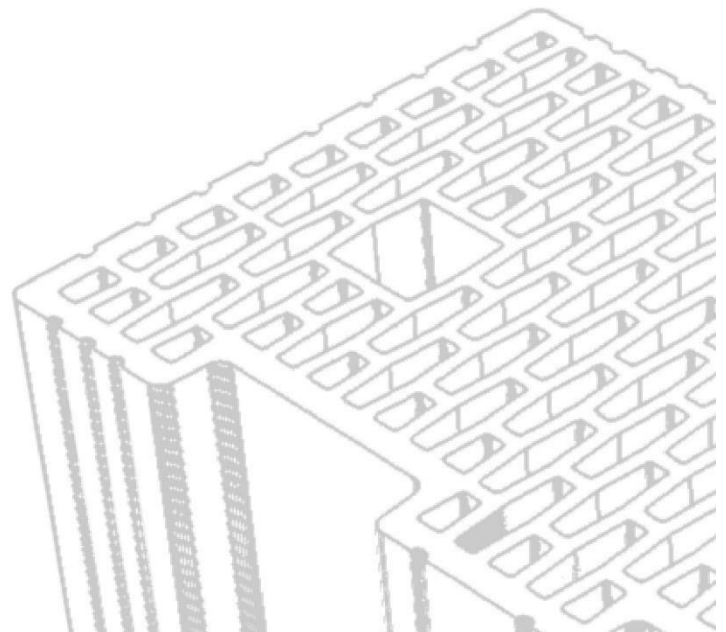




# BSE Report 1st Quarter Results 2019

CLUJ-NAPOCA  
May 15<sup>th</sup> 2019



## 3 Month Performance 2019

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- ☑ **17,38 million lei operational profit (EBITDA)**
- ☑ **13,22 million lei Net Profit**
- ☑ **31,85 million lei Gross Turnover with 48% greater than 1<sup>st</sup> Q 2018**

## General Manager Statement

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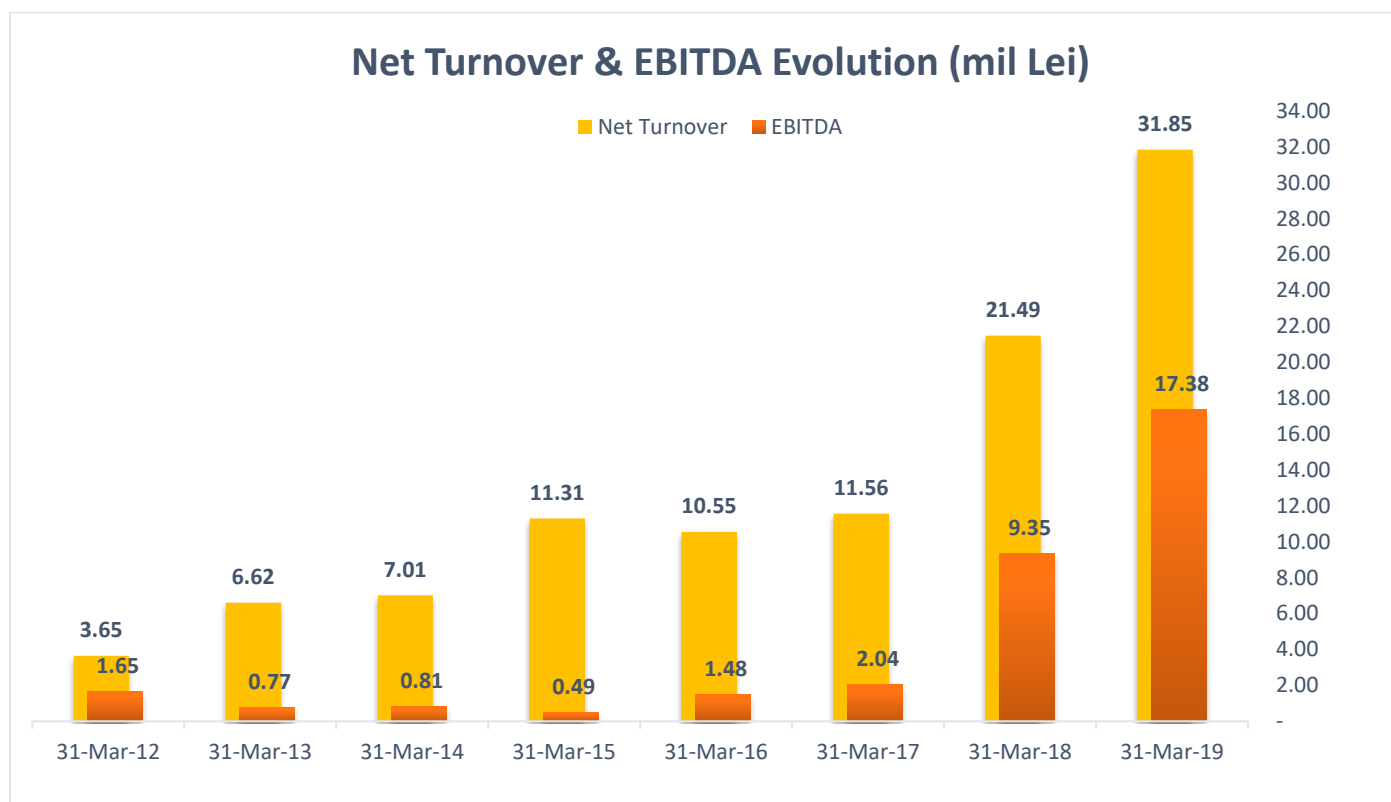
“The market context continued to be positive in the first quarter of 2019, with a good demand for masonry materials and a positive evolution in sales prices, also driven by increases in energy, fuel and labor costs.

Therefore, the evolution of Cemacon's main indicators has been positive both in terms of business growth and profitability. Net turnover increased with 48% over the first quarter of 2018, based on higher volumes demanded on the market, and operating profit increased by 86%.

The efforts of the past years of differentiation and premium positioning of the Evoceramic portfolio, as well as investment in quality growth, new production facilities and the introduction of new products, have greatly contributed to increasing Cemacon's profitability.

I am counting on maintaining the favorable market environment and I am confident that we have top technical and operational capabilities and strategic agility to reach the budgeted targets in 2019 and to surpass new record levels of performance at Cemacon.”

## Profit and loss Account – 3 Month Results 2019



In a good market context, the company recorded an 48% increase in turnover compared to the same period of 2018 exceeding 31,800,000 lei. Compared to 2018, the share of revenues from ceramic blocks and merchandise remained similar to that of the previous period.

Changes in inventory revenues recorded higher values than in the previous period due to the gap between the quantities produced and sold in Quarter 1 2019. The increase recorded for other operating income is marked by the increase in the price of EUA certificates received free of charge. Amounts related to other gains or losses represent the cancellation of provisions made in the previous year.

Expenditure on raw materials and materials has grown by 17% as a result of the increase in the quantity produced compared to the same period of the previous year, productivity marked by investments put into operation in 2018 as well as by a generalized increase in the purchase price for raw materials, materials and fuel generated by the current economic context.

Wage expenditures recorded a 15% increase over the previous year due to a 15% increase in the number of employees compared to the same period in 2018. Operating expenses increased with 39% compared to the previous period from last year, as a result of the increase in utility and transport expenses.

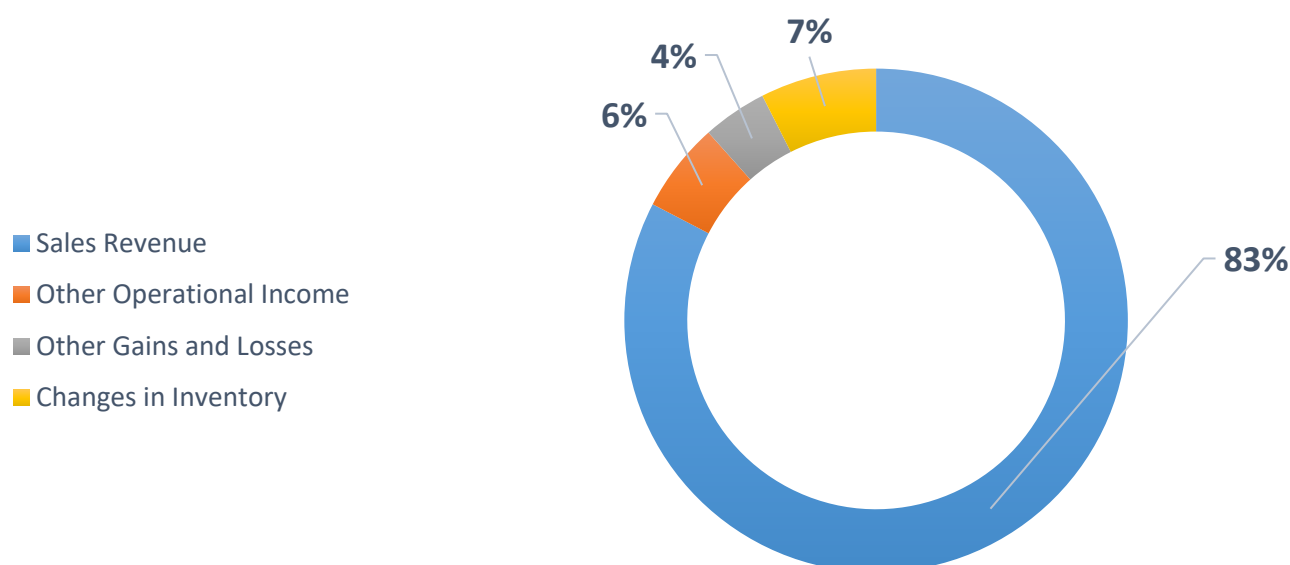
For the period ended March 31, 2019 CEMACON has an operating profit of 17,380,196 lei lei and a net profit of 13,224,957 lei.

