

BSE REPORT

3rd Quarter Results 2021



9 Month Performance 2021

- ☑ **54.46 milion lei operational profit (EBITDA)**
- ☑ **133.64 milion lei Net Turnover**
- ☑ **42.63 milion lei Net Profit**

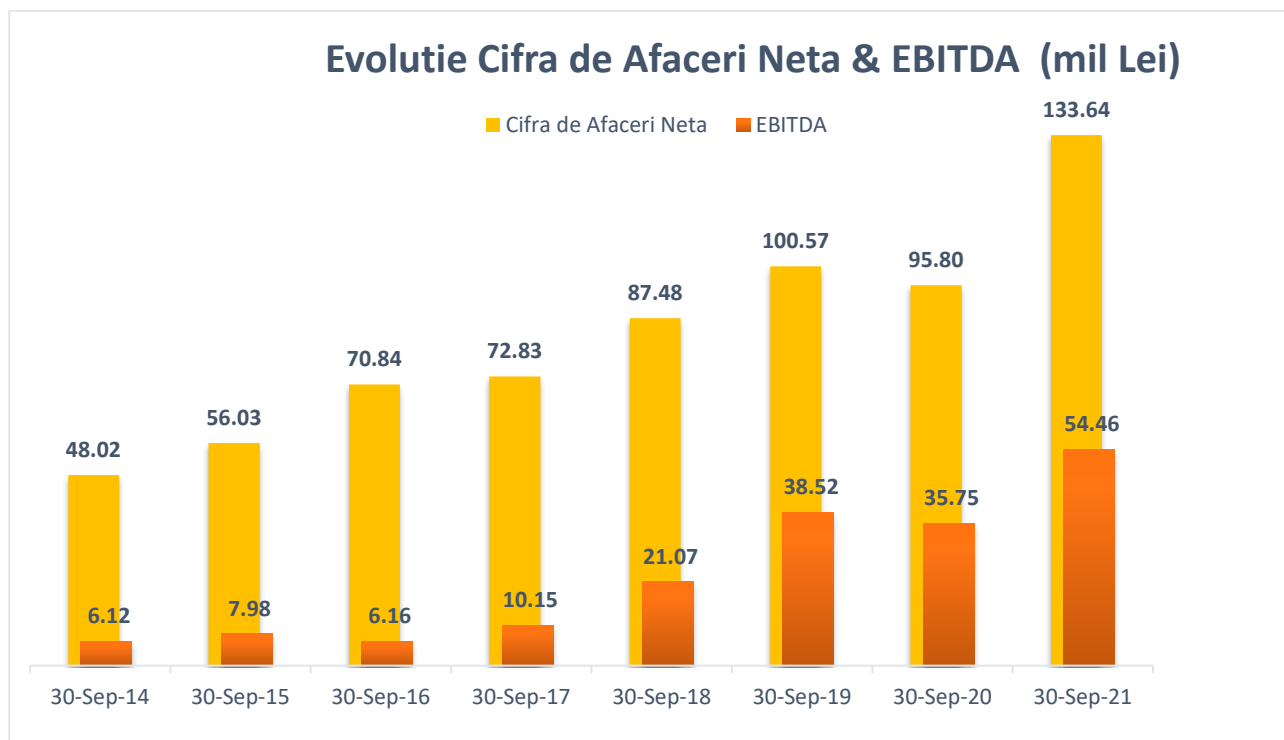
General Manager Statement

The results of the third quarter are largely a consequence of the management strategy and investments of recent years, through which we aim to exceed the standards of quality and efficiency in the industry.

The dynamics of the construction market during this period were favorable to consumption and, if there were no constraints generated by the limitation of our production capacity, certainly our market share would have been higher.

The company's liquidity and solvency allow us to continue investment projects in increasing production capacity and efficiency, as well as in developing the expertise and retention of employees in the company.

Profit and loss Account – 9 Month Results 2021



In the 3rd Quarter CEMACON SA, registered a record turnover of 133.64 milion lei, compared to similar periods in previous years.

The increase of 40% is due to a favorable market context and the improvement of consumption in the area of construction materials, thus creating the prospects of reaching the proposed budgetary target for 2021.

The variation of stocks registers lower values compared to the previous period, as a result of the gap between the quantities produced and those sold in Quarter 3.

The amounts of “Other gain and losses” highlight the cancellation of the provisions established in the previous year and the establishment of provisions during the period.

Expenses on raw materials and materials, as well as operational expensis increased compared to the same period of 2020, from several perspectives; a general increase in purchase prices at the market level, which all players felt and which had a direct impact on production costs and an increase in production capacity compared to 2020, when production activity was stopped for maintenance.

For the period ended September 30, 2021 CEMACON has an operating profit of 54,460,528 lei and a net profit of 42,634,839 lei.

