

CONSOLIDATED REVENUE AND EXPENSES BUDGET FOR 2023

During 2023 Roca Industry will continue to take steps towards Romania's reindustrialization. After a 2022 in which the holding grew primarily through M&A, this year will be the year of consolidation for Roca Industry. The company's management expects an unfavorable environment, at least in the first 2-3 quarters, and the main plans are focused in such respect. How to navigate troubled waters and emerge from the storm stronger than we entered. How to be agile and resilient, attentive to market opportunities, ready to strengthen our position.

Therefore, the 2023 main objectives, at consolidated level, are to ensure the Group's solid growth, generating a gross margin of 26%, EBITDA margin of 14% and a net margin of 4%.

Consolidated Revenues and Expenses Budget for 2023	Amount (Ron)
Turnover	466,307,773
Total direct costs	343,397,816
Gross Margin	122,909,957
GM %	26%
Total indirect costs	58,398,408
EBITDA	64,511,548
EBITDA %	14%
EBIT	39,098,928
EBIT %	8%
Net result	18,337,433
Net result %	4%

The objective of Roca Industry is to contribute to the reindustrialization of Romania, by adding to the Holding several companies in the field of construction materials, whose value will increase over time through the correct and coherent application of business strategies suitable for each one.

The data presented above takes into account Roca Industry's ownership in each company as well as the individual budgets of these companies.

During 2023 Roca Industry, through its subsidiaries, aims to achieve a turnover RON 466.3 mn up by 77% compared to the 2022 consolidated results. This growth is based on the expansion of distribution channels, an increase in quantities sold, and the full inclusion in the consolidated financial statements of the companies that were acquired during 2022.

The direct costs include all expenses involved in the production process of the companies and factories held (e.g. raw material costs, inventory changes, goods costs, personnel costs, etc.), while indirect costs include also the holding expenses.

Following the projected investments for 2023, EBITDA is estimated to amount to RON 64.5 mn, 2.8 times higher as compared to 2022 EBITDA. This is eroded by amortization of goodwill, licenses, brands and customer relationships identified as a result of business combinations in amount of RON 12 mn, amortization of subsidiaries' fixed assets, negative financial result (mainly bank interest) and income tax.

Thus, Roca Industry aims to obtain a consolidated net profit of RON 18.3 mn during 2023. Except for Sarcom, which merged with Colorock13 at the end of 2022, the goodwill, licences, brands and customer relationships are items that only appear in the consolidated financial statements, not being reflected or having any impact in the individual financial statements.

The key indicators forecasted for the Roca Industry Group's companies are detailed in the next table.

Key indicators forecasted for 2023	Sarcom	Bico Group	EED and Doorsrock (consolidated)	Dial and Nativerock (consolidated)
Turnover	98,568,212	194,055,589	90,441,074	83,242,897
Gross Margin	32,326,034	43,213,605	26,738,336	20,631,981
GM %	33%	22%	30%	25%
EBITDA	13,871,433	29,075,619	15,375,671	13,925,141
EBITDA %	14%	15%	17%	17%
EBIT	5,717,052	24,185,112	9,140,912	10,668,254
EBIT %	6%	12%	10%	13%
Net result	804,971	16,075,940	3,582,955	4,910,967
Net result%	1%	8%	4%	6%

The Holding's objective is that within 3 years from establishment to operate through 8-10 complementary companies, which will make acquisitions as well. 2023 is the second year of the Holding's activity on the market.

It is important to note that the data presented above does not include new transactions in which the holding company is/will be involved during 2023. At this moment Roca Industry does not have an overview of these transactions, but targets three transactions to take place, either directly in the holding company or in group companies, with a total value of at least EUR 20 million, companies that will add at least EUR 3 million/year to the cumulative EBITDA. The company's management will keep the market informed via current and/or financial reports as soon as additional information is available.