

BSE REPORT

1st Semester Results 2021



6 Month Performance 2021

- ☑ **31.07 milion lei operational profit (EBITDA)**
- ☑ **83.91 milion lei Net Turnover**
- ☑ **21.55 milion lei Net Profit**

General Manager Statement

The construction materials sector is going through a period characterized by a high level of demand and increased liquidity in the market; the constraints come from the limitations of production capacity and from the significant price increases to the main elements that determine the cost of production - gas, electricity, fuels, wood, etc.

The negative influences from costs were felt rather in the second part of the semester, so the profitability after the first quarter is a record one.

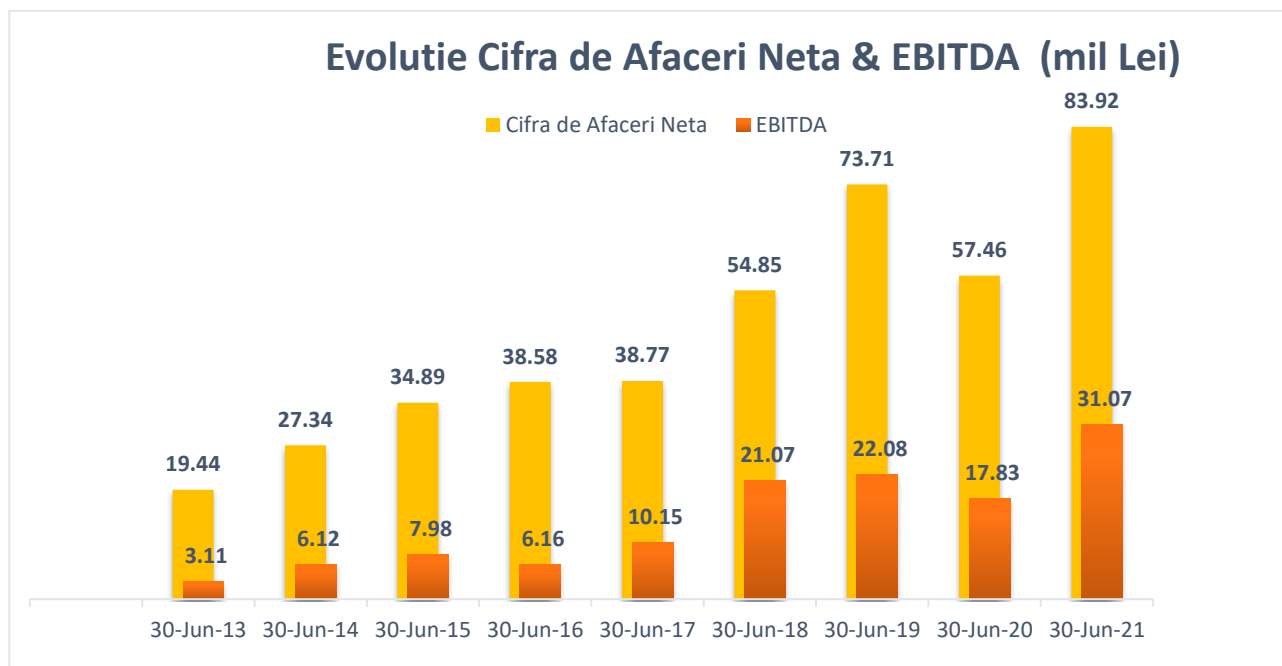
Also, the company's liquidity and solvency are at very high levels even if the full early repayment of loans has been made and extensive investment projects have been carried out during this period.

In recent months, it has been possible to complete several investments with a direct impact on the efficiency of operational activity, the most relevant being the operation of a cogeneration plant, a project partially financed from European funds.

Other projects with grants are in various stages of implementation to ensure organic development for the coming years.

The financial results clearly show the performance of this year, the turnover being 48% over the previous year, and the profit growing more than double.

Profit and loss Account – 6 Month Results 2021



In the 1st Semester CEMACON SA, registered a record turnover of 83.92 milion lei, compared to similar periods in previous years.

The increase of 46% 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 operational activity was carried out normally without interruption or exceptional events in the second part of the 1st Semester, CEMACON, putting into operation one of the most modern cogeneration plants, purchased through European funds, aspects that had a positive impact on the company's results.

Variatia stocurilor inregistreaza valori mai mici fata de perioada precedenta, ca urmare a decalajului dintre cantitatile produse si cele vandute in Semestrul 1 2021 si al contextului de piata favorabil.

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 Semester 1 2021 and the favorable market context.

Raw materials and materials and the operating expenses were up 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 had a direct impact on production costs. Compared to the previous period, when in April-May extensive maintenance works were done, the quantity produced was higher than last year, generating additional expenses proportional to the quantity produced.

For the period ended June 30, 2021 CEMACON has an operating profit of 31,074,624 lei and a net profit of 21,554,621 lei.

Profit and loss Account – 6 Month Results 2021

	30-lun-21 LEI	30-lun-20 LEI	2021 vs 2020 LEI	2021 vs 2020 %
Gross Turnover	89,451,905	60,519,280	28,932,625	48%
Net Turnover	83,918,901	57,458,038	26,460,863	46%
Sales revenues	83,917,177	57,447,256	26,469,921	46%
Other operating revenues	531,386	2,766,336	(2,234,950)	-81%
Other gain and losses	434,396	3,290,166	(2,855,770)	-87%
Change in inventories of FG & WIP	(1,171,676)	916,486	(2,088,162)	-228%
Raw materials and consumables	(13,503,580)	(10,249,685)	(3,253,895)	32%
Personnel expenses	(17,305,370)	(18,377,796)	1,072,426	-6%
Other operating expenses	(23,393,546)	(18,612,600)	(4,780,946)	26%
EBITDA	31,074,624	17,825,525	13,249,099	74%
Depreciation and amortization expenses	(6,262,529)	(5,384,199)	(878,330)	16%
EBIT	23,246,258	11,795,964	11,450,294	97%
Financial income	1,071,421	699,960	371,461	53%
Financial expenses	(775,075)	(1,440,407)	665,332	-46%
Financial Result	296,346	(740,447)	1,036,793	-140%
Profit before tax*	23,542,604	11,055,517	12,487,087	113%
Income tax expenses	(1,987,983)	(745,052)	(1,242,931)	167%
Profit after tax	21,554,621	10,310,465	11,244,156	109%
Total global result	21,554,621	10,310,465	11,244,156	109%

*At the time of presentation of the results for Semester 1 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 June 2021

	30-Iun-21	31-Dec-20	2021 vs 2020	2021 vs 2020
	LEI	LEI	LEI	%
ASSTES				
NON-CURRENT ASSETS				
Property, plant and equipment	138,794,393	138,452,444	341,949	0%
Investment property	8,407,181	8,407,181	-	0%
Intangible	4,088,261	5,237,579	(1,149,318)	-22%
Rights of use assets	19,385,100	20,309,922	(924,822)	-5%
Investments	45,200	45,200	-	0%
Other non-current assets	402,949	347,162	55,787	16%
NON-CURRENT ASSETS TOTAL	171,123,084	172,799,488	(1,676,404)	-1%
CURRENT ASSETS				
Inventories	12,572,457	18,314,302	(5,741,845)	-31%
Trade and other receivables	29,316,929	26,767,338	2,549,591	10%
Cash and cash equivalents	48,163,141	51,314,569	(3,151,428)	-6%
CURRENT ASSETS TOTAL	90,052,526	96,396,209	(6,343,683)	-7%
TOTAL ASSETS	261,175,610	269,195,697	(8,020,087)	-3%
CURRENT LIABILITIES				
Trade and other payables	21,352,188	20,260,545	1,091,643	5%
Loans and borrowings	-	10,167,693	(10,167,993)	-100%
Lease liabilities	624,320	726,176	(101,856)	-14%
Obligations under finance leases	2,267,634	2,183,262	84,372	4%
Grants received	562,831	114,072	448,759	393%
Tax liability	678,931	159,374	519,557	326%
Provisions	5,789,112	7,748,002	(1,958,890)	-25%
CURRENT LIABILITIES TOTAL	31,275,014	41,359,125	(10,084,111)	-24%
NON-CURRENT LIABILITIES				
Non-current trade and other liabilities	-	-	-	0%
Loans and borrowings	-	21,363,341	(21,363,341)	-100%
Lease liabilities	5,577,954	5,809,774	(231,819)	-4%
Obligations under finance leases	5,201,340	5,971,820	(770,480)	-13%
Grants received	5,683,707	2,808,666	2,875,041	102%
Deferred tax	852,625	852,625	(0)	0%
Provisions	2,367,974	2,367,974	0	0%
NON-CURRENT LIABILITIES TOTAL	19,683,600	39,174,200	(19,490,600)	-50%
TOTAL LIABILITIES	50,958,615	80,533,326	(29,574,711)	-37%

	30-Iun-21	31-Dec-20	2021 vs 2020	2021 vs 2020
ASSTES	LEI	LEI	LEI	%
NET ASSETS	210,216,994	188,662,373	21,554,621	11%
EQUITY				
Issued capital as per IFRS	59,779,702	59,779,702	-	0%
TOTAL EQUITY	210,216,994	188,662,373	21,554,621	11%

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.