Profit and loss Account – 9 Month Results 2021

| | 30-Sept-21 | 30-Sept-20 | 2021 vs 2020 | 2021 vs 2020 |
|--|--------------------|--------------------|-------------------|--------------|
| | LEI | LEI | LEI | % |
| Gross Turnover | 143,220,310 | 100,966,064 | 42,254,247 | 42% |
| Net Turnover | 133,642,364 | 95,795,273 | 37,847,091 | 40% |
| Sales revenues | 133,635,466 | 95,772,061 | 37,863,405 | 40% |
| Other operating revenues | 685,140 | 2,399,474 | (1,714,334) | -71% |
| Other gain and losses | 5,972,207 | 3,332,909 | 2,639,298 | 79% |
| Change in inventories of FG & WIP | (1,937,858) | 1,134,550 | (3,072,408) | -271% |
| Raw materials and consumables | (21,028,940) | (16,944,482) | (4,084,458) | 24% |
| Personnel expenses | (23,284,429) | (22,456,394) | (828,035) | 4% |
| Other operating expenses | (39,591,606) | (28,738,038) | (10,853,568) | 38% |
| EBITDA | 54,460,528 | 35,752,487 | 18,708,042 | 52% |
| Depreciation and amortization expenses | (9,559,818) | (8,461,507) | (1,098,311) | 13% |
| EBIT | 44,890,161 | 26,038,573 | 18,851,589 | 72% |
| Financial income | 1,226,175 | 1,089,693 | 136,482 | 13% |
| Financial expenses | (980,520) | (2,071,692) | 1,091,172 | -53% |
| Financial Result | 245,665 | (981,999) | 1,227,654 | -125% |
| Profit before tax* | 45,135,816 | 25,056,573 | 20,079,243 | 80% |
| Income tax expenses | (2,500,978) | (2,324,390) | (176,588) | 8% |
| Profit after tax | 42,634,838 | 22,732,183 | 19,902,655 | 88% |

*At the time of presentation of the results for Quarter 3 2021, 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 30th of September 2021

| | 30-Sept-21 | 31-Dec-20 | 2021 vs 2020 | 2021 vs 2020 |
|---|--------------------|--------------------|---------------------|--------------|
| | LEI | LEI | LEI | % |
| ASSTES | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 151,949,435 | 138,452,444 | 13,496,991 | 10% |
| Investment property | 8,407,181 | 8,407,181 | - | 0% |
| Intangible | 4,250,991 | 5,237,579 | (986,588) | -19% |
| Rights of use assets | 18,918,516 | 20,309,922 | (1,391,406) | -7% |
| Investments | - | 45,200 | (45,200) | -100% |
| Other non-current assets | 410,377 | 347,162 | 63,215 | 18% |
| NON-CURRENT ASSETS TOTAL | 183,936,500 | 172,799,488 | 11,137,012 | 6% |
| CURRENT ASSETS | | | | |
| Inventories | 11,805,420 | 18,314,302 | (6,508,881) | -36% |
| Trade and other receivables | 17,592,307 | 26,767,338 | (9,175,031) | -34% |
| Cash and cash equivalents | 67,016,347 | 51,314,569 | 15,701,778 | 31% |
| CURRENT ASSETS TOTAL | 96,414,074 | 96,396,209 | 17,865 | 0% |
| TOTAL ASSETS | 280,350,575 | 269,195,697 | 11,154,877 | 4% |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 24,866,022 | 20,260,545 | 4,605,477 | 23% |
| Loans and borrowings | - | 10,167,693 | (10,167,693) | -100% |
| Lease liabilities | 634,808 | 726,176 | (91,368) | -13% |
| Obligations under finance leases | 2,187,203 | 2,183,262 | 3,940 | 0% |
| Grants received | 627,159 | 114,072 | 513,087 | 450% |
| Tax liability | 512,995 | 159,374 | 353,621 | 222% |
| Provisions | 8,348,574 | 7,748,002 | 600,572 | 8% |
| CURRENT LIABILITIES TOTAL | 37,176,758 | 41,359,124 | (4,182,367) | -10% |
| NON-CURRENT LIABILITIES | | | | |
| Non-current trade and other liabilities | - | - | - | 0% |
| Loans and borrowings | - | 21,363,341 | (21,363,341) | -100% |
| Lease liabilities | 5,442,336 | 5,809,774 | (367,439) | -6% |
| Obligations under finance leases | 4,726,400 | 5,971,820 | (1,245,420) | -21% |
| Grants received | 6,440,284 | 2,808,666 | 3,631,618 | 129% |
| Deferred tax | 852,625 | 852,625 | - | 0% |
| Provisions | 2,367,974 | 2,367,974 | - | 0% |
| NON-CURRENT LIABILITIES TOTAL | 19,829,618 | 39,174,200 | (19,344,583) | -49% |
| TOTAL LIABILITIES | 57,006,377 | 80,533,324 | (23,526,947) | -29% |

| | 30-Sept-21 | 31-Dec-20 | 2021 vs 2020 | 2021 vs 2020 |
|----------------------------|--------------------|--------------------|-------------------|--------------|
| ASSTES | LEI | LEI | LEI | % |
| NET ASSETS | 223,344,197 | 188,662,373 | 34,681,824 | 18% |
| EQUITY | | | | |
| Issued capital as per IFRS | 59,779,702 | 59,779,702 | - | 0% |
| TOTAL EQUITY | 223,344,197 | 188,662,373 | 34,681,823 | 18% |

Intangible fixed assets recorded a decrease as a result of changes in intangible assets represented by EUA certificates used to comply with 2020 and delays in the allocation of 2021 certificates, a temporary decrease.

