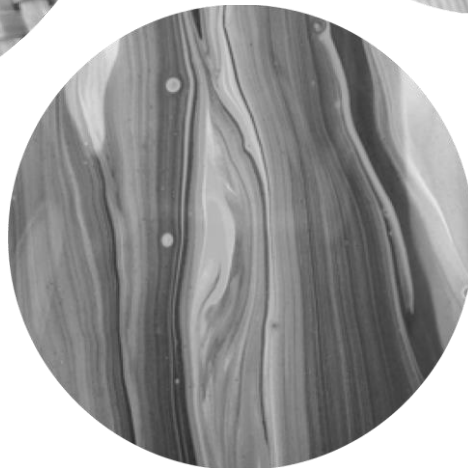
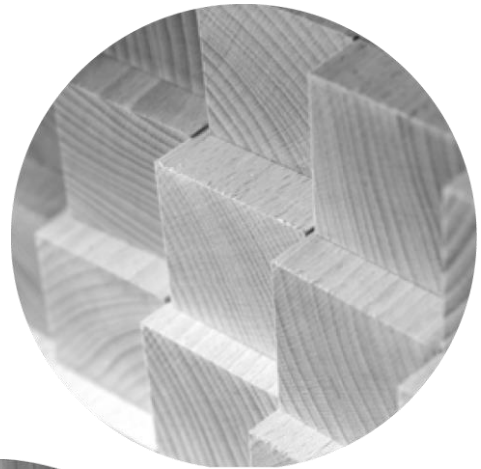
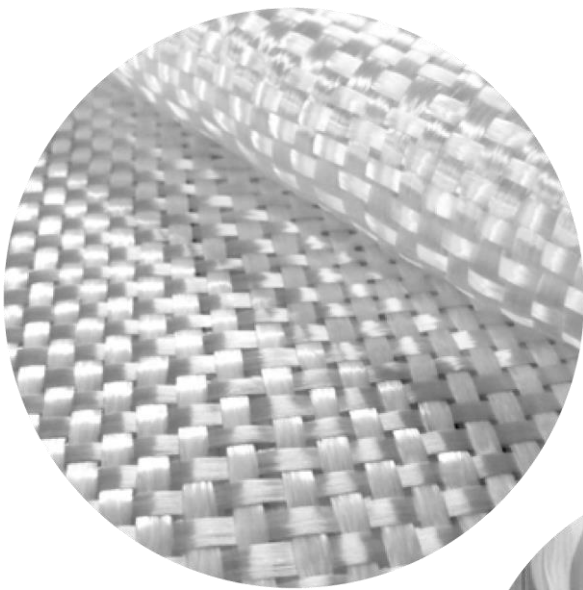


# FINANCIAL REPORT

FOR H1 2023



Company listed on AeRO market  
of the Bucharest Stock Exchange

**SYMBOL: ROC1**

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# COMPANY INFORMATION

## INFORMATION ABOUT THIS FINANCIAL REPORT

Report type According to	Half year report H1 2023 Annex 14 to the FSA Regulation no. 5/2018
For the financial period Date of publication of the report	01.01.2023 – 30.06.2023 18.08.2023

## ISSUER INFORMATION

Name	ROCA INDUSTRY HOLDINGROCK1 S.A.
Fiscal code	RO 44987869
Trade Register registry number	J40/16918/2021
Registered office	4 GARA HERĂSTRĂU street BUILDING A, Floor 3, District 2 Bucharest

## INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	RON 176.945.730
Market on which the securities are traded	SMT-AeRO Premium
Total number of shares	17.694.573
Symbol	ROC1

## CONTACT DETAILS FOR INVESTORS

Phone number	+40 723 511 138
Email	investors@rocaindustry.ro
Website	www.rocaindustry.ro

The financial statements as of 30 June 2023 presented in the following pages are **unaudited**.

**Disclaimer:** The financial figures presented in the descriptive part of the report, expressed in millions of lei, are rounded to the nearest whole number and may lead to small differences in regularization.



## Message **FROM THE CEO**

*Ioan-Adrian Bindea*



Dear Shareholders,

I start with the hope that this is the last quarterly report we publish on the Aero market and that our future reports will be made as a company admitted to trading on the main market of the BVB. Thank you for your trust since our inception and we assure you that our main goal is to grow the company's value in a sustainable and long-term manner.

We will be extremely honoured if the trust you have placed in us so far is matched by your participation in this autumn's share capital increase with the aim of moving to the main market of the BVB. Our promises remain the same: we will make every effort; we will be transparent, and we will do things right.

We will continue to reindustrialise Romania and implement our plan to build regional champions who can stand proudly alongside Europe's leading manufacturers through re-technology, digitalisation, and sustainable innovation.

I have re-read the messages sent on previous reports. To move forward with confidence, it is good to look back and take the lessons of the past - I have tried to see if there are any messages that should be corrected on this occasion or if there is anything I have fundamentally misjudged.



## Message

### FROM THE CEO

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We said at the beginning of the year that we expect quarters 2 and 3 to be difficult. The evolution of the sector so far and the reports published by other players in our sector confirm it. ”

We are operating in a temporarily shrinking market with extremely high margin pressure and expect this to continue in Q3. Also, as I write this, there have been proposals to change some tax issues and, unfortunately for the whole Romanian economy, these will impact the construction sector and therefore the demand for building materials. This is the context in which we are playing and will continue to play.

I have written before that ROCA Industry will not publish budgets built to be reliably outdated. Our budgets will always be hard targets and we take the risk of missing them. We base them on the integration of macroeconomic factors, on an understanding of market movements both globally and locally, circumstances that have changed over time.

This, coupled with the promise of transparency, of doing things the right way, means we are not updating this year's budgets. We know that we are likely not to meet them, but we have decided not to publish others, just to tick at the end of the year that we have met them. However, for your information, we will publish an updated estimate of the year-end results as we see them now. It is our way of delivering on our promise of transparency and our promise of ambition.

“ “ We also promised growth through M&A, and we are close to delivering. We have promised 3 deals, so far, we have completed 2 and the third is in advanced negotiations. We have a private equity background on the team, consistent M&A expertise in the industry and we will continue to use all these differentiators to grow the holding company.

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## Message

### FROM THE CEO

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We are entering a period of many opportunities and will be careful to take advantage of as many of them as possible. ”

We have continued the effort to complete the management teams. In the first 6 months of the year, we were joined at holding level by a COO, and in companies by 2 CEOs, 3 CCOs, 2 CFOs, one COO and 2 HR managers. We are convinced that the new colleagues will make their mark on the results of the holding company already this year.

Going beyond the results presented below, I would like to make a few relevant points. The most encouraging is that, in this complicated context, most of our companies are gaining market share. We have announced that one of our objectives is to "emerge stronger", to come out of this year stronger and we have clear prospects of success.

In a market that is down by double digits, and in some sectors even by 20-30%, many of our companies sold higher volumes than last year. Evolor is all numbers above last year (+22% in volume H1 2023 vs H1 2022), Electroplast, our latest acquisition, had its best month in its 30-year history in June both in terms of numbers and volume (+11% in volume H1 2023 vs H1 2022), while Bico kept the same volumes on mesh and Turbotex, but grew 17% on corners. Even our companies with moderate evolution, Eco Euro Doors with -14% and Dial with -30% are also in line with the market evolution. We look at these gains, they are in line with what we have set out to do and we intend to build on that. The companies in the group benefit from the support of the holding company, both financially and through know-how, and this gives them a significant competitive advantage.



## Message

### FROM THE CEO

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All these gains were made possible with a marketing effort unmatched in the history of these companies. We continued to improve the Evolor brand and the Sticky and Coral commercial brands, we finalized the positioning strategy of Eco Euro Doors, but mainly we launched the campaign "Attention, NO plaster falls!" at Bico Industries. It is a campaign where we try to educate the market that whole streets of crumbling buildings are not the norm.



In a market where irregularities are accepted as 1.5mm copper electrical cables with actual thicknesses of less than 1.2mm, 3.5mm fence panels where over 90% of the bars are 3.2mm thick or 140g/sqm fiberglass mesh with actual weights of less than 120g/sqm, we still respect our customers, guaranteeing for the quality of the products offered and professionalism. Because we know that this is how regional champions are built, ROCA Industry is also about being fair to our customers, and our products are also about the safety of ourselves, our families, our children.

Through the project we carried out this summer, part of the newly launched CSR platform, Industry of Good Deeds, where we renovated the school in Sălcioara, Ialomița county, we learned that our products are mostly about the joy of children opening a beautiful door, to enter a freshly painted classroom, with age-appropriate decorations, in a thermally insulated building, with all the necessary comfort, in a school where they love to go every day. Thus, we understood that our companies' mission is not to produce paint, doors, or netting, but to bring joy, comfort and contribute to Romania's future.

Looking ahead, the coming period will focus on 2 main plans.



## Message

### FROM THE CEO

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I refer here to the capital increase and the transfer to the main market. This is another promise I made, and I thank you for your vote at the GMS. This increase will allow us to strengthen value in the Holding by increasing the number of companies owned, it will bring value to shareholders by building a strong Holding with an established growth model, it will bring value to consumers through more, better quality products. ”

The second plan is the operational one, where we will continue to focus on the same guidelines. Commercially, we will continue to optimise our strategy and tactics and adapt them to the current context. From a marketing point of view, we will continue to build strong brands that support sales. Operationally, we will continue to invest in new production equipment and optimise flows, implementing synergies and cost optimisation processes.

Thank you for your trust, support and especially for working together to reindustrialize Romania.

Ioan-Adrian Bindea  
Chief Executive Officer







## Message **OF THE CFO**

*Valentin Albu*

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Dear shareholders,



As a guardian of value in the Holding and its companies, I look closely at our figures and results.

In an economic context marked by unpredictability, when the figures look different than we intended, the first impulse is to look at ourselves, to analyse what we assumed wrong, what we implemented wrongly, to assume failures and to understand the consequences.

But such an approach looks to the past. To understand the future without ignoring the careful analysis of the past, it is essential to understand the story that the figures tell. Per se, the numbers may lay the foundation, but it is the story behind them that interweaves knowledge as the basis for determining the future.

We have mentioned in previous months that we are looking at alternative plans and trying to maintain our agility and flexibility, two fundamental elements for resilience and anti-fragility.

So, when the market context identified accelerated changes in raw material prices, seasonal fluctuations in construction, and a drop in consumption, we bet on market share over margin. Because it is more important to come out of difficult times with a stable customer base - not to the detriment of cash, of course - a base that can ensure accelerated growth when the market rebounds.



## Message OF THE CFO

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We are also making efforts to target through our commercial teams and product developments the consumer segments typical of these periods - sectors supported by infusions of funds. ”

All our companies have had a minimum of one export so far, this is yet another alternative to the original strategic plan implemented nimbly by my colleagues in each company.

We have tried to look objectively towards the end of this year, based on what we know so far, the efforts we have made and the alternative plans on which we are working.

Personally, I want the plans and the reality to overlap as much as possible, and ideally the figures should reflect the intention of accelerated growth. I also understand that delivering shareholder value means building sustainably, and above all optimally for the future.

Thank you in turn for your trust, for the stability with which you support this project and I hope to see you again at the next report on the main market of the BVB; so that the value added by our Holding can access an even greater speed of growth.

**Valentin Albu**  
**Chief Financial Officer**



# EXECUTIVE SUMMARY

**The H1 2023 Financial report** of ROCA Industry Holdingrock1 S.A. contains a brief presentation of the company and its subsidiaries, presents the main events that took place during 2023 and up to the date of the present report, the ROC1 shares' evolution on the capital market and explains the individual financial results of the Company, as well as the consolidated ones at holding level, including also its subsidiaries.

## **The main events during the first half of 2023 and up to the date of this report**

- **Two acquisitions finalized and an ongoing advanced negotiation**
  - **Full takeover of Iranga Technologijos, UAB** by Bico, transaction through which Bico extended its activity in Lithuania;
  - **Completion of 99.99997% of Electroplast S.A. share capital** one of the largest manufacturers of electrical low-voltage copper and aluminum cables;
  - **Advanced negotiations for the acquisition**, by EED, of a majority stake in the share capital of **Workshop Doors S.R.L.**, company active since 2009 on the interior door market in the region, with two production facilities in Reghin and Petelea; through this acquisition, EED would achieve increased production capacity and diversification with new and competitive products, covering all price segments and ensuring a varied offer of products available on the Romanian market and on foreign markets;
- **Shareholders approval of ROCA Industry's share capital increase, together with company's transfer on the main market of BSE**, the company being currently in the process of preparing all the necessary steps;
- **Completion of the mergers between EED and Doorsrock4 and between Dial and Nativerock1** (investment vehicles through which the two companies were acquired, with the aim of obtaining the credit facility to ensure the necessary financing structure), key conditions agreed with the lenders in order to obtain the credit facilities and the subsequent financing of the companies

# EXECUTIVE SUMMARY

- **Release of the first Sustainability Report** which describes the activities of the holding and its companies, and in its preparation the Company anticipated the application in Romania of Directive 2022/2464/EU on corporate sustainability reporting, starting with the 2024 financial year.

## H1 2023 financial results

ROCA Industry is the holding company that manages the companies in the Group, without having operational or production activity of its own. At the end of June 2023, the Holding held stakes in eight productive companies, Bico, Evolor (former Sarcom), Eco Euro Doors (EED), Dial Hărșova (Dial) and Electroplast (ELP) directly, as well as in Terra, Europlas Lux and Iranga – indirectly, through Bico, and controlled two investment vehicles (SPVs – Doorsrock4 and Nativerock1). The complete picture of the entire group of companies is presented on page 19.

Four of the eight companies were acquired during 2022, at different times (Terra in March, EED in May, Dial in September and Europlas in October) and two acquisitions were finalized during 2023 (Iranga in May, Electroplast in June). The direct or indirect holdings of ROCA Industry in these companies were distinct at the report date (Evolor – 100%, Bico – 70%, Terra – 70% (in which Bico holds 100% of the share capital), EED – 100%, Dial – 100%, Europlas – 38.5% (in which Bico holds 55% of the share capital) and Electroplast – 99.99997%. For a more accurate picture of reality, the company's management presents the group's results in two forms: consolidated results and cumulated results.

RON mn	H1 '23 cumulated results	H1 '23 consolidated results
Turnover	289.5	205.6
EBITDA	17.9	11.4
Net profit	0.3	(8.4)
<i>Profit related to the parent company</i>		(8.0)
<i>Profit related to non-controlling interests</i>		(0.4)

Amounts presented in RON million

**Consolidated results** in which, according to the accounting rules in force, the holding company is obliged to include in the scope of consolidation only those companies in which it holds majority stakes for at least one month at the reporting date. **In terms of comparability between the two periods (H1 2023 vs. H1 2022), we would like to note that:**

# EXECUTIVE SUMMARY

- H1 2023 financial results include all the companies acquired in 2022 (Terra, EED, Dial and Europlas) and Iranga's results for May-June 2023,
- H1 2022 financial results include only the performance of Terra for Q2 2022 and that of EED for June 2022.

Thus, most of the transactions finalized in 2022 had no impact on the H1 2022 consolidated results. Consolidation is based on the holding company's stake in each company.

Consolidated EBITDA in the amount of RON 11.4 mn is reduced by the impact of amortization of goodwill, licenses, brands and customer relations, expenses amounting to RON 3.2 mn for the first six months of 2023 (without being reflected and having impact on individual or combined financials).

- **The cumulated results have the objective to present financial information in a format that allows comparability with the previous year, without figures being affected by the percentage of ownership and acquisition date. These are relevant as they show the activity of the company itself, without the influence of corporate events.** The cumulated results are 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. These results do not include the impact of the expenses of RON 3.2 mn with the amortization of goodwill, licenses, brands and customer relations, nor the impact of the adjustments imposed by the consolidation principles.

## Cumulated financial performance

- At a cumulated level, in the first six months of 2023, the Group recorded a turnover of RON 289.5 million, 5.7% up compared to H1 2022.
- Despite difficult market conditions, all the productive companies, except for Europlas there ROCA Industry indirectly holds a minority stake, recorded **positive EBITDA**. At cumulative level, they recorded an **EBITDA in amount of RON 17.9 mn** and an **EBITDA margin of 6.2%**. As compared to the first half of 2022 (an atypical period, with higher sales than in a normal period and with larger margins), 2023 is considered to be a difficult year in terms of performance, on the one hand due to macroeconomic conditions (high inflation and interest rates and lower demand), but also due to fluctuating raw material prices with a strong and rapid impact on the financial performance of productive companies that need inventories of raw materials purchased in time for seasonal periods. For these reasons, the comparability of H1 2023 with H1 2022 is affected.