At the end of the period ended June 30, 2021 the company's net assets register an increase of 11% compared to the end of 2020, exceeding the amount of 210 milion lei.

Main Financial Ratios

Indicatori financiari relevanti	30-Iunie-21
1.Current liquidity indicator	2.88
2. Leverage indicator	0%
3. Turnover speed for client debit items (days)	57
4. Turnover speed for total assets	52%

The report, together with the related documents, can be consulted starting with **31 August 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, 31th of August

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

Prepared according to International Reporting Standards



CE  **ACON**

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

Cuprins (*Contents*)

Situatia individuala a pozitiei financiare (<i>Statement of individual financial position</i>).....	3
Situatia individuala a rezultatului global (<i>Statement of individual comprehensive income</i>)	5
Situatia individuală a fluxului de numerar (<i>Statement of individual cash - flow</i>)	6
Situatia individuală a modificarilor de capital (<i>Statement of individual changes in equity</i>)	8

1. Legal principals	9
2. Accounting policies	9
3. Accounting estimates	9
4. Revenues	9
5. Other operational revenues.....	9
6. Operating expenses.....	10
7. Personnel structure	10
8. Financial income and expenses	11
9. Inventory	11
10. Commercial receivables and other receivables	12
11. Trade and other payables	13
12. Issued Capital	13
13. Transactions with Affiliates.....	14
14. Cash and cash equivalents	16
15. Adjustments of accounting errors	16
16. Other information	16
17. Subsequent events	17
18. Contingencies.....	17

CEMACON SA

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

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

	Notes	30-Iun-21	31-Dec-20
		LEI	LEI
ACTIVE (ASSETS)			
ACTIVE IMOBILIZATE			
NON-CURRENT ASSETS			
Imobilizari corporale		138,794,393	138,452,444
<i>Property, plant and equipment</i>			
Investitii imobiliare		8,407,181	8,407,181
<i>Investment property</i>			
Imobilizari necorporale		4,088,261	5,237,579
<i>Intangible</i>			
Drept de utilizare a activelor in leasing*		19,385,100	20,309,922
<i>Right of use assets</i>			
Investitii in actiuni		45,200	45,200
<i>Investments</i>			
Alte active imobilizate		402,949	347,162
<i>Other non-current assets</i>			
		171,123,084	172,799,488
ACTIVE CIRCULANTE			
CURRENT ASSETS			
Stocuri	9	12,572,457	18,314,302
<i>Inventories</i>			
Creante comerciale si similare	10	29,316,929	26,767,338
<i>Trade and other receivables</i>			
Alte active financiare		-	-
<i>Other financial assets</i>			
Numerar si echivalente numerar	14	48,163,140	51,314,569
<i>Cash and cash equivalents</i>			
		90,052,526	96,396,209
Active clasificate drept detinute în vederea vânzării		-	-
<i>Assets classified as held for sale</i>			
TOTAL ACTIVE (TOTAL ASSETS)		261,175,610	269,195,697
DATORII (LIABILITIES)			
DATORII CURENTE			
CURRENT LIABILITIES			
Datorii comerciale si similare	11	21,352,188	20,260,545
<i>Trade and other payables</i>			
Imprumuturi		-	10,167,693
<i>Loans and borrowings</i>			
Datorii din operatiuni de leasing*		624,320	726,176
<i>Lease liabilities</i>			
Obligatii din leasing financiar**		2,267,634	2,183,262
<i>Obligations under finance leases</i>			
Subventii pentru investitii		562,831	114,072
<i>Grants received</i>			
Datorii privind impozitul pe profit		678,931	159,374
<i>Tax liability</i>			
Provizioane		5,789,112	7,748,002
<i>Provisions</i>			
		31,275,014	41,359,124

CEMACON SA

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

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

	Notes	30-Iun-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*		5,577,955	5,809,774
<i>Lease liabilities</i>			
Obligatii din leasing financiar**		5,201,340	5,971,820
<i>Obligations under finance leases</i>			
Subventii pentru investitii		5,683,707	2,808,666
<i>Grants received</i>			
Impozit amanat		852,624	852,625
<i>Deferred tax</i>			
Provizioane		2,367,974	2,367,974
<i>Provisions</i>			
		19,683,600	39,174,200
TOTAL DATORII (TOTAL LIABILITIES)		50,958,615	80,533,324
ACTIVE NETE (NET ASSETS)		210,216,994	188,662,373
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>Deferred 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		-	-
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale			
Rezerve		47,934,871	46,757,741
<i>Reserves</i>			
Rezultat reportat		103,501,754	83,124,263
<i>Retained earnings</i>			
Interesele care nu controleaza		-	-
<i>Non-controlling interest</i>			
TOTAL CAPITALURI (TOTAL EQUITY)		210,216,994	188,662,373

CEMACON SA

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

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

	Notes	30-Iun-21	30-Iun-20
		<i>LEI</i>	<i>LEI</i>
Venituri din vanzari	4	83,917,177	57,447,256
<i>Sales revenues</i>			
Alte venituri din exploatare	5	531,386	2,766,336
<i>Other operating revenues</i>			
Alte castiguri si pierderi	5	434,396	3,290,166
<i>Other gains and losses</i>			
Variatia stocurilor		(1,171,676)	916,486
<i>Change in inventories of FG & WiP</i>			
Materii prime si consumabile	9	(13,503,580)	(10,249,685)
<i>Raw material and consumables used</i>			
Cheltuieli de personal		(17,305,370)	(18,377,796)
<i>Personnel Expenses</i>			
Cheltuieli cu amortizarea		(6,262,529)	(5,384,199)
<i>Depreciation and amortisation expenses</i>			
Alte cheltuieli din exploatare	6	(23,393,546)	(18,612,600)
<i>Other operating expenses</i>			
Profit / (Pierdere) din exploatare		23,246,257	11,795,964
<i>Profit / (Loss) from operation</i>			
Venituri financiare	8	1,071,421	699,960
<i>Financial income</i>			
Cheltuieli financiare	8	(775,075)	(1,440,407)
<i>Financial expenses</i>			
Rezultat Financiar		296,346	(740,448)
<i>Financial Result</i>			
Profit / (Pierdere) inainte de impozitare		23,542,604	11,055,516
<i>Profit before tax</i>			
Cheltuieli cu impozite		(1,987,983)	(745,052)
Profit		21,554,621	10,310,464
<i>Profit after tax</i>			