At the level of stocks and receivables, the changes are generated by the additional commercial activity, related to the period. The receivables of Cemacon SA being insured against the risk of non-collection, through a reputable insurer.

Cash and cash equivalents remained high, with good debt collection.

The share capital did not undergo any changes during the period and at the level of the capitals there was an increase of the result carried forward as a result of the operational performances during the period and the impact of the merger between Cemacon and Cemacon Real Estate.

At the end of the period ended September 30, 2021 the company's net assets register an increase of 18% compared to the end of 2020, exceeding the amount of 223 milion lei.

Main Financial Ratios

| Indicatori financiari relevanti | 30-September-21 |
|---|-----------------|
| 1. Current liquidity indicator | 2.59 |
| 2. Leverage indicator | 0% |
| 3. Turnover speed for client debit items (days) | 42 |
| 4. Turnover speed for total assets | 78% |

The report, together with the related documents, can be consulted starting with **15 November 2021 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 standards and are preliminary, and will be subject to financial audit according to legal provisions.**

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, 15th of November

INDIVIDUAL FINANCIAL STATEMENTS UNAUDITED FOR THE PERIOD ENDED 30st September 2021

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 30 Septembrie 2021 (for the period ended 30 September 2021)**

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

| | Notes | 30-Sept-21 | 31-Dec-20 |
|--|-------|--------------------|--------------------|
| | | LEI | LEI |
| ACTIVE (ASSETS) | | | |
| ACTIVE IMOBILIZATE | | | |
| NON-CURRENT ASSETS | | | |
| Imobilizari corporale <i>Property, plant and equipment</i> | | 151,949,435 | 138,452,444 |
| Investitii imobiliare <i>Investment property</i> | | 8,407,181 | 8,407,181 |
| Imobilizari necorporale <i>Intangible</i> | | 4,250,991 | 5,237,579 |
| Drept de utilizare a activelor in leasing* <i>Right of use assets</i> | | 18,918,516 | 20,309,922 |
| Investitii in actiuni <i>Investments</i> | | - | 45,200 |
| Alte active imobilizate <i>Other non-current assets</i> | | 410,377 | 347,162 |
| | | 183,936,500 | 172,799,488 |
| ACTIVE CIRCULANTE | | | |
| CURRENT ASSETS | | | |
| Stocuri <i>Inventories</i> | 9 | 11,805,420 | 18,314,302 |
| Creante comerciale si similare <i>Trade and other receivables</i> | 10 | 17,592,307 | 26,767,338 |
| Alte active financiare <i>Other financial assets</i> | | - | - |
| Numerar si echivalente numerar <i>Cash and cash equivalents</i> | 14 | 67,016,347 | 51,314,569 |
| | | 96,414,074 | 96,396,209 |
| Active clasificate drept detinute în vederea vânzării <i>Assets classified as held for sale</i> | | - | - |
| | | 280,350,574 | 269,195,697 |
| DATORII (LIABILITIES) | | | |
| DATORII CURENTE | | | |
| CURRENT LIABILITIES | | | |
| Datorii comerciale si similare <i>Trade and other payables</i> | 11 | 24,866,022 | 20,260,545 |
| Imprumuturi <i>Loans and borrowings</i> | | - | 10,167,693 |
| Datorii din operatiuni de leasing* <i>Lease liabilities</i> | | 634,808 | 726,176 |
| Obligatii din leasing financiar** <i>Obligations under finance leases</i> | | 2,187,203 | 2,183,262 |
| Subventii pentru investitii <i>Grants received</i> | | 627,159 | 114,072 |
| Datorii privind impozitul pe profit <i>Tax liability</i> | | 512,995 | 159,374 |
| Provizioane <i>Provisions</i> | | 8,348,574 | 7,748,002 |
| | | 37,176,759 | 41,359,124 |

CEMACON SA

**Situatia individuală a pozitiei financiare (Standalone Statement of financial position)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 September 2021)**