# EXECUTIVE SUMMARY

Cumulated profit and loss indicators	Results for H1 2023 (RON th)			H1 2023 EBITDA margin	H1 2023 net profit margin	Change in H1 2023 vs H1 2022		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
<b>Evolor</b>	49,554	8,349	1,475	16.8%	3.0%	32.5%	82.5%	-59.9%
<b>Bico</b>	73,349	384	(1,593)	0.5%	N/A	21.3%	-95.4%	N/A
<b>Terra</b>	23,068	1,268	683	5.5%	3.0%	-6.7%	-57.5%	-69.8%
<b>Europlas Lux</b>	2,447	(230)	(329)	N/A	N/A	-47.2%	N/A	N/A
<b>Iranga</b>	5,407	911	561	16.8%	10.4%	-3.7%	N/A	N/A
<b>EED</b>	29,644	1,554	(1,038)	5.2%	N/A	-11.7%	-78.6%	N/A
<b>Dial</b>	28,601	2,680	1,223	9.4%	4.3%	-30.4%	-64.4%	-73.3%
<b>Electroplast</b>	77,450	3,016	(639)	3.9%	N/A	16.6%	-38.9%	N/A
<b>Total companii</b>	<b>289,519</b>	<b>17,933</b>	<b>343</b>	<b>6.2%</b>	<b>0.1%</b>	<b>5.7%</b>	<b>-50.3%</b>	<b>-98.5%</b>
<b>ROCA Industry</b>	-	(2,885)	615	N/A	N/A	N/A	163.2%	N/A
<b>Doorsrock4</b>	-	(75)	(821)	N/A	N/A	N/A	536.9%	172.7%
<b>Nativerock1</b>	-	(124)	(1,084)	N/A	N/A	N/A	N/A	N/A
<b>Colorock13</b>	-	-	-	N/A	N/A	N/A	N/A	N/A
<b>Total holding and SPV-uri</b>	-	(3,084)	(1,290)	N/A	N/A	N/A	178.4%	221.7%
<b>Total cumulated</b>	<b>289,519</b>	<b>14,849</b>	<b>(947)</b>	<b>5.1%</b>	<b>N/A</b>	<b>5.7%</b>	<b>-57.5%</b>	<b>N/A</b>

- At the level of the entire holding, **EBITDA, in the amount of RON 14.8 mn**, recorded additional operating expenses of the holding and its investment vehicles. Thus, at a cumulated level, the **EBITDA margin represents 5.1% of the turnover**.
- The increase in bank interest combined with higher indebtedness for investments, new companies acquisition and working capital financing, as well as the additional expenses with amortization following the investments made, generated for the directly productive companies a **cumulated profit of RON 0.3 mn**. At Group level, the cumulated net loss is in total amount of RON 0.9 mn.

## Consolidated financial performance

Taking into account the moment of each acquisition finalized during 2022 and 2023 as mentioned above, together with the favourable context of the building materials industry in H1 2022, conditions deteriorated thereafter, with effects also in H1 2023, the comparability between the consolidated results of H1 2022 and H1 2023 does not present a complete picture of reality.

# EXECUTIVE SUMMARY

Even though the consolidated turnover increased by 77% in H1 2023 vs H1 2022, the higher operating expenses caused the **EBITDA at consolidated level** to be in total amount of RON 11.4 mn (with a margin of 5.6% of turnover). The transactions carried out during 2022 that led to the consolidation of the holding also generated an increase in depreciation and amortization expenses following the recognition of the goodwill from the acquisitions, as well as financial expenses as a result of the increase in bank interest and the new credit facilities required by the companies in the group (including LBOs - leveraged buyout) negatively influenced the net result. Thus, the recorded **consolidated net loss** was RON 8.4 mn.

## ROCA Industry's individual performance:

ROCA Industry recorded **financial revenues** in the amount of RON 3.8 mn (out of which RON 2.2 mn come from interest due to intragroup loans granted to subsidiaries and RON 1.5 m from dividends distributed but not paid by Nativerock1 - distributed during 2022 and settled after finalizing the individual annual financial statements of Nativerock1), from which the holding's **operating expenses** and **financial expenses** were deducted. As a result, ROCA Industry reported a **net profit** of RON 0.6 mn.

# ROCA INDUSTRY ON THE CAPITAL MARKET

## SHARE PRICE AND LIQUIDITY DEVELOPMENTS

On 27 January 2022, ROCA Industry shares were listed on the AeRO market, the equity segment of the Multilateral Trading System of the Bucharest Stock Exchange, under the symbol ROC1. Prior to this, in December 2021, the company successfully completed the private placement during which 4,500,000 shares were issued at a price of RON 10/share to 120 shareholders.

The shareholding structure of ROC1 at the end of the first half of 2023 is as follows:

Shareholder structure at 30 June 2023			
	Number of shares	Value (RON)	% in total
ROCA Investments SA	10,757,557	107,575,570	60.80%
Mihai Bîrliba	1,014,461	10,144,614	5.73%
Other shareholders	5,922,555	59,225,550	33.47%
<b>Total</b>	<b>17,694,573</b>	<b>176,945,730</b>	<b>100%</b>

ROC1 shares are included in the composition of the BVB index, BET AeRO (benchmark index of the AeRO market managed by the BVB).

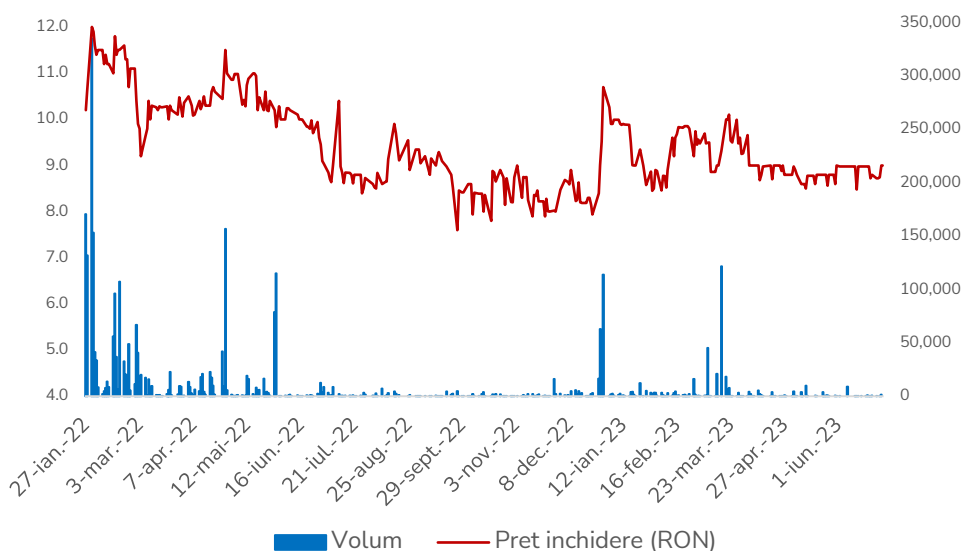
From the beginning of the year to the end of June, ROC1 shares recorded a minimum price of RON 8.45 (31 March 2023) and a maximum price of RON 10.26 (3 January 2023). During this period, the weighted average price was RON 9.35.

In the first six months of 2023, ROC1 shares attracted liquidity of RON 3.9 million on the AeRO market of the BVB (416.7 thousand shares, approximately 2.4% of the total number of the company's shares), with a daily average of RON 27.0 thousand, and an average daily turnover of over 2.9 thousand shares. During the last six months, ROC1 shares had been in top 10 most liquid shares of all the companies included in BETAeRO index.



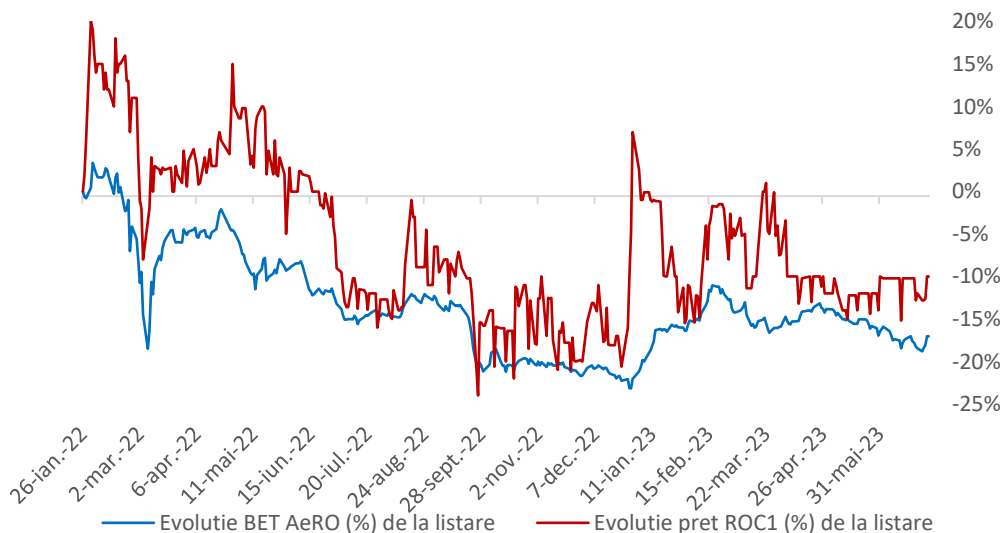
# ROCA INDUSTRY ON THE CAPITAL MARKET

**Daily volume and closing price of ROC1 shares since listing until 30 June 2023**



Comparing the evolution of the ROC1 share price versus the evolution of the BET AeRO index, over the entire period from the listing to the end of June 2023, the ROC1 share price decreased by 10.0% (to RON 9.0), while the BET AeRO index decreased by -17.1%. The total liquidity recorded was RON 34.1 million (3.25 million shares, approximately 18.4% of the total number of the company's shares, including Deal transactions).

**Closing price evolution ROC1 vs BET AeRO from listing to 30 June 2023**



# ABOUT ROCA INDUSTRY HOLDINGROCK1

## GENERAL PRESENTATION OF HOLDING'S COMPANIES

**ROCA INDUSTRY HOLDINGROCK1 S.A.** („ROCA Industry”, „Company” or „ROCI”) is a Romanian company, established in September 2021. ROCA Industry is the first strategic project of ROCA Investments, which groups under the umbrella of a specialized holding Romanian companies producing materials of constructions. Benefiting from the experience accumulated over time by its majority shareholder, ROCA Investments, the Company aims to develop and scale strong and sustainable domestic brands both on the basis of a common strategy and through the synergies generated from their activity. In a fragmented world economy, ROCA Industry builds a structure capable of quickly adapting to multiple and unpredictable changes.

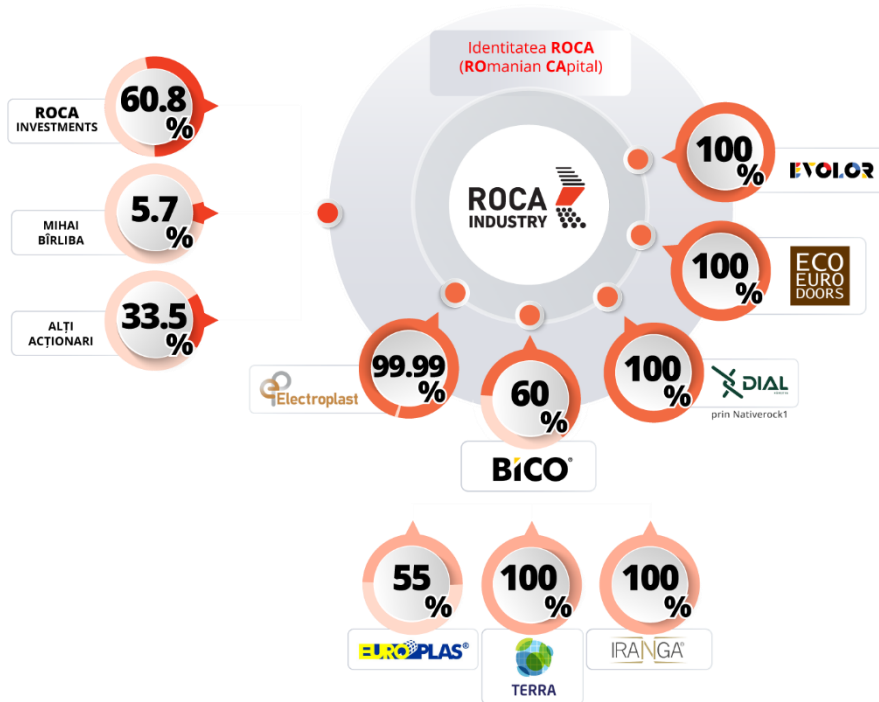
Since the beginning of 2021, the Company is admitted to trading on the AeRO market managed by the Bucharest Stock Exchange.

As a holding, by its nature, until now ROCA Industry has not carried out its own operational activities. Specific to the business model of a holding, ROCA Industry operates and implements the business strategy through its directly owned subsidiaries **BICO INDUSTRIES S.A.**, **EVOLOR S.A.**, **ECO EURO DOORS S.R.L.**, **DIAL S.R.L.** and **ELECTROPLAST S.A.**, as well as through those indirectly owned, through BICO INDUSTRIES - **TERRA IMPEX S.R.L.**, **EUROPLAS LUX S.R.L.** and **IRANGA TECHNOLOGIJOS, UAB**. These subsidiaries operate in the field of construction materials, more precisely in the production of fiberglass and fiberglass reinforcement (BICO, TERRA, EUROPLAS LUX and IRANGA), the production of varnishes, paints and decorative plasters (EVOLOR), the production of doors for residential constructions (ECO EURO DOORS), the production of edged panels and fence mesh (DIAL), respectively the production of electrical low-voltage copper and aluminium cables (ELECTROPLAST).

**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 and related industries, to transform them into regional champions by creating a solid foundation and by long term investments in production capacities and acquisition of new companies.**

# ABOUT ROCA INDUSTRY HOLDINGROCK1

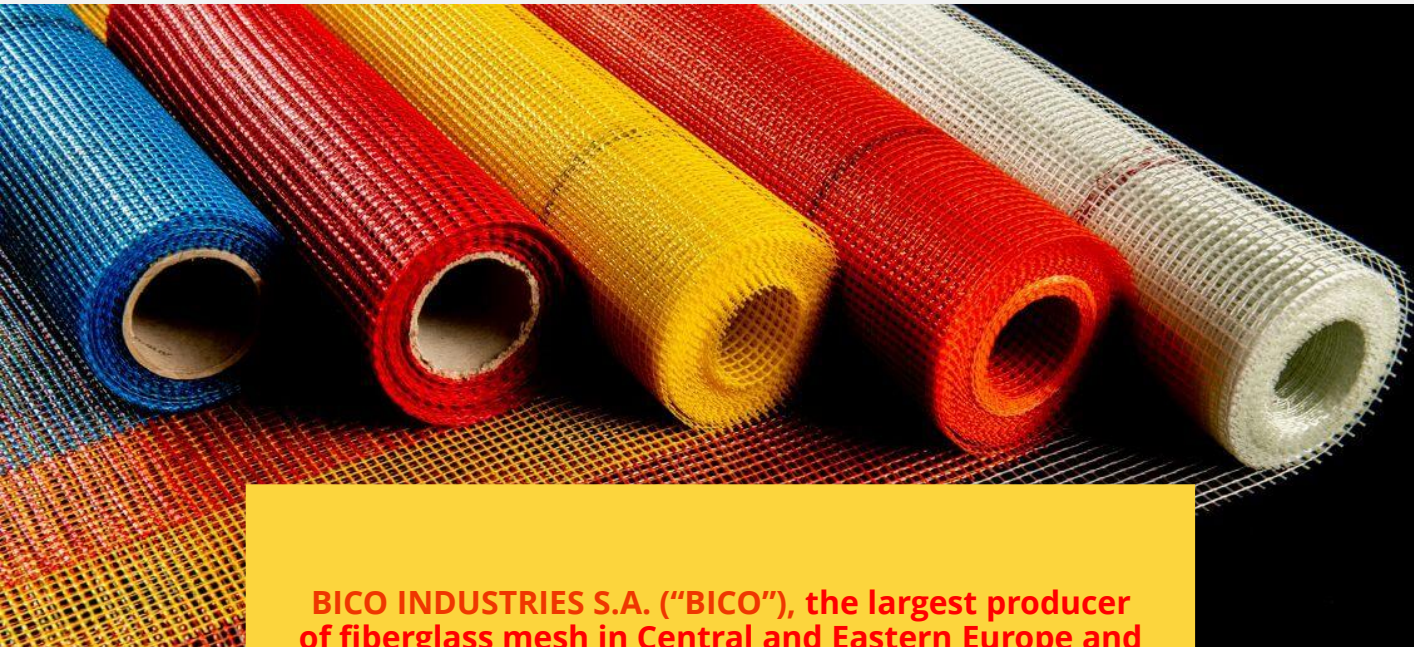
The structure of the companies directly or indirectly owned by ROCA Industry is presented below.



The way of structuring the acquisitions of new companies is part of ROCA Industry business model. For each direct acquisition, the Company set up a special purpose vehicle (SPV) which aims to provide the necessary financing structure for respective transaction. Through the SPV the process of acquisition of a new company is carried out by a financing structured in the form of an LBO (leveraged buyout). As the purchased companies are mature companies, with strong and reliable cash flows and well-established products, at least 50% of the purchase price is provided with by the bank finance obtained by the SPV, while the rest comes from own sources of the holding. The guarantees for the credit facility are represented by the target company's assets, it thus ensuring that an acquisition does not affect the entire holding's portfolio of companies and there is no risk of contamination of the investments. In the post-transaction period, in accordance with the provisions of the credit agreement, the purchased company merges with the SPV, the latter being the incorporated company.