CEMACON SA

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

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

	30-Iun-21	30-Jun-20
	<i>LEI</i>	<i>LEI</i>
Fluxuri din activitati de exploatare		
Cash flow from operating activities		
Incasari de la clienti	97,065,517	80,242,194
<i>Customer encashments</i>		
Plati catre furnizori	(36,463,531)	(34,551,435)
<i>Supplier payments</i>		
Plati catre angajati	(12,257,034)	(12,674,313)
<i>Payments to employees</i>		
Plati impozite si taxe	(12,538,329)	(4,707,056)
<i>Tax Payments</i>		
Impozit pe profit platit	(1,468,426)	(937,241)
<i>Income Tax Paid</i>		
Incasari din asigurari	-	-
<i>Insurance encashments</i>		
Plati de asigurari	(342,209)	(325,095)
<i>Insurance payments</i>		
Dobanzi platite	(303,940)	(857,900)
<i>Interest Paid</i>		
Alte incasari	74,384	608,977
<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	33,766,432	26,798,132
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	(6,517,784)	(4,467,089)
<i>Payments for acquiring assets</i>		
Incasari din vanzarea de imobilizari corporale	-	40,090
<i>Encashments from sold assets</i>		
Dobanzi incasate	483,114	18,101
<i>Encashments from interest</i>		
Credite catre parti afiliate	-	(100,000)
<i>Loans to affiliated parties</i>		
Alte incasari- subventii pentru investitii	3,142,503	-
<i>Others Encashments</i>		
Dividende incasate	-	-
<i>Encashments from dividends</i>		
Trezoreria neta din activitati de investitie	(2,892,167)	(4,508,898)
Cash from investing activities		

CEMACON SA

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

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

	30-Iun-21	30-Jun-20
	<i>LEI</i>	<i>LEI</i>
Fluxuri de trezorerie din activitati de finantare		
Cash flow from financing activities		
Incasari din aport de capital	-	-
<i>Encashments from share capital increase</i>		
Incasari din imprumuturi	-	-
<i>Encashments from loans</i>		
Plata datoriilor aferente leasing-ului financiar-capital	(2,082,151)	(2,523,401)
<i>Payments for financial lease</i>	(406,434)	
Plata datoriilor aferente leasing-ului financiar-dobanda	-	-
<i>Payments for financial lease-interest</i>		
Rambursari credite	(31,531,035)	(1,944,250)
<i>Dividends paid and bank interest paid</i>		
Incasari garantie achizitionare actiuni	-	5,836
<i>Encashments from share purchase</i>		
Plata garantie achizitionare actiuni	(10,164)	(11,979)
<i>Payment for share purchase</i>		
Trezoreria neta din activitati de finantare	(34,029,784)	(4,473,794)
Cash from financing activities		
Efectul diferentelor de curs	4,091	5,334
<i>Effect of exchange rate changes</i>		
Crestere /scadere neta de numerar	(3,151,428)	17,820,773
Net increase/decrease in cash and cash equivalents		
Numerar si echivalente de numerar la inceputul perioadei	51,314,569	17,663,070
Cash and cash equivalents at beginning of period		
Numerar si echivalente de numerar la sfarsitul perioadei	48,163,140	35,483,843
Cash and cash equivalents at end of period		

CEMACON SA

Situația modificării capitalurilor proprii individuale (*Statement of standalone changes in equity*) pentru perioada încheiată 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*)

	Capital subscris și ajustări	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
Diferențe capitalizate aferente impozitului amnat <i>Capitalised differences related to deferred tax</i>	-	-	-	-	-	-	-	62,480	-	62,480
Constituire rezerva legală <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	83,124,262	(1,252,337)	-	188,662,373
Rezultatul global curent <i>Current global result</i>	-	-	-	-	-	-	21,554,621	-	-	21,554,621
Rezerve legale <i>Legal Reserve</i>	-	-	-	-	1,177,130	-	(1,177,130)	-	-	-
30-Iun-21	59,779,703	253,004	-	16,578,139	7,691,670	23,665,062	103,501,757	(1,252,337)	-	210,216,994

CEMACON SA

Note la Situațiile Financiare Individuale *(Notes to the standalone financial statements)* pentru perioada încheiată 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)

1. Legal principals

The interim individual financial statements as at 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed individual financial statements as at 30 June 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-Iun-21	30-Jun-20
Sales of finished goods	83,051,976	56,866,919
Sales of goods	5,940,589	3,282,197
Revenues from services rendered	457,616	359,382
Discounts granted	(5,533,004)	(3,061,242)
Total	83,917,177	57,447,256

The main revenues realized by the entity in 2021 were from the sale of finished products 83.05 million lei, the sale of goods 5.94 million lei and services rendered 0.45 million lei, while the value of discounts granted was 5.53 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 June 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)

5. Other operational revenues (continued)

Other operational revenues	30-Iun-21	30-Jun-20
Revenues from various activities	436,583	2,230,810
Subsidies for operating activities	42,371	484,691
Revenues from subsidy to asset values	37,818	37,820
Revenues from indemnifications	14,614	13,016
Total	531,386	2,766,336

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 0.042 million lei to the state aid granted during the COVID 19 pandemic and to the professional development project, co-financed by the Human Capital Operational Project (POCU).

In 2010 the Company received a subsidy for investments in amount of 1.6 mil lei, and in 2021 the company has recognized as income corresponding to these subsidies the amount of 0.037 mil lei. Income from subsidies is recognized related to the depreciation of the corresponding fixed 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-Iun-21	30-Jun-20
Income from the sale of assets	33,363	33,689
Expenses from the sale of assets	(28,327)	-
Revenue from the cancellation of provisions	7,425,318	8,419,012
Revenues from the resumption of value adjustments regarding impairment of current assets	815,484	616,096
Expenses from establishing provisions	5,430,985	(2,947,697)
Expenses from value adjustments regarding impairment of current assets	2,380,457	(2,830,934)
Gains and losses Total	434,396	3,290,166

6. Operating expenses

Other operating expenses	30-Iun-21	30-Jun-20
Utilities	5,160,924	4,367,985
Repairs	902,157	930,650
Rent	41,057	34,008
Insurance	378,071	354,338
Personal training	56,470	2,849
Commissions	213,716	154,687
Advertising	1,067,888	357,789
Transport and logistics	9,376,093	7,993,069
Post and telecommunications	69,565	70,168
Other services provided by third parties	2,194,750	1,409,885
Taxes	818,141	1,039,098
Miscellaneous	3,114,711	1,898,074
Total	23,393,545	18,612,600

7. Personnel structure

CEMACON SA

Note la Situațiile Financiare Individuale *(Notes to the standalone financial statements)* pentru perioada încheiată la 30 June 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)

The structure and average number of employees is: 255.

Average number of employees	30-Iun-21	30-Jun-20
Administrative staff	69	69
Personnel in production	186	183
Total	255	252

8. Financial income and expenses

Financial Income	30-Iun-21	30-Jun-20
Income from interest	823,443	438,959
Exchange rate differences in income	247,978	261,001
Total	1,071,421	699,960

Financial Expenses	30-Iun-21	30-Jun-20
Interest costs	(481,056)	(1,112,603)
Other financial expenses	(165,953)	(176,959)
Exchange rate differences	(128,067)	(150,845)
Total	(775,075)	(1,440,407)

Financial expenses consist mainly of the following categories: Interest expenses 0.48 million lei, Expenses related to exchange rate differences related to 0.12 million lei and other financial expenses 0.16 million lei.

Financial income is represented by interest income of 0.82 million lei, income from exchange rate differences of 0.24 million lei.