	31-Mar-19 LEI	31-Mar-18 LEI	2019 vs 2018 LEI	2019 vs 2018 %
<b>Net Turnover</b>	<b>31,850,981</b>	<b>21,486,011</b>	<b>10,364,970</b>	<b>48%</b>
<b>Gross Turnover</b>	<b>33,915,991</b>	<b>22,756,626</b>	<b>11,159,365</b>	<b>49%</b>
<b>Sales revenues</b>	<b>31,850,981</b>	<b>21,486,011</b>	<b>10,364,970</b>	<b>48%</b>
Other operating revenues	2,225,763	801,806	1,423,957	178%
Other gains and losses	1,594,661	1,352,514	242,147	18%
Change in inventories of FG & WIP	2,875,671	2,707,166	168,506	6%
Raw materials and consumables	(5,807,224)	(4,977,093)	(830,131)	17%
Personnel expenses	(6,236,129)	(5,421,838)	(814,291)	15%
Other operating expenses	(9,441,224)	(6,808,510)	(2,632,714)	39%
<b>EBITDA</b>	<b>17,380,196</b>	<b>9,346,597</b>	<b>8,033,599</b>	<b>86%</b>
Depreciation and amortization expenses	(2,212,260)	(1,756,683)	(455,577)	26%
<b>EBIT</b>	<b>15,167,936</b>	<b>7,589,914</b>	<b>7,578,022</b>	<b>100%</b>
Financial income	676,720	32,164	644,556	2004%
Financial expenses	(718,774)	(576,862)	(141,913)	25%
<b>Financial result</b>	<b>(42,054)</b>	<b>(544,697)</b>	<b>502,643</b>	<b>-92%</b>
<b>Profit before tax*</b>	<b>14,808,186</b>	<b>6,838,675</b>	<b>7,969,511</b>	<b>117%</b>
Income tax expenses	(1,583,229)	(656,368)	(926,861)	141%
<b>Profit after tax</b>	<b>13,224,957</b>	<b>6,182,307</b>	<b>7,042,650</b>	<b>114%</b>

\* At the time of presentation of the results for Quarter 1 2019, 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

### Revenues Structure Q1 2019

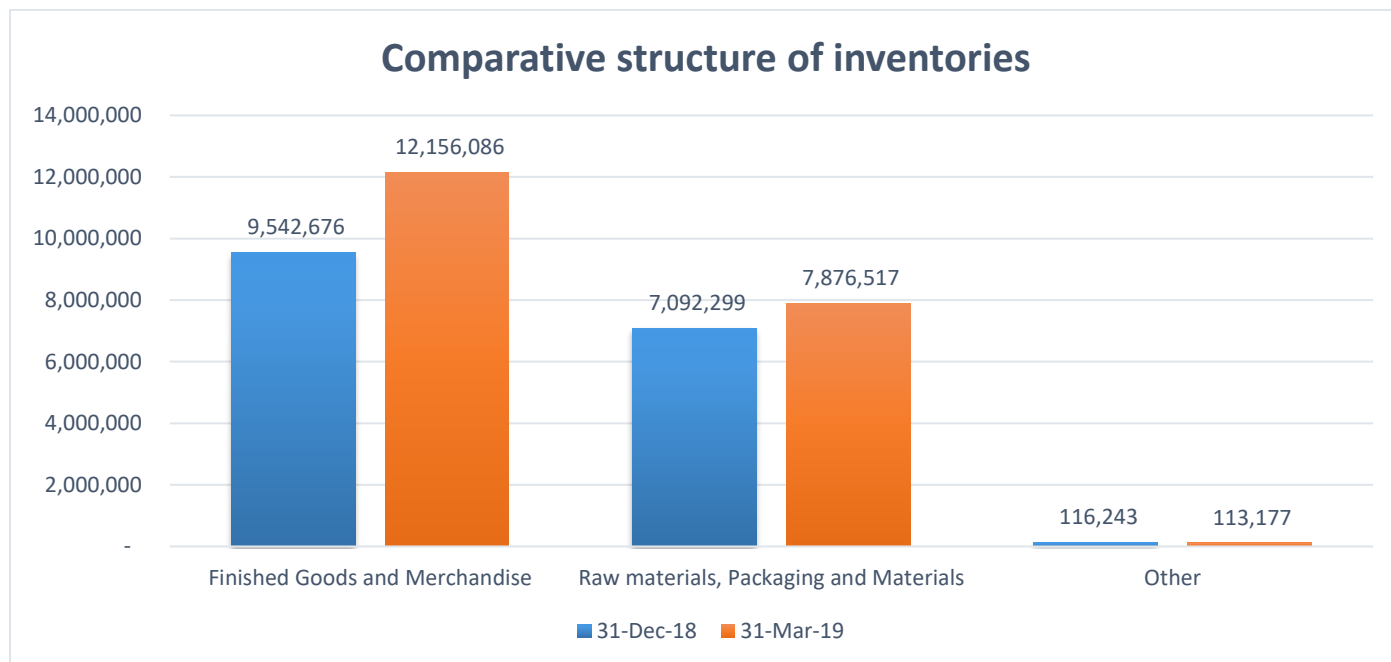


**Statement of financial position – Results 31<sup>st</sup> of March 2019**

<b>ASSETS</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>	<b>2019 vs 2018</b>	<b>2019 vs 2018</b>
<b>NON-CURRENT ASSETS</b>	<b>LEI</b>	<b>LEI</b>	<b>LEI</b>	<b>%</b>
Property, plant and equipment	135,393,380	134,042,143	1,351,237	1%
Intangible	3,484,549	2,355,508	1,129,040	48%
Investments	45,200	200	45,000	22500%
Other non-current assets	345,630	108,893	236,737	217%
<b>NON-CURRENT ASSETS TOTAL</b>	<b>139,268,759</b>	<b>136,506,744</b>	<b>2,762,014</b>	<b>2%</b>
<b>CURRENT ASSETS</b>				
Inventories	20,145,780	16,751,218	3,394,562	20%
Trade and other receivables	31,934,712	27,371,449	4,563,263	17%
Cash and cash equivalents	17,532,434	19,515,952	(1,983,518)	-10%
<b>CURRENT ASSETS TOTAL</b>	<b>69,612,926</b>	<b>63,638,619</b>	<b>5,974,308</b>	<b>9%</b>
<i>Assets classified as held for sale</i>	<i>1,277,495</i>	<i>1,277,495</i>	<i>-</i>	<i>-</i>
<b>TOTAL ASSETS</b>	<b>210,159,180</b>	<b>201,422,858</b>	<b>8,736,322</b>	<b>4%</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	12,198,865	15,866,650	(3,667,785)	-23%
Loans and borrowings	8,763,145	7,907,532	855,613	11%
Tax liability	789,474	-	789,474	100%
Provisions	3,933,106	5,527,445	(1,594,339)	-29%
<b>CURRENT LIABILITIES TOTAL</b>	<b>25,684,590</b>	<b>29,301,627</b>	<b>(3,617,037)</b>	<b>-12%</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current trade and other liabilities	-	-	-	-
Loans and borrowings	38,463,486	39,499,833	(1,036,347)	-3%
Grants received	988,643	1,007,553	(18,910)	-2%
Deferred tax	1,127,086	1,127,086	-	-
Provisions	2,043,025	2,043,025	-	-
<b>NON-CURRENT LIABILITIES TOTAL</b>	<b>42,622,240</b>	<b>43,677,497</b>	<b>(1,055,257)</b>	<b>-2%</b>
<b>TOTAL LIABILITIES</b>	<b>68,306,830</b>	<b>72,979,124</b>	<b>(4,672,294)</b>	<b>-6%</b>
<b>NET ASSETS</b>	<b>141,852,350</b>	<b>128,443,734</b>	<b>13,408,616</b>	<b>10%</b>
<b>EQUITY</b>				
Issued capital as per IFRS	59,779,702	57,067,443	2,712,260	5%
<b>TOTAL EQUITY</b>	<b>141,852,350</b>	<b>128,443,734</b>	<b>13,408,616</b>	<b>10%</b>

The 2% increase in fixed assets as of 31 December 2018 is determined by the commissioning of assets acquired during the period and partly offset by depreciation recorded during the period and the registration of EUA certificates as intangible assets.