For these reasons, at the end of 2022, the group also includes investment vehicles **DOORSROCK4 S.R.L.** ("Doorsrock"), SPV through which EED was purchased and **NATIVEROCK1 S.R.L.** ("Nativerock") which purchased Dial.

# BICO Industries



**BICO INDUSTRIES S.A. ("BICO"), the largest producer of fiberglass mesh in Central and Eastern Europe and third largest producer in the European Union**

**BICO** is a company established in 2006 which succeeded in building and retaining in the team professionals in the field, with experience of more than 20 years. Over time, the company developed various expertise, in the production of related materials, passing from woven mesh, through braided mesh and recently incorporating the newer technology called "laid scrim". ROCA Industry held at the end of H1 2023 70% of Bico's share capital, the second shareholder being Mihai Bîrliba, the founder of the company, with 30% of the share capital. The shareholding structure changed at the end of July when a capital increase of RON 10.5 million took place, so that Mihai Bîrliba increased his holding to 40% of the share capital.

Following the acquisitions finalized during 2022 and in May 2023, Bico Group is composed of 4 companies, one in Romania, 2 in the Republic of Moldova and one in Lithuania.

**Terra Group**, held entirely by BICO since March 2022, is one of the largest manufacturers of fiberglass mesh in Eastern Europe, having a production capacity of over 25 million square meters/year installed in the Vulcănești Free Economic Zone, Republic of Moldova. The foundations of this production center were laid in 2011, and the official market launch of Terra products took place in 2012. Terra products comply with the highest European standards for strength and durability, thus benefiting from the necessary accreditations from the quality control institutes of construction materials in Romania, the Czech Republic and Germany. With over 180 employees, approximately 50% of its capacity is intended for the Romanian market, the remaining 50% being sold in the European Economic Area.

# BICO Industries

At the moment of this report, Bico also holds 55% of the share capital of Europlas, the first transaction being finalized in October 2022. **Europlas** specializes in the production of reinforcing mesh, having installed in the Ialoveni Free Economic Zone, Republic of Moldova, a production capacity of 7 million sqm of reinforcing mesh per year, adding 10% to the production of fiberglass mesh for ETICS systems owned by the Bico and Terra brands. The foundations of this production center were laid in 2017, and the official market launch of Europlas products took place in 2018. With a current team of over 25 employees, Europlas manages to place 100% of its production capacity in the Republic Moldova or Romania.

The last acquisition, that of **Iranga Technologijos**, was finalized in May 2023. Through this transaction, Bico extended its activity in Lithuania. Iranga operates on the technical and construction textiles market, offering solutions based on a complex range of technologies for the production of fiberglass fabrics and composite materials through fabric lamination, an activity similar to one of the business lines owned by Bico.

Bico operated in the market under two brands: BICO and Terra, being focused on the production of fiberglass mesh for ETICS (External Thermal Insulation Composite System), fiberglass mesh and polyester fibres for other industrial materials, glass fibre composite reinforcements and cornering reinforcement mesh fiberglass.

The company operates in several production centers, two of which are in Romania, in Piatra Neamț, where the company produces fiberglass mesh and reinforcements for reinforcing industrial products, as well as PVC/ALUMINUM cornering with fiberglass mesh, and Vaslui, where the production of fiberglass mesh for thermosystems takes place. Additionally, the two production centers in the Republic of Moldova contribute to the production of fiberglass mesh.

Bico products are intended for the domestic market as well as for the European markets (Italy, Spain, Greece, Bulgaria, Germany and others), and the export has a share of approximately 50% out of the total sales of 2022, respectively 55% in the first six months of 2023. On the Romanian market, the company both in the national and regional networks of distributor and in the DIY store networks nationwide. On the external market, BICO Industries has commercial relationships with several countries in the European Union and UK.

## EVOLOR (former SARCOM)

**EVOLOR S.A., one of the largest players in the paint and varnish industry.**

**Evolor** is a company established in 1993 under the name Sarcom, focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes, in which ROCA Industry holds 100% of the share capital. At the beginning of the year the company started the **rebranding process**, one of the first steps being changing the name from Sarcom to Evolor. This step, in progress, is continued, at the moment of this report, with marketing and positioning the commercial brands STICKY and CORAL.

The company is present in the market with the products known under the brands STICKY and CORAL. With experience of around 30 years and a market share of around 8% in the Romanian paint and varnish industry, the company is one the largest players in the market, being in 7th place in 2022 depending on the 2022 turnover and on the 4th place in terms of profitability.



The company has 7 main production sections for the products in the portfolio. Evolor's products are intended for the national market, before 2022 being distributed predominantly through national store chains. At the end of 2022, the independent analysis of the share of brands in traditional sales channels (source: Market Vektor) positioned the Sticky brand in 5th place in terms of sales in these channels, thus confirming the distribution efforts.

The company has a wide range of products split in several product categories: interior and exterior washable paints, decorative plasters, water-based and fast-drying enamels, varnishes, alkyd paints, primers, thinners, super-concentrated pigments and complementary products.

## EVOLOR (former SARCOM)

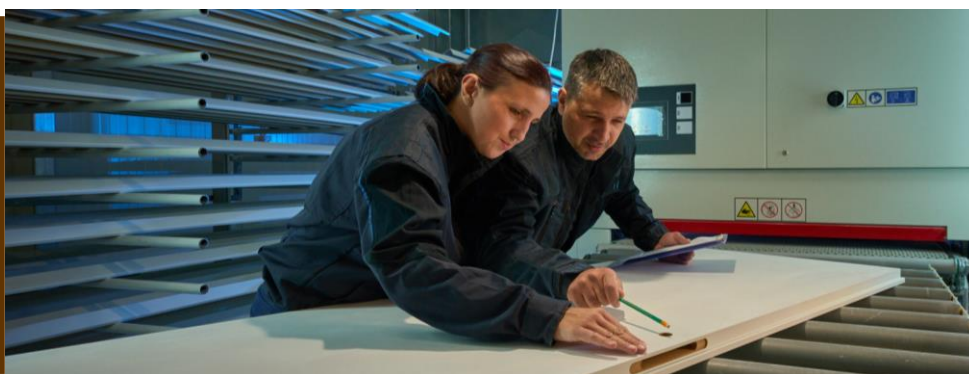
Through the products offered, Evolor addresses consumers needs in a balanced way, offering both products with accessible prices (Sticky), as well as products for the premium area (Coral). These are sold in DIY chains (Dedeman, Leroy Merlin and Brico Depot), and in an extensive network of local distributors. The company expanded its network of local distributors by signing a contract with Brico Depot in early 2023, with the first delivery taking place in April, with recurrent orders thereafter.

All products manufactured by the company comply with the EU rules for volatile organic compounds levels and are technically approved by the Ministry of Development, Public Works, and Administration through the Permanent Technical Council for Construction. In addition, all Sticky and Coral products containing biocidal ingredients are approved by the Ministry of Health through the National Commission for Biocidal Products.

# ECO EURO DOORS

## **ECO EURO DOORS S.R.L., the largest Romanian producer of doors for residential constructions**

**EED** is the largest Romanian producer of doors for residential constructions, ROCA Industry being its sole shareholder starting end of 2022. With an experience of 28 years on the construction materials market, initially in distribution of products intended for the construction industry (doors and complementary products, sanitary, etc.), 18 years ago the first steps were taken in production. Production is mainly focused on interior doors. With a 10,000 sqm factory, over 8,000 sqm storage capacity and additional 36,000 sqm land, EED products are distributed nationally through the Dedeman chain (DIY stores) as well as other specialist retailers and distributors. The company offers a wide range of products (laminated doors, painted doors, ready-to-paint doors), addressing both the need of customers for standard products as well as those who request products of non-standard sizes. Additionally, to meet the needs of its customers, EED offers for sale various accessories and goods.



In 2022, the company went through the FSC audit and accreditation process, accreditation that validates the traceability of raw material sources and the sustainable exploitation of wood, thus obtaining one of the mandatory certifications for export to European markets, but also for the listing of its products in national store chains, part of international groups.



# DIAL

## DIAL S.R.L., one of the largest producers of fence panels and fence mesh

**Dial** is a company with an experience of more than 20 years, specialising in the production of fence edging panels, fence mesh, Rabbit mesh, rectangular poles and many more. The transaction by which ROCA Industry acquired the company, through the special purpose vehicle **Nativerock1**, was completed in September 2022.

Its factory in Hârşova, with a production capacity of 10,000 tons/year, has an area of approximately 6,000 sqm, located on a land of 40,000 sqm.

Dial's market share is estimated to be between 13% and 18% from a turnover point of view. Its portfolio includes over 200 products that are distributed particularly at national level, through the DIY store chains and other retailers and specialised distributors, while in H1 2023 exports represented approximately 7.5% of total sales.



The market of metal wire products is one with relatively few large manufacturers, where the top 5 manufacturers cover more than 70% of the market needs. Among them, Dial ranks 4th in size in terms of 2022 turnover and number of employees.

# ELECTROPLAST

## **ELECTROPLAST S.A., one of the largest manufacturers of electrical low-voltage copper and aluminium cables**

Incorporated in 1993, with its registered office in Bistrita, Bistrita-Nasaud County, ELP has an experience of over 30 years in the manufacturing of electrical low-voltage copper and aluminium cables. Following the approval of the Extraordinary General Meeting of Shareholders dated 22 June 2023, at the end of June 2023 ROCA Industry completed the transaction, so that at the date of this report the Company holds 99.99997% of the share capital of ELP, while ROCA Investments holds one share.

ELP holds a series of significant certifications, such as: certified integrated management system, railway supplier authorization issued by AFER, supplier of Transelectrica and Electrica. Furthermore, the Company holds a modern testing laboratory, accredited by RENAR (the national accreditation organism in the industry).



ELP is the leader on the railway cable market (a very regulated market in terms of certifications/quality, the products being complex and of high quality). At the same time, the company is actively oriented towards existing European trends that require increased safety standards in the construction sector, but also energy efficiency, sustainability and other issues of public interest. For example, in compliance with the requirements of Regulation (EU) No 305/2011, Electroplast holds "Certificates of constancy of product performance" for certain families of cables (e.g. N2XH / NA2XH type).

# ELECTROPLAST

The newest products are the photovoltaic cables for which the market demand is extremely high. As part of its growing strategy, ELP has responded to the political, economic, and successive crises of the past three years (health, political, economic, and natural resources) and, as a result, to the market demand for renewable energy by certifying solar cables for photovoltaic systems (parks and photovoltaic panels) - H1Z2Z2-K type, Eca class. The demand for such systems has increased significantly recently, given the numerous subsidized programs implemented by national and European entities.

At national level, the company is present through distributors, installers in infrastructural projects (including solar cables) and railway cable layers. Approx. 3% of the turnover for 2022 was generated by exports, however, there are perspectives of increment in these markets, with the Company intending to double this percentage in year 2023. At the end of H1 2023 the company reached its target, exports representing 6% of total sales.

At the moment, Electroplast holds more than 30 production lines and machines specific to its activity, producing about 3,600 cable types and sizes required for various fields such as: railways, commercial, civil, and industrial construction, energy, installations, telecommunications, mining, industry, etc.

ELP has contracts with numerous partners with a strong presence in the market, such as Alstom Transport, Orange Romania Communications, VLG RO, Construcții Feroviare Mureș, Siemens Mobility, etc.

# ABOUT ROCA INDUSTRY HOLDINGROCK1

## FIRST MONTHS OF 2023 FOR HOLDING COMPANIES

In June 2023, **ROCA Industry** shareholders approved at the Extraordinary General Meeting of Shareholders **the increase of the Company's share capital** by an amount of up to RON 150 million (nominal value) through cash contribution and/or through the conversion of claims against the Company, by issuing up to 15 million new shares with a nominal value of RON 10/share. At the same time, in parallel with the capital increase, the shareholders also approved **the listing of the Company on the regulated market of the BSE**. The listing on the main market of the BSE is a natural step for a holding company that in 2023 will total at least 5 companies, with at least 10 factories, present in 3 European countries, and with a cumulative turnover of almost EUR 150 million. These two processes will run in parallel, the Company being now in the stage of preparing all the necessary documents for the capital increase and listing on the main market of the BSE.

At **Bico Group** level, the first months of the year were marked operationally by the process of upgrading the production lines at Europlas, Republic of Moldova, by moving equipment from the Vaslui plant and, at the management team level, by the transaction stages of the new acquisition, Iranga Technologijos.

Both traditionally and particularly in 2023, the delay in the outdoor construction season has resulted in a latency in inventory movement, which has resulted in further destocking actions so that the company can remain competitive in the face of future variations in raw material costs. These actions continued into the second quarter of the year amidst falling demand. Maintaining sales volumes in the first half of the year in the Romanian market in the context of falling demand means for the company to capture market share and gain a lead over its main competitors.

On the other hand, in the area of exports, the company has experienced delays in the marketing of products on the fibreglass mesh line, delays caused by the latency of foreign markets, especially Italy, which accounts for a significant share of total exports for the company. In the second quarter, the company intensified its efforts to expand its geographical sales base, succeeding in opening trade relations with Poland, UK, France, Lithuania, and Slovakia. However, the share of exports declined amid a contraction of the market in Italy, a market that accounts for a significant share of the group's turnover.

Among the measures identified by the company to remedy and correct the business dynamics, there is still the proactive contacting of a number of potential new customers, especially in export markets, planning the expansion of the geographical distribution area in partnership with strong, international distributors; participation in trade fairs and exhibitions to generate new sources of potential customers, as well as analysis of competitive offers to maintain market share, diversification of assortment ranges.

# ABOUT ROCA INDUSTRY HOLDINGROCK1

In early 2023, **Evolor** began a rebranding process, one of the steps being a name change from Sarcom to Evolor. This step continues at the time of reporting with marketing and positioning actions for the STICKY and Coral trade brands.

In the first half of 2023, the company continued the implementation of the strategic plan, including distribution expansion in traditional retail chains. The commercial team was completed with new roles and recruitment, with the budgeted organisational structure still being in process of completion.

Sales performance in the first 6 months of the year was in line with strategic plan forecasts, although at market level, expectations of price increases at manufacturers were not confirmed as the company reacted swiftly to the market stagnation with appropriate commercial offers. In addition, the company made its first sales abroad, in the Republic of Moldova and Israel. This created the conditions for the development of the export distribution channel

In parallel, the company is undergoing a process of cost efficiency, both in the short and medium term, by reviewing and completing the supplier portfolio, obtaining POIM funding for additional energy efficiency, automation of packaging lines, and in the long term, by anticipating technology and production needs for the coming years, at the level of business plans and scenarios

According to the marketing plan, the company is preparing the launch of 2 more new products, expected to go on sale in the second half of the year, as well as marketing investments to support the sale of its products.

In case of **EED**, ROCA Industry has initiated a recruitment process to fill management roles in the company's team, with a focus on roles with commercial impact. This process is conducted for all companies that have come under the umbrella of the holding company, as their transition to the desired business model also involves the formation of responsible, committed management teams that can build strategic plans and implement them successfully.

The new management team started its work in the second quarter and has an immediate focus on balancing sales, both in terms of volumes and product categories.

In addition, efforts to understand the market, consumers and distribution channels continued in the first quarter and a new market brand launch is planned for the year, as well as the introduction of the concept of collections aligned with market trends and needs.

# ABOUT ROCA INDUSTRY HOLDINGROCK1

The company had a moderate performance on sales in the first half of the year, influenced by the distribution profile with a customer with a significant share of the company's turnover.

**Dial** has signed the final acceptance for the new 5,000 m<sup>2</sup> production and storage hall in the second quarter of 2023. Thus, at the time of this report, the company has a total constructed production and storage area of approx. 11,000 m<sup>2</sup>. Also in the 2nd quarter of 2023, the installation of photovoltaic panels (120 KW) was completed through the Electric Up programme.

After a first quarter of 2023 in which Dial was the portfolio company most affected in terms of sales performance evolution compared to the 2023 estimates, but also compared to the performance in the same period of the previous year, the company managed to partially recover its sales results, while having to manage a market situation marked by decreasing demand.

In parallel, the company continued its efforts to complete the management and commercial teams, in this regard, the financial team was expanded, and job interviews were conducted in the commercial team.

We believe that the company's development may need a longer growth recovery curve. The current product portfolio does not cover the industrial areas that are receiving EU funding in this period - e.g., infrastructure, and the residential category offers little scope for segmentation and premiumisation.

Under these circumstances, one of the priorities of the management team will be to identify the areas of development of the company for the future, in parallel with the focus on the commercial area, including maintaining and increasing exports. In addition to increasing exports, one of the main priorities in the coming period is the extensive national development of the customer network and the enlargement of the sales team (recruitment process initiated).

To better understand consumer needs, and anticipating the need to diversify its product portfolio, the company initiated market research in the second half of Q2, the results of which will be available in Q3.

