

To: Bursa de Valori București S.A.

Autoritatea de Supraveghere Financiară

CURRENT REPORT 39/2022

According to Law nr. 24/2017 regarding issuers of financial instruments and market operations, ASF regulation nr. 5/2018 regarding the issuers of financial instruments and market operations and/or the Bucharest Stock Exchange Rulebook for Multilateral Trading System.

Date of report	15.11.2022
Name of the Company	ROCA INDUSTRY HOLDINGROCK1 S.A.
Registered Office	4 GARA HERASTRAU street, BUILDING A, Floor 3, Sector 2, Bucharest
Phone	+40 31 860 21 01
Email	investors@rocaindustry.ro
Website	www.rocaindustry.ro
Registration nr. with Trade Registry	J40/16918/2021
Fiscal Code	RO 44987869
Subscribed and paid share capital	176,945,730 lei
Total number of shares	17,694,573
Symbol traded instruments	ROC1
Market where securities are traded	MTS AeRO Premium

Important events to be reported: Availability of the Q3 2022 Results

The management of Roca Industry HOLDINGROCK1 S.A. (hereinafter referred to as “Roca Industry” or the “Company”) informs the market about the availability to the public of the Q3 2022 financial results.

The results are available on the website of the company, Roca Industry, in the dedicated section “Investors” / “Financial Results”, on the website of the Bucharest Stock Exchange, www.bvb.ro, symbol: ROC1, as well as are attached to this current report.

Evolution of the main indicators in the third quarter of 2022:

Mil. RON	Combined results 9M'22	Consolidated results 9M'22	Normalized results 9M'22
Operating Income	307.04	208.24	307.04
EBITDA	39.66	24.87	39.66
Net profit	24.79	6.58	15.72
Profit related to the parent company	-	3.71	11.46
Profit related to non-controlling interests	-	2.86	4.26

ROCA Industry, the holding company that brings together the construction materials companies in the ROCA Investments portfolio, reports consolidated revenues of RON 208.2 million at

consolidated level, EBITDA of RON 24.9 million and a net profit of RON 6.6 million. During the first nine months of this year, **the four companies included in the consolidation perimeter** (without Dial) recorded **increases in turnover** (between 16% and 37%) compared to the same period of 2021, proving their ability to integrate the increased prices of raw materials into the price of the sold products, as a result of the difficult market conditions, which had an unpredictable behavior in the macroeconomic context. At the consolidated level, 41% of the operating income was obtained in the third quarter of the year. **Consolidated EBITDA stands at a level of 12%** of operating income. Consolidated net profit is reduced by RON 6.7 million from the **impact of depreciation of goodwill, licenses, brands and customer relations**.

Roca Industry is a holding company that manages the companies in the portfolio, without having an independent activity. **At the end of September 2022, the Holding held stakes, directly or indirectly, in five directly productive companies** (Bico, Sarcom, Terra, Eco Euro Doors, Dial) and controlled three investment vehicles (SPVs – Colorock13, Doorsrock4 and Nativerock1).

Since **three directly productive companies were acquired during 2022**, at different times (Terra in March, EED in May and Dial in September), the direct or indirect holdings of Roca Industry in these companies being distinct (Sarcom – 100% , Bico – 70%, Terra – 70%, EED – 70%, Dial – 100%), this aspect affecting the comparability of the data, for a more complete picture, the company's management presents the results of the group in three forms:

- **consolidated results**, in accordance with the legislation in force, in which only the results of those companies that are owned for at least one month at the reporting date are included. The performance of each company included in the holding is taken into account from the moment of inclusion in the reporting, without including previous achievements. Thus, in the consolidated financial statements of Roca Industry for the first 9 months of 2022, the performance of Terra can be found starting from Q2 2022, the performance of EED is incorporated starting from June, and the results of Dial are not included following the completion of the acquisition at the end of September. Additionally, the consolidated net result is reduced by the impact of depreciation of goodwill, licenses, brands and customer relations, expenses amounting to RON 6.7 million for 9M 2022, elements that appear only in the consolidated financial statements, without being reflected and having impact on individual or combined ones.
- **combined results** that show the image of the combined indicators at the group level, by adding up the individual performance of each subsidiary over the entire reporting period, regardless of the moment of its acquisition and without considering the share of Roca Industry holdings in the share capital of each company. The objective of the combined financial statements is to present financial information in a format that allows comparability with the previous year, without the percentage of ownership and acquisition date figures being affected. In other words, the combined results show the activity of the company itself, without the influence of corporate events. These results do not include the impact of expenses of RON 6.7 million with the depreciation of goodwill, licenses, brands and customer relations.
- **normalized results** are calculated starting from the consolidated profit and loss account for the first 9 months of 2022, to which the performance of newly acquired companies during the year is added, without taking into account the date of acquisition. Thus, considering that the structure of the transactions assumed that the net results prior to the acquisitions remain at the disposal of Roca Industry, these results transpose the performances of EED, Terra and Dial as if they were in the Roca Industry portfolio from

January 1, 2022. Thus, in our opinion, the normalized profit is the profit actually attributable to Roca Industry, capable of being used in a possible PER calculation (price-to-earnings ratio, one of the most used indicators for evaluating listed companies).

On a combined level, the increase in **operating income** (+24% compared to 9M 2021) was due, in part, to higher prices of goods sold in order to incorporate higher raw material costs in the final months of the period, but also to higher volumes sold as a result of the investments made during the years 2021-2022 and the adaptation of commercial strategies and portfolios to the evolution of the market.

Market conditions negatively influenced the activity of the five directly productive companies in the portfolio, with operating expenses for raw materials and consumables increasing in some periods more than operating income. Thus, the directly productive companies obtained an **EBITDA** in 9M 2022 which, combined, is 4.6% lower compared to 9M 2021. At the level of the entire holding, EBITDA decreased by 9.9%, being eroded by the expenses recorded at of the holding company and those of its investment vehicles. At the combined level, the EBITDA margin was 13% of operating revenues.

The increase in bank interest combined with higher indebtedness, as well as additional expenses with depreciation following the investments made, generated a combined profit 45% lower than in Q3 2021 for the five directly productive companies, respectively 39.6% lower if we consider the SPVs and holding company.

Statement by Ionut Bindea, President of the Board of Directors and interim General Manager of ROCA Industry:

“The development plans at the holding level remain focused on three pillars: carrying out M&A transactions, by penetrating as many sectors as possible in the field of construction materials, developing of the companies in the holding company through M&A transactions, by acquiring competitors, as well as operational and organizational development of the companies within ROCA Industry, by transforming them from entrepreneurial businesses into complete companies from the point of view of internal organization, as in the case of BICO and Sarcom”

Ioan-Adrian Bindea
President of the Board of Directors