Current assets have grown by 9% compared to the end of 2018.



Receivables increased by 17% as a result of the business activity carried out during the period (sales higher with 48% than in the same period of the previous year); Cash and cash equivalents decreased by 10% as a result of the operational and investment activity in the period.

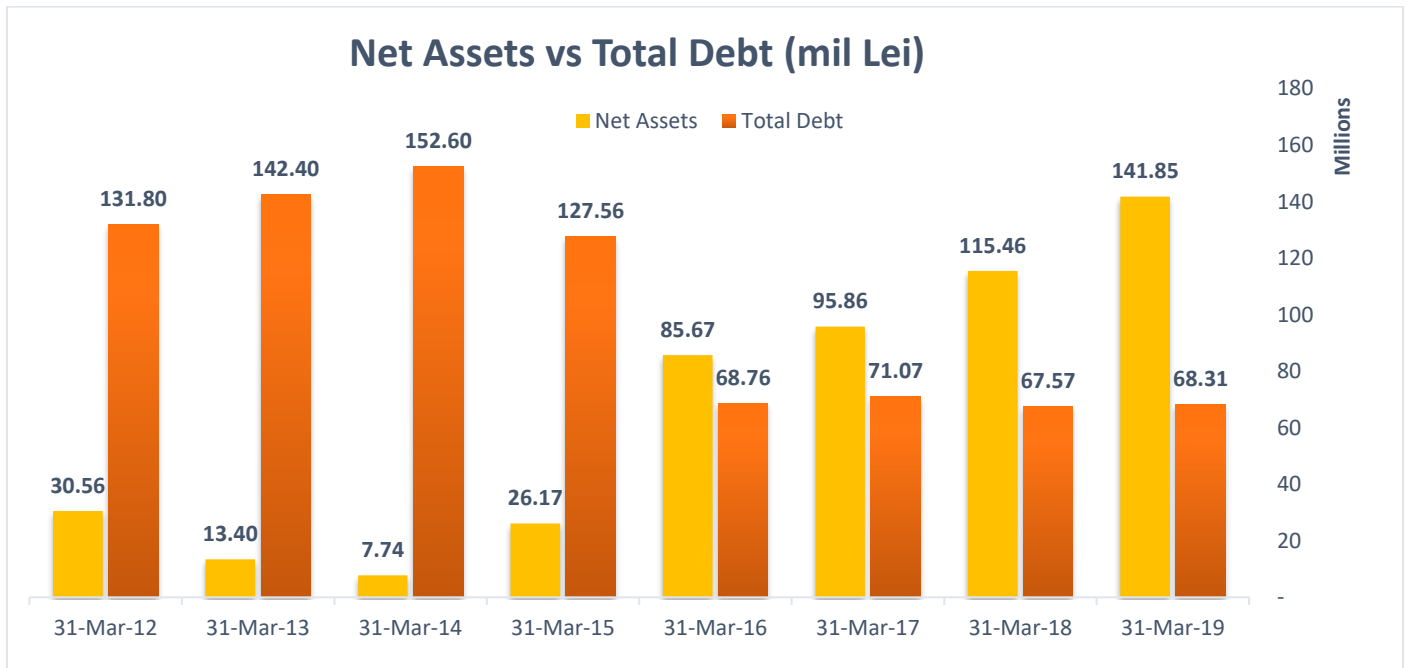
Commercial debts declined by 23% as of December 31, 2018.

Bank debts and loans recorded a decrease as compared to the end of 2018, a change caused by the reduction of the bank loan by repayment of principal and interest rates according to the repayment schedule, being no interruptions or delays in this process.

Current corporate income tax liabilities increased significantly due to positive financial results at the end of Quarter 1 2019. Short-term provisions decreased due to the cancellation of provisions made in the previous year.

The increase in equity was generated by the capital increase approved by the AGEA decision as at 28.09.2018. The company has issued current reports for each stage of this operation.

At the end of the period ended 31 March 2019, the net assets of the company recorded a 10% increase as compared to the end of 2018, exceeding 141,800,000 lei.



## Main Financial Ratios

Main Financial Ratios	31-Mar-19	31-Mar-18
1. Current liquidity indicator	2.76	2.88
2. Leverage indicator	33%	43%
3. Turnover speed for client debit items (days)	79	53
4. Turnover speed for total assets	24%	17%

## Consolidated Results of the CEMACON Group

Information on the presentation of the CEMACON SA Group:

CEMACON SA is a Romanian legal entity founded as a joint stock company based on Government Decision no.1200/1991 with its registered office in Cluj-Napoca, no. 48 Dorobantilor Street, Silver Business Center building, 1st floor, Cluj county. The company's main object of activity is "Manufacture of bricks, tiles and other construction products made from burnt clay".

SC CEMACON Real Estate Company was founded as a result of the agreement signed by SC CEMACON SA and the Romanian Commercial Bank in order to take over part of the liabilities and assets, according to the reorganization process. The individual financial statements of SC CEMACON Real Estate Company are prepared in accordance with Order of the Minister of Public Finance 1802/2012.

The financial statements of the controlled branch have been prepared for the same reporting period as those of the parent company, using the same accounting policies. The International Financial Reporting Standards (IFRS) have been applied when preparing the consolidated financial statements.

Even if the financial statements of SC CEMACON Real Estate have been prepared in accordance with Order of the Minister of Public Finance 1802/2012, the necessary adjustments have been made in order to reflect the accounting policies of the parent company with a view to consolidating.

### Consolidated Statement of financial position – Results 31<sup>st</sup> of March 2019

<b>ASSETS</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>	<b>2019 vs 2018</b>	<b>2019 vs 2018</b>
	<b>LEI</b>	<b>LEI</b>	<b>LEI</b>	<b>%</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	135,393,380	134,042,143	1,351,237	1%
Intangible	3,484,549	2,355,508	1,129,040	48%
Investments	-	-	-	0%
Other non-current assets	345,630	108,893	236,737	217%
<b>NON-CURRENT ASSETS TOTAL</b>	<b>139,223,559</b>	<b>136,506,544</b>	<b>2,717,014</b>	<b>2%</b>
<b>CURRENT ASSETS</b>				
Inventories	20,145,780	16,751,218	3,394,562	20%
Trade and other receivables	12,185,784	8,279,124	3,906,660	47%
Cash and cash equivalents	17,543,615	19,523,400	(1,979,785)	-10%
<b>CURRENT ASSETS TOTAL</b>	<b>49,875,179</b>	<b>44,553,742</b>	<b>5,321,437</b>	<b>12%</b>
<i>Assets classified as held for sale</i>	<i>17,914,939</i>	<i>17,914,939</i>	<i>-</i>	<i>0%</i>
<b>TOTAL ASSETS</b>	<b>207,013,677</b>	<b>198,975,224</b>	<b>8,038,453</b>	<b>4%</b>



<b>LIABILITIES</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>	<b>2019 vs 2018</b>	<b>2019 vs 2018</b>
<b>CURRENT LIABILITIES</b>	<b>LEI</b>	<b>LEI</b>	<b>LEI</b>	<b>%</b>
Trade and other payables	12,238,543	15,936,959	(3,698,416)	-23%
Loans and borrowings	8,763,145	7,907,532	855,613	11%
Tax liability	789,474	-	789,474	100%
Provisions	3,933,106	5,527,445	(1,594,339)	-29%
<b>CURRENT LIABILITIES TOTAL</b>	<b>25,724,269</b>	<b>29,371,936</b>	<b>(3,647,667)</b>	<b>-12%</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current trade and other liabilities	-	-	-	0%
Loans and borrowings	38,463,486	39,499,833	(1,036,347)	-3%
Grants received	988,643	1,007,553	(18,910)	-2%
Deferred tax	899,566	899,566	-	0%
Provisions	2,043,025	2,043,025	-	0%
<b>NON-CURRENT LIABILITIES TOTAL</b>	<b>42,394,720</b>	<b>43,449,977</b>	<b>(1,055,257)</b>	<b>-2%</b>
<b>TOTAL LIABILITIES</b>	<b>68,118,989</b>	<b>72,821,913</b>	<b>(4,702,924)</b>	<b>-6%</b>
<b>NET ASSETS</b>	<b>138,894,688</b>	<b>126,153,311</b>	<b>12,741,377</b>	<b>10%</b>
<b>EQUITY</b>				
Issued capital as per IFRS	59,779,702	57,067,443	2,712,259	5%
<b>TOTAL EQUITY</b>	<b>138,894,688</b>	<b>126,153,311</b>	<b>12,741,377</b>	<b>10%</b>