# ABOUT ROCA INDUSTRY HOLDINGROCK1

**Electroplast** has started the process of refurbishing the equipment, with most of the equipment to be commissioned in the second half of the year (at the latest early Q3 2023). The total value of the project is more than €2.9 million, comprising investments over a three-year period, broken down as follows: 20% in 2022, 44% in 2023 and 36% in 2024. This refurbishment contributes to energy efficiency, increased productivity, and production capacity, including by eliminating bottlenecks in production, with a direct impact on improving margins and profitability levels.

Also in this industry, the first semester was marked by delays in the execution of some infrastructure projects (e.g., railway), contractions in some industries, as the company accelerated the process of prospecting export markets in parallel with local contracting.

# KEY EVENTS IN S1 2023 AND BEYOND

## GENERAL MEETINGS OF SHAREHOLDERS

On **27 April 2023** the Annual Ordinary General Meeting of Shareholders (GMS) was held. Key items on the **OGMS** agenda included approval of the company's 2023 income and expenditure budget and approval of the company's individual and consolidated financial statements.

Subsequently, on **22 June 2023**, the shareholders present at the Extraordinary General Meeting of Shareholders (EGM) approved the transaction whereby ROCA Industry acquired 99.99997% of the share capital of Electroplast from ROCA Investments, with one share remaining in ROCA Investments' ownership (in order to comply with the legal provisions that expressly require a joint stock company to have at least two shareholders). Further details are provided in the section on mergers and acquisitions made by the Company during the year.

At the same GMS, the shareholders approved the start of the process of increasing ROCA Industry's share capital by up to RON 150 million through cash contribution and/or by converting some claims against the Company, by issuing up to 15 million new shares with a nominal value of RON 10/share, as well as the listing of the Company on the regulated market of the BSE.

## MERGERS AND ACQUISITIONS

### **ENTIRE ACQUISITION OF IRANGA, LITHUANIA**

On **2 May 2023**, Bico signed the sale and purchase agreement for the acquisition of the whole of Iranga, a company established and organised under the laws of Lithuania. The value of the transaction amounted to EUR 3.2 million, consisting of EUR 1.6 million paid on completion of the transaction (on 3 May 2022) for the full acquisition of the shares and EUR 1.6 million allocated for the acquisition of a production line, the commissioning process of which has already been completed.

### **MERGERS BETWEEN INVESTMENT VEHICLES AND ROCA INDUSTRY SUBSIDIARIES**

On **3 May 2023** the initiation of the merger process between Doorsrock4 (an investment vehicle set up for the purpose of obtaining a credit facility to provide the necessary financing structure for EED acquisition) and EED was approved. This was completed on 20 July 2023, the date on which the Mures Trade Registry Office admitted the merger application. As a result of the merger, Doorsrock4 was written off the Trade Registry due to dissolution, without going into liquidation, and transferred all assets to EED.



# KEY EVENTS IN S1 2023 AND BEYOND

As a result of the merger, the share capital of EED was increased by RON 2,489,110 (from RON 5,643,500 to RON 8,132,610) through the issue of 248,911 new shares, each with a nominal value of RON 10.

Subsequently, on **9 May 2023**, the Board of Directors approved the initiation of the merger process between Nativerock1 (the SPV established for the purpose of obtaining a credit facility to provide the financing structure required for the acquisition of Dial) and Dial. The process has been finalized on 8 August.

These mergers were key conditions agreed with lenders to obtain the credit facilities needed for the EED and Dial acquisitions and subsequent financing of the companies.

## ACQUISITION OF 99.99997% OF THE SHARE CAPITAL OF ELP

At **the end of June**, following approvals received at the GMS on 22 June 2023, ROCA Industry acquired 99.99997% of the share capital of ELP from ROCA Investments, with one share remaining in ROCA Investments' ownership. The price proposed by the Board of Directors and submitted to the GMS for approval was at the level of ELP's appraised value, which was determined by a valuation report conducted by an independent chartered appraiser (Veridio) based on the financial results at the end of 2022. Following the valuation, the market value of the company was RON 45,751,000 (for 100% of the shares). Thus, the transaction price was RON 45,750,988.6.

In addition, as part of the transaction, ROCA Industry took over, as assignee, all receivables held by ROCA Investments against ELP arising from loan agreements entered by ROCA Investments, as creditor, and ELP, as debtor, for an assignment price equal to the nominal value of these receivables. The value of the receivables was RON 10.6 million.

## ADVANCED NEGOTIATIONS FOR THE ACQUISITION OF WORKSHOP DOORS

On **25 July 2023**, the Company's management announced that EED is in advanced negotiations for the acquisition of a majority stake in the share capital of Workshop Doors S.R.L. ("Workshop Doors"), a company incorporated and organized under the laws of Romania.

Workshop Doors is a company active since 2009 on the interior doors market in the region, with two production facilities, in Reghin and Petelea. With 184 employees and a turnover of EUR 10.5 million in 2022, the company exports a considerable percentage of its own production.

# KEY EVENTS IN S1 2023 AND BEYOND

Through this acquisition, EED would increase production capacity and diversify its product ranges, covering all price segments and ensuring a varied product offer on the Romanian market.

The transaction will be subject to an internal review process and the approvals of the Competition Council, or other competent authorities as appropriate.

## **CHANGE IN BICO SHAREHOLDING STRUCTURE**

The shareholding structure of Bico changed at the end of July when a share capital increase took place in total amount of RON 10.5 million. Therefore, Mihai Bîrliba increased his holding up to 40% of the share capital, while ROCA Industry ownership had been reduced from 70% to 60%. Therefore, Mihai Bîrliba increased his holding up to 40%.

## **APPOINTMENT OF THE CEO**

During the meeting held on **20 June 2023**, the Board of Directors appointed Ioan-Adrian Bindea (Chairman of the Board of Directors and Interim CEO from 29.06.2022 to 29.06.2023) as CEO of the Company. His mandate was granted for a period of three years, until 29 June 2026.

## **LOAN AGREEMENTS BETWEEN ROCA INDUSTRY AND ITS RELATED PARTIES**

On **23 January 2023**, ROCA Industry announced the extension of two short-term loans to Bico totalling EUR 3.5 million. The EUR 2 million facility has been repaid in full. The second facility of EUR 1.5 million has been partially repaid, the amount of EUR 0.5 million being extended on **30 June 2023** until 29.12.2023.

In addition, on **31 March 2023**, the Board of Directors of ROCA Industry approved the conclusion of a loan agreement whereby ROCA Industry received a loan in the amount of EUR 1 million for a period of 12 months at market conditions from ROCA Investments, a shareholder of ROCA Industry. It was subsequently granted to Bico for the payment of the purchase price of the shares of Iranga.

Another intra-group facility was approved by the Company's Board of Directors on **27 July 2023**. In the amount of RON 2 million, it was granted to EED, with a repayment term of 12 months, at market conditions, and will be used by EED for the purpose of financing its current activity.

# KEY EVENTS IN S1 2023 AND BEYOND

## PUBLICATION OF THE FIRST SUSTAINABILITY REPORT, SETTING NEW STANDARDS IN THE ROMANIAN INDUSTRY

On **30 June 2023**, ROCA Industry published its first Sustainability Report, for the year 2022. It is available on the ROCA Industry website, in the "Investors" / "Sustainability" section, describing the activities of the holding company and its investee companies. In preparing it, the Company anticipated the application in Romania of Directive 2022/2464/EU on corporate sustainability reporting, starting in the financial year 2024.

The report collects qualitative and quantitative data from companies, with the objective of summarising all elements of sustainability policies. The data will function as a baseline, with the holding company's annual performance to be measured from the data reported for 2022 onwards.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

In the consolidated financial statements, according to the legislation in force, the holding company is obliged to include in the scope of consolidation only those companies that have been owned for at least one month at the reporting date. The performance of each company included in the holding company is considered from the moment control is acquired, without recognising previous achievements. The consolidation of the results achieved during the reporting period is conducted according to the holdings held by the holding company in each company

Therefore, in ROCA Industry's consolidated financial statements for the first 6 months of 2023, the performance of all companies acquired during 2022 has been included (Terra, EED, Dial), while in H1 2022, Terra's performance is only incorporated from May, EED's performance is incorporated from June and Dial's results have not been taken into account in H1 2022. For the results of Europlas, a company in which Bico holds 55% of the share capital and in which ROCA Industry has an indirect minority stake since September 2023, a share of 38.5% of the net profit achieved in H1 2023 has been recognised

In addition to the presentation of the consolidated performance information following the above principles, the **Cumulative P&L Analysis** chapter gives a picture of the cumulative indicators at Group level by summing up the individual performance of each subsidiary for the whole of H1 2022, even if these companies were not part of the ROCA Industry Group and without considering the shareholding of ROCA Industry 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 affecting the figures by ownership percentage and acquisition date. In other words, the combined results present the company's activity itself, without the influence of corporate events

**As noted in the annual report, the 2023 outlook considers the contextual elements we are tracking and incorporating into near-term actions in ROCA Industry's strategy are:**

- **Construction wage growth and the impact on construction prices;**
- **Evolution (slowdown) of consumption;**
- **Developments in bank lending activities, with high interest rates;**
- **Market changes in the sectors in which we operate (bankruptcies, M&As, local market exits, etc);**
- **Change in the number of employees in industry and construction;**
- **The evolution of raw material prices for the industries in which we operate**

All these elements have impacted and are expected to continue to impact to some extent the building materials industry and automatically the companies operating in this industry.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## CONSOLIDATED P&L ANALYSIS

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	H1 2023	H1 2022	H1'23 vs H1'22 (%)
<b>Operating income</b>	<b>196,564,239</b>	<b>122,543,722</b>	<b>60%</b>
Turnover	205,593,869	116,457,804	77%
Inventory variation	(11,093,175)	5,708,637	N/A
Other operating income	2,063,545	377,281	447%
<b>Operating expenses, other than amortization, prov and value adjust,</b>	<b>(185,125,620)</b>	<b>(107,493,739)</b>	<b>72%</b>
<b>EBITDA</b>	<b>11,438,619</b>	<b>15,049,983</b>	<b>-24%</b>
Depreciation of goodwill, relationship and contracts with customers	(3,228,486)	(3,952,518)	-18%
Depreciation of fixed assets, other than goodwill, relationship and contracts with customers	(8,575,342)	(1,935,521)	343%
<b>Operating Result</b>	<b>754,537</b>	<b>9,161,944</b>	<b>N/A</b>
Financial revenues	313,891	468,318	-33%
Financial expenses	(8,292,278)	2,670,838	N/A
<b>Financial result</b>	<b>(7,978,387)</b>	<b>(2,202,520)</b>	<b>262%</b>
<b>Gross result</b>	<b>(7,223,850)</b>	<b>6,959,424</b>	<b>N/A</b>
Income tax	(1,176,627)	1,519,840	N/A
<b>Net result, of which:</b>	<b>(8,400,477)</b>	<b>5,439,584</b>	<b>N/A</b>
<i>related to the associates of the parent company</i>	<i>(8,032,583)</i>	<i>3,202,118</i>	<i>N/A</i>
<i>related to non-controlling interests</i>	<i>(367,894)</i>	<i>2,237,466</i>	<i>N/A</i>

In the first half of 2023, ROCA Industry achieved a consolidated EBITDA of RON 11.4 million, mainly generated from the activity conducted by the companies Evolor, formerly Sarcom (EBITDA RON 8.3 million), EED (EBITDA RON 1.6 million), Bico Group (EBITDA RON 1.9 million) and Dial (EBITDA RON 2.7 million)

The holding company and the investment vehicles (SPVs) set up for the purpose of financing the equity acquisition transactions (Doorsrock4 and Nativerock1) generated a cumulative negative EBITDA of RON 3.1 million, mainly representing the operating costs of the holding company as well as other expenses from the current activity conducted by the companies.

Consolidated EBITDA in H1 2023 of RON 11.4 million was 24% lower compared to H1 2022, mainly due to the decrease in EBITDA achieved by Bico in the first 6 months of 2023 (RON 0.3 million in H1 2023 vs. RON 8.3 million in H1 2022), as a result of the application of a policy of destocking, i.e. selling finished products obtained at a high cost during 2022. This policy comes in the context that, after a short period of economic imbalances felt in the market during which raw materials recorded high prices, they had a downward trend that continues as of the date of this report. Thus, companies that produced during that atypical period were not able to incorporate the full cost of production into the price of the products sold. Also, the result obtained from the operating activity is influenced by the seasonality of the market in which the company operates, so according to industry statistics, quarters 1 and 4 generate lower sales

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

An additional element relates to the fact that the first half of 2022 was one with above normal and budgeted sales and high margins, elements that influence comparability with this period.

This decrease was partially offset by Evolor's EBITDA (up 84% vs H1 2022).

Under the influence of the change in the holding structure (4 more companies were acquired during 2022), as well as the seasonality of the industry in which the portfolio companies operate, a consolidated net loss of RON 8.5 million (vs. RON 5.4 million in Q1 2022) was recorded at Group level.

Thus, the consolidated EBITDA in the first half of 2023, amounting to RON 11.4 million, is eroded by:

- depreciation and amortization expenses of RON 11.8 million (of which RON 3.2 million represents amortization of goodwill, brands and customer relationships identified through business combinations),
- negative financial result of RON 7.9 million, representing bank interest of RON 6.5 million and negative exchange rate differences of RON 1.4 million,
- corporate income tax of RON 1.2 million and
- reversals of provision adjustments of RON 1.1 million.

Based on the individual net results achieved by each company and ROCA Industry's ownership percentages in these companies, the consolidated net loss of RON 8.4 million in the first half of 2023 is attributable to the parent company (loss of RON 8 million) and minority shareholders (loss of RON 0.4 million).

The net loss of RON 0.4 million attributable to minority shareholders represents the share not held by ROCA Industry (i.e., 30%) of the individual net loss obtained by Bico in H1 2023. of the individual net profit obtained by Terra in H1 2023 and of the profit recorded by Iranga (period May - June). A net loss of RON 8 million is attributable to the parent company as it owns 100% of the investment vehicles (SPVs -Doorsrock4 and Nativerock1) which, by their nature, have no operating income, these companies generating a cumulative net loss of RON 1.9 million in H1 2023. In addition, under consolidation accounting principles, the parent company is attributable 100% of the amortisation expense related to goodwill, brands and customer relationships identified through business combinations, amounting to approximately RON 3.2 million in H1 2023.

Please note that goodwill, licences, brands and customer relationships are items that are only included in the consolidated financial statements, except for companies that have completed the merger process with the investment vehicles through which the holding company made the acquisition, where these items are also included in the individual financial statements (example: merger between Evolor and Colorock13).

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## CUMULATED P&L ANALYSIS

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 having any impact. In other words, the combined results show the activity of the company itself, without the influence of corporate events. Thus, the table below shows the cumulated indicators at the Group level, namely turnover, EBITDA and net result. They were obtained by summing up the individual performance of each subsidiary, regardless of the moment of its acquisition and without considering the share of ROCA Industry's holding in the share capital of each company.

The new companies joining ROCA Industry Group during 2023 are Iranga (acquisition completed in early May) and Electroplast (transaction signed at the end of June). Also, Colorock13, the SPV through which ROCA Industry acquired Evolor, merged at the end of 2022 with Evolor, so it ceased to exist.

Cumulated profit and loss indicators	Results for H1 2023 (RON th)			H1 2023 EBITDA margin	H1 2023 net profit margin	Change in H1 2023 vs H1 2022		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
<b>Evolor</b>	49,554	8,349	1,475	16.8%	3.0%	32.5%	82.5%	-59.9%
<b>Bico</b>	73,349	384	(1,593)	0.5%	N/A	21.3%	-95.4%	N/A
Terra	23,068	1,268	683	5.5%	3.0%	-6.7%	-57.5%	-69.8%
Europlas Lux	2,447	(230)	(329)	N/A	N/A	-47.2%	N/A	N/A
Iranga	5,407	911	561	16.8%	10.4%	-3.7%	N/A	N/A
<b>EED</b>	29,644	1,554	(1,038)	5.2%	N/A	-11.7%	-78.6%	N/A
<b>Dial</b>	28,601	2,680	1,223	9.4%	4.3%	-30.4%	-64.4%	-73.3%
<b>Electroplast</b>	77,450	3,016	(639)	3.9%	N/A	16.6%	-38.9%	N/A
<b>Total companii</b>	<b>289,519</b>	<b>17,933</b>	<b>343</b>	<b>6.2%</b>	<b>0.1%</b>	<b>5.7%</b>	<b>-50.3%</b>	<b>-98.5%</b>
<b>ROCA Industry</b>	-	(2,885)	615	N/A	N/A	N/A	163.2%	N/A
<b>Doorsrock4</b>	-	(75)	(821)	N/A	N/A	N/A	536.9%	172.7%
<b>Nativerock1</b>	-	(124)	(1,084)	N/A	N/A	N/A	N/A	N/A
<b>Colorock13</b>	-	-	-	N/A	N/A	N/A	N/A	N/A
<b>Total holding and SPV-uri</b>	<b>-</b>	<b>(3,084)</b>	<b>(1,290)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>178.4%</b>	<b>221.7%</b>
<b>Total cumulated</b>	<b>289,519</b>	<b>14,849</b>	<b>(947)</b>	<b>5.1%</b>	<b>N/A</b>	<b>5.7%</b>	<b>-57.5%</b>	<b>N/A</b>

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

During the first 6 months of 2023 the **productive companies** of the group achieved a **turnover** of 289.5 million RON cumulatively, 5.7% higher than in H1 2022. **The EBITDA margin of the five productive companies** in the portfolio (considering Terra, Iranga and Europlas within the Bico Group) was 6.2% (cumulative EBITDA in the total amount of RON 17.9 million)

This was eroded by the operating expenses recorded at the **holding level and those of its investment vehicles**, so that at the cumulative level incorporating ROCA Industry and its SPVs, **EBITDA** was RON 14.8 million, with a margin of 5.1%.