9. Inventory

Inventory	30-Iun-21	31-Dec-20
Raw materials and consumables	4,396,598	4,588,401
Adjustments	(825,282)	(825,282)
Packing	3,126,154	4,414,645
Adjustments	(1,367,012)	(700,512)
WIP	94,968	87,719
Adjustments	-	-
Billets and finished products	6,488,338	9,596,034
Adjustments	(211,379)	(152,620)
Merchandise	1,502,389	1,807,579
Adjustments	(632,317)	(501,662)
Total	12,572,457	18,314,302

CEMACON SA

**Note la Situațiile Financiare Individuale (Notes to the standalone financial statements)
pentru perioada încheiată 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-Iun-21	30-Jun-20
Raw materials	5,401,957	3,826,878
Auxiliary materials	2,408,700	1,845,193
Packing	1,381,698	1,533,282
Merchandise	2,381,590	1,248,663
Inventory items	98,711	69,360
Other consumables	110,330	44,338
Miscellaneous	1,720,595	1,681,969
Total	13,503,581	10,249,685

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-Iun-21	31-Dec-20
Trade receivables	15,243,092	12,144,483
Adjustments for trade receivables	(1,611,251)	(1,432,394)
Intragroup receivables	18,586,906	18,394,576
Adjustments for intragroup receivables	(7,300,346)	(6,770,144)
Other receivables from the State Budget	168,022	135,789
Debtors and other receivables	270,060	308,961
Grants	187,101	-
Interest to cash	2,275,293	1,914,384
Total financial assets other than cash, classified as loans and receivables	27,818,877	24,695,655
Advance paid	1,498,052	2,071,684
Total	29,316,929	26,767,338

CEMACON SA

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

11. Trade and other payables

Trade and other payables	30-Iun-21	31-Dec-20
Trade liabilities	9,387,943	8,920,166
Suppliers of fixed assets	194,780	2,143,307
Intra-group liabilities	61,870	436,501
Lease liabilities	38,178	75,500
Debt related to employees	1,100,903	856,458
Taxes and social contributions	484,230	474,719
Other tax liabilities	3,367,908	622,242
Other liabilities	1,901,661	2,149,174
Interest to pay	2,931	2,931
Total debt less loans classified as measured at amortized cost	16,540,405	15,681,000
Advances	2,821,870	2,601,878
Revenue in advance	1,989,913	1,977,667
Total	21,352,188	20,260,545

12. Issued Capital

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

Issued capital structure	30-Iun-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 June 2021 the structure of subscribed share capital was as follows:

Structure of subscribed share capital	30-Iun-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-Iun-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

CEMACON SA

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

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 June 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 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;
- Cemacon Real Estate with registered office in Jud. Salaj, Mun. Zalău, 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 Situațiile Financiare Individuale (Notes to the standalone financial statements)

pentru perioada încheiată 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)

13. Transactions with Affiliates (continued)

Transactions with affiliated parties are summarized in the following table:

Affiliates	Sales		Acquisitions	
	1 Jan – 30 Iun 2021	1 Jan – 30 Jun 2020	1 Jan – 30 Iun 2021	1 Jan – 30 Jun 2020
Dedeman SRL	9,868,536	5,745,266	116,293	280,267
Cemacón Real Estate	-	2,307	227,874	224,321
Total	9,868,536	5,747,573	344,167	504,588

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-Iun-2021	31-Dec-20	30-Iun-2021	31-Dec-20	30-Iun-2021	31-Dec-20
Dedeman SRL	373,289	-	23,692	361,001	-	-
Cemacón Real Estate	1,780,224	1,780,224	38,178	75,500	19,081,975	18,528,735
Total	2,153,513	1,780,224	43,527	125,542	19,081,975	18,528,735

Amounts expressed in Lei

CEMACON SA**Note la Situațiile Financiare Individuale (Notes to the standalone financial statements)****pentru perioada încheiată 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)***14. Cash and cash equivalents**

Cash and cash equivalents	30-Iun-21	31-Dec-20
Available in the bank	48,161,019	51,310,788
Cash and cash equivalents	2,121	3,781
Total	48,163,140	51,314,569

On June 30, 2021 there are no financial instruments that generate exposure to credit risk. Cash balances denominated in foreign currency at 30.06.2021 are not material.

15. Adjustments of accounting errors

During January-June 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:

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 2020 and 30 June 2021 are:

Foreign currency	Abbreviation	Exchange rate	
		30-Jun-21	31-Dec-20
Dolar SUA	USD	4.1425	3.9660
Euro	EUR	4.9267	4.8694

CEMACON SA

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

pentru perioada încheiată 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)

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. Subsequent events

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 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 the 3rd quarter of 2021.

18. 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.

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.

CONSOLIDATED FINANCIAL STATEMENTS UNAUDITED FOR THE PERIOD ENDED 30St June 2021

Prepared according to International Reporting Standards



Cuprins (*Contents*)

Situatia consolidata a pozitiei financiare (<i>Consolidated statement of financial position</i>)	3
Situatia consolidata a rezultatului global (<i>Consolidated statement of comprehensive income</i>)	5
Situatia consolidata a fluxului de numerar (<i>Consolidated statement of cash - flow</i>)	6
Situatia consolidata a modificarilor de capital (<i>Consolidated statement of changes in equity</i>)	8

1. Legal principals.....	9
2. Accounting policies	9
3. Accounting estimates.....	9
4. Revenues.....	9
5. Other operational revenues.....	9
6. Operating expenses	10
7. Personnel expenses	11
8. Financial income and expenses.....	11
9. Inventory.....	11
10. Commercial receivables and other receivables	12
11. Trade and other payables	13
12. Issued Capital	13
13. Transactions with Affiliates.....	14
14. Cash and cash equivalents	16
15. Adjustments of accounting errors	16
16. Other information	16
17. Subsequent events.....	17
18. Contingencies.....	17

CEMACON SA

Situatia consolidata a pozitiei financiare (Consolidated Statement of financial position)

pentru perioada incheiata la 30 June 2021 (for the period ended 30 June 2021)

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

	Notes	30-Jun-21	31-Dec-20
		LEI	LEI
ACTIVE (ASSETS)			
ACTIVE IMOBILIZATE			
NON-CURRENT ASSETS			
Imobilizari corporale		151,504,439	151,162,490
<i>Property, plant and equipment</i>			
Investitii imobiliare		8,414,206	8,414,206
<i>Investment property</i>			
Imobilizari necorporale		4,293,366	5,442,684
<i>Intangible</i>			
Drept de utilizare a activelor in leasing*		19,385,100	20,190,324
<i>Right of use assets</i>			
Investitii in actiuni		-	-
<i>Investments</i>			
Alte active imobilizate		1,569,722	1,513,935
<i>Other non-current assets</i>			
		185,166,833	186,723,639
ACTIVE CIRCULANTE			
CURRENT ASSETS			
Stocuri	9	12,572,457	18,314,302
<i>Inventories</i>			
Creante comerciale si similare	10	8,591,904	6,568,358
<i>Trade and other receivables</i>			
Alte active financiare		-	-
<i>Other financial assets</i>			
Numerar si echivalente numerar	14	48,196,919	51,333,604
<i>Cash and cash equivalents</i>			
		69,361,280	76,216,264
Active clasificate drept detinute în vederea vânzării		-	-
<i>Assets classified as held for sale</i>			
		254,528,112	262,939,903
TOTAL ACTIVE (TOTAL ASSETS)			
DATORII (LIABILITIES)			
DATORII CURENTE			
CURRENT LIABILITIES			
Datorii comerciale si similare	11	21,359,453	20,230,824
<i>Trade and other payables</i>			
Imprumuturi		-	10,167,693
<i>Loans and borrowings</i>			
Datorii din operatiuni de leasing*		624,320	606,578
<i>Lease liabilities</i>			
Obligatii din leasing financiar**		2,267,634	2,183,262
<i>Obligations under finance leases</i>			
Subventii pentru investitii		562,831	114,072
<i>Grants received</i>			
Datorii privind impozitul pe profit		678,931	159,374
<i>Tax liability</i>			
Provizioane		5,789,112	7,748,002
<i>Provisions</i>			
		31,282,280	41,209,805

CEMACON SA

Situatia consolidata a pozitiei financiare (*Consolidated Statement of financial position*)

pentru perioada incheiata la 30 June 2021 (*for the period ended 30 June 2021*)

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

	Notes	30-lun-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*		5,577,955	5,809,774
<i>Lease liabilities</i>			
Obligatii din leasing financiar**		5,201,340	5,971,820
<i>Obligations under finance leases</i>			
Subventii pentru investitii		5,683,707	2,808,666
<i>Grants received</i>			
Impozit amanat		-	-
<i>Deferred tax</i>			
Provizioane		2,367,974	2,367,974
<i>Provisions</i>			
		18,830,976	38,321,575
TOTAL DATORII (TOTAL LIABILITIES)		50,113,255	79,531,380
ACTIVE NETE (NET ASSETS)		204,414,856	183,408,523
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>Deferred 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		-	-
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale			
Rezerve		59,320,775	58,143,645
<i>Reserves</i>			
Rezultat reportat		86,313,711	66,484,508
<i>Retained earnings</i>			
Interesele care nu controleaza		-	-
<i>Non-controlling interest</i>			
TOTAL CAPITALURI (TOTAL EQUITY)		204,414,856	183,408,523