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

| | Notes | 30-Sept-21 | 31-Dec-20 |
|--|-------|--------------------|--------------------|
| | | LEI | LEI |
| DATORII PE TERMEN LUNG | | | |
| NON-CURRENT LIABILITIES | | | |
| Datorii comerciale si similare | 11 | - | - |
| <i>Non-current trade and other liabilities</i> | | | |
| Imprumuturi | | - | 21,363,341 |
| <i>Loans and borrowings</i> | | | |
| Datorii din operatiuni de leasing* | | 5,442,336 | 5,809,774 |
| <i>Lease liabilities</i> | | | |
| Obligatii din leasing financiar** | | 4,726,400 | 5,971,820 |
| <i>Obligations under finance leases</i> | | | |
| Subventii pentru investitii | | 6,440,284 | 2,808,666 |
| <i>Grants received</i> | | | |
| Impozit amanat | | 852,625 | 852,625 |
| <i>Deferred tax</i> | | | |
| Provizioane | | 2,367,974 | 2,367,974 |
| <i>Provisions</i> | | | |
| | | 19,829,618 | 39,174,200 |
| TOTAL DATORII (TOTAL LIABILITIES) | | 57,006,377 | 80,533,324 |
| | | 223,344,197 | 188,662,373 |
| ACTIVE NETE (NET ASSETS) | | | |
| CAPITAL SI REZERVE (EQUITY) | | | |
| Capital social | 12 | 59,779,702 | 59,779,702 |
| <i>Issued capital</i> | | | |
| Beneficii acordate angajatilor in instrumente de capitaluri proprii | | - | - |
| <i>Benefits granted to employees in equity instruments</i> | | | |
| Impozit profit amanat | | (1,252,337) | (1,252,337) |
| <i>Deffered Tax</i> | | | |
| Actiuni proprii | | - | - |
| <i>Own Shares</i> | | | |
| Prime legate de emiterea de actiuni | | 253,004 | 253,004 |
| <i>Share premium</i> | | | |
| Rezerve din reevaluare aferente active destinate vanzarii | | - | - |
| <i>Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale</i> | | | |
| Rezerve | | 59,506,280 | 46,757,741 |
| <i>Reserves</i> | | | |
| Rezultat reportat | | 105,057,547 | 83,124,263 |
| <i>Retained earnings</i> | | | |
| Interesele care nu controleaza | | - | - |
| <i>Non-controlling interest</i> | | | |
| TOTAL CAPITALURI (TOTAL EQUITY) | | 223,344,197 | 188,662,373 |

CEMACON SA

**Situatia individuală a rezultatului global (Standalone Statement of comprehensive income)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 September 2021)**

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

| | Notes | 30-Sept-21 <i>LEI</i> | 30-Sep-20 <i>LEI</i> |
|--|----------|--------------------------|-------------------------|
| Venituri din vanzari <i>Sales revenues</i> | 4 | 133,635,466 | 95,772,061 |
| Alte venituri din exploatare <i>Other operating revenues</i> | 5 | 685,140 | 2,399,474 |
| Alte castiguri si pierderi <i>Other gains and losses</i> | 5 | 5,972,207 | 3,332,909 |
| Variatia stocurilor <i>Change in inventories of FG & WiP</i> | | (1,937,858) | 1,134,550 |
| Materii prime si consumabile <i>Raw material and consumables used</i> | 9 | (21,028,940) | (16,944,482) |
| Cheltuieli de personal <i>Personnel Expenses</i> | | (23,284,429) | (22,456,394) |
| Cheltuieli cu amortizarea <i>Depreciation and amortisation expenses</i> | | (9,559,818) | (8,461,507) |
| Alte cheltuieli din exploatare <i>Other operating expenses</i> | 6 | (39,591,606) | (28,738,038) |
| Profit / (Pierdere) din exploatare | | 44,890,161 | 26,038,573 |
| Profit / (Loss) from operation | | | |
| Venituri financiare <i>Financial income</i> | 8 | 1,226,175 | 1,089,693 |
| Cheltuieli financiare <i>Financial expenses</i> | 8 | (980,520) | (2,071,692) |
| Rezultat Financiar <i>Financial Result</i> | | 245,655 | (982,000) |
| Profit / (Pierdere) inainte de impozitare <i>Profit before tax</i> | | 45,135,817 | 25,056,573 |
| Cheltuieli cu impozite | | (2,500,978) | (2,324,390) |
| Profit <i>Profit after tax</i> | | 42,634,839 | 22,732,183 |

CEMACON SA

**Situatia individuală a fluxului de numerar (Standalone Statement of cash flow)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 September 2021)**

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

| | 30-Sept-21 | 30-Sep-20 |
|---|--------------------|--------------------|
| | <i>LEI</i> | <i>LEI</i> |
| Fluxuri din activitati de exploatare | | |
| Cash flow from operating activities | | |
| Incasari de la clienti | 153,860,814 | 130,096,840 |
| <i>Customer encashments</i> | | |
| Plati catre furnizori | (59,431,743) | (50,002,579) |
| <i>Supplier payments</i> | | |
| Plati catre angajati | (16,722,866) | (16,537,916) |
| <i>Payments to employees</i> | | |
| Plati impozite si taxe | (19,390,956) | (17,973,261) |
| <i>Tax Payments</i> | | |
| Impozit pe profit platit | (2,147,357) | (1,926,893) |
| <i>Income Tax Paid</i> | | |
| Incasari din asigurari | 27,727 | - |
| <i>Insurance encashments</i> | | |
| Plati de asigurari | (526,694) | (474,838) |
| <i>Insurance payments</i> | | |
| Dobanzi platite | (303,940) | (1,195,785) |
| <i>Interest Paid</i> | | |
| Alte incasari | 102,278 | - |
| <i>Other Encashments</i> | | |
| Alte plati | - | - |
| <i>Other Payments</i> | | |
| Plati ctr leasing pe termen scurt si active de val. mica | - | - |
| <i>Payments for short term leasing contracts and low value assets</i> | | |
| Trezoreria neta din activitati de exploatare | 55,467,264 | 41,985,568 |
| 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 | (9,586,616) | (9,623,357) |
| <i>Payments for acquiring assets</i> | | |
| Incasari din vanzarea de imobilizari corporale | | 90,954 |
| <i>Encashments from sold assets</i> | | |
| Dobanzi incasate | 621,570 | 70,516 |
| <i>Encashments from interest</i> | | |
| Credite catre parti afiliate | - | (100,000) |
| <i>Loans to affiliated parties</i> | | |
| Alte incasari- subventii pentru investitii | - | - |
| <i>Others Encashments</i> | | |
| Dividende incasate | - | - |
| <i>Encashments from dividends</i> | | |
| Trezoreria neta din activitati de investitie | (8,965,046) | (9,561,887) |
| Cash from investing activities | | |