In addition, higher depreciation costs (new investments made by holding companies), as well as financial expenses as a result of loans taken out for investments and working capital, and the high bank interest rates, also had a significant impact. As a result of all cost items, the **cumulative net profit of the productive companies** was RON 0.3 million. Also considering the results of the holding and SPVs (in this case financial expenses were recorded as a result of taking out loans necessary for the acquisition of companies), **the cumulative net loss at the level of the entire holding** was RON 0.9 million

To provide a clearer understanding of the financial performance of each company owned by ROCA Industry, below is some additional information on the companies majority owned by ROCA Industry, both directly and indirectly.

## **EVOLOR (former SARCOM)**

In the first 6 months of 2023 Evolor recorded a turnover of RON 49.6 million, up 33% compared to 6L 2022, on the back of increased sales volume across all product categories, in some cases up to 59% higher than in H1 2022, but also a higher selling price compared to the same period of 2022.

As a result of the actions taken by the company in the area of production cost optimization, **raw material expenses** increased less than the increase in turnover, by only 21% in H1 2023 compared to H1 2022 (to RON 29.8 million), amid the higher volume of products sold. With salary expenses 44% higher than in H1 2022 (both as a result of higher salary levels and a higher number of employees), and **other operating expenses**, necessary for ongoing business, of RON 4.1 mil. RON, +64% vs. H1 2022 (impacted by both economic conditions and production volume), the company reached a level of **EBITDA** almost double (amounting to RON 8.3 million in H1 2023 vs. RON 4.6 million in 6L 2022, **EBITDA margin** standing at 17% of turnover (vs. 12%).



# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

EBITDA was eroded by **higher depreciation and amortization expenses and value adjustments** amounting to RON 3.5 million in H1 2023 vs. RON in H1 2022 (impact mainly from the merger with Colorock13 at the end of 2022 whereby Evolor took over including the goodwill related to the transaction, representing the difference between the acquisition cost of Evolor and the fair value, at the transaction date, of the portion of the net assets acquired), but also from **financial expenses** totalling RON 2.6 million (vs. RON 0.2 million in H1 2023) generated by interest payable on loans taken out, including those taken over from Colorock13.

As a result of these developments, at the end of the first half of this year, the company recorded a net profit of RON 1.5 million, compared to a net profit of RON 3.7 million for H1 2022. Comparability between the two periods is affected by the impact of the merger between Evolor and Nativerock13, as mentioned above.

## BICO

For the total 6 months of 2023, Bico's turnover increased by 21% compared to 6L 2022, to a level of RON 73.3 million. The increase in sales was mainly due to the continuation of the company's policy of destocking also in the second quarter of the year, i.e., selling finished products obtained at a high cost during 2022. This policy comes in the context that, after a short period of economic imbalances felt in the market during which raw materials recorded high prices, they have been on a downward trend that continues as of the date of this report. Thus, companies that produced during that atypical period were not able to incorporate the full cost of production into the price of the products sold. As a result, the company slowed down the production process and the stored production decreased by RON 8.6 million, resulting in total operating income 3% lower than in H1 2022 (RON 65.0 million).

This de-stocking, which countered the optimization of operating expenses (9% increase vs. H1 2022, from RON 60.1 million to RON 65.7 million, compared to a 21% increase in sales), as well as low market demand for the company's products, impacted the company at EBITDA level (RON 0.4 million in H1 2023 vs. RON 8.3 million in H1 2022). Additionally, financial expenses totalling RON 2.5 million, the increase of which was mainly generated by interest on credit facilities and intra-group loans, led to a net loss of RON 1.6 million (vs. RON 4.9 million profit in H1 2022)

An additional element influencing the comparability of H1 2023 with H1 2022 relates to the fact that the first half of 2022 was a totally atypical one, with above normal sales and high margins, in line with market conditions at that time.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## TERRA

As with Bico, Terra was also affected by market conditions in the first half of 2023, while the first six months of 2022 were above normal in terms of both quantities sold and margins.

Thus, in the first 6 months of the year, Terra's turnover contracted by 7% to RON 23.1 million, while the production process slowed down, and the company sold products in stock. At the same time, operating expenses were not fully adjusted to the decrease in sales (-15% in H1 2023 vs H1 2022).

As a result of these developments, Terra achieved an EBITDA of RON 1.3 million, 57% lower than H1 2022, with an EBITDA margin of 5%, and a net profit of RON 0.7 million, -70% vs H1 2022 (RON 2.3 million).

## IRANGA

The Iranga acquisition was completed in early May. With a turnover of RON 5.4 million in H1 2023, 4% below H1 2022, Terra adds a significant component to the Bico Group through its production of Turbotex. The increase in sales was due both to higher prices of products sold and significantly higher quantities offered to the market.

At the same time, raw materials and materials expenditure was also on an upward trend, but with an increase of only 34% compared to H1 2022.

As a result of these developments, Iranga achieved an EBITDA of RON 910.7 thousand (versus RON -298.3 thousand in H1 2022), with an EBITDA margin of 17%, and a net profit of RON 0.6 million, compared to a loss of RON 0.6 million in H1 2022.

## EED

The company's turnover in the first 6 months of 2023 reached RON 29.6 million, 12% below that of H1 2022. This evolution was generated by the decrease in sales volume on two of the three product categories, a trend observed in the market.

Due to market conditions, i.e., the increase in raw material prices in the second half of 2022 which also propagated into H1 2023, operating expenses could not be adjusted quickly (RON 31.1 million, +9% y/y). The most significant are those for the purchase of raw materials and necessary consumables, which increased by 11% compared to H1 2022 to RON 18.2 million.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

As a result, EED achieved an EBITDA of RON 1.6 million, compared to RON 7.3 million in H1 2022, and the EBITDA margin stood at 5%. Depreciation and financial expenses, especially interest expenses, further affected the company's results, so that in H1 2023 EED recorded a net loss of RON 1.0 million vs. a net profit of RON 5.0 million at the end of June 2022.

## DIAL

During H1 2023 Dial was impacted by low demand for the Company's products across most product categories, with quantities sold decreasing to varying degrees by product in line with demand in the building materials market. As a result of this development, the turnover recorded during the first 6 months of 2023 was RON 28.6 million, 30% below the level of H1 2022 (RON 41.1 million), with the company managing to recover in Q2 2023 part of the significant decreases in the first three months of the year. The company's activity has a high dependence on weather conditions, so this aspect has put its mark on the H1 results.

While raw material expenses (the largest category of operating expenses) were adjusted to reflect the demand for Dial's products to a greater extent than the decrease in sales (RON 19.7 million, -34% in H1 2023 vs. H2 2023), some of the remaining expenses remained at a relatively high level, so that Dial achieved an EBITDA of RON 2.7 million (vs. RON 7.5 million in H1 2022), with an EBITDA margin of 9%, and a net profit of RON 1.2 million.

## ELECTROPLAST

Electroplast is the newest company in the holding company, the acquisition of which was completed in the last days of June. Thus, ELP's financial results are not included in the consolidated results.

The first half of 2023 was the best period in ELP's history in terms of sales. Turnover increased by 14% compared to H1 2022, to RON 77.5 million. This increase came as a result of both increased quantities sold across major product categories, but with pressure on margins.

At the same time, however, the increase in operating expenses outpaced the upward trend in turnover, reaching a level of RON 75.4 million, +18% in H1 2023 versus H2 2022. The largest part of these expenses is represented by raw materials and consumables expenses (RON 63.3 mln, +19% y/y). EBITDA thus eroded by 39% in the first six months of the year compared to the same period of 2022, from RON 4.9 million to RON 3.0 million.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

In addition, depreciation expenses (maintained at approximately the same level as in H1 2022), but especially financial expenses (RON 3.1 million, up 24% in H1 2023 compared to H1 2022 on the back of an increase in financial debt but also in interest rates) led to a net loss of RON 0.6 million at the end of the six months of 2023, compared to a net profit of RON 2.1 million in H1 2022.

## **DOORSROCK4**

Doorsrock4 is the company created to structure the financing of the EED acquisition transaction, which acquired 70% of the company's share capital in May 2022 and the remaining 30% of the share capital in December 2022. The SPV recorded an individual net loss of RON 0.8 million in H1 2023 generated by interest expenses related to the financing required to complete the transaction and those arising from unfavourable exchange rate differences (in the total amount of RON 1.5 million) higher than financial income (from interest and from dividends distributed/paid by EED to pay debt service in relation to bank loans - LBO, in the amount of RON 0.7 million).

## **NATIVEROCK1**

The purpose of the SPV was to secure the financing structure necessary for the acquisition of Dial, a transaction completed on 23 September 2022. Nativerock1 recorded a net loss of RON 1.1 million mainly as a result of financial expenses consisting of interest expenses and unfavourable exchange rate differences (totalling RON 1.9 million), while financial income (from dividends distributed/paid by Dial to pay debt service in relation to bank loans - LBO) amounted to RON 0.9 million.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## CONSOLIDATED BALANCE SHEET ANALYSIS

### Fixed assets

Non-current assets at consolidated level decreased by 27% compared to the end of 2022, reaching RON 359.5 million. These are mainly made up of **intangible fixed assets** (RON 161.8 million, +11% compared to year-end 2022) and **tangible fixed assets** (RON 192.7 million, 56% compared to year-end 2022)

**Intangible assets** are represented by trademarks, licences, customer relationships and goodwill resulting from business combinations. Note that goodwill, licenses, trademarks and customer relationships are items that appear only in the consolidated financial statements, with the exception of companies that have completed the merger process with the investment vehicles through which the holding company made the acquisition, in which case these items also appear in the individual statements (example: merger between Evolor and Colorock13). These items are specific to M&A transactions, representing the difference between the price agreed with the former shareholders and the value of the net book assets in each company acquisition.

**Tangible assets** at consolidated level of RON 192.7 million are mainly composed of land and buildings, equipment, assets under construction and advances for fixed assets. The increase compared to the end of 2022 is mainly due to the acquisition of new companies (Iranga in May and Electropast in June).

**Financial assets** in the individual balance sheets mainly represent investments for the acquisition of shareholdings in subsidiaries, which are eliminated in the consolidated balance sheet in accordance with consolidation principles.

### Current assets

**Inventories**, amounting to RON 99.3 million as of 30 June 2023, mainly consist of raw materials, finished products and goods, work in progress and advances for the purchase of inventories of companies in the consolidation perimeter. Compared to 31 December 2022 there is a slight decrease of 2%.

At the level of **receivables** as at 30 June 2023, there was a significant increase of 248% compared to the end of 2022 (mostly trade receivables at the level of the 4 directly productive subsidiaries - Bico, Evolor (formerly Sarcom), EED and Dial, plus ELP and Iranga, but also VAT to be recovered and other receivables from the state budget), which reached a level of RON 90.9 million at consolidated level, compared to RON 26.1 million as at 31 December 2022.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

**Receivables from affiliated companies** of RON 95.3 million, show a slight increase compared to 31.12.2022, mainly representing amounts receivable from transactions between Terra and Bico affiliated entities. All these items are eliminated in the consolidated balance sheet.

**Short-term investments** primarily include the amount deposited in an Escrow account for the acquisition of Terra by Bico, a transaction completed in March 2022, representing the remaining amount payable to former Terra shareholders, which will be released from the Escrow account as certain conditions set forth in the sale and purchase agreement are met. In addition, promissory notes used in commercial dealings between the Company and its customers have been recorded with Dial and Electroplast since 2022. These instruments represent a guarantee for the collection of the price of the products sold.

Consolidated **cash and cash equivalents** as of 30 June 2023 amount to RON 47.4 million, up 12% compared to 31 December 2022, mainly due to the cash optimization of the companies and the addition of the 2 new companies acquired in Q2 2023.

## Trade payables

The increase in trade payables as of 30 June 2023 compared to 31 December 2022 (+133%) is mainly due to the assumption of trade payables of newly acquired companies (ELP RON 26.7 million), but also to the increase in payables of Bico and Sarcom, a normal fluctuation depending on the operational needs of the companies.

## Bank debts

Bank debts as at 30 June 2023 come from Evolor (RON 46 million - loan taken over by merger from Colorock), Bico (RON 44.1 million - for operational activity and investments made), Terra (RON 7.4 million - for operational activity), EED (RON 22.4 million - for operational activity) and EED (RON 7.4 million - for investments made). RON - for operational activity, investments, and payment of debts to former shareholders), Doorsrock1 (RON 41.1 million for the acquisition of EED), Dial (RON 10.4 million - for operational activity and investments made), Nativerock (RON 34.4 million for the acquisition of EED), Electroplast (RON 39.5 million - for operational activity and investments made). These are presented on short or long term, depending on the terms of the loan contracts.

## Other liabilities

At the end of the first half of 2023, other liabilities remained approximately at the level recorded on 31 December 2022 (RON 2.1 million).

## Provisions

Provisions were mainly established for various expenses related to tax liabilities, representing probable liabilities arising from past events of the companies. In H1 2023 at consolidated level, part of the provision was reversed at year-end 2022.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

**Deferred income** represents EU-funded investment grants received by Bico, EED and Dial in previous years. They are recognised in the income statement in proportion to the depreciation of fixed assets acquired under these investment programmes.

**Subscribed and paid-up capital** of RON 176.9 million is made up of the paid-up subscribed share capital of RON 105.9 million and the contribution in kind of 70% of Bico's shares of RON 71 million.

**Revaluation reserves** in the amount of RON 2.7 million represent the unrealised surplus from the revaluation of tangible fixed assets, land and buildings conducted on 31.12.2022 by Evolor.

**Losses related to equity instruments** represent the costs with intermediaries for the private placement in December 2021, following which ROCA Industry attracted RON 45 million from individual and professional investors, respectively for the listing on the AeRO market of the Bucharest Stock Exchange in January 2022.

For a clearer understanding of the balance sheet structure of each company owned by ROCA Industry, below is some additional information on the companies majority owned by ROCA Industry, both directly and indirectly.

## **EVOLOR (former SARCOM)**

The company's total assets were at a level of RON 119.7 million as of 30 June 2023, 12% above the value recorded at the end of 2022. Of these, non-current assets (41% of total assets) remained at the same level as at the end of 2022 (total amount of RON 70.3 mil.) Of this category, on the one hand goodwill recorded from the transaction through which ROCA Industry acquired Evolor decreased by 6% to RON 51.9 mil. RON 51.9 million on the back of its depreciation, this decrease being partially offset by new investments made by the company in the new production hall (tangible fixed assets 24% above the level as of 31 December 2022, totalling RON 17.1 million).

Current assets, 37% higher than FY 2022, amounted to RON 48.7 million in H1 2023. The main changes relate to the increase in trade receivables (RON 22.5 mil. vs. RON 9.1 mil. as of Dec 2022), due to higher sales.

The main change on the total liabilities side (RON 116.0 million in H1 2023, +11% vs FY 2022) refers to the doubling of payables to suppliers (RON 21.5 million in June 2023 vs RON 10.3 million in December 2022), due to the increase in turnover and the renegotiation of payment terms.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

As for equity, it increased by 67%, from RON 2.2 million on 31 December 2022 to RON 3.7 million at 6L 2023, the only significant change being the profit recorded in 2023.

## BICO

The 8% increase in total assets at the end of June 2023 vs. FY 2022, from RON 110.9 million to RON 119.9 million, was generated, on the one hand, by a small increase in non-current assets (+5% to RON 64.2 million) and, on the other hand, by a 12% increase in current assets (totalling RON 55.7 million at 30 June 2023 vs. RON 49.6 million at the end of H1 2022). The latter experienced some changes in structure. As a result of the destocking process conducted by the company, inventories continued to decrease (by 20% at the end of H1 2023 vs 14% in Q1 2023), to the amount of RON 32.0 million. At the same time, trade receivables increased from RON 4.3 mln to RON 14.6 mln on the back of significantly higher sales in the last months of the semester.

Mirroring this, the 14% increase in total debt (RON 88.7 million in H1 2023 vs. RON 78.1 million in FY 2022) comes from:

- Increase in trade payables by 89% (from RON 8.9 million to RON 16.9 million), due to increased sales and securing raw materials for the season
- 10% increase in total bank debt (RON 44.1 million at June 2023 vs. RON 40.2 million at December 2022), mainly due to additional bank credit facilities required for working capital.
- Other short-term debts decreased by 14% (from RON 8.2 million to RON 7 million).