## Consolidated Profit and Loss Account – Results 1<sup>st</sup> Quarter 2019

	31-Mar-19 LEI	31-Mar-18 LEI	2019 vs 2018 LEI	2019 vs 2018 %
<b>Sales revenues</b>	<b>31,850,981</b>	<b>21,486,011</b>	<b>10,364,970</b>	<b>48%</b>
Other operating revenues	2,230,314	812,637	1,417,677	174%
Other gains and losses	1,594,661	1,374,477	220,184	16%
Change in inventories of FG & WIP	2,875,671	2,707,166	168,505	6%
Raw material and consumables used	(5,807,224)	(4,977,125)	(830,099)	17%
Personnel Expenses	(6,262,062)	(5,457,781)	(804,281)	15%
Other operating expenses	(9,465,424)	(6,809,330)	(2,656,094)	39%
<b>EBITDA</b>	<b>17,334,614</b>	<b>9,342,596</b>	<b>7,992,018</b>	<b>86%</b>
Depreciation and amortization expenses	(2,212,260)	(1,756,683)	(455,577)	26%
<b>EBIT</b>	<b>15,122,354</b>	<b>7,585,913</b>	<b>7,536,441</b>	<b>99%</b>
Financial income	421,379	262,413	158,966	61%
Financial expenses	(1,085,092)	(880,760)	(204,332)	23%
<b>Financial result</b>	<b>(663,713)</b>	<b>(618,347)</b>	<b>(45,366)</b>	<b>7%</b>
<b>Profit before tax</b>	<b>14,140,945</b>	<b>6,761,025</b>	<b>7,379,920</b>	<b>109%</b>
Income tax expenses	(1,583,229)	(656,368)	(926,861)	141%
<b>Profit after tax</b>	<b>12,557,716</b>	<b>6,104,657</b>	<b>6,453,059</b>	<b>106%</b>

\* At the time of presentation of the results for Quarter 1 2019, 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

\*\*\*

The report, together with the related documents, can be consulted starting with **15 May 2019 at 18:00** at the company headquarters on Str.Dorobantilor, Nr.48, Cluj-Napoca or electronically on the company's website: [www.cemacron.ro](http://www.cemacron.ro) and on the Bucharest Stock Exchange website: [www.bvb.ro](http://www.bvb.ro)

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

*CEMACON SA ranks second in the top of masonry manufacturers in Romania and is the market leader in Transylvania.*

*The company operates the most modern and largest manufacturing capacity in Romania with innovative, differentiated products that bring added value to users, at very competitive production costs.*

*CEMACON SA is a company listed on the Bucharest Stock Exchange and mainly owned by institutional shareholders, Romanian and foreign investment funds; the company management is professional, independent, having strong sector expertise.*

Cluj-Napoca  
15<sup>th</sup> of May 2019

**INDIVIDUAL FINANCIAL STATEMENTS UNAUDITED  
FOR THE PERIOD ENDED 31<sup>st</sup> March 2019**

Prepared according to International Reporting Standards



**CE  ACON**

**CONSTRUCȚII EVOLUATE**

SC CEMACON SA  
Fiscal Code 677858  
Trade Registry Code J12/2466/2012

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**CEMACON SA**

Situatia individuala a pozitiei financiare (*Individual statement of financial position*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

	<b>31-Mar-19</b>	<b>31-Dec-18</b>
	<b>LEI</b>	<b>LEI</b>
<b>ACTIVE (ASSETS)</b>		
<b>Active imobilizate</b>		
<b><i>Non-current assets</i></b>		
Imobilizari corporale <i>Property, plant and equipment</i>	135,393,380	134,042,143
Investitii imobiliare <i>Investment property</i>	-	-
Imobilizari necorporale <i>Intangible</i>	3,484,549	2,355,508
Investitii in actiuni <i>Investments</i>	45,200	200
Alte active imobilizate <i>Other non-current assets</i>	345,630	108,893
	<b>139,268,759</b>	<b>136,506,744</b>
<b>Active circulante</b>		
<b><i>Current assets</i></b>		
Stocuri <i>Inventories</i>	20,145,780	16,751,218
Creante comerciale si similare <i>Trade and other receivables</i>	31,934,712	27,371,449
Alte active financiare <i>Other financial assets</i>	-	-
Numerar si echivalente numerar <i>Cash and cash equivalents</i>	17,532,434	19,515,952
	<b>69,612,926</b>	<b>63,638,619</b>
Active clasificate drept detinute în vederea vânzării <i>Assets classified as held for sale</i>	<b>1,277,495</b>	<b>1,277,495</b>
<b>TOTAL ACTIVE (TOTAL ASSETS)</b>	<b>210,159,180</b>	<b>201,422,858</b>

**CEMACON SA**

Situatia individuala a pozitiei financiare (*Individual statement of financial position*)  
 pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

	<b>31-Mar-19</b>	<b>31-Dec-18</b>
	<b>LEI</b>	<b>LEI</b>
<b>DATORII (LIABILITIES)</b>		
<b>DATORII CURENTE</b>		
<b>CURRENT LIABILITIES</b>		
Datorii comerciale si similare	12,198,865	15,866,650
<i>Trade and other payables</i>		
Imprumuturi	8,763,145	7,907,532
<i>Loans and borrowings</i>		
Subventii pentru investitii	-	-
<i>Grants received</i>		
Datorii privind impozitul pe profit	789,474	-
<i>Tax liability</i>		
Provizioane	3,933,106	5,527,445
<i>Provisions</i>		
	<b>25,684,590</b>	<b>29,301,627</b>
<hr/>		
Datoriile incluse în grupurile destinate cedării		
Liabilities directly associated with assets in disposal groups classified as held for sale		
<hr/>		
<b>DATORII PE TERMEN LUNG</b>		
<b>NON-CURRENT LIABILITIES</b>		
Datorii comerciale si similare	-	-
<i>Non-current trade and other liabilities</i>		
Imprumuturi	38,463,486	39,499,833
<i>Loans and borrowings</i>		
Subventii pentru investitii	988,643	1,007,553
<i>Grants received</i>		
Impozit amanat	1,127,086	1,127,086
<i>Deferred tax</i>		
Provizioane	2,043,025	2,043,025
<i>Provisions</i>		
	<b>42,622,240</b>	<b>43,677,497</b>
<hr/>		
<b>TOTAL DATORII (TOTAL LIABILITIES)</b>	<b>68,306,830</b>	<b>72,979,124</b>
<hr/>		
<b>ACTIVE NETE (NET ASSETS)</b>	<b>141,852,350</b>	<b>128,443,734</b>

**CEMACON SA**

Situatia individuala a pozitiei financiare (*Individual statement of financial position*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

	<b>31-Mar-19</b>	<b>31-Dec-18</b>
	<b>LEI</b>	<b>LEI</b>
<b>CAPITAL SI REZERVE (EQUITY)</b>		
Capital social cf IFRS	59,779,702	57,067,443
<i>Issued capital as per IFRS</i>		
Beneficii acordate angajatilor in instrumente de capitaluri proprii	-	2,781,461
<i>Benefits granted to employees in equity instruments</i>		
Impozit profit amanat	(871,487)	(871,487)
<i>Deffered Tax</i>		
Actiuni proprii	-	-
<i>Own Shares</i>		
Prime legate de emiterea de actiuni	253,004	144
<i>Share premium</i>		
Ajustari din retratare	-	-
<i>Translation adjustments</i>		
Rezerve din reevaluare aferente active destinate vanzarii	1,139,240	1,139,240
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale		
Rezerve	26,467,125	25,726,716
<i>Reserves</i>		
Rezultat reportat	55,084,766	42,600,217
<i>Retained earnings</i>		
<b>Interesele care nu controleaza</b>	-	-
<b><i>Non-controlling interest</i></b>		
<b>TOTAL CAPITALURI (TOTAL EQUITY)</b>	<b>141,852,350</b>	<b>128,443,734</b>

*Toate sumele sunt prezentate in lei, daca nu este specificat altfel / All amounts in Lei, if not otherwise stated*