CEMACON SA

**Situatia consolidata a rezultatului global (*Consolidated Statement of comprehensive income*)
pentru perioada incheiata la 30 Iunie 2021 (*for the period ended 30 June 2021*)**

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

	Notes	30-Iun-21 LEI	30-Iun-20 LEI
Venituri din vanzari <i>Sales revenues</i>	4	83,917,177	57,447,256
Alte venituri din exploatare <i>Other operating revenues</i>	5	641,743	2,785,564
Alte castiguri si pierderi <i>Other gains and losses</i>	5	434,396	3,290,166
Variatia stocurilor <i>Change in inventories of FG & WiP</i>		(1,171,676)	916,486
Materii prime si consumabile <i>Raw material and consumables used</i>	9	(13,503,580)	(10,249,685)
Cheltuieli de personal <i>Personnel Expenses</i>		(17,345,420)	(18,418,187)
Cheltuieli cu amortizarea <i>Depreciation and amortisation expenses</i>		(6,172,830)	(5,204,801)
Alte cheltuieli din exploatare <i>Other operating expenses</i>	6	(23,548,618)	(18,791,638)
Profit / (Pierdere) din exploatare		23,251,191	11,775,161
Profit / (Loss) from operation			
Venituri financiare <i>Financial income</i>	8	533,710	50,343
Cheltuieli financiare <i>Financial expenses</i>	8	(790,584)	(1,425,757)
Rezultat Financiar <i>Financial Result</i>		(256,875)	(1,375,414)
Profit / (Pierdere) inainte de impozitare <i>Profit before tax</i>		22,994,317	10,399,748
Cheltuieli cu impozite		(1,987,983)	(745,052)
Profit <i>Profit after tax</i>		21,006,334	9,654,696

CEMACON SA

**Situatia consolidata a fluxului de numerar (Consolidated Statement of cash flow)
pentru perioada incheiata la 30 Iunie 2021 (for the period ended 30 June 2021)**

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

	30-Iun-21	30-Iun-20
	<i>LEI</i>	<i>LEI</i>
Fluxuri din activitati de exploatare		
Cash flow from operating activities		
Incasari de la clienti	97,344,960	80,521,948
<i>Customer encashments</i>		
Plati catre furnizori	(36,583,180)	(34,755,271)
<i>Supplier payments</i>		
Plati catre angajati	(12,280,134)	(12,697,413)
<i>Payments to employees</i>		
Plati impozite si taxe	(12,656,163)	(4,818,328)
<i>Tax Payments</i>		
Impozit pe profit platit	(1,468,426)	(937,241)
<i>Income Tax Paid</i>		
Incasari din asigurari	-	-
<i>Insurance encashments</i>		
Plati de asigurari	(346,344)	(331,953)
<i>Insurance payments</i>		
Dobanzi platite	(303,940)	(857,900)
<i>Interest Paid</i>		
Alte incasari	3,216,887	608,977
<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	36,923,660	26,732,819
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	(6,517,784)	(4,540,662)
<i>Payments for acquiring assets</i>		
Incasari din vanzarea de imobilizari corporale	-	40,090
<i>Encashments from sold assets</i>		
Dobanzi incasate	483,114	18,101
<i>Encashments from interest</i>		
Credite catre parti afiliate	-	-
<i>Loans to affiliated parties</i>		
Incasari credite parti afiliate	-	-
<i>Encashments from third parties</i>		
Alte incasari-subventii pentru investitii	-	-
<i>Others Encashments</i>		
Trezoreria neta din activitati de investitie	(6,034,670)	(4,482,471)
Cash from investing activities		

CEMACON SA

**Situatia consolidata a fluxului de numerar (Consolidated Statement of cash flow)
pentru perioada incheiata la 30 Iunie 2021 (for the period ended 30 June 2021)**

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

	30-Iun-21	30-Iun-20
	<i>LEI</i>	<i>LEI</i>
Fluxuri de trezorerie din activitati de finantare		
Cash flow from financing activities		
Incasari din aport de capital	-	-
<i>Encashments from share capital increase</i>		
Incasari din imprumuturi	-	-
<i>Encashments from loans</i>		
Plata datoriilor aferente leasing-ului financiar-capital	(2,082,151)	(2,523,401)
<i>Payments for financial lease</i>		
Plata datoriilor aferente leasing-ului financiar-dobanda	(406,434)	-
<i>Payments for financial lease-interest</i>		
Rambursari credite	(31,531,035)	(1,944,250)
Incasari garantie		
<i>Encashments guarantee</i>	-	5,836
Plati garantie		
<i>Payments for guarantee</i>	(10,164)	(11,979)
Incasari garantie achizitionare actiuni	-	-
<i>Encashments from share purchase</i>		
Plata garantie achizitionare actiuni	-	-
<i>Payment for share purchase</i>	-	
Trezoreria neta din activitati de finantare	(34,029,784)	(4,473,794)
Cash from financing activities		
Efectul diferentelor de curs	4,110	5,334
<i>Effect of exchange rate changes</i>		
Crestere /scadere neta de numerar	(3,136,684)	17,781,888
Net increase/decrease in cash and cash equivalents		
Numerar si echivalente de numerar la inceputul perioadei	51,333,604	17,724,260
Cash and cash equivalents at beginning of period		
Numerar si echivalente de numerar la sfarsitul perioadei	48,196,919	35,506,148
Cash and cash equivalents at end of period		

CEMACON SA

Situația consolidată a modificărilor de capital *(Consolidated statement of changes in equity)* pentru perioada încheiată 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)*

	Capital subscris și ajustări	Prime de emisiune	Rezerve din reevaluare aferele active deținute spre vanzare	Rezerve din reevaluare	Rezerve legale	Alte rezerve	Rezultat nedistribuit	Alte elemente ale capitalurilor proprie	Prima aplicare a IAS29	
	Issued capital and adjustments	Share Premium	Reevaluation reserve for HFS assets	Reevaluation reserves	Legal reserves	Other reserves	Undistributed result	Accumulated Other comprehensive income	1st application of IAS 29	Total
31-Dec-19	59,779,703	253,004	-	27,964,005	5,263,630	20,966,082	48,910,900	(1,314,816)	-	161,822,507
Rezultatul global curent <i>Current global result</i>	-	-	-	-	-	-	21,523,538	-	-	21,523,538
Diferențe capitalizate impozitului amânat <i>Capitalised differences related to deferred tax</i>	-	-	-	-	-	-	-	62,480	-	62,480
Constituire rezerva legală <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	-	27,964,005	6,514,580	23,665,062	66,484,511	(1,252,336)	-	183,408,523
Rezultatul global curent <i>Current global result</i>	-	-	-	-	-	-	21,006,334	-	-	21,006,334
Constituire rezerva legală <i>Legal reserve</i>	-	-	-	-	1,177,130	-	(1,177,130)	-	-	-
30-Iunie-21	59,779,703	253,004	-	27,964,005	7,691,710	23,665,062	86,313,715	(1,252,336)	-	204,414,856

CEMACON SA

Note la Situațiile Financiare Consolidate (*Notes to the consolidated financial statements*) pentru perioada încheiată 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)

1. Legal principals

The interim consolidated financial statements as at 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements as at 30 June 2021 included in this report are unaudited and an external limited review by an auditor was not performed.

The interim condensed consolidated 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 consolidated financial statements as of December 31, 2021.

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 consolidated financial statements as at 31 December 2020.

2. Accounting policies

The accounting policies of the Group are aligned with the international financial reporting standards (IFRS). A detail of them can be found in the consolidated financial statements at 31 December 2020.