## TERRA

The total assets of the company remained at the same level as at the end of the year 2022, i.e., RON 23.2 million. The main changes in the structure occurred as a result of:

- increase in receivables from related parties from RON 2.0 million as of December 2022 to RON 10.0 million at the end of H1 2023 as a result of Bico Group's strategy to sell products made in the Republic of Moldova through Bico
- a 42% decrease in inventories, from RON 12.2 million in FY 2022 to RON 7.0 million on 31 June 2023, in response to reduced market demand.

There were no significant changes on the debt and equity side.



# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## IRANGA

Iranga has total assets amounting to RON 8.4 million (+15% compared to the value as of 31 December 2022), 64% of which are fixed assets (RON 5.4 million as of 30 June 2023) represented by tangible fixed assets, i.e., fixed assets necessary for the current activity.

Current assets, amounting to RON 3.0 million, increased by 85% compared to the level recorded at the end of 2022 mainly due to the doubling of inventories as a result of ensuring the raw material requirements for the peak period which also extends into Q3, but also to trade receivables which increased from RON 0.2 million to RON 0.9 million (on the back of seasonal sales in Q2 2023).

Total liabilities of RON 14.9 million on 30 June 2023, up 4% from the end of 2022, are mostly made up of long-term debts to Bico.

Shareholders' equity is negative at RON 6.5 million in H1 2023, 8% lower than on 31 December 2022, due to losses accumulated in previous years.

## EED

With total assets of RON 71.4 million at the end of June 2023, -4% compared to FY 2022, the company shows no significant changes compared to the end of 2022, except for the doubling of trade receivables (from RON 2.9 million to RON 5.7 million) mainly due to higher sales in Q2 2023. At the same time, cash and bank accounts decreased by 43% (to RON 7.0 mil. as of June 2023) as a result of the preparation of the raw material stock needed for the season (Q3 2023) and the repayment of bank loans and payment of dividends to Doorsrock4 for debt service payments.

Except for the repayment of bank loans, there were no other significant changes in the company's debt and equity.

## DIAL

With total assets amounting to RON 55.0 million as of 30 June (+4% versus the level as of 31 December 2022), the main change occurred in the category of tangible fixed assets. These increased by 64%, from RON 15.1 million in FY 2022 to RON 24.8 million at the end of the six months of 2023, given that the final acceptance for the new 5,000 sqm production and storage hall was signed in the second quarter of 2023.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Trade receivables, amounting to RON 7.1 million, increased by 12%, while inventories decreased by 13% (to RON 9.1 million) compared to 31 December 2022, on the back of higher sales in Q2 2023.

In terms of total liabilities (RON 16.6 million as of 30 June 2023, +13% vs FY 2022), the main changes relate to the increase in amounts due to suppliers (up to RON 2.6 million) mainly due to the purchase of raw materials to ensure the necessary stocks during the season.

## ELECTROPLAST

Electroplast has total assets of RON 110.6 million at the end of H1 2023, 9% above the level on 31 December 2022. Non-current assets (RON 56.1 million, unchanged compared to the end of 2022) represent 50.7% of total assets and are mostly composed of tangible fixed assets, i.e., fixed assets necessary to conduct the company's current activity (RON 55.0 million on 30 June 2023).

The largest part of current assets, amounting to RON 52.8 million (+17% compared to the level recorded at the end of 2022) is made up of trade receivables which increased by 18% to RON 40.3 million on the back of seasonal sales in Q2 2023. A second component in value terms is inventory (RON 10.7 mln as of 30 June 2023), up 11% from the level as of 31 December 2022 as a result of securing raw material requirements for the coming period.

Total liabilities of RON 80.5 million as at 30 June 2023, up 13% compared to the end of 2022, are mostly made up of current liabilities, i.e. trade payables (RON 26.7 million, +32% due to raw materials purchased for the peak sales period), but also bank payables (RON 35.2 million, +40% compared to the level as at 31 December 2022) - mainly the factoring line for securing work requirements.

Shareholders' equity stands at RON 30.1 million (-2% compared to December 31, 2022), consisting mostly of Other reserves (RON 32.0 million) recorded mainly following the revaluation of buildings and other tangible assets owned by the company.

## DOORSROCK4

This company has a balance sheet structure typical of an investment vehicle, with financial fixed assets represented by equity interests in EED (RON 70.5 million) and receivables from related parties representing loans granted to EED (RON 7.7 million as of 30 June 2023, down 17% from the end of 2022 due to partial payments).

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Most of the liabilities are represented by the loans necessary for the acquisition of the EED. They increased from RON 35.2 million on 31 December 2022 to RON 44.3 million at the end of H1 2023 as a result of additional borrowings taken out in January 2023 for the acquisition of the remaining 30% of the EED.

## **NATIVEROCK1**

Nativerock's assets<sup>1</sup> are mostly made up of financial fixed assets (RON 57.5 million) represented by the stake held in Dial, which have not changed since FY 2022. Current assets are mostly made up of receivables with affiliated companies representing dividends to be received from Dial (RON 2.5 m.). Compared to December 2022, interim dividends distributed during FY 2022 have been settled after the approval of the annual financial statements (RON 1.6 m.), current assets decreased by this amount.

Debts are mainly made up of bank loans required for the acquisition of Dial, with no significant changes during the first half of 2023.

# ANALYSIS OF STANDALONE FINANCIAL RESULTS

## P&L ANALYSIS

ROCA Industry is a holding company that owns the interests in subsidiaries, with no operating income of its own, recording income mainly from dividends distributed by portfolio companies and other financial income.

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	H1 2023	H1 2022
<b>Operating income</b>	<b>780</b>	<b>228</b>
<b>Operating expenses, of which:</b>	<b>2,891,276</b>	<b>1,098,718</b>
Material expenses, of which:	44,966	35,801
<i>Expenses with raw materials and consumables</i>	31,894	35,801
<i>Other expenses</i>	13,072	-
Personnel expenses	1,320,354	414,058
Depreciation expenses and value adjustments	5,444	2,437
Other operating expenses	1,520,512	646,422
<b>Operating result</b>	<b>(2,890,496)</b>	<b>(1,098,490)</b>
Financial income	3,825,881	1,042,531
Financial expenses	216,908	33,547
<b>Financial result</b>	<b>3,608,973</b>	<b>1,008,984</b>
Total income	3,826,661	1,042,759
Total expenses	3,108,184	1,132,265
<b>Gross profit/(loss)</b>	<b>718,477</b>	<b>(89,506)</b>
Income tax	103,082	10,240
<b>Net profit/(loss)</b>	<b>615,395</b>	<b>(99,746)</b>

Operating expenses in the first 6 months of 2023 totalled RON 2.9 million, mainly representing the operating costs of the holding company (personnel expenses that increased as the management team was extended, but also expenses related to PR and investor relations activities of the holding company).

Financial income of RON 3.8 million is mainly composed of interest income for intragroup loans granted to subsidiaries (RON 2.2 million), dividend income of RON 1.5 million represented by dividends distributed but not paid by Nativerock1 (dividends that were distributed during 2022 and were settled following the closing of the individual annual financial statements of Nativerock1), and favourable exchange differences on loans granted by the Company to its subsidiaries (RON 0.1 million). The financial expenses, in amount of RON 0.2 million, represent interest to be paid to ROCA Investments on loans granted to finance the activity of some of the holding company's subsidiaries.

Following these evolutions, the Company recorded at the end of S1 2023 a net profit of RON 0.6 million, compared to a net loss of RON 0.1 million RON at S1 2022.

# ANALYSIS OF STANDALONE FINANCIAL RESULTS

## BALANCE SHEET ANALYSIS

During the first half of 2023, two new companies came under the holding umbrella. Iranga was acquired in its entirety by Bico, and the transaction acquiring Electroplast closed at the end of June. Thus, as compared to the end of 2022, the structure of total assets at the end of H1 2023, totalling RON 233.4 million, up 35% compared to 31 December 2022, underwent some changes. The main elements are presented below.

### Non-current assets

With a 58% share in the total assets, the non-current assets at the end of June 2023 worth RON 135.7 mn, 51% higher than at the end of 2022. They are represented mostly by **financial assets**, namely the Company's stake in its subsidiaries. Their increase by 51% compared to December 2022 is due to the acquisition of ELP in June.

INDICATOR (RON)	H1 2023	FY 2022	Δ %
Bico Industries SA	71,012,300	71,012,300	0%
Ajustare de valoare a participației Bico	(12,385,542)	(12,385,542)	N/A
Colorock13 SRL/Sarcom SRL*	100	100	0%
Doorsrock4 SRL	31,270,184	31,270,184	N/A
Doorsrock4 SRL – vărsământ neefectuat	-	-	N/A
Nativerock1 SRL	100	100	0%
Electroplast	45,750,989	-	N/A
<b>Total</b>	<b>135,648,131</b>	<b>89,897,142</b>	<b>+51%</b>

\*Note: in December, Sarcom and Colorock13 merged, Colorock13 being the incorporated company. Therefore, the Colorock13 share capital was fully taken over by Sarcom

### Current assets

The current assets increased by 18% between the two periods, up to RON 97.5 mn due to the following:

- increase in cash and cash equivalents from RON 2.0 mn as at 31 December 2022 to RON 11.6 mn, as a result of the collection of receivables from group entities;
- intra-group receivables 7% higher (RON 85.2 mn vs. RON 79.7 mn as at 31 December 2022), represented by loans granted by ROCA Industry to its subsidiaries both for the acquisition of new companies and to cover working capital requirements. These increased by taking over the loans that ROCA Investments had previously granted to ELP, in accordance with the approval of the EGMS in June 2023.

# ANALYSIS OF STANDALONE FINANCIAL RESULTS

Description	Agreement date	Due date	Interest rate	Principal to be received 30.06.2023 (RON)	Interest to be received 30.06.2023	Total to be received 30.06.2023 (RON)
Evolor	25.11.2021	25.11.2023	Fix 6%	24,000,000	2,332,000	26,332,000
Evolor	18.11.2022	18.11.2023	2.5% + Robor 1M	5,099,691	279,620	5,379,311
Bico Industries	20.11.2021	30.06.2023	Fix 4%	2,481,700	24,817	2,506,517
Bico Industries	03.04.2023	03.04.2024	Euribor 1M + 3.5%	4,963,400	27,202	4,990,602
Doorsrock4	13.05.2022	16.05.2023	Fix 6%	6,452,420	445,217	6,897,637
Doorsrock4	16.12.2022	16.12.2023	Euribor 1M + 3%	1,737,190	52,487	1,789,677
Nativerock	20.09.2022	19.09.2023	Fix 6%	23,953,657	1,110,890	25,064,547
Electroplast	30.06.2023	31.12.2024	Ref. int. BNR	2,978,040	377,330	3,355,370
Electroplast	30.06.2023	31.12.2024	Fix 6%	1,271,638	315,801	1,587,439
Electroplast	30.06.2023	31.12.2024	ROBOR 1M + 3%	992,680	178,633	1,171,313
Electroplast	30.06.2023	31.12.2024	Ref. int. BNR	678,440	58,124	736,564
Electroplast	30.06.2023	31.12.2023	ROBOR 1M + 3.5%	2,000,000	271,903	2,271,903
Electroplast	30.06.2023	31.12.2024	Ref. int. BNR	1,356,880	109,772	1,466,652
<b>Total</b>				<b>77,965,735</b>	<b>5,583,797</b>	<b>83,549,533</b>

*\*Note – Following ELP acquisition, the Company took over the intragroup credit facilities granted by ROCA Investment*

Loans indicated as having been granted to Sarcom were necessary in fact to the special purpose vehicle Colorock13 through which the Sarcom acquisition was made, to pay part of the price for the acquisition of Sarcom to the former shareholders. The loans are subordinated to the credit facilities obtained and they can be extended at the due date.

Bico needed other two credit facilities, one worth EUR 1.5 mn in November 2021, for the development and expansion of the company's activity, and the second one worth EUR 2 mn in March 2022, for financing the current capital. The two facilities were prolonged during 2023, and the largest part of the EUR 1.5 mn credit facility had been reimbursed.

The facilities granted to Doorsrock4 were necessary for partial payment of the price relating to the acquisition of 70% of the EED shares (in May 2022), and for the additional 30% of share capital in December 2022. The loans are subordinated to the credit facilities obtained and they can be extended at the due date.

# ANALYSIS OF STANDALONE FINANCIAL RESULTS

## Trade payables and other liabilities

Total liabilities worth RON 67.5 mn at the end of June 2023 as compared to RON 7.2 mn at FY 2022. Their increase is due to the acquisition by ROCA Industry of 99.99997% of ELP's share capital from ROCA Investments, while the amount of the transactions has not been paid yet. Also included in this amount are receivables taken over from ROCA Investments in relation to ELP representing shareholder loans granted by ROCA Investments to finance the ongoing activity of ELP during the past years.

Description	Agreement date	Due date	Interest rate	Principal to be paid 30.06.2023 (RON)	Interest to be paid 30.06.2023	Total to be paid 30.06.2023 (RON)
ROCA Investments	14.12.2022	14.12.2023	Euribor 1M + 3%	4,963,400	312,037	5,275,437
ROCA Investments	03.04.2023	03.04.2024	Euribor 1M + 3,2%	4,963,400	77,066	5,275,437
<b>Total</b>				<b>9,926,800</b>	<b>389,103</b>	<b>10,315,903</b>

Other short-term payables mainly include the distributed dividends (Nativerock1) following the allocations conducted, in accordance with the law, during the financial year 2022, which will be settled after communicating the dividends determined under the annual financial statements, but also salaries, dues and taxes.

## Equity

The subscribed paid capital at 30 June 2023 consists of RON 105.9 mn, representing subscribed paid capital, and RON 71 mn – contribution in kind of 70% of the shares of Bico Industries SA. The shareholding structure is as follows:

Shareholder	30 June 2023		
	No of shares	Value RON	% in total
ROCA Investments	10,757,557	107,575,570	60.8%
Mihai Bîrliba	1,014,461	10,144,614	5.7%
Other shareholders	5,922,555	59,225,550	33.5%
<b>Total</b>	<b>17,694,573</b>	<b>176,945,730</b>	<b>100%</b>

No other significant changes were recorded in the equity's structure.

# OUTLOOK FOR THE ACTIVITY IN H2 2023

The revised forecast of the National Commission for Strategy and Forecasting, spring version, confirms the moderate growth of the construction sector (+7%), the decrease of the industry and a growth of the construction sector based, however, mainly on engineering construction (+21% vs. the same period 2022) - supported by the level of investment spending from the State Budget, but with a negative evolution of residential building construction (-1.3%), amid successive increases in interest rates on real estate loans, and a decline in the purchasing power of the population. According to the Current Survey, industrial production is expected to fall by 6.6% in the second quarter of this year, compared with the same period last year. With a possible 14.3% decrease in volume of domestic turnover and a 3.7% decrease in external demand, total industry turnover is expected to decrease by 11.2%. In the first half of the current year, compared to the first half of the previous year, industrial production is expected to be negative (-5.2%), mainly due to a decrease in domestic demand (-14.2%) and a 3.7% decrease in external demand. Under these conditions, turnover in total industry is estimated to decrease by 11.3% compared to the level recorded in the period January-June 2022. Among the industrial branches where a decrease of more than 20% is expected, wood processing and production of substances and chemicals are also included, branches in which two of the Issuer's subsidiaries operate.

On the other hand, INSSE forecasts a 12% decrease in residential construction in 2023 and a 7.3% decrease in non-residential construction (data available as of May 2023) compared to the same period last year. (Sources: CNSP spring forecast, Economic Survey - Estimation of industry developments in the second quarter of 2023, INSSE - Construction works - May 2023).

At the same time, one of the important predictive indicators with a direct impact on the industry in which the Issuer operates, the number of permits issued for 2023 decreased in the first half of the year by 24.9% compared to the same period in 2022, which will have an impact not only on the evolution of the market in 2023, but also beyond. (Source: INSSE, Press Release - Building permits issued for buildings in June 2023).

Separate from inflation pressure, which in the first months of 2023 fluctuated slightly from the upper threshold reached in 2022, there are a number of other factors that significantly impact the sector. While rising interest rates, which put additional pressure on consumption but also on the cash flows of companies in the industry, affect the economy as a whole, the construction sector faces specific challenges: the increase in the value of the minimum wage in construction, the 5% VAT limit on a single property, the increase in taxes on the sale and rental of housing respectively. All the above, in addition to fluctuating production costs in the building materials industry and uncertainties in the energy market, will put pressure on the market as a whole, both on the supply and demand side.



# OUTLOOK FOR THE ACTIVITY IN H2 2023

Part of the building materials industry will benefit from the support offered by funding programmes, including the NRP. It is important to note here the dependence of the payment of the NRDP instalments not only on the state of contracted works, but also on the implementation and adoption of legislative measures, which may be influenced by political tensions in a pre-election year.