CEMACON SA

**Situatia individuală a fluxului de numerar (Standalone Statement of cash flow)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 September 2021)**

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

| | 30-Sept-21 | 30-Sep-20 |
|--|---------------------|--------------------|
| | <i>LEI</i> | <i>LEI</i> |
| <i>Fluxuri de trezorerie din activitati de finantare</i> | | |
| <i>Cash flow from financing activities</i> | | |
| Incasari din aport de capital | - | - |
| <i>Encashments from share capital increase</i> | | |
| Incasari din imprumuturi | (2,947,004) | - |
| <i>Encashments from loans</i> | | |
| Plata datoriilor aferente leasing-ului financiar-capital | (598,181) | (3,668,439) |
| <i>Payments for financial lease</i> | | |
| Plata datoriilor aferente leasing-ului financiar-dobanda | (31,531,035) | - |
| <i>Payments for financial lease-interest</i> | | |
| Rambursari credite | 4,270,980 | (1,944,250) |
| <i>Dividends paid and bank interest paid</i> | | |
| Incasari garantie achizitionare actiuni | - | 1,355,110 |
| <i>Encashments from share purchase</i> | - | |
| Plata garantie achizitionare actiuni | | (46,481) |
| <i>Payment for share purchase</i> | | |
| | (30,805,239) | (4,304,060) |
| <i>Trezoreria neta din activitati de finantare</i> | | |
| <i>Cash from financing activities</i> | | |
| Efectul diferentelor de curs | 4,800 | 2,543 |
| <i>Effect of exchange rate changes</i> | | |
| | 15,701,778 | 28,122,164 |
| <i>Crestere /scadere neta de numerar</i> | | |
| <i>Net increase/decrease in cash and cash equivalents</i> | | |
| | 51,314,569 | 17,663,070 |
| <i>Numerar si echivalente de numerar la inceputul perioadei</i> | | |
| <i>Cash and cash equivalents at beginning of period</i> | | |
| | 67,016,347 | 45,785,234 |
| <i>Numerar si echivalente de numerar la sfarsitul perioadei</i> | | |
| <i>Cash and cash equivalents at end of period</i> | | |

CEMACON SA

**Situația modificării capitalurilor proprii individuale (Statement of standalone changes in equity)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 Sept 2021)
(toate sumele sunt exprimate in RON, daca nu este specificat altfel) (all amounts are expressed in RON, unless otherwise stated)**

| | Capital subscris si ajustari | Prime de emisiune | Rezerve din reevaluare aferente active detinute 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-19 | 59,779,703 | 253,004 | - | 16,578,139 | 5,263,590 | 20,966,082 | 64,538,959 | (1,314,817) | - | 166,064,660 |
| Rezultatul global current <i>Current global result</i> | - | - | - | - | - | - | 22,535,234 | - | - | 22,535,234 |
| Ajustari erori contabil <i>Accounting Errors</i> | - | - | - | - | - | - | - | - | - | - |
| Majorare capital social <i>Increase in equity</i> | - | - | - | - | - | - | - | - | - | - |
| Acoperire pierdere <i>Loss coverage</i> | - | - | - | - | - | - | - | 62,480 | - | 62,480 |
| Diferente capitalizate aferente impozitului amanat <i>Capitalised differences related to deferred tax</i> | - | - | - | - | - | - | - | - | - | - |
| Alte elemente de capitaluri proprii (beneficii angajati) <i>Other comprehensive income (employee benefits)</i> | - | - | - | - | - | - | - | - | - | - |
| Rezerva din reevaluare <i>Revaluation reserve</i> | - | - | - | - | - | - | - | - | - | - |
| Constituire rezerva legala <i>Legal Reserve</i> | - | - | - | - | 1,250,950 | - | (1,250,950) | - | - | - |
| Alte rezerve <i>Other reserve</i> | - | - | - | - | - | 2,698,980 | (2,698,980) | - | - | - |
| 31-Dec-20 | 59,779,703 | 253,004 | - | 16,578,139 | 6,514,540 | 23,665,062 | 83,124,263 | (1,252,337) | - | 188,662,373 |
| Rezultatul global curent <i>Current global result</i> | - | - | - | - | - | - | 42,634,839 | - | - | 42,634,839 |
| Pierdere fiscala preluata prin fuziune <i>Tax loss from merger</i> | - | - | - | - | - | - | (18,444,805) | - | - | (18,444,805) |
| Rezerva din reevaluare- fuziune | - | - | - | 10,491,749 | - | - | - | - | - | 10,491,749 |
| Rezerve legale <i>Legal Reserve</i> | - | - | - | - | 2,256,790 | - | (2,256,750) | - | - | 40 |
| 30-Sept-21 | 59,779,703 | 253,004 | - | 27,069,888 | 8,771,330 | 23,665,062 | 105,057,547 | (1,252,337) | - | 223,344,197 |

