.476</b>	<b>29.807.305</b>

## 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

<b>Commercial receivables and other receivables</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Trade receivables	39,149,052	26.231.945
Adjustments for trade receivables	(3,132,343)	(1.623.228)
Intragroup receivables	470	-
Corporate tax	212.454	5.086.507
Other debts against the State Budget	1,618,765	864.365
Subsidies	2,429,113	630.237
Sundry debtors and other receivables	56.984	301.501
Adjustments for other receivables	-	-
<b>Total financial assets other than cash, classified as loans and receivables</b>	<b>40,334,495</b>	<b>31.491.326</b>
Advance paid	7,334,310	18.757.323
<b>Total</b>	<b>47,668,806</b>	<b>50.248.650</b>

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**11. Trade and other payables**

<b>Trade and other payables</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Trade liabilities	16,940,943	17.179.797
Suppliers of fixed assets	947,406	7.479.514
Intra-group liabilities	11,239	11.239
Lease liabilities	0	2.838
Debt related to employees	1,606,612	2.081.858
Taxes and social contributions	859,965	1.065.719
Other tax liabilities	3,494,127	745.965
Other liabilities	13,162,521	13.568.543
Interest to pay	0	0
<b>Total debt less loans classified as measured at amortized cost</b>	<b>37,022,811</b>	<b>42.135.473</b>
Advances	2,019,974	425.669
Revenue in advance	7,395,607	4.651.820
<b>Total</b>	<b>46,438,393</b>	<b>47.212.962</b>

**12. Issued Capital**

On the 30<sup>st</sup> of September 2023 the structure of issued capital was as follows:

<b>Issued capital structure</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Subscribed share capital	93.531.042 lei	93.531.042 lei
Elements assimilated to capital	9.214.349 lei	9.214.349 lei
<b>Total issued capital</b>	<b>102.745.391 lei</b>	<b>102.745.391 lei</b>

On the 30<sup>st</sup> of September 2023 the structure of subscribed share capital was as follows:

<b>Structure of subscribed share capital</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Number of authorized shares	935.310.418 buc	935.310.418 buc
Number of subscribed and paid-up shares	935.310.418 buc	935.310.418 buc
Number of subscribed and unpaid-up shares	-	-
Nominal value of a share	0.10 lei	0.10 lei

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

The movements of the capital structure in 2023 are presented in the following table:

	<b>30-Sep-23</b>		<b>31-Dec-22</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Ordinary shares of RON 0.1 each	935.310.418 buc	93.531.041 lei	505.653.533 buc	50.565.353 lei
Reduction by entrainment of losses	-	-	-	-
Emissions during the year	-	-	429.656.885 buc	42.965.688 lei
Purchase of own shares	-	-	-	-
<b>TOTAL</b>	<b>935.310.418 buc</b>	<b>93.531.041 lei</b>	<b>935.310.418 buc</b>	<b>93.531.041 lei</b>

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## 12. Issued Capital (continued)

The shareholding structure on 31 December 2022 consists of:

<b>Shareholder</b>	<b>Shares</b>	<b>Percent</b>
S.C PAVAL HOLDING S.R.L	731.442.021	78.2031%
PIF Industrial	156.730.172	16.7570%
Alti actionari/others	47.138.225	5.0399%
<b>TOTAL</b>	<b>935.310.418</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 12/31/2022

As a result of the transactions on the capital market in 2023, the shareholding structure on 30 September 2023 is composed of:

<b>Shareholder</b>	<b>Shares</b>	<b>Percent</b>
S.C PAVAL HOLDING S.R.L	753.963.090	80.6110%
PIF Industrial	156.730.172	16.7570%
Alti actionari/others	24.617.156	2.632%
<b>TOTAL</b>	<b>935.310.418</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 12/31/2022

## 13. Transactions with Affiliates

The company's affiliates in 2023 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;
- EURO CARAMIDA SA with registered office in Biharia, Str. Caramizii, nr. 1, Bihor, CUI: 16131690, Nr.Ord.Reg.Com.: J05/209/2004 - CEMACON SA acquired 100% of the share capital of EURO CARAMIDA S.A
- 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





#### 14. Cash and cash equivalents

<b>Cash and cash equivalents</b>	<b>30-Sep-23</b>	<b>31-Dec-22</b>
Available in the bank	85,973,679	133.896.748
Cash and cash equivalents	4,381	13.138
<b>Total</b>	<b>85,978,060</b>	<b>133.909.885</b>

On June 12, 2023, Cemacon signs as borrower and guarantor a credit agreement in the amount of 17.850.000 euros.

#### 15. Adjustments of accounting errors

During January-September 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 30 September 2023 are:

<b>Foreign currency</b>	<b>Abbreviation</b>	<b>Exchange rate</b>	
		<b>30-Sep-23</b>	<b>31-Dec-22</b>
Dolar SUA	USD	4.6470	4.6885
Euro	EUR	4.9657	4.9315

#### 16. Other information (continued)

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**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 November 15, 2023. It is not possible for the financial statements to be amended after they have been issued.

The half-yearly financial statements were not audited.

**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.

Director General

Director Financiar

Sologon Daniel

Cojocaru-Lungu Bogdan

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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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