ROCA Industry's management emphasizes that the communicated strategy of contributing to Romania's reindustrialization through the growth of some companies and turning them into regional champions is a medium and long-term strategy. We understand the unfavourable contexts that traditionally impact pro-cyclical sectors and believe that in these contexts, identifying opportunities and managing risks through flexibility, agility and alternative plans are the elements that ensure the transition to success and preparation for maximizing growth in favourable contexts.

ROCA Industry also emphasizes its continued interest in regional development through mergers and acquisitions, depending on market opportunities. The Group's development to date is in line with the established plan.

ROCA Industry has officially announced its intention to reach a total of 8 companies - direct, medium-term holdings and, respectively, growing portfolio companies through M&A processes that can accelerate the evolution of the companies - either by increasing production capacities or through rapid access to technology.

At the Holding level, given ROCA Industry's mission to develop regional champions, analysis of industries related to building materials production will also be initiated to understand how to scale even more accelerated growth of the Holding in the coming years.

Assuming a difficult economic environment with rising interest rates, the impact on lending and the snowball effect in all construction related industries, ROCA Industry continues with the flexibility to act quickly in changing market conditions; including stress scenarios and alternative scenarios to support group companies in case of need.

Considering the evolution of the holding companies' activities in the first half of 2023, as well as the forecasts on the trends of the economy at international and national level, and specifically of the building materials and construction industry, ROCA Industry's management wants to continue to provide a high level of transparency and in this respect has made a realistic projection of the estimated revenues and expenses for the end of 2023. In this projection the starting point was the individual result achieved by each company in the holding company as of 30 June 2023, to which the expected individual results for H2 2023 were added. Compared to the projections at the beginning of the year, at consolidated level the expected results of Electroplast, a company that joined the holding company at the end of H1 2023, have been added.

# OUTLOOK FOR THE ACTIVITY IN H2 2023

The year 2023 is still considered to be a difficult year in terms of performance, on the one hand due to macroeconomic conditions (high inflation, increased interest rates and lower demand), and on the other hand due to the specifics of the portfolio companies' business which, under normal market conditions, provide a relatively high inventory so as to be able to supply the need for products in peak periods (Q2 and Q3) with inventories built up in periods of low sales. Thus, any fluctuation in the price of raw materials has a strong and rapid impact on the financial performance of these companies.

For a complete picture, estimated key indicators for each directly productive company in the ROCA Industry Group can be found below.

Key indicators estimated for 2023	Evolor	Bico Group	EED and Doorsrock (consolidated)	Dial and Nativerock (consolidated)	ELP	Total combined 2023
Turnover	98,568,212	155,854,366	70,057,820	56,030,542	157,750,117	538,261,057
Gross margin	32,326,034	26,700,837	15,530,351	11,773,679	19,112,630	105,443,531
GM %	33%	17%	22%	21%	12%	20%
EBITDA	13,871,433	10,474,070	5,628,755	6,424,612	8,181,746	44,580,616
EBITDA %	14%	7%	8%	11%	5%	8%
EBIT	5,717,052	5,019,096	-550,836	3,198,670	6,029,575	19,413,557
EBIT %	6%	3%	-1%	6%	4%	4%
Net result	804,971	160,033	-4,926,881	-1,871,993	654,300	-5,179,570
Net result %	1%	0%	-7%	-3%	0%	-1%

In the case of companies acquired through leveraged buyout financing (Evolor, EED and Dial), a large part of the difference between **EBITDA (positive, with a margin of at least 8% of turnover)** and net result is generated by the increased cost of debt for the acquisition (credit facilities contracted for a period of 7-8 years), especially in the context of higher interest rates.

In addition, holding companies have a high need for working capital, but also for new equipment or upgrades of existing equipment. Part of these costs are covered, in all ROCA Industry companies, by credit facilities, which in turn generate a high level of financial expenses affecting the bottom line.

Given that the merger between the target companies and the SPVs through which they came under the umbrella of the holding company resulted in goodwill (representing the difference between the acquisition cost of the target company and the fair value, at the transaction date, of the portion of the net assets acquired) to be amortized over 10 years, these non-cash expenses, with no impact on cash and cash equivalents, decreased the net financial performance of Evolor, Dial and EED.

# OUTLOOK FOR THE ACTIVITY IN H2 2023

As actions to support the figures presented, the holding companies have already started or plan to implement various projects.

At **Bico Group** level, the focus includes continuing to gain market share and lead over the main competitors, in particular by stepping up efforts to expand European sales.

Among the measures identified by the company to achieve its targets are proactively contacting a number of potential new customers, especially in external markets, and planning to expand its geographical distribution area in partnership with strong, international distributors. In this respect, partnerships are also being pursued with companies offering complementary products to those manufactured by Bico so as to continue expanding distribution channels and entering new projects. Other actions undertaken include participation in trade fairs and exhibitions to generate new sources of potential customers, as well as analysis of competitive offers to maintain market share and diversification of assortment ranges. In addition, the company is developing a new range of products to be produced in the group's new subsidiary in Lithuania.

From an operational point of view, BICO is in the process of obtaining building permits for a new storage hall that will contribute to increasing storage capacity in Vaslui and will also finalize the investment projects in the Vulcănești plant worth over EUR 1 million, which will increase production capacity by 40%.

**Evolor** is in the process of acquiring land with a production hall. In H2 2023 the transaction is planned to be completed, with the first stage of relocation of production equipment for one of the lines taking place by the end of the year. Also, an action to upgrade the production equipment has been initiated and will be carried out in parallel with the relocation. The upgrading involves increasing the level of automation and production capacity. This process will take place in several stages over a period of 2-3 years.

It is also involved in complex marketing actions, with rebranding having been launched since the beginning of the year. Two new products are expected to be launched for sale in the second half of the year, in conjunction with other marketing investments to support the sale of its products. Thus, given the upward trend in Evolor's business in H1 2023 (turnover up 32.5% and EBITDA 82.5% higher than in H1 2022), with a strengthened management team, ROCA Industry management believes that Evolor has all the prerequisites to fully achieve the targets assumed.

# OUTLOOK FOR THE ACTIVITY IN H2 2023

Another plan concerns the expansion of distribution in traditional retail chains, as well as the further development of the export distribution channel (after the first foreign sales to the Republic of Moldova and Israel in H1 2023), which are expected to generate additional operating income.

From a cost point of view, the company is undergoing a cost efficiency process by reviewing and completing its supplier portfolio, obtaining a grant for additional energy efficiency and automating its packaging lines.

In the case of **EED**, the management team is one of the key elements that can contribute to achieving the proposed targets. Thus, the new management team that started its work in the second part of the second quarter has as its immediate focus the balancing of sales, both in terms of volumes and product categories.

From an operational point of view, EED will start in H2 2023 the implementation of an ERP system that will be the basis for future developments and automation in production.

Further action is expected in the marketing area, following the analysis of markets, consumers and distribution channels carried out in Q1. As a result of the studies carried out, the need to launch a new brand, with new door models, as well as the introduction of the concept of collections, aligned with market trends and needs, was identified. These actions are expected to be implemented in the second half of 2023 and will facilitate the opening of product-specific channels in the residential projects area.

**Dial's** current products do not cover the industrial areas that are receiving European funding at this time. The company's management believes that the increase in turnover in the coming period will not be sufficient to cover financial and depreciation expenses. Thus, although the EBITDA level will continue at a level of 11% of turnover, the company will record a loss of RON 1.9 million.

However, the company's focus is on industrial projects such as logistics hubs and photovoltaic parks and not least on residential projects. In addition, as a measure in the current market conditions, management is in the process of identifying new areas of development, while the focus is on the commercial area, including increasing exports, retaining current customers and expanding the portfolio by attracting new customers.

In order to achieve the targets, the recruitment process to enlarge the sales team has been initiated, and new products have been identified to be launched in the coming period, to be accompanied by marketing campaigns. In support of these efforts, Dial has already initiated market research, the results of which will be available in the third quarter, aimed at identifying areas of potential for the company.

# OUTLOOK FOR THE ACTIVITY IN H2 2023

Another area of action is operational, where the company already has an action plan to streamline operations, improve internal flows, improve the maintenance process that can support production growth and optimise inventory levels in relation to sales volume.

**Electroplast** plans to expand the distribution channel by attracting new customers and rethinking the supplier mix to lower raw material prices without affecting quality.

ELP is also in a continuous process of attracting new customers, the value of the projects offered by ELP for which the final decision has not yet been received amounts to RON 46.9 million. As in the first half of the year there were delays in the execution of some infrastructure projects (e.g. Railway projects), the company accelerated the process of prospecting export markets in parallel with local contracting.

In addition, the company has already begun the process of upgrading equipment to make it more energy efficient, increase productivity and production capacity, with a direct impact on improving margins and profitability. Most of the equipment is expected to be commissioned in the second half of 2023

At **consolidated level**, for 2023 the company's management expects EBITDA to reach a level of RON 34.7 million, with an EBITDA margin of 7%, while the expected loss is RON 2 million. The figures presented consider ROCA Industry's ownership in each company, as well as the H1 results, plus the estimated figures for H2 2023 (considering all consolidation-specific items).

Key indicators	Consolidated result in H1 2023	Estimated indicators for H2 2023	Estimated indicators for FY 2023
Turnover	205,593,869	276,864,801	482,458,670
EBITDA	11,438,619	23,267,600	34,706,219
EBITDA %	6%	8%	7%
Net result	-8,400,477	6,548,969	-1,851,508
Net result%	-4%	2%	N/A

The data presented above do not include any new transactions that may take place during 2023. In line with estimates at the beginning of the year, two new companies (Iringa via Bico and Electroplast) have joined the holding company and at the time of preparing this report EED is in advanced discussions to acquire Workshop Doors. The company's management will keep the market informed via current and/or financial reports as soon as additional information becomes available.

# KEY RISKS FOR H2 2023

## FINANCIAL RISKS

### Liquidity risk

Liquidity risk is inherent in the operations of ROCA Industry's subsidiaries and is associated with the holding of inventories, receivables or other assets and their conversion into liquidity within a reasonable time, so that the Subsidiaries can meet their payment obligations to its creditors and suppliers. In case of non-fulfillment by the Company's Subsidiaries of these payment obligations or of the liquidity indicators stipulated in the contract, the company's creditors (commercial suppliers, banks, etc.) could initiate actions to execute the company's main assets or even request the opening of insolvency proceedings which would significantly and adversely affect the shareholders and the business, prospects, financial condition and results of operations of ROCA Industry and its Subsidiaries

**How the Group is addressing the risk:** The Company's subsidiaries constantly monitor their risk of facing a lack of funds to carry out their activity, by planning and monitoring cash flows, but as net revenues cannot be accurately predicted, there is a risk that this planning will be different from what will happen in the future. In addition, commercial policies are implemented to manage liquidity risk, both towards suppliers and towards customers.

### Interest rate and sources of financing risk

Some of the financing contracted by certain Subsidiaries have a variable interest rate. Therefore, the company is exposed to the risk of this interest rate increase during the credit facility period, which could lead to the payment of a higher interest rate and could have a negative effect on the business, financial condition and results of operations of the respective company or of ROCA Industry. Also, in case of deterioration of the economic environment in which the Company's Subsidiaries operate, they may be unable to contract new financing under the conditions they previously benefited from, which could lead to increased financing costs and would significantly negative affect the financial situation of the respective company, and ROCA Industry, respectively.

**How the Group is addressing the risk:** The Company and its Subsidiaries have a policy of careful monitoring and negotiation of interest rates, and, for the next period, they also focus on financing opportunities from non-reimbursable sources

# KEY RISKS FOR H2 2023

## Currency risk

Currency risk represents the risk that the value of a financial instrument will fluctuate as a result of the variation in exchange rates.

**How the Group is addressing the risk:** The Group tries to maintain monetary assets in foreign currency at the level of monetary liabilities in foreign currency, in order not to be significantly exposed to foreign exchange risk. The unwanted effects of currency risk can be mitigated by currency hedging and hedging operations on derivative markets. Such effects can also be avoided by including a currency clause or a price revision clause in the contract

## OTHER BUSINESS RISKS

In addition to general risks that impact the entire business environment, such as the risk associated with political, social and economic instabilities in the region, price risk, energy price risk, etc., the following are additional risks that may affect the ROCA Industry Group from the perspective of the holding company's business model and the specific activities of the companies held by ROCA Industry.

### The risk associated with the business development plan

The Company's objective is to ensure a sustainable growth of the activity, which is reflected in the main indicators - turnover and profitability. During the period of companies' transition to the integrated business model, based on principles of active partnership with the entrepreneur, there is the possibility of seeing fluctuations in the business, which can also manifest as initially lower performance compared to the previous one.

**How the Group is addressing the risk:** ROCA Industry management has a long-term vision, which involves creating regional champions by creating a solid foundation and long-term investments in production capacities and the acquisition of companies. This stage will be managed by: establishing the growth strategy, individually, for each Subsidiary, establishing the organizational structure and appropriate management teams, as well as the main work processes.

### Risk regarding the evolution of the construction materials market

In the context of reduced purchasing power and limited access to credit, there is a risk of market growth slowing down, or even stagnating, which could negatively affect the Company's activity and operational results. We estimate that the residential construction sector will be affected to a greater extent than the infrastructure sector, which will benefit from various capital inflows from non-reimbursable funds.

# KEY RISKS FOR H2 2023

**How the Group is addressing the risk:** Therefore, one of the main concerns for risk reduction is the diversification of the range of products sold, in an agile way, so that the group companies to be able to offer a portfolio of competitive products in those markets where there will be sufficient demand.

In the same time, efforts are being made to access diversified sales channels and build a range of complementary products, in various price segments.

Although an adverse evolution of the global construction market may impact various business lines of ROCA Industry, the purpose of the consolidation at the Company level of various businesses, with complementary products and sectors of activity is to build an agile structure, which can adapt to new trends, in various ways, and can capitalize on opportunities arising from changes in market-related trends by modifying the business model or incorporating new lines of business into it, according to macroeconomic conditions.

## The risk associated with the relationship with large retail customers

One of the main sales channels for the activities carried out by ROCA Industry through its Subsidiaries is represented by the big chains of do-it-yourself retail stores (such as Dedeman or Leroy Merlin). A possible change in the contractual conditions or requirements of these customers could affect the operational activity, as well as the results and financial position of the Company.

**How the Group is addressing the risk:** The diversified activity of ROCA Industry and the strategy of the management team to diversify both sales channels (retail chains, traditional trade, B2B, export), as well as large retail customers, contribute to reducing this risk

## Risk associated with development in foreign markets

The future plans of ROCA Industry's management team involve expanding the export business, which may involve various risks related to legislative, cultural or business differences and competition specific to each market addressed. Thus, foreign operations may not be up to the level estimated by the Company's management and may encounter various barriers that may slow down the development of the Company's business.

**How the Group is addressing the risk:** ROCA Industry develops both at the Holding level and in companies a process of integrating both know-how and best practices for export processes but also for the integration of any newly acquired companies.



# KEY RISKS FOR H2 2023

## The risk of investing in other companies

ROCA Industry can decide to invest in other companies, making the investment decision reasonably and diligently depending on future opportunities. The holding may decide to invest in companies that carry out activities within the same line of activities, or of complementary activities, taking into account the integration of these lines within the main activity of the Company. Also, together with its subsidiaries, ROCA Industry may decide to invest through certain subsidiaries in companies that complement their object of activity.

However, ROCA Industry's efforts to estimate the financial effects of any such transaction on the Group's business may not be successful, and there can be no assurance that future acquisitions will be able to leverage the Group's business. In addition, acquisitions may distract management or divert financial or other resources from the Group's existing business or may require additional expenses. Such developments could have a material adverse effect on the Group's business, results of operations and financial condition.

The ability to make such investments may be limited by many factors, including the availability of financing, debt clauses in financing agreements, applicable regulations, and competition from other potential buyers. If acquisitions are made, there is no guarantee that the Group will be able to generate the expected margins or cash flows or realize the anticipated benefits of these acquisitions, including the expected increase or synergies.

Although the Group analyzes the companies that are the subject of the acquisition, these valuations are subject to a number of assumptions regarding profitability, growth, etc. There is no guarantee that the Group's assessments and assumptions regarding the acquisition objectives will prove to be correct and that actual developments may differ materially from its expectations, especially in a macroeconomic context marked by uncertainty.

There is no guarantee that the Group will successfully acquire new assets or that it will gain any of the benefits it anticipates as a result of these future acquisitions. If it makes acquisitions but does not acquire these benefits, these circumstances could have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

# KEY RISKS FOR H2 2023

## Business risk

In commercial activity, the Company's Subsidiaries develop commercial relationships with suppliers of materials, raw materials and services, which are exposed to the risk of defective supply, in time and quality parameters below the accepted level, of price increases or cessation of the provision of services and products. Although there is no major dependence on a particular supplier or service, there is the risk of a significant negative impact on the activities of the Subsidiaries, until such supplier is replaced. Also, if the commercial partners in the supply chain enter a state of potential financial instability, this may have significant effects on the activities of the Subsidiaries.