CEMACON SA

Note la Situațiile Financiare Individuale (*Notes to the standalone financial statements*) pentru perioada încheiată la 30 Septembrie 2021 (*for the period ended 30 Sept 2021*)

(*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 30 September 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed individual financial statements as at 30 September 2021 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, 2020.

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 2020.

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 2020.

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 | 30-Sept-21 | 30-Sep-20 |
|---------------------------------|--------------------|-------------------|
| Sales of finished goods | 134,600,455 | 95,227,827 |
| Sales of goods | 7,761,355 | 5,083,948 |
| Revenues from services rendered | 851,603 | 631,076 |
| Discounts granted | (9,577,946) | (5,170,790) |
| Total | 133,635,466 | 95,772,061 |

The main revenues realized by the entity in 2021 were from the sale of finished products 134.6 million lei, the sale of goods 7.76 million lei and services rendered 0.85 million lei, while the value of discounts granted was 9.57 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 30 Septembrie 2021 *(for the period ended 30 September 2021)*

(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 | 30-Sept-21 | 30-Sept-20 |
|---------------------------------------|----------------|------------------|
| Revenues from various activities | 483,864 | 2,269,029 |
| Subsidies for operating activities | 100,886 | 55,309 |
| Revenues from subsidy to asset values | 56,727 | 56,729 |
| Revenues from indemnifications | 43,662 | 18,407 |
| Total | 685,140 | 2,399,474 |

In the category of incomes from various activities, incomes of greenhouse gas certificates are accounted for. Until the reporting period, they were not received.

Revenues related to the operating subsidy in the amount of 0.10 million lei 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 2021 the company has recognized as income corresponding to these subsidies the amount of 0.056 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 | 30-Sept-21 | 30-Sept-20 |
|--|------------------|------------------|
| Income from the sale of assets | 107,340 | 76,432 |
| Expenses from the sale of assets | (28,237) | - |
| Revenue from the cancellation of provisions | 7,425,318 | 8,419,012 |
| Revenues from the resumption of value adjustments regarding impairment of current assets | 9,369,634 | 616,096 |
| Expenses from establishing provisions | (7,990,447) | (2,947,697) |
| Expenses from value adjustments regarding impairment of current assets | (2,911,311) | (2,830,934) |
| Gains and losses Total | 5,972,207 | 3,332,909 |

6. Operating expenses

| Other operating expenses | 30-Sept-21 | 30-Sept-20 |
|--|-------------------|-------------------|
| Utilities | 8,964,408 | 7,012,042 |
| Repairs | 1,371,780 | 1,523,370 |
| Rent | 61,233 | 84,871 |
| Insurance | 566,069 | 510,575 |
| Personal training | 89,125 | 15,467 |
| Commissions | 248,192 | 243,501 |
| Advertising | 1,407,518 | 735,082 |
| Transport and logistics | 14,744,739 | 12,761,179 |
| Post and telecommunications | 106,713 | 105,722 |
| Other services provided by third parties | 2,906,659 | 2,033,649 |
| Taxes | 1,420,640 | 1,610,407 |
| Miscellaneous | 7,704,530 | 2,102,175 |
| Total | 39,591,606 | 28,738,038 |

CEMACON SA

Note la Situațiile Financiare Individuale (Notes to the standalone financial statements) pentru perioada încheiată la 30 Septembrie 2021 (for the period ended 30 September 2021)

(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: 257.

| <i>Average number of employees</i> | 30-Sept-21 | 30-Sept-20 |
|------------------------------------|-------------------|-------------------|
| Administrative staff | 69 | 68 |
| Personnel in production | 188 | 182 |
| Total | 257 | 250 |

8. Financial income and expenses

| Financial Income | 30-Sept-21 | 30-Sept-20 |
|-------------------------------------|-------------------|-------------------|
| Income from interest | 961,637 | 675,820 |
| Exchange rate differences in income | 264,538 | 413,873 |
| Total | 1,226,175 | 1,089,693 |

| Financial Expenses | 30-Sept-21 | 30-Sept-20 |
|---------------------------|-------------------|--------------------|
| Interest costs | (560,884) | (1,551,739) |
| Other financial expenses | (247,269) | (262,942) |
| Exchange rate differences | (172,367) | (257,012) |
| Total | (980,520) | (2,071,692) |

Financial expenses consist mainly of the following categories: Interest expenses 0.56 million lei, Expenses related to exchange rate differences related to 0.17 million lei and other financial expenses 0.24 million lei.

Financial income is represented by interest income of 0.96 million lei, income from exchange rate differences of 0.26 million lei.

