

To: Bursa de Valori București S.A.

Autoritatea de Supraveghere Financiară

CURRENT REPORT 05/2023

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	28.02.2023
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 2022 preliminary financial results

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

The financial results are available on the company's website, ROCA Industry, in the "Investors" / "Financial results" section, as well as on the profile of the issuer on the website of the Bucharest Stock Exchange, www.bvb.ro, symbol: ROC1, and are also attached to this current report.

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

"The results obtained in 2022 reconfirm Romania's ability to develop regional industrial champions, under a high-performance holding management, which wants to put this giant that has been dormant for a long time - the country's industry - on the European map. We are thus moving towards the next development stage of ROCA Industry: the listing on the main market of BVB in 2023, together with a share capital increase. Our objective is to manage a portfolio of companies with at least 10 performing factories, with a significant presence on the European markets and to reach a cumulative turnover of almost 150 million euros at the end of 2023.

Our vision is to replicate across the entire portfolio the model of the regional champion BICO: it is already the largest producer in central and eastern Europe and is approaching the top 3 on European level."

Roca Industry's individual performance:

The net profit of Roca Industry is RON 2.6 million. This result was generated by **financial revenues in the amount of RON 6.9 million** (out of which RON 3.2 million come from dividends distributed by Bico for 2021 financial year), from which the holding's operating expenses and financial expenses were deducted.

The performance of Roca Industry - Evolution of the main preliminary indicators in 2022:

Million RON	Combined Results FY '22	Consolidated Results FY '22	Normalized Results FY '22
Operating income	388.11	278.39	388.11
EBITDA	39.06	23.01	39.06
Net income	21.67	(4.77)	5.33
Profit related to the parent company	-	(6.32)	2.86
Profit related to non-controlling interests	-	1.55	2.47

Roca Industry is a holding company that manages the companies in its portfolio, without having independent operational activity. **At the end of 2022, the Holding held stakes in six productive companies**, either **directly** (Bico, Sarcom, Eco Euro Doors, Dial) or **indirectly** (Terra and Europlas) and controlled two investment vehicles (SPVs – Doorsrock4 and Nativerock1). **Four of the six companies were acquired during 2022**, in different moments, Roca Industry's direct or indirect holdings in these companies being distinct. As the accounting rules do not reflect the terms of the takeover contracts of these companies, for a more accurate picture of reality, the company's management presents the group's results in the table above in three forms:

- **consolidated results** in which, according to the accounting rules in force, the performance of each company included in the holding is taken into account from the moment of inclusion in the reporting, without taking into account previous achievements or the provisions of the transaction documents. Consolidation is carried out according to the shares held by the holding company in each company. The consolidated net result is reduced by the impact of amortization of goodwill, licenses, brands and customer relations, expenses amounting to RON 10.4 million for the entire year 2022, elements that appear only in the consolidated financial statements, without being reflected and having impact on individual or combined ones;
- **combined results** reflect the combined indicators at the Group level, by summing 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. 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 the expenses of RON 10.4 million with the amortization of goodwill, licenses, brands and customer relations, nor the impact of the adjustments imposed by the consolidation principles;
- **normalized results** reflect how the transactions were structured and are calculated starting from the consolidated profit and loss account for 2022, to which the performance of the newly acquired companies during the year is added, without taking into account the date of acquisition. Thus, considering that the structure of the transactions stipulated that the net results prior to the acquisitions remain at the disposal of Roca Industry or Bico (entirely in the case of Terra and partially in the case of Europlas), these results transpose the performances of EED, Terra, Dial and Europlas as if they were in Roca Industry's portfolio starting January 1, 2022. Thus, the normalized profit is the profit actually attributable to Roca Industry, appropriate to be used in a possible calculation of the PER (price-to-earnings ratio, one of the most used indicators to evaluate listed companies).

Consolidated performance of Roca Industry:

ROCA Industry, the holding that brings together the construction materials companies in the ROCA Investments portfolio, reports preliminary consolidated revenues of RON 278.39 million, preliminary EBITDA of RON 23.01 million and a preliminary net loss of RON 4.77 million. During 2022, **the five**

companies included in the consolidation perimeter recorded **increases in turnover** (between 14% and 40%) compared to 2021. This increase came mainly from the ability of the companies to integrate, partially or fully, increased prices of raw materials as a result of difficult market conditions, in the price of the sold products. Due to the fact that the first three months and the last three months of each year are affected by strong seasonality in the construction materials industry, **consolidated EBITDA stands at 8.7% of operating income**. The preliminary consolidated net result is reduced by RON 10.4 million from the **impact of amortization of goodwill, licenses, brands and customer relations**.

The combined performance of Roca Industry:

At a combined level, in 2022, the Group recorded **operating income in total amount of RON 388.1 million**.

Although impacted by the atypical market context, with higher raw material costs in the last months of the year, the productive companies achieved a **combined EBITDA of RON 42.7 million**, respectively an **EBITDA margin of 11%**. At the level of the entire holding, EBITDA, in the amount of RON 39.1 million, was eroded by the operating expenses recorded by the holding and its investment vehicles. Thus, at a combined level, the EBITDA margin represents 10.1% of the operating revenues.

The increase in bank interest combined with higher indebtedness as well as the additional expenses with amortization following the investments made, generated for the directly productive companies a **combined profit of RON 21.6 million (5.6% net profit margin)**. The impact of the SPVs and the holding was minor, the combined net profit in the situation where these companies are also taken into account, being in the amount of RON 21.7 million (net profit margin of 5.6%).

Ioan-Adrian Bindea

President of the Board of Directors