**CEMACON SA**

Situatia individuala a rezultatului global (*Statement of individual comprehensive income*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>LEI</b>	<b>LEI</b>
<b>Venituri din vanzari</b>		
<b><i>Sales revenues</i></b>	<b>31,850,981</b>	<b>21,486,011</b>
Alte venituri din exploatare	2,225,763	801,806
<i>Other operating revenues</i>		
Alte castiguri si pierderi	1,594,661	1,352,514
<i>Other gains and losses</i>		
Variatia stocurilor	2,875,671	2,707,166
<i>Change in inventories of FG &amp; WiP</i>		
Materii prime si consumabile	(5,807,224)	(4,977,093)
<i>Raw material and consumables used</i>		
Cheltuieli de personal	(6,236,129)	(5,421,838)
<i>Personnel Expenses</i>		
Amortizare si deprecieri	(2,212,260)	(1,756,683)
<i>Depreciation and amortisation expenses</i>		
Cercetare si dezvoltare	-	-
<i>Research and development</i>		
Alte cheltuieli din exploatare	(9,441,224)	(6,808,510)
<i>Other operating expenses</i>		
<b>Profit / (Pierdere) din exploatare</b>	<b>14,850,240</b>	<b>7,383,373</b>
<b><i>Profit / (Loss) from operation</i></b>		
Venituri financiare	676,720	32,164
<i>Financial income</i>		
Cheltuieli financiare	(718,774)	(576,862)
<i>Financial expenses</i>		
<b>Rezultat financiar</b>	<b>(42,054)</b>	<b>(544,698)</b>
<i>Financial Result</i>		
<b>Profit / (Pierdere) inainte de impozitare</b>	<b>14,808,186</b>	<b>6,838,675</b>
<i>Profit before tax</i>		
Cheltuieli cu impozite	(1,583,229)	(656,368)
<b>Profit / (Pierdere)</b>	<b>13,224,957</b>	<b>6,182,307</b>
<b><i>Profit after tax</i></b>		
Total alte elemente ale rezultatului global	-	-
<i>Total other elements of other comprehensive income</i>		
<b>Total rezultat global</b>	<b>13,224,957</b>	<b>6,182,307</b>
<b><i>Comprehensive income total</i></b>		

Toate sumele sunt prezentate in lei, daca nu este specificat altfel / All amounts in Lei, if not otherwise stated



## CEMACON SA

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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### 1. Legal principals

The interim individual financial statements as at 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed individual financial statements as at 31 March 2019 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, 2018.

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 2018.

### 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 2018.

### 3. Accounting estimates

Entity make 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

<b>Sale revenues</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Sales of finished goods	31,725,469	20,227,995
Sales of goods	2,105,958	2,436,350
Revenues from services rendered	84,564	92,281
Discounts granted	(2,065,009)	(1,270,615)
<b>Total</b>	<b>31,850,981</b>	<b>21,486,011</b>

*All amounts are in lei, if it is not otherwise presented*

The main income of the entity in the year 2019 were comprised of selling finished products 31.73 million lei, selling merchandise 2.11 million lei and services rendered 0.08 million lei, while the amount of commercial and financial discounts has been of 2.07 million lei.

**CEMACON SA**

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

**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.

<b>Other operational revenues</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Revenue from various services	-	-
Income from compensation	527,562	9,967
Income from subsidies for assets	18,910	18,910
Miscellaneous	1,679,290	772,929
<b>Total</b>	<b>2,225,763</b>	<b>801,806</b>

*All amounts are in lei, if it is not otherwise presented*

In the various categories, the income related to the receipt and revaluation of the debt at the date of the compliance with the greenhouse gas certificates in the amount of 1.65 million lei, as well as revenues from the sale of waste in the amount of 0.02 million lei. In 2010, the company received a subsidy for investments amounting to 1.6 million lei, and in 2019 the company recognized as income for these subsidies the amount of 0.018 million lei. Subsidy income is recognized as amortization of the fixed assets it refers to. The recognized grant refers to the 15% grant from the amount of credit received by the company from EBRD sources for the energy efficiency project started in 2009 with the realization of the new brick factory in Recea.

<b>Other gains and losses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Income from the sale of assets	322	252
Expenses from the sale of assets	-	-
Revenue from the cancellation of provisions	1,594,339	1,352,262
From setting-up provisions	-	-
<b>Gains and losses Total</b>	<b>1,594,661</b>	<b>1,352,514</b>

*All amounts are in lei, if it is not otherwise presented*

**6. Operating expenses**

<b>Other operating expenses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Utilities	3,118,587	2,266,886
Repairs	369,431	299,904
Rent	199,846	186,406
Insurance	145,022	202,393
Personal training	12,256	20,060
Commissions	140,600	162,528
Advertising	692,094	59,441
Transport and logistics	3,442,367	2,367,385
Post and telecommunications	43,387	34,576
Other services provided by third parties	570,293	425,913
Taxes	527,243	487,748
Miscellaneous	180,098	295,270
<b>Total</b>	<b>9,441,224</b>	<b>6,808,510</b>

*All amounts are in lei, if it is not otherwise presented*

## CEMACON SA

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

### 7. Personnel expenses

The structure and average number of employees is: 235.

<b>Average number of employees</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Administrative staff	67	64
Personnel in production	168	140
<b>Total</b>	<b>235</b>	<b>204</b>

### 8. Financial income and expenses

<b>Financial Income</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Income from interest	298,356	24,983
Other financial revenues	611	-
Exchange rate differences in income	377,752	7,181
<b>Total</b>	<b>676,720</b>	<b>32,164</b>

*All amounts are in lei, if it is not otherwise presented*

<b>Financial Expenses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Interest costs	(691,748)	(563,165)
Other financial expenses	-	-
Exchange rate differences	(27,026)	(13,697)
<b>Total</b>	<b>(718,774)</b>	<b>(576,862)</b>

*All amounts are in lei, if it is not otherwise presented*

Financial expenses mainly consist of the following categories: expenses concerning interest 0.69 million lei, expenses relating to exchange rate differences related 0.03 million lei.

Financial revenues are revenues from interest income 0.30 million lei and from exchange rate differences 0.38 million lei.

### 9. Inventory

<b>Inventory</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Raw materials and consumables	5,517,628	4,664,417
Packing	2,884,504	2,953,498
Adjustments	(525,616)	(525,616)
WIP	113,177	116,243
Adjustments	-	-
Billets and finished products	10,517,243	7,899,792
Adjustments	(39,796)	(39,796)
Merchandise	1,718,221	1,722,262
Adjustments	(39,582)	(39,582)
<b>Total</b>	<b>20,145,780</b>	<b>16,751,218</b>

*All amounts are in lei, if it is not otherwise presented*

**CEMACON SA**

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
 pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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

<b>Raw materials and consumables</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Raw materials	2,618,554	1,211,978
Auxiliary materials	964,206	905,357
Packing	180,463	1,044,699
Merchandise	1,159,529	562,919
Inventory items	48,600	19,599
Other consumables	26,066	7,127
Miscellaneous	809,806	1,225,414
<b>Total</b>	<b>5,807,224</b>	<b>4,977,093</b>

*All amounts are in lei, if it is not otherwise presented*

**Inventory Adjustments**

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

**10. Commercial receivables and other receivables**

<b>Commercial receivables and other receivables</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Trade receivables	11,764,364	7,599,652
Adjustments for trade receivables	(1,567,254)	(1,567,254)
Intragroup receivables	19,759,920	19,288,602
Adjustments for intragroup receivables	-	-
Claims to associates / shareholders	-	-
Employees	-	-
Tax	-	793,755
Other receivables from the State Budget	439,848	529,960
Subsidies	-	-
Debtors and other receivables	10,909	10,890
Adjustments for other receivables	-	-
Interest to cash	401,727	146,348
<b>Total financial assets other than cash, classified as loans and receivables</b>	<b>30,809,514</b>	<b>26,801,953</b>
Advance paid	1,125,198	569,496
<b>Total</b>	<b>31,934,712</b>	<b>27,371,449</b>

*All amounts are in lei, if it is not otherwise presented*

## CEMACON SA

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

### 11. Share capital

On March, 31, 2019 the share capital structure is:

Structure of share capital	31-Mar-19	31-Dec-18
Number of authorized actions	505,653,533 buc	478,530,935 buc
Number of shares subscribed and paid	505,653,533 buc	478,530,935 buc
Number of subscribed and unpaid shares	-	-
The nominal value of an action	0.10 lei	0.10 lei

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

Capital structure movements in the year 2019 can be seen in the following table:

	31-Mar-19		31-Dec-18	
	Number	Value	Number	Value
Ordinary shares of 0.1 Lei each	478,530,935 buc	47,853,094 lei	113,990,218 buc	11,399,022 lei
Discounts by embedding losses	-	-	-	-
Emissions during the year	27,122,598 buc	2,712,259 lei	364,540,717 buc	36,454,072 lei
Acquisition of own shares	-	-	-	-
<b>TOTAL</b>	<b>505,653,533 buc</b>	<b>50,565,353 lei</b>	<b>478,530,935 buc</b>	<b>47,853,094 lei</b>

The shareholding structure on 31 December 2018 consists of:

Shareholder	Shares	Percent
S.C. DEDEMAN S.R.L.	200,126,326	41.8210%
BUSINESS CAPITAL FOR ROMANIA-OPPORTUNITY FUND COOPERATIEF U.A. loc. AMSTERDAM NLD	157,915,191	33.0000%
PIF Industrial	84,315,847	17.6197%
alti actionari / others	36,173,571	7.5593%
<b>TOTAL</b>	<b>478,530,935</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 12/31/2018