3. Accounting estimates

The Group makes certain estimates and assumptions concerning the future. Estimates and judgements are assessed continuously on the basis of 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-Jun-21	30-Jun-20
Sales of finished goods	83,051,976	56,866,919
Sales of goods	5,940,589	3,282,197
Revenues from services rendered	457,616	359,382
Discounts granted	(5,533,004)	(3,061,242)
Total	83,917,177	57,447,256

The main revenues realized by the Group in 2021 were from the sale of finished products 83.05 million lei, the sale of goods 5.94 million lei and services rendered 0.45 million lei, while the value of discounts granted was 5.53 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 Group, which is why they are presented differently from income from sales.

CEMACON SA

**Note la Situațiile Financiare Consolidate (Notes to the consolidated financial statements)
pentru perioada încheiată 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)

5. Other operational revenues (continued)

Other operational revenues	30-Jun-21	30-Jun-20
Revenues from various activities	546,939	2,250,037
Subsidies for operating activities	42,371	484,691
Revenues from subsidy to asset values	37,818	37,820
Revenues from indemnifications	14,614	13,016
Total	641,742	2,785,564

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 0.042 million lei to the state aid granted during the COVID 19 pandemic and to the professional development project, co-financed by the Human Capital Operational Project (POCU).

In 2010 the Company received a subsidy for investments in amount of 1.6 mil lei, and in 2021 the company has recognized as income corresponding to these subsidies the amount of 0.037 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-Jun-21	30-Jun-20
Income from the sale of assets	33,363	33,689
Expenses from the sale of assets	(28,327)	-
Revenue from the cancellation of provisions	7,425,318	8,419,012
Revenues from the resumption of value adjustments regarding impairment of current assets	815,484	616,096
Expenses from establishing provisions	(5,430,985)	(2,947,697)
Expenses from value adjustments regarding impairment of current assets	(2,380,457)	(2,830,934)
Gains and losses Total	434,396	3,290,166

6. Operating expenses

Other operating expenses	30-Jun-21	30-Jun-20
Utilities	5,160,924	4,367,985
Repairs	902,157	936,958
Rent	41,057	34,008
Insurance	382,207	358,890
Personal training	56,470	2,849
Commissions	214,222	155,153
Advertising	1,067,888	357,789
Transport and logistics	9,376,093	7,993,069
Post and telecommunications	69,565	70,168
Other services provided by third parties	2,294,907	1,525,202
Taxes	868,415	1,091,493
Miscellaneous	3,114,711	1,898,075
Total	23,548,618	18,791,638

CEMACON SA

Note la Situațiile Financiare Consolidate *(Notes to the consolidated financial statements)* pentru perioada încheiată 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)

7. Personnel expenses

The structure and average number of employees is: 257.

<i>Average number of employees</i>	30-Jun-21	30-Jun-20
Administrative staff	71	72
Personnel in production	186	183
Total	257	255

8. Financial income and expenses

Financial Income	30-Jun-21	30-Jun-20
Income from interest	267,921	18,101
Other financial revenues	-	-
Exchange rate differences in income	265,789	32,242
Total	533,710	50,344

Financial Expenses	30-Jun-21	30-Jun-20
Interest costs	(481,055)	(678,453)
Other financial expenses	(160,879)	(176,959)
Exchange rate differences	(148,649)	(570,345)
Total	(790,584)	(1,425,757)

Financial expenses consist mainly of the following categories: Interest expenses 0.48 million lei, Expenses related to exchange rate differences related to 0.14 million lei and other financial expenses 0.16 million lei.

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

9. Inventory

Inventory	30-Jun-21	31-Dec-20
Raw materials and consumables	4,396,598	4,588,401
Adjustments	(825,282)	(825,282)
Packing	3,126,154	4,414,645
Adjustments	(1,367,012)	(700,512)
WIP	94,968	87,719
Adjustments	-	-
Billets and finished products	6,488,338	9,596,034
Adjustments	(211,379)	(152,620)
Merchandise	1,502,389	1,807,579
Adjustments	(632,317)	(501,662)
Total	12,572,457	18,314,302

CEMACON SA

Note la Situațiile Financiare Consolidate *(Notes to the consolidated financial statements)* pentru perioada încheiată 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-Jun-21	30-Jun-20
Raw materials	5,401,957	3,826,878
Auxiliary materials	2,408,700	1,845,193
Packing	1,381,698	1,533,282
Merchandise	2,381,590	1,248,663
Inventory items	98,711	69,360
Other consumables	110,330	44,338
Miscellaneous	1,720,595	1,681,971
Total	13,503,581	10,249,687

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-Iun-21	30-Iun-20
Trade receivables	15,243,093	22,897,933
Adjustments for trade receivables	(8,911,597)	(8,324,482)
Intragroup receivables	-	244,220
Adjustments for intragroup receivables	-	-
Other receivables from the State Budget	254,921	325,379
Grants	187,101	
Debtors and other receivables	320,334	140,139
Total financial assets other than cash, classified as loans and receivables	7,093,851	15,283,188
Advance paid	1,498,052	2,122,142
Total	8,591,903	17,405,329

CEMACON SA

Note la Situațiile Financiare Consolidate (Notes to the consolidated financial statements) pentru perioada încheiată 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)

11. Trade and other payables

Trade and other payables	30-Iun-21	31-Dec-20
Trade liabilities	9,426,027	9,319,252
Suppliers of fixed assets	194,780	2,143,307
Intra-group liabilities	23,692	-
Lease liabilities	38,178	75,500
Debt related to employees	1,105,257	860,308
Taxes and social contributions	487,235	477,600
Other tax liabilities	3,367,908	622,242
Other liabilities	1,901,661	2,150,138
Interest to pay	2,931	2,931
Total debt less loans classified as measured at amortized cost	16,547,670	15,651,279
Dividends	-	-
Advances	2,821,870	2,601,878
Revenue in advance	1,989,913	1,977,667
Total	21,359,453	20,230,824

12. Issued Capital

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

Issued capital structure	30-Iun-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 June 2021 the structure of subscribed share capital was as follows:

Structure of subscribed share capital	30-Iun-21	31-Dec-20
Number of authorized shares	505,653,533 buc	505,653,533 buc
Number of subscribed and paid-up shares	505,653,533 buc	505,653,533 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 2021 are presented in the following table:

	30-Iun-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

CEMACON SA

Note la Situațiile Financiare Consolidate (Notes to the consolidated financial statements) pentru perioada încheiată 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)

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 June 2021 is composed of:

Shareholder	Shares	Percent
PAVAL Holding SRL	393.492.536	77.8186%
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: 06/30/2021

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. Zalău, 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 2021;
- 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 Situațiile Financiare Consolidate (Notes to the consolidated financial statements)

pentru perioada încheiată 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)

13. Transactions with Affiliates (continued)

Transactions with affiliated parties are summarized in the following table:

Affiliates	Sales		Acquisitions	
	1 Jan – 30 Iun 2021	1 Jan – 30 Iun 2020	1 Jan – 30 Iun 2021	1 Jan – 30 Iun 2020
Dedeman SRL	9,868,536	5,745,266	116,293	280,267
Total	9,868,536	5,745,266	116,293	280,267

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-Iun-2021	31-Dec-20	30-Iun-2021	31-Dec-20	30-Iun-2021	31-Dec-20
Dedeman SRL	373,289	-	23,692	361,001	-	-
Total	373,289	-	23,692	361,001	-	-

Amounts expressed in Lei

CEMACON SA

Note la Situațiile Financiare Consolidate (Notes to the consolidated financial statements)

pentru perioada încheiată 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)

14. Cash and cash equivalents

Cash and cash equivalents	30-Iun-21	31-Dec-20
Available in the bank	48,193,843	51,329,823
Cash and cash equivalents	3,076	3,781
Total	48,196,919	51,333,604

On June 30, 2021 there are no financial instruments that generate exposure to credit risk. Cash balances denominated in foreign currency at 30.06.2021 are not material.

15. Adjustments of accounting errors

During January-June 2021, the Group did not record corrections of accounting errors, related to the previous years.