9. Inventory

| Inventory | 30-Sept-21 | 31-Dec-20 |
|-------------------------------|-------------------|-------------------|
| Raw materials and consumables | 4,908,642 | 4,588,401 |
| Adjustments | (246,374) | (825,282) |
| Packing | 3,027,356 | 4,414,645 |
| Adjustments | (1,367,012) | (700,512) |
| WIP | 94,464 | 87,719 |
| Adjustments | - | - |
| Billets and finished products | 4,833,798 | 9,596,034 |
| Adjustments | (211,379) | (152,620) |
| Merchandise | 1,398,240 | 1,807,579 |
| Adjustments | (632,317) | (501,662) |
| Total | 11,805,420 | 18,314,302 |

CEMACON SA**Note la Situațiile Financiare Individuale (Notes to the standalone financial statements)
pentru perioada încheiata la 30 Iunie 2021 (for the period ended 30 June 2021)***(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 | 30-Sept-21 | 30-Sept-20 |
|--------------------------------------|-------------------|-------------------|
| Raw materials | 8,904,560 | 6,814,661 |
| Auxiliary materials | 3,829,960 | 3,177,595 |
| Packing | 2,024,933 | 2,484,031 |
| Merchandise | 3,025,204 | 1,667,351 |
| Inventory items | 229,953 | 128,914 |
| Other consumables | 128,582 | 92,238 |
| Miscellaneous | 2,885,749 | 2,579,692 |
| Total | 21,028,940 | 16,944,482 |

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 | 30-Sept-21 | 31-Dec-20 |
|--|-------------------|-------------------|
| Trade receivables | 16,163,530 | 12,144,483 |
| Adjustments for trade receivables | (1,467,209) | (1,432,394) |
| Intragroup receivables | 542,209 | 18,394,576 |
| Adjustments for intragroup receivables | - | (6,770,144) |
| Other receivables from the State Budget | 398,231 | 135,789 |
| Debtors and other receivables | 321,996 | 308,961 |
| Grants | 16,190 | - |
| Interest to cash | - | 1,914,384 |
| Total financial assets other than cash, classified as loans and receivables | 15,974,947 | 24,695,655 |
| Advance paid | 1,617,360 | 2,071,684 |
| Total | 17,592,307 | 26,767,338 |

CEMACON SA

**Note la Situatiile Financiare Individuale (Notes to the standalone financial statements)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 Sept 2021)**

(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 | 30-Sept-21 | 31-Dec-20 |
|---|-------------------|-------------------|
| Trade liabilities | 8,918,115 | 8,920,166 |
| Suppliers of fixed assets | 314,902 | 2,143,307 |
| Intra-group liabilities | 22,041 | 436,501 |
| Lease liabilities | - | 75,500 |
| Debt related to employees | 1,172,384 | 856,458 |
| Taxes and social contributions | 530,994 | 474,719 |
| Other tax liabilities | 4,409,430 | 622,242 |
| Other liabilities | 5,646,503 | 2,149,174 |
| Interest to pay | 2,931 | 2,931 |
| Total debt less loans classified as measured at amortized cost | 21,017,301 | 15,681,000 |
| Advances | 2,227,858 | 2,601,878 |
| Revenue in advance | 1,620,863 | 1,977,667 |
| Total | 24,866,022 | 20,260,545 |

12. Issued Capital

On the 30st of September 2021 the structure of issued capital was as follows:

| Issued capital structure | 30-Sept-21 | 31-Dec-20 |
|---------------------------------|-----------------------|-----------------------|
| Subscribed share capital | 50,565,353 lei | 50,565,353 lei |
| Elements assimilated to capital | 9,214,349 lei | 9,214,349 lei |
| Total issued capital | 59,779,702 lei | 59,779,702 lei |

On the 30st of September 2021 the structure of subscribed share capital was as follows:

| Structure of subscribed share capital | 30-Sept-21 | 31-Dec-20 |
|--|-----------------------|-----------------------|
| Number of authorized shares | 505,653,533 pcs | 505,653,533 pcs |
| Number of subscribed and paid-up shares | 505,653,533 pcs | 505,653,533 pcs |
| Number of subscribed and unpaid-up shares | - | - |
| Nominal value of a share | 0.10 lei | 0.10 lei |
| Subscribed share capital value | 50,565,353 lei | 50,565,353 lei |

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

The movements of the capital structure in 2021 are presented in the following table:

| | 30-Sept-21 | | 31-Dec-20 | |
|------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
| | 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 | - | - | - | - |
| Purchase of own shares | - | - | - | - |
| TOTAL | 505,653,533 pcs | 50,565,353 lei | 505,653,533 pcs | 50,565,353 lei |

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Note la Situatiile Financiare Individuale (Notes to the standalone financial statements) pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 Sept 2021)

(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 2020 consists of:

| Shareholder | Shares | Percent |
|-------------------------|--------------------|------------------|
| S.C. DEDEMAN S.R.L. | 370.819.888 | 73.3348% |
| PIF INDUSTRIAL | 84.315.847 | 16.6746% |
| alti actionari / others | 50.517.798 | 9.9906% |
| TOTAL | 505.653.533 | 100.0000% |