As a result of the transactions on the capital market in 2019, the shareholding structure on 10 April 2019 is composed of:

Shareholder	Shares	Percent
S.C. DEDEMAN S.R.L.	200,126,326	39.5778%
BUSINESS CAPITAL FOR ROMANIA-OPPORTUNITY FUND COOPERATIEF U.A. loc. AMSTERDAM NLD	157,915,191	31.2299%
PIF Industrial	84,315,847	16.6746%
Persoane fizice	59,033,660	11.6747%
Persoane juridice	4,262,509	0.8430%
<b>TOTAL</b>	<b>505,653,533</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 04/10/2019

## CEMACON SA

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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### 12. Transactions with Affiliates

The company's affiliates in 2019 are:

- DEDEMAN SRL with registered office in loc Bacău, Str. Alexei Tolstoi, nr. 8, CUI 2816464, Nr.Ord.Reg.Com.: J04/2621/1992 – significant shareholder;
- PIF INDUSTRIAL SRL with registered office in loc Bacău, Str. Alexei Tolstoi, nr. 8, CUI 18227759, Nr.Ord.Reg.Com.: J4/2200/2005 – shareholder;
- DEDEMAN AUTOMOBILE SRL– Municipiul Bacău, Strada Alexei Tolstoi, Nr. 8, Judet Bacău; Nr.Ord.Reg.Com.: J4/ 2621/1992 - company from Dedeman group;
- Business Capital for Romania Opportunity Fund Cooperatief U.A., Olanda - CCI 52441326 – significant shareholder;
- Cemacon Real Estate with registered office in Jud. Salaj, Mun. Zalau, Str. Fabricii, Nr.1, CUI RO 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 2019;
- Orion Strategy Solution Srl with registered office in jud. Cluj, loc. Cluj-Napoca, str Artelor, nr. 7; CIF Ro26118990; R.C. J12/3026/2013; President of Board of Directors Cemacon SA, Liviu-Ionel Stoleru CEO Cemacon SA is the Director of Orion Strategy Solution Srl and representative of this entity in the Board of Directors of Cemacon SA;
- Liviu-Ionel Stoleru – General Manager and President of Board of Directors
- Sologon Daniel – Financial Director
- Ana-Barbara Bobirca – member of the Board of Directors
- Dana-Rodica Beju – member of the Board of Directors
- Dragos Paval – member of the Board of Directors – interim administrator
- Marian Adam – member of the Board of Directors – interim administrator

**CEMACON SA**

Note selectate la situatiile financiare individuale *(Notes to individual financial statements)*  
 pentru perioada incheiata la 31 Martie 2019 *(for the period ended 31 March 2019)*

**Transactions with Affiliates (Continued)**

Transactions with affiliated parties are summarized in the following table:

<b>Affiliates</b>	<b>Sales</b>		<b>Acquisitions</b>	
	<b>1 Jan – 31 Mar 2019</b>	<b>1 Jan – 31 Mar 2018</b>	<b>1 Jan – 31 Mar 2019</b>	<b>1 Jan – 31 Mar 2018</b>
Dedeman SRL	5,157,221	3,346,326	61,665	44,452
Cemaccon Real Estate	-	-	137,883	135,618
<b>Total</b>	<b>5,157,221</b>	<b>3,346,326</b>	<b>199,548</b>	<b>180,070</b>

*All amounts are in lei, if it is not otherwise presented*

Balances with affiliated parties are summarized in the following table:

<b>Affiliates</b>	<b>Receivables from affiliated parties</b>		<b>Debts to affiliated parties</b>		<b>Given loans</b>	
	<b>31-Mar-2019</b>	<b>31-Dec-18</b>	<b>31-Mar-2019</b>	<b>31-Dec-18</b>	<b>31-Mar-2019</b>	<b>31-Dec-18</b>
Dedeman SRL	149,749	-	26,942	342,771	-	-
Cemaccon Real Estate	1,742,224	1,742,224	46,209	45,249	18,419,423	17,692,726
<b>Total</b>	<b>1,891,973</b>	<b>1,742,224</b>	<b>73,151</b>	<b>388,020</b>	<b>18,419,423</b>	<b>17,692,726</b>

*All amounts are in lei, if it is not otherwise presented*

## CEMACON SA

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

### 13. Cash and cash equivalents

Cash and cash equivalents	31-Mar-19	31-Dec-18
Available in the bank	17,508,375	19,515,653
Cash and cash equivalents	24,059	299
<b>Total</b>	<b>17,532,434</b>	<b>19,515,952</b>

On March 31, 2019 there are no financial instruments that generate exposure to credit risk. Cash balances denominated in foreign currency at 31.03.2019 are not material.

### 14. Adjustments of accounting errors

During January-March 2019, the Company did not record corrections of accounting errors, related to the previous years.

### 15. 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:**

Cemaccon SA is a Romanian legal person, founded as a joint stock company based on GD No.1200 / 1991 with headquarters in Cluj-Napoca, 48, Dorobantilor str., Silver Business Center building, 1st floor, Cluj county. The company's main activity is "Manufacture of bricks, tiles and other construction products, from burned 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 2018 and 31 March 2019 are:

Foreign currency	Abbreviation	Exchange rate	
		31-Mar-19	31-Dec-18
Dolar SUA	USD	4.2434	4.0736
Euro	EUR	4.7628	4.6639

#### **Fees paid to auditors:**

All fees paid refer to audit services on the individual financial statements prepared by the Company in accordance with IFRS. The auditor of the company is SC Deloitte Audit SRL.



## CEMACON SA

Note selectate la situatiile financiare individuale (*Notes to individual financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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### **Amendments:**

Administrators do not have the right to subsequently amend the financial statements. The financial statements together with the notes to the financial statements are authorized to be issued on May 15, 2019. It is not possible for the financial statements to be amended after they have been issued.

The quarterly financial statements were not audited.

## **16. 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.

Chief Executive Officer

Stoleru Liviu

Signature \_\_\_\_\_

Chief Financial Officer

Sologon Daniel

Signature \_\_\_\_\_

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

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

Cluj-Napoca  
15<sup>th</sup> of May 2019

**CONSOLIDATED FINANCIAL STATEMENTS UNAUDITED  
FOR THE PERIOD ENDED 31<sup>st</sup> March 2019**

Prepared according to International Reporting Standards



**CE  ACON**

**CONSTRUCȚII EVOLUATE**

SC CEMACON SA  
Fiscal Code 677858  
Trade Registry Code J12/2466/2012

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**CEMACON SA**

Situatia consolidata a pozitiei financiare (*Consolidated statement of financial position*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

<b>ACTIVE (ASSETS)</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
<b>Active imobilizate</b>	<b>LEI</b>	<b>LEI</b>
<b>Non-current assets</b>		
Imobilizari corporale <i>Property, plant and equipment</i>	135,393,380	134,042,143
Investitii imobiliare <i>Investment property</i>	-	-
Imobilizari necorporale <i>Intangible</i>	3,484,549	2,355,508
Investitii in actiuni <i>Investments</i>	-	-
Alte active imobilizate <i>Other non-current assets</i>	345,630	108,893
	<b>139,223,559</b>	<b>136,506,544</b>
<b>Active circulante</b>		
<b>Current assets</b>		
Stocuri <i>Inventories</i>	20,145,780	16,751,218
Creante comerciale si similare <i>Trade and other receivables</i>	12,185,784	8,279,124
Alte active financiare <i>Other financial assets</i>	-	-
Numerar si echivalente numerar <i>Cash and cash equivalents</i>	17,543,615	19,523,400
	<b>49,875,179</b>	<b>44,553,742</b>
Active clasificate drept detinute în vederea vânzării <i>Assets classified as held for sale</i>	<b>17,914,939</b>	<b>17,914,939</b>
<b>TOTAL ACTIVE (TOTAL ASSETS)</b>	<b>207,013,677</b>	<b>198,975,224</b>
<b>DATORII (LIABILITIES)</b>		
<b>DATORII CURENTE</b>		
<b>CURRENT LIABILITIES</b>		
Datorii comerciale si similare <i>Trade and other payables</i>	12,238,543	15,936,959
Imprumuturi <i>Loans and borrowings</i>	8,763,145	7,907,532
Subventii pentru investitii <i>Grants received</i>	-	-
Datorii privind impozitul pe profit <i>Tax liability</i>	789,474	-
Provizioane <i>Provisions</i>	3,933,106	5,527,445
	<b>25,724,269</b>	<b>29,371,936</b>

**CEMACON SA**

Situatia consolidata a pozitiei financiare (*Consolidated statement of financial position*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