16. Other information

Segment Reporting:

The Group has a single reporting segment, represented by the production and marketing of building bricks. The nature of the products in the range of the Group is similar, as well as their production process. Also, the nature of the economic and legislative environment to which the Group is subject is the same for all the production and marketing activities undertaken by the Group. The Group does not record significant sales on the foreign market that would meet the reporting criteria of a distinct segment. The assets held by the Group 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 Group's activity, represented by the production and marketing of building bricks.

Information on Company Presentation:

Cemaccon 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 June 2021 are:

Foreign currency	Abbreviation	Exchange rate	
		30-June-21	31-Dec-20
Dolar SUA	USD	4.1425	3.9660
Euro	EUR	4.9267	4.8694

CEMACON SA

Note la Situațiile Financiare Consolidate (*Notes to the consolidated financial statements*)

pentru perioada încheiată 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*)

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. Subsequent events

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 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 the 3rd quarter of 2021.

18. Contingencies

Taxation

The Group 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. 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.

***Report of the Board of Directors for the individuals and
consolidated summary interim financial statements at 30.06.2021
prepared in accordance with Annex 14 of the ASF Regulation no.
5/2018 - Non-Audited***

Report date – 31.08.2021

1. Issuer Identification Data

Name: CEMACON SA

Headquarters: Cluj-Napoca, Calea Turzii street, no. 178K, first floor, Cluj County

E-mail: office@cemacon. Ro

Web Page: www.cemacon.ro

Unique Registration Number: 677858

Trade Registration Number: J12/2466/2012

Regulated market - Bucharest Stock Exchange, main segment, standard category, trading symbol CEON

The subscribed and paid-in share capital is 50,565,353.3 lei

The main characteristics of the securities issued by the issuer: 505,653,533 ordinary shares with a nominal value of 0.1000 lei issued in dematerialized form

2. Major events that took place in the first half of 2021; the risks considered by the company

2.1. Major events that took place in the first half of 2021

The first half of 2021 was a period of economic recovery, amid a decrease in the number of COVID-19 cases and a gradual relaxation of the restrictive measures applied to reduce the number of cases of illness. In terms of demand, the year 2021 started above expectations and the demand for masonry materials was at a very good level, CEMACON registering a record turnover of over 83 million lei. In terms of inputs, we have experienced an accelerated increase in energy prices since the second quarter, with a significant impact on production costs, which has forced the company to adjust its selling prices and partially transfer to customers this impact of price increases on energy and materials used in the manufacturing and packaging of products.

During the first semester of 2021, the operational activity took place normally, without interruptions, with all operational production capacities and operating at maximum potential. A positive impact in the development of the production activity also had the commissioning in the second part of the first semester of a high efficiency cogeneration plant, purchased through European funds. Revenues and deliveries were above last year's level, and the company's liquidity is very high.

In the first semester, on 28.04.2021, the Extraordinary General Meeting of Shareholders of the company took place, which approved the merger project between CEMACON SA and CEMACON REAL ESTATE SRL and mandated the Board of Directors of the company to carry out all necessary steps to lead to fulfillment of the adopted decision. As a result of the procedural steps taken, the Specialized Tribunal Cluj admitted the merger between the two companies, the decision of the Specialized Tribunal remaining final on 29.07.2021.

The transactions with the affiliated parties for the first semester of 2021 did not have a significant impact on the economic-financial position of the company and did not fall within the reporting thresholds provided by law 158/2020.

Details of related party transactions can be found in Chapter 5 of this report.

2.2. Risks considered by the company. The main risks and uncertainties that the company analyzes for the next six months are:

The main risks and uncertainties that the company analyzes for the next six months are:

a) The context of the national and international economic environment. Currently, the domestic and foreign economy is impacted by rising inflation, with steep price increases, especially for electricity and gas. The company permanently analyzes the price increases on the supply chain, generated by inflation and acts in order to be included in the budgetary indicators approved by the General Meeting of Shareholders of the company. In this context and taking into account the NBR's inflation report published by this institution at the beginning of August, CEMACON's strategy is to address a vigilant expectation that will allow the company's rapid adaptability both depending on the general economic context and the impact of changes. of prices at basic inputs.

b) Imminent manifestation of wave 4 of the COVID 19 pandemic, we consider that it will generate additional costs in the next period to ensure the best level of protection of the company's employees, a priority objective of CEMACON. In this sense, the company provides and will continue to provide protective masks for employees and disinfectants, while continuing to apply a rigorous disinfection policy in accordance with the recommendations of the competent authorities.

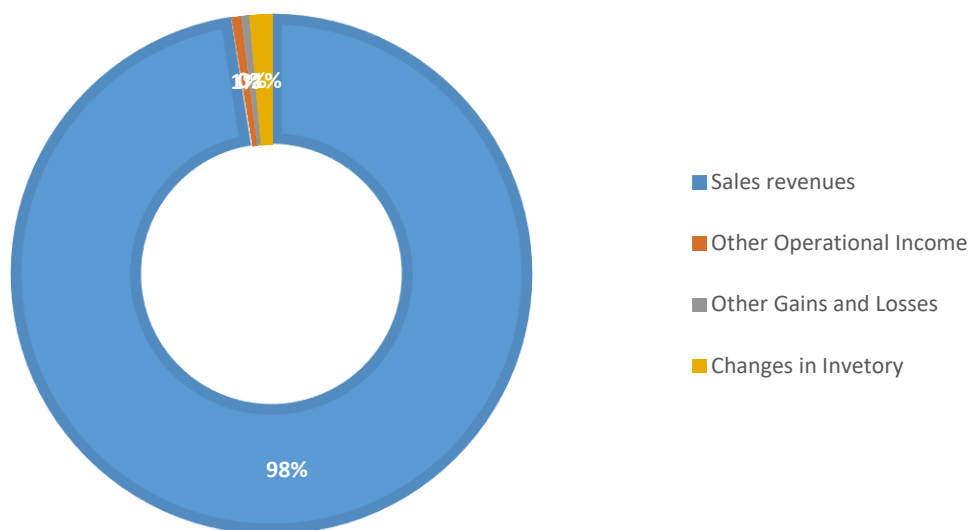
c) Uncertainties related to the frequent changes of the fiscal and legislative framework, generated by a possible staged reduction of the facilities granted to the construction field by OUG 114/2018.

3. Financial status

3.1. In a market context marked by inflationary trends and increasing demand for masonry materials, the company has made every effort both to meet customer demands and to maintain the level of profitability expected by shareholders, applying cost-effective management strategies. so that the price increases on inputs are not transferred in full to customers. In March of this year, against the background of the very good liquidity of the company, it was decided to repay in full all the bank loans, so that at this moment, the company operates without bank debts.

Compared to 2020, the percentage of revenues from ceramic blocks and goods remained similar, as can be seen in the graph below.

REVENUES STRUCTURES S1 2021



3.2. Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the issuer's liquidity, compared to the same period last year.

The company has on 30.06.2021 a solid financial position, without bank loans. In order to reduce the risks, the company has concluded a commercial credit insurance contract with COFACE - a reference company in the field of commercial insurance with an experience of over 70 years in the field.

3.3. Presentation and analysis of the effects on the issuer's financial situation of all capital expenses, current or anticipated (specifying the purpose and sources of financing of these expenses), compared to the same period last year.