Source: DEPOZITARUL CENTRAL Data: 12/31/2020

As a result of the transactions on the capital market in 2021, the shareholding structure on 30 September 2021 is composed of:

| Shareholder | Shares | Percent |
|-------------------------|--------------------|------------------|
| S.C PAVAL HOLDING S.R.L | 393.492.536 | 75.2705% |
| PIF Industrial | 84.315.847 | 16.6746% |
| Alti actionari/others | 27.845.150 | 5.5068% |
| TOTAL | 505,653,533 | 100.0000% |

Source: DEPOZITARUL CENTRAL Data: 6/30/2021

13. Transactions with Affiliates

The company's affiliates in 2021 are:

- DEDEMAN SRL with registered office in Bacău, Str. Alexei Tolstoy, nr. 8, CUI: 2816464, Nr.Ord.Reg.Com.: J04/2621/1992 – significant shareholder;
- PIF INDUSTRIAL SRL with registered office in Bacău, Str. Alexei Tolstoy, 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 Tolstoy, nr. 8, CUI: 39895050, Nr.Ord.Reg.Com.: J04/ 1405/2018 - company from Dedeman group;
- Cemacon Real Estate with registered office in Jud. Salaj, Mun. Zalau, Str. Fabricii, Nr.1, CUI: 32604048; 100% investee of the company Cemacon SA; the group consisting of Cemacon SA and Cemacon Real Estate respectively, prepares consolidated financial statements as at 31 March 2020;
- Liviu-Ionel Stoleru – General Manager and President of Board of Directors
- Sologon Daniel – Financial Director
- 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

Note la Situatiile Financiare Individuale (Notes to the standalone financial statements)
pentru perioada incheiata la 30 Septembrie 2021 (for the period ended 30 September 2021)
(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 – 30 Sept 2021 | 1 Jan – 30 Sept 2020 | 1 Jan – 30 Sept 2021 | 1 Jan – 30 Sept 2020 |
| Dedeman SRL | 14,565,724 | 7,218,212 | 138,964 | 293,293 |
| Cemacon Real Estate | - | 1,939 | 191,491 | 283,206 |
| Total | 14,565,724 | 7,220,151 | 330,455 | 576,499 |

Amounts expressed in Lei

Balances with affiliated parties are summarized in the following table:

| Affiliates | Receivables from affiliated parties | | Debts to affiliated parties | | Given loans | |
|---------------------|--|------------------|------------------------------------|------------------|---------------------|-------------------|
| | 30-Sept-2021 | 31-Dec-20 | 30-Sept-2021 | 31-Dec-20 | 30-Sept-2021 | 31-Dec-20 |
| Dedeman SRL | 542,209 | - | 22,041 | 361,001 | - | - |
| Cemacon Real Estate | - | 1,780,224 | - | 75,500 | - | 18,528,735 |
| Total | 542,209 | 1,780,224 | 22,041 | 436,501 | - | 18,528,735 |

Amounts expressed in Lei

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Note la Situațiile Financiare Individuale (Notes to the standalone financial statements) pentru perioada încheiată la 30 Septembrie 2021 (for the period ended 30 September 2021)

(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 | 30-Sept-21 | 31-Dec-20 |
|---------------------------|-------------------|-------------------|
| Available in the bank | 67,001,939 | 51,310,788 |
| Cash and cash equivalents | 14,410 | 3,781 |
| Total | 67,016,347 | 51,314,569 |

On September 30, 2021 there are no financial instruments that generate exposure to credit risk. Cash balances denominated in foreign currency at 30.09.2021 are not material.

15. Adjustments of accounting errors

During January-September 2021, 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:

Cemacón 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 2020 and 30 September 2021 are:

| Foreign currency | Abbreviation | Exchange rate | |
|------------------|--------------|---------------|-----------|
| | | 30-Sept-21 | 31-Dec-20 |
| Dolar SUA | USD | 4.2653 | 3.9660 |
| Euro | EUR | 4.9471 | 4.8694 |

On July 29, 2021, Cluj National Trade Register Office issued the Mention Registration Certificate no. 103725 / 15.07.2021 for the registration of the merger between CEMACON SA and CEMACON REAL ESTATE SRL, based on the Civil Sentence no. 1396/2021 which remained final July 29, 2021. Thus, the merger between CEMACON SA – as the absorbing company and CEMACON REAL ESTATE SRL – as the absorbed company, was completed on July 29, 2021. Following the completion of the merger between the two companies, all the documents related to this process were

CEMACON SA

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

pentru perioada încheiată la 30 Septembrie 2021 (for the period ended 30 Sept 2021)

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

prepared, including the minutes of delivery of assets and liabilities of CEMACON REAL ESTATE SRL. Following the completion of the merger process, CEMACON SA will no longer prepare consolidated financial statements starting with this quarter.

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 August 31, 2021. It is not possible for the financial statements to be amended after they have been issued.

The half-yearly 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.

Director General

Director Financiar

Stoleru Liviu

Sologon Daniel

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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