	<b>31-Mar-19</b>	<b>31-Dec-18</b>
	<b>LEI</b>	<b>LEI</b>
<b>DATORII PE TERMEN LUNG</b>		
<b>NON-CURRENT LIABILITIES</b>		
Datorii comerciale si similare	-	-
<i>Non-current trade and other liabilities</i>	-	-
Imprumuturi	38,463,486	39,499,833
<i>Loans and borrowings</i>	-	-
Subventii pentru investitii	988,643	1,007,553
<i>Grants received</i>	-	-
Impozit amanat	899,566	899,566
<i>Deferred tax</i>	-	-
Provizioane	2,043,025	2,043,025
<i>Provisions</i>	-	-
	<b>42,394,720</b>	<b>43,449,977</b>
<b>TOTAL DATORII (TOTAL LIABILITIES)</b>	<b>68,118,989</b>	<b>72,821,913</b>
<b>ACTIVE NETE (NET ASSETS)</b>	<b>138,894,688</b>	<b>126,153,311</b>
<b>CAPITAL SI REZERVE (EQUITY)</b>		
Capital social cf IFRS	59,779,702	57,067,443
<i>Issued capital as per IFRS</i>	-	-
Beneficii acordate angajatilor in instrumente de capitaluri proprii	-	2,781,461
Impozit profit amanat	(871,487)	(871,487)
Actiuni proprii	-	-
<i>Own Shares</i>	-	-
Prime legate de emiterea de actiuni	253,004	144
<i>Share premium</i>	-	-
Rezerve din reevaluare aferente active destinate vanzarii	5,355,495	5,355,495
<i>Amounts recognised in other comprehensive income and accumulated in equity relating to non-assets held for sale</i>	-	-
Rezerve	27,001,472	26,261,063
<i>Reserves</i>	-	-
Rezultat reportat	47,376,501	35,559,192
<i>Retained earnings</i>	-	-
<b>Interesele care nu controleaza</b>	-	-
<b>Non-controlling interest</b>	-	-
<b>TOTAL CAPITALURI (TOTAL EQUITY)</b>	<b>138,894,688</b>	<b>126,153,311</b>

*Toate sumele sunt prezentate in lei, daca nu este specificat altfel / All amounts in Lei, if not otherwise stated*

**CEMACON SA**

Situatia consolidata a rezultatului global (*Consolidated statement of comprehensive income*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>LEI</b>	<b>LEI</b>
<b>Venituri din vanzari</b>	<b>31,850,981</b>	<b>21,486,011</b>
<b><i>Sales revenues</i></b>		
Alte venituri din exploatare	2,230,314	812,637
<i>Other operating revenues</i>		
Alte castiguri si pierderi	1,594,661	1,374,477
<i>Other gains and losses</i>		
Variatia stocurilor	2,875,671	2,707,166
<i>Change in inventories of FG &amp; WiP</i>		
Materii prime si consumabile	(5,807,224)	(4,977,125)
<i>Raw material and consumables used</i>		
Cheltuieli de personal	(6,262,062)	(5,457,781)
<i>Personnel Expenses</i>		
Amortizare si deprecieri	(2,212,260)	(1,756,683)
<i>Depreciation and amortisation expenses</i>		
Alte cheltuieli din exploatare	(9,465,424)	(6,809,330)
<i>Other operating expenses</i>		
<b>Profit / (Pierdere) din exploatare</b>	<b>14,804,658</b>	<b>7,379,372</b>
<b><i>Profit / (Loss) from operation</i></b>		
Venituri financiare	421,379	262,413
<i>Financial income</i>		
Cheltuieli financiare	(1,085,092)	(880,760)
<i>Financial expenses</i>		
<b>Rezultat Financiar</b>	<b>(663,713)</b>	<b>(618,347)</b>
<b><i>Financial Result</i></b>		
<b>Profit / (Pierdere) inainte de impozitare</b>	<b>14,140,945</b>	<b>6,761,025</b>
<b><i>Profit before tax</i></b>		
Cheltuieli cu impozite	(1,583,229)	(656,368)
<b>Profit / (Pierdere)</b>	<b>12,557,716</b>	<b>6,104,657</b>
<b><i>Profit after tax</i></b>		
<b>Total alte elemente ale rezultatului global</b>	<b>-</b>	<b>-</b>
<b>Total other elements of other comprehensive income</b>		
<b>Total rezultat global</b>	<b>12,557,716</b>	<b>6,104,657</b>
<b>Comprehensive income total</b>		

*Toate sumele sunt prezentate in lei, daca nu este specificat altfel / All amounts in Lei, if not otherwise state*

## CEMACON SA

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

### 1. Legal principals

The interim consolidated financial statements as at 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements as at 31 March 2019 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 individual financial statements as of December 31, 2018.

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 2018.

### 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 2018.

### 3. Accounting estimates

The Group make 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

<b>Sale revenues</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Sales of finished goods	31,725,469	20,227,995
Sales of goods	2,105,958	2,436,350
Revenues from services rendered	84,564	92,281
Discounts granted	(2,065,009)	(1,270,615)
<b>Total</b>	<b>31,850,981</b>	<b>21,486,011</b>

*All amounts are in lei, if it is not otherwise presented*

The main income of the Group in 2019 were comprised of selling finished products 31.73 million lei, selling merchandise 2.11 million lei and services rendered 0.08 million lei, while the amount of commercial and financial discounts has been of 2.07 million lei.

**CEMACON SA**

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

**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.

<b>Other operational revenues</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Revenue from various services	4,551	10,831
Income from compensation	527,562	9,967
Income from subsidies for assets	18,910	18,910
Miscellaneous	1,679,290	772,929
<b>Total</b>	<b>2,230,314</b>	<b>812,637</b>

*All amounts are in lei, if it is not otherwise presented*

In the various categories, the income related to the receipt and revaluation of the debt at the date of the compliance with the greenhouse gas certificates in the amount of 1.67 million lei, as well as revenues from the sale of waste in the amount of 0.02 million lei. In 2010, the Group received a subsidy for investments amounting to 1.6 million lei, and in 2019 the company recognized as income for these subsidies the amount of 0.018 million lei. Subsidy income is recognized as amortization of the fixed assets it refers to. The recognized grant refers to the 15% grant from the amount of credit received by the company from EBRD sources for the energy efficiency project started in 2009 with the realization of the new brick factory in Recea.

<b>Other gains and losses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Income from the sale of assets	322	256,315
Expenses from the sale of assets	-	(234,100)
Revenue from the cancellation of provisions	1,594,339	1,352,262
From setting-up provisions	-	-
<b>Gains/losses Total</b>	<b>1,594,661</b>	<b>1,374,477</b>

*All amounts are in lei, if it is not otherwise presented*

**6. Operating expenses**

<b>Other operating expenses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Utilities	3,118,587	2,266,886
Repairs	369,431	299,904
Rent	83,978	72,441
Insurance	147,398	205,306
Personal training	12,256	20,060
Commissions	141,691	176,744
Advertising	692,094	59,441
Transport and logistics	3,442,367	2,367,385
Post and telecommunications	43,387	34,576
Other services provided by third parties	680,918	503,277
Taxes	553,219	508,040
Miscellaneous	180,098	295,270
<b>Total</b>	<b>9,465,424</b>	<b>6,809,330</b>

*All amounts are in lei, if it is not otherwise presented*



**CEMACON SA**

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

**7. Personnel expenses**

The structure and average number of employees is: 237.

<b>Average number of employees</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Administrativ staff	69	64
Personnel in production	168	140
<b>Total</b>	<b>237</b>	<b>204</b>

**8. Financial income and expenses**

<b>Financial income</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Income from interest	42,977	24,983
Other financial revenues	611	-
Exchange rate differences in income	377,790	237,430
<b>Total</b>	<b>421,379</b>	<b>262,413</b>

*All amounts are in lei, if it is not otherwise presented*

<b>Financial expenses</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Interest costs	(1,058,065)	(642,768)
Other financial expenses	(-)	(-)
Exchange rate differences	(27,026)	(237,992)
<b>Total</b>	<b>(1,085,091)</b>	<b>(880,760)</b>

*All amounts are in lei, if it is not otherwise presented*

Financial expenses mainly consist of the following categories: expenses concerning interest 1.058 mil lei, expenses relating to exchange rate differences related 0.027 mil lei.

Financial revenues are revenues from interest income 0.042 mil lei, exchange rate differences 0.377 mil lei.