The table below shows the comparative situation of cash flows on 30.06.2021 and 30.06.2020:

Cash flow from operating activities	30-Jun-21	30-Jun-20
	LEI	LEI
<i>Customer encashments</i>	97,065,517	80,242,194
<i>Supplier payments</i>	(36,463,531)	(34,551,435)
<i>Payments to employees</i>	(12,257,034)	(12,674,313)
<i>Tax Payments</i>	(12,538,329)	(4,707,056)
<i>Income Tax Paid</i>	(1,468,426)	(937,241)
<i>Insurance encashments</i>		
<i>Insurance payments</i>	(342,209)	(325,095)

<i>Interest Paid</i>	(303,940)	(857,900)
<i>Other Encashments</i>	74,384	608,977
<i>Other Payments</i>		
<i>Cash from operating activities</i>	33,766,432	26,798,132
<i>Cash flow from investing activities</i>		
<i>Payments for acquiring assets</i>	(6,517,784)	(4,467,089)
<i>Encashments from sold assets</i>		40,090
<i>Dobanzi incasate</i>	483,114	18,101
<i>Encashments from interest</i>		
<i>Loans to affiliated parties</i>		(100,000)
<i>Receivables from affiliated parties</i>		
<i>Other Encashments</i>	3,142,503	
<i>Cash from investing activities</i>	(2,892,167)	(4,508,898)
<i>Cash flow from financing activities</i>		
<i>Encashments from share capital increase</i>		
<i>Encashments from loans</i>		
<i>Payment of debts related to financial-capital leasing</i>	(2,082,151)	(2,523,401)
<i>Payment of debts related to financial leasing-interest</i>	(406,434)	
<i>Warranty receipts</i>		5,836
<i>Guarantee payments</i>	(10,164)	(11,979)
<i>Loan repayments</i>	(31,531,035)	(1,944,250)
<i>Cash from financing activities</i>	(34,029,784)	(4,473,794)
<i>Effect of exchange rate changes</i>	4,091	5,334
<i>Net increase/decrease in cash and cash equivalents</i>	(3,151,428)	17,820,774
<i>Cash and cash equivalents at beginning of period</i>	51,314,569	17,663,070
<i>Cash and cash equivalents at end of period</i>	48,163,141	35,483,844

For the year 2021, the company has approved by the General Meeting of Shareholders from 28.04.2021 an investment plan that it implements, taking into account the benefits brought by them that will be reflected in cost efficiencies. The main investments of the company refer to the financing projects from European funds.

Other data about the economic and financial situation of the company can be found below:

BALANCE SHEET ELEMENTS	AMOUNT
Tangible fixed assets	138,794,393
Trade receivables and similar	29,316,929
Cash and cash equivalents	48,163,140

Debt situation				
CURRENT DEBT	30.06.2021	31.12.2020	2021vs.2020	2021vs.2020%
Trade and similar debts	21,352,188	20,260,545	1,091,643	5%
Loans	-	10,167,693	-10,167,993	-100%
Debts from leasing operations	624,320	726,176	-101,856	-14%
Financial leasing obligations	2,267,634	2,183,262	84,372	4%
Investment grants	562,831	114,072	448,759	393%
Profit tax liabilities	678,931	159,374	519,557	326%
Provisions	5,789,112	7,748,002	-1,958,890	-25%
Total Current Debts	31,275,014	41,359,125	-10,084,111	-24%
LONG-TERM DEBT				
Trade and similar debts	-	-	-	0%
Loans	-	21,363,341	-21,363,341	-100%
Debts from leasing operations	5,577,954	5,809,774	-231,819	-4%
Financial leasing obligations	5,201,340	5,971,820	-770,480	-13%
Investment grants	5,683,707	2,808,666	2,875,041	102%
Deferred tax	852,625	852,625	0	0%
Provisions	2,367,974	2,367,974	0	0%
Total Long Term Debts	19,683,600	39,174,200	-19,490,600	-50%
TOTAL DEBT	50,958,615	80,533,326	-29,574,711	-37%

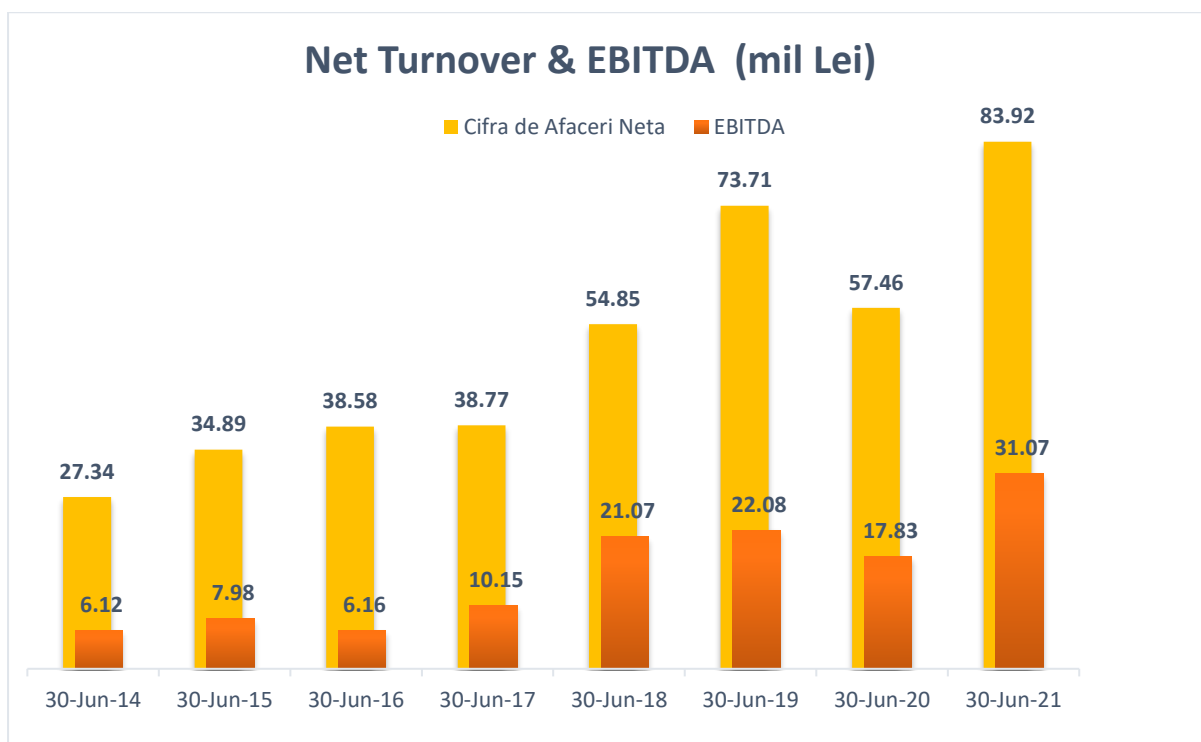
Cost and expense items with a share of at least 20% in net sales or gross revenue	Amount
Staff expenditure	(17,305,370)
Other operating expenses	(23,393,546)
risk provisions and for various expenses	5,430,985

3.4. Presentation and analysis of events, transactions, economic changes that significantly affect revenues from the core business. Specifying the extent to which the revenues of each identified element were affected. Compared to the corresponding period last year.

The company's revenues for the first half of this year were solid, with the outlook for the current year remaining positive.

The relevant financial indicators for the company on 30.06.2021 can be found in the table below:

Relevant financial indicators	30-Jun-21
1. Current liquidity indicator	2.88
2. Indebtedness indicator	0%
3. Flow rate - customers (days)	57
4. Rotation speed of total assets	52%



4. Changes affecting the issuer's capital and management

4.1. Description of cases in which the company was unable to meet its financial obligations during that period:

Not necessary.

4.2. Description of any change regarding the rights of the holders of securities issued by the company:

Not necessary.

5. Significant transactions

The transactions with the affiliated parties for the first semester of 2021 did not have a significant impact on the economic-financial position of the company and did not fall within the reporting thresholds provided by law 158/2020.

The table below presents details regarding the transactions with the affiliated parties for the period 01.01.2021 - 30.06.2021:

Type	Sales	Services	Loans granted
Affiliated Part	1 Jan - 30 June 2021	1 Jan - 30 June 2021	1 Jan - 30 June 2021
Dedeman SRL	9,868,536	116,293	-
Cemacon Real Estate	-	227,874	19,081,975

Liviu Ionel Stoleru
Chairman of the Board

Statement

The undersigned Stoleru Liviu - as Chief Executive Officer of Cemacon SA, I declare under my own responsibility that according to our knowledge, the half-yearly financial statement, prepared in accordance with the accounting standards applicable to our company, provides a fair and true image to assets, financial position, profit and loss account of Cemacon SA and that the half-yearly report (made up of the Individual Financial Statements and Consolidated Financial Statements) prepared on June 30, 2021, presents fairly and completely informations about Cemacon SA. The Company's financial statements have been prepared taking into account the fact that Cemacon SA operates in continuity.

Chief Executive Officer

Liviu Stoleru