**9. Inventory**

<b>Inventory</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Raw materials and consumables	5,517,628	4,664,417
Packing	2,884,504	2,953,498
Adjustments	(525,616)	(525,616)
WIP	113,177	116,243
Adjustments	-	-
Billets and finished products	10,517,243	7,899,792
Adjustments	(39,796)	(39,796)
Merchandise	1,718,221	1,722,262
Adjustments	(39,582)	(39,582)
<b>Total</b>	<b>20,145,780</b>	<b>16,751,218</b>

*All amounts are in lei, if it is not otherwise presented*

**CEMACON SA**

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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

<b>Raw materials and consumables</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Raw materials	2,618,554	1,211,978
Auxiliary materials	964,206	905,357
Packing	180,463	1,044,699
Merchandise	1,159,529	562,919
Inventory items	48,600	19,599
Other consumables	26,066	7,159
Miscellaneous	809,806	1,225,414
<b>Total</b>	<b>5,807,224</b>	<b>4,977,125</b>

*All amounts are in lei, if it is not otherwise presented*

**Inventory Adjustments**

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

**10. Commercial receivables and other receivables**

<b>Commercial receivables and other receivables</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Trade receivables	11,815,702	7,652,722
Adjustments for trade receivables	(1,616,756)	(1,616,757)
Intragroup receivables	-	-
Adjustments for intragroup receivables	-	-
Claims to associates / shareholders	-	-
Employees	-	-
Tax	-	794,393
Other receivables from the State Budget	849,730	864,503
Subsidies	-	-
Debtors and other receivables	10,909	11,087
Adjustments for other receivables	-	-
Interest to cash	-	-
<b>Total financial assets other than cash, classified as loans and receivables</b>	<b>11,059,585</b>	<b>7,705,948</b>
Advance paid	1,126,198	573,176
<b>Total</b>	<b>12,185,784</b>	<b>8,279,124</b>

*All amounts are in lei, if it is not otherwise presented*

**CEMACON SA**

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

**11.Share capital**

On March, 31, 2019 the share capital structure is:

<b>Structure of share capital</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Number of authorized actions	505,653,533 buc	478,530,935 buc
Number of shares subscribed and paid	505,653,533 buc	478,530,935 buc
Number of subscribed and unpaid shares	-	-
The nominal value of an action	0.10 lei	0.10 lei

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

Capital structure movements in the year 2019 can be seen in the following table:

	<b>31-Mar-19</b>		<b>31-Dec-18</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
Ordinary shares of 0.1 Lei each	478,530,935 buc	47,853,094 lei	113,990,218 buc	11,399,022 lei
Discounts by embedding losses	-	-	-	-
Emissions during the year	27,122,598 buc	2,712,259 lei	364,540,717 buc	36,454,072 lei
Acquisition of own shares	-	-	-	-
<b>TOTAL</b>	<b>505,653,533 buc</b>	<b>50,565,353 lei</b>	<b>478,530,935 buc</b>	<b>47,853,094 lei</b>

The shareholding structure on 31 December 2018 consists of:

<b>Shareholder</b>	<b>Shares</b>	<b>Percent</b>
S.C. DEDEMAN S.R.L.	200,126,326	41.8210%
BUSINESS CAPITAL FOR ROMANIA-OPPORTUNITY FUND COOPERATIEF U.A. loc. AMSTERDAM NLD	157,915,191	33.0000%
PIF Industrial	84,315,847	17.6197%
alti actionari / others	36,173,571	7.5593%
<b>TOTAL</b>	<b>478,530,935</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 12/31/2018

As a result of the transactions on the capital market in 2019, the shareholding structure on 10 April 2019 is composed of:

<b>Shareholder</b>	<b>Shares</b>	<b>Percent</b>
S.C. DEDEMAN S.R.L.	200,126,326	39.5778%
BUSINESS CAPITAL FOR ROMANIA-OPPORTUNITY FUND COOPERATIEF U.A. loc. AMSTERDAM NLD	157,915,191	31.2299%
PIF Industrial	84,315,847	16.6746%
Persoane fizice	59,033,660	11.6747%
Persoane juridice	4,262,509	0.8430%
<b>TOTAL</b>	<b>505,653,533</b>	<b>100.0000%</b>

Source: DEPOZITARUL CENTRAL Data: 04/10/2019

## CEMACON SA

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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### 12. Transactions with Affiliates

The Group consisting of Cemacon SA and Cemacon Real Estate respectively, prepares consolidated financial statements on 31 March 2019; Cemacon Real Estate is based in Jud. Salaj, Mun. Zalau, Str. Factory No. 1, CUI RO 32604048; The company is 100% owned by Cemacon SA.

The Group's affiliates in 2019 are:

- DEDEMAN SRL with registered office in loc Bacău, Str. Alexei Tolstoj, nr. 8, CUI 2816464, Nr.Ord.Reg.Com.: J04/2621/1992 – significant shareholder;
- PIF INDUSTRIAL SRL with registered office in loc Bacău, Str. Alexei Tolstoj, nr. 8, CUI 18227759, Nr.Ord.Reg.Com.: J4/2200/2005 – shareholder;
- DEDEMAN AUTOMOBILE SRL– Municipiul Bacău, Strada Alexei Tolstoj, Nr. 8, Judet Bacău; Nr.Ord.Reg.Com.: J4/ 2621/1992 - company from Dedeman group;
- Business Capital for Romania Opportunity Fund Cooperatief U.A., Olanda - CCI 52441326 – significant shareholder;
- Orion Strategy Solution Srl with registered office in jud. Cluj, loc. Cluj-Napoca, str Artelor, nr. 7; CIF Ro26118990; R.C. J12/3026/2013; President of Board of Directors Cemacon SA, Liviu-Ionel Stoleru CEO Cemacon SA is the Director of Orion Strategy Solution Srl and representative of this entity in the Board of Directors of Cemacon SA;
- Liviu-Ionel Stoleru – General Manager and President of Board of Directors
- Sologon Daniel – Financial Director
- Ana-Barbara Bobirca – member of the Board of Directors
- Dana-Rodica Beju – member of the Board of Directors
- Dragos Paval – member of the Board of Directors – interim administrator
- Marian Adam – member of the Board of Directors – interim administrator

**CEMACON SA**

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
 pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

**Transactions with Affiliates (Continued)**

Transactions with affiliated parties are summarized in the following table:

Affiliates	Sales		Acquisitions	
	1 Jan – 31 Mar 2019	1 Jan – 31 Mar 2018	1 Jan – 31 Mar 2019	1 Jan – 31 Mar 2018
Dedeman SRL	5,157,221	3,346,326	61,665	44,452
<b>Total</b>	<b>5,157,221</b>	<b>3,346,326</b>	<b>61,665</b>	<b>44,452</b>

*All amounts are in lei, if it is not otherwise presented*

Balances with affiliated parties are summarized in the following table:

Affiliates	Receivables from affiliated parties		Debts to affiliated parties		Given loans	
	31-Mar-2019	31-Dec-18	31-Mar-2019	31-Dec-18	31-Mar-2019	31-Dec-18
Dedeman SRL	149,749	-	26,942	342,771	-	-
<b>Total</b>	<b>149,749</b>	<b>-</b>	<b>26,942</b>	<b>342,771</b>	<b>-</b>	<b>-</b>

*All amounts are in lei, if it is not otherwise presented*

## CEMACON SA

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

### 13. Cash and cash equivalents

<b>Cash and cash equivalents</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Available in the bank	17,518,321	19,522,796
Cash and cash equivalents	25,294	604
<b>Total</b>	<b>17,543,615</b>	<b>19,523,400</b>

On March 31, 2019 there are no financial instruments that generate exposure to credit risk. Cash balances denominated in foreign currency at 31.03.2019 are not material.

### 14. Adjustments of accounting errors

During January-March 2019, the Group did not record corrections of accounting errors, related to the previous years.

### 15. 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 person, founded as a joint stock company based on GD No.1200 / 1991 with headquarters in Cluj-Napoca, 48, Dorobantilor str., Silver Business Center building, 1st floor, Cluj county. The company's main activity is "Manufacture of bricks, tiles and other construction products, from burned 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 2018 and 31 March 2019 are:

<b>Foreign currency</b>	<b>Abbreviation</b>	<b>Exchange rate</b>	
		<b>31-Mar-19</b>	<b>31-Dec-18</b>
Dolar SUA	USD	4.2434	4.0736
Euro	EUR	4.7628	4.6639

#### **Fees paid to auditors:**

All fees paid refer to audit services on the individual financial statements prepared by the Group in accordance with IFRS. The auditor of the company is SC Deloitte Audit SRL.

## CEMACON SA

Note selectate la situatiile financiare consolidate (*Notes to consolidated financial statements*)  
pentru perioada incheiata la 31 Martie 2019 (*for the period ended 31 March 2019*)

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### **Amendamente:**

Administrators do not have the right to subsequently amend the financial statements. The financial statements together with the notes to the financial statements are authorized to be issued on May 15, 2019. It is not possible for the financial statements to be amended after they have been issued.

The quarterly financial statements were not audited.

## **16.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.

Chief Executive Officer

Stoleru Liviu

Signature \_\_\_\_\_

Chief Financial Officer

Sologon Daniel

Signature \_\_\_\_\_

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The information contained in this document are provided under IFRS (International Financial Reporting Standards). The company has made every effort to ensure the information presented is complete, accurate and free of material errors. Where necessary, both the company and management, used the professional judgment in conjunction with interantional 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.