**How the Group is addressing the risk:** The group tries to anticipate and manage such risks through its procurement and commercial policies, by verifying and validating commercial partners from the perspective of business sustainability and applying instruments to minimize the risks of financial exposure, as well as contractual clauses that provide for quality standards in the provision of the services and the delivery of the assumed goods, including the consequences of non-compliance with these clauses.

## Environmental impact

**How the Group is addressing the risk:** ROCA Industry subsidiaries will monitor compliance with applicable environmental policies by proposing to conduct their business responsibly, in order to minimize the impact on the environment and the carbon footprint it leaves. There are no environmental disputes at the time of publishing this report and no environmental disputes are expected

# MAIN FINANCIAL INDICATORS AT CONSOLIDATED LEVEL

## Current ratio as of 30.06.2023

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{238,244,962}{252,938,264} = 0.87$$

## Debt to equity ratio as of 30.06.2023

$$\frac{\text{Interest bearing debt}}{\text{Equity}} \times 100 = \frac{150,117,492}{148,099,129} \times 100 = 101.36\%$$

$$\frac{\text{Interest bearing debt}}{\text{Employed capital}} \times 100 = \frac{150,117,492}{298,216,621} \times 100 = 50,34\%$$

*Interest bearing debt = Loans over 1 year*

*Employed capital = Borrowed capital + Equity*

## Fixed asset turnover as of 30.06.2023

$$\frac{\text{Annualized turnover}}{\text{Fixed assets}} = \frac{491,487,738}{359,463,076} = 1.37$$

# CONSOLIDATED PROFIT AND LOSS ACCOUNT ROCA INDUSTRY HOLDINGROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>196,564,239</b>	<b>122,543,722</b>	<b>60%</b>
Turnover	205,593,869	116,457,804	77%
Inventory variation	(11,093,175)	5,708,637	-294%
Other operating income	2,063,545	377,281	447%
<b>Operating expenses, of which:</b>	<b>195,809,702</b>	<b>113,381,778</b>	<b>73%</b>
Material expenses, of which:	136,579,200	85,323,156	60%
<i>Expenses with raw materials and consumables</i>	104,919,170	75,439,619	39%
<i>Expenses on goods</i>	27,701,006	6,961,118	298%
<i>Other expenses</i>	3,959,024	2,922,419	35%
Personnel expenses	28,359,932	13,769,635	106%
Depreciation, amortization and value adjustments	10,684,082	5,888,039	81%
Other operating expenses	20,186,488	8,400,948	140%
<b>Operating result</b>	<b>754,537</b>	<b>9,161,944</b>	<b>-92%</b>
Financial income	313,891	468,318	-33%
Financial expenses	8,292,278	2,670,838	210%
<b>Financial result</b>	<b>(7,978,387)</b>	<b>(2,202,520)</b>	<b>262%</b>
Total income	196,878,130	123,012,040	60%
Total expenses	204,101,980	116,052,616	76%
<b>Gross loss/profit</b>	<b>(7,223,850)</b>	<b>6,959,424</b>	<b>-204%</b>
Income tax	1,176,627	1,519,840	-23%
<b>Net loss/profit, of which:</b>	<b>(8,400,477)</b>	<b>5,439,584</b>	<b>-254%</b>
<i>related to the parent company</i>	(8,032,583)	3,202,118	
<i>related to non-controlling interests</i>	(367,894)	2,237,466	

# STANDALONE PROFIT AND LOSS ACCOUNT ROCA INDUSTRY HOLDINGROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>780</b>	<b>228</b>	<b>242%</b>
Other operating income	780	228	242%
<b>Operating expenses, of which:</b>	<b>2,891,276</b>	<b>1,098,718</b>	<b>163%</b>
Material expenses, of which:	44,966	35,801	26%
<i>Expenses with raw materials and consumables</i>	31,894	35,801	-11%
<i>Other expenses</i>	13,072	-	-
Personnel expenses	1,320,354	414,058	219%
Depreciation, amortization and value adjustments	5,444	2,437	123%
Other operating expenses	1,520,512	646,422	135%
<b>Operating result</b>	<b>(2,890,496)</b>	<b>(1,098,490)</b>	<b>163%</b>
Financial income	3,825,881	1,042,531	267%
Financial expenses	216,908	33,547	547%
<b>Financial result</b>	<b>3,608,973</b>	<b>1,008,984</b>	<b>258%</b>
Total income	3,826,661	1,042,759	267%
Total expenses	3,108,184	1,132,265	175%
<b>Gross loss/profit</b>	<b>718,477</b>	<b>(89,506)</b>	<b>N/A</b>
Income tax	103,082	10,240	907%
<b>Net loss/profit</b>	<b>615,395</b>	<b>(99,746)</b>	<b>N/A</b>

# PROFIT AND LOSS ACCOUNT

## BICO INDUSTRIES

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>64,993,407</b>	<b>67,121,231</b>	<b>-3%</b>
Turnover	73,348,504	60,449,931	21%
Inventory variation	(8,644,717)	6,395,847	N/A
Other operating income	289,620	275,453	5%
<b>Operating expenses, of which:</b>	<b>65,666,786</b>	<b>60,123,575</b>	<b>9%</b>
Material expenses, of which:	50,615,231	47,863,883	6%
<i>Expenses with raw materials and consumables</i>	23,882,736	39,807,094	-40%
<i>Expenses on goods</i>	24,850,654	5,700,433	336%
<i>Other expenses</i>	1,881,841	2,356,356	-20%
Personnel expenses	8,531,672	7,492,663	14%
Depreciation, amortization and value adjustments	1,057,746	1,272,573	-17%
Other operating expenses	5,462,137	3,494,456	56%
<b>Operating result</b>	<b>(673,379)</b>	<b>6,997,657</b>	<b>N/A</b>
Financial income	1,583,954	304,324	420%
Financial expenses	2,503,125	1,476,415	70%
<b>Financial result</b>	<b>(919,171)</b>	<b>(1,172,091)</b>	<b>-22%</b>
Total income	66,577,361	67,425,555	-1%
Total expenses	68,169,911	61,599,990	11%
<b>Gross loss/profit</b>	<b>(1,592,550)</b>	<b>5,825,566</b>	<b>N/A</b>
Income tax	-	931,369	-100%
<b>Net loss/profit</b>	<b>(1,592,550)</b>	<b>4,894,197</b>	<b>N/A</b>

# PROFIT AND LOSS ACCOUNT TERRA IMPEX

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>19,554,413</b>	<b>24,727,630</b>	<b>-21%</b>
Turnover	23,067,621	24,727,630	-7%
<b>Operating expenses, of which:</b>	<b>18,772,915</b>	<b>22,023,499</b>	<b>-15%</b>
Material expenses, of which:	12,944,252	16,304,033	-21%
<i>Expenses with raw materials and consumables</i>	12,687,328	16,004,272	-21%
<i>Expenses on goods</i>	256,924	299,761	-14%
Personnel expenses	2,857,087	2,835,442	1%
Depreciation, amortization and value adjustments	486,162	275,405	77%
Other operating expenses	2,485,413	2,608,619	-5%
<b>Operating result</b>	<b>781,498</b>	<b>2,704,131</b>	<b>-71%</b>
Financial expenses	98,972	258,226	-62%
<b>Financial result</b>	<b>(98,972)</b>	<b>(258,226)</b>	<b>-62%</b>
Total income	19,554,413	24,727,630	-21%
Total expenses	18,871,887	22,281,725	-15%
<b>Gross loss/profit</b>	<b>682,526</b>	<b>2,445,905</b>	<b>-72%</b>
Income tax	-	186,076	-100%
<b>Net loss/profit</b>	<b>682,526</b>	<b>2,259,829</b>	<b>-70%</b>

# PROFIT AND LOSS ACCOUNT IRANGA

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>5,406,659</b>	<b>5,615,852</b>	<b>-4%</b>
Turnover	5,406,659	5,615,852	-4%
<b>Operating expenses, of which:</b>	<b>4,494,935</b>	<b>5,971,410</b>	<b>-25%</b>
Material expenses, of which:	2,594,180	3,957,830	-34%
<i>Expenses with raw materials and consumables</i>	2,594,180	3,957,830	-34%
Personnel expenses	1,014,729	969,191	5%
Depreciation, amortization and value adjustments	(984)	57,176	N/A
Other operating expenses	887,009	987,212	-10%
<b>Operating result</b>	<b>911,724</b>	<b>(355,558)</b>	<b>N/A</b>
Financial income	351,047	260,065	35%
Financial expenses	<b>(351,047)</b>	<b>(260,065)</b>	<b>35%</b>
<b>Financial result</b>	<b>5,406,659</b>	<b>5,615,852</b>	<b>-4%</b>
Total income	4,845,982	6,231,474	-22%
Total expenses	<b>560,677</b>	<b>(615,622)</b>	<b>N/A</b>
<b>Gross loss/profit</b>	-	-	-
Income tax	<b>560,677</b>	<b>(615,622)</b>	<b>N/A</b>



# PROFIT AND LOSS ACCOUNT EVOLOR

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>49,481,361</b>	<b>36,811,103</b>	<b>34%</b>
Turnover	49,553,894	37,385,785	33%
Inventory variation	(96,197)	(636,890)	-85%
Other operating income	23,664	62,208	-62%
<b>Operating expenses, of which:</b>	<b>44,677,387</b>	<b>32,495,922</b>	<b>37%</b>
Material expenses, of which:	31,314,468	25,765,139	22%
<i>Expenses with raw materials and consumables</i>	29,792,358	24,697,283	21%
<i>Expenses on goods</i>	1,225,916	653,264	88%
<i>Other expenses</i>	296,194	414,592	-29%
Personnel expenses	5,742,191	3,979,458	44%
Depreciation, amortization and value adjustments	3,545,310	259,431	1267%
Other operating expenses	4,075,418	2,491,894	64%
<b>Operating result</b>	<b>4,803,974</b>	<b>4,315,181</b>	<b>11%</b>
Financial income	50,976	7,488	581%
Financial expenses	2,553,062	155,420	1543%
<b>Financial result</b>	<b>(2,502,086)</b>	<b>(147,932)</b>	<b>1591%</b>
Total income	49,532,337	36,818,591	35%
Total expenses	47,230,449	32,651,342	45%
<b>Gross loss/profit</b>	<b>2,301,888</b>	<b>4,167,249</b>	<b>-45%</b>
Income tax	826,503	484,558	71%
<b>Net loss/profit</b>	<b>1,475,385</b>	<b>3,682,691</b>	<b>-60%</b>

# PROFIT AND LOSS ACCOUNT ECO EURO DOORS

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>31,443,127</b>	<b>34,106,019</b>	<b>-8%</b>
Turnover	29,644,141	33,559,033	-12%
Inventory variation	1,495,673	(817,300)	N/A
Other operating income	303,313	1,364,286	-78%
<b>Operating expenses, of which:</b>	<b>31,133,684</b>	<b>28,436,002</b>	<b>9%</b>
Material expenses, of which:	20,271,986	19,213,262	6%
<i>Expenses with raw materials and consumables</i>	18,185,631	16,354,226	11%
<i>Expenses on goods</i>	1,037,527	1,932,767	-46%
<i>Other expenses</i>	1,048,828	926,269	13%
Personnel expenses	6,059,000	2,722,059	123%
Depreciation, amortization and value adjustments	1,244,952	1,607,698	-23%
Other operating expenses	3,557,746	4,892,983	-27%
<b>Operating result</b>	<b>309,443</b>	<b>5,670,017</b>	<b>-95%</b>
Financial income	59,081	17,248	243%
Financial expenses	1,406,126	435,992	223%
<b>Financial result</b>	<b>(1,347,045)</b>	<b>(418,744)</b>	<b>222%</b>
Total income	31,502,208	34,123,267	-8%
Total expenses	32,539,810	28,871,994	13%
<b>Gross loss/profit</b>	<b>(1,037,602)</b>	<b>5,251,273</b>	<b>N/A</b>
Income tax	-	274,259	-100%
<b>Net loss/profit</b>	<b>(1,037,602)</b>	<b>4,977,014</b>	<b>N/A</b>

# PROFIT AND LOSS ACCOUNT DIAL

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>29,708,069</b>	<b>42,755,778</b>	<b>-31%</b>
Turnover	28,600,737	41,111,924	-30%
Inventory variation	(334,727)	1,601,786	N/A
Other operating income	1,442,059	42,068	3328%
<b>Operating expenses, of which:</b>	<b>27,788,333</b>	<b>36,605,284</b>	<b>-24%</b>
Material expenses, of which:	20,851,662	31,325,411	-33%
<i>Expenses with raw materials and consumables</i>	19,729,620	30,082,157	-34%
<i>Expenses on goods</i>	402,953	607,808	-34%
<i>Other expenses</i>	719,089	635,445	13%
Personnel expenses	3,095,160	2,438,821	27%
Depreciation, amortization and value adjustments	760,729	1,374,729	-45%
Other operating expenses	3,080,782	1,466,323	110%
<b>Operating result</b>	<b>1,919,736</b>	<b>6,150,494</b>	<b>-69%</b>
Financial income	33	138,362	-100%
Financial expenses	450,008	841,859	-47%
<b>Financial result</b>	<b>(449,975)</b>	<b>(703,497)</b>	<b>-36%</b>
Total income	29,708,102	42,894,140	-31%
Total expenses	28,238,341	37,447,142	-25%
<b>Gross loss/profit</b>	<b>1,469,761</b>	<b>5,446,998</b>	<b>-73%</b>
Income tax	247,042	859,727	-71%
<b>Net loss/profit</b>	<b>1,222,719</b>	<b>4,587,271</b>	<b>-73%</b>

# PROFIT AND LOSS ACCOUNT ELECTROPLAST

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	<b>77,452,655</b>	<b>67,732,406</b>	<b>14%</b>
Turnover	77,450,117	66,405,310	17%
Inventory variation	(23,768)	735,337	N/A
Other operating income	26,306	591,759	-96%
<b>Operating expenses, of which:</b>	<b>75,404,506</b>	<b>63,685,993</b>	<b>18%</b>
Material expenses, of which:	65,950,397	54,690,579	21%
<i>Expenses with raw materials and consumables</i>	63,328,713	53,136,455	19%
<i>Expenses on goods</i>	1,203,594	(2,109)	N/A
<i>Other expenses</i>	1,418,089	1,556,233	-9%
Personnel expenses	5,410,188	4,690,357	15%
Depreciation, amortization and value adjustments	967,757	887,644	9%
Other operating expenses	3,076,164	3,417,413	-10%
<b>Operating result</b>	<b>2,048,150</b>	<b>4,046,414</b>	<b>-49%</b>
Financial income	28	186,607	-100%
Financial expenses	2,687,673	2,168,903	24%
<b>Financial result</b>	<b>(2,687,645)</b>	<b>(1,982,296)</b>	<b>36%</b>
Total income	77,452,684	67,919,013	14%
Total expenses	78,092,179	65,854,895	19%
<b>Gross loss/profit</b>	<b>(639,495)</b>	<b>2,064,117</b>	<b>N/A</b>
Income tax	-	-	-
<b>Net loss/profit</b>	<b>(639,495)</b>	<b>2,064,117</b>	<b>N/A</b>

# PROFIT AND LOSS ACCOUNT

## DOORSROCK 4

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022	Change H1 23 vs H1 22 (%)
<b>Operating income</b>	-	-	-
<b>Operating expenses, of which:</b>	<b>75,040</b>	<b>11,781</b>	<b>537%</b>
Material expenses, of which:	-	211	-100%
<i>Expenses with raw materials and consumables</i>	-	211	-100%
Other operating expenses	75,040	11,570	549%
<b>Operating result</b>	<b>(75,040)</b>	<b>(11,781)</b>	<b>537%</b>
Financial income	722,697	57,107	1166%
Financial expenses	1,468,346	344,890	326%
<b>Financial result</b>	<b>(745,649)</b>	<b>(287,783)</b>	<b>159%</b>
Total income	722,697	57,107	1166%
Total expenses	1,543,386	356,671	333%
<b>Gross loss/profit</b>	<b>(820,689)</b>	<b>(299,564)</b>	<b>174%</b>
Income tax	-	1,422	-100%
<b>Net loss/profit</b>	<b>(820,689)</b>	<b>(300,986)</b>	<b>173%</b>

# PROFIT AND LOSS ACCOUNT NATIVEROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	6M 2023	6M 2022
<b>Operating income</b>	-	-
<b>Operating expenses, of which:</b>	<b>124,377</b>	<b>134</b>
Other operating expenses	124,377	134
<b>Operating result</b>	<b>(124,377)</b>	<b>(134)</b>
Financial income	921,554	-
Financial expenses	1,881,605	-
<b>Financial result</b>	<b>(960,051)</b>	<b>-</b>
Total income	921,554	-
Total expenses	2,005,982	134
<b>Gross loss/profit</b>	<b>(1,084,428)</b>	<b>(134)</b>
Income tax	-	-
<b>Net loss/profit</b>	<b>(1,084,428)</b>	<b>(134)</b>

# CONSOLIDATED BALANCE SHEET

## ROCA INDUSTRY HOLDINGROCK1

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>359,463,076</b>	<b>282,665,278</b>	<b>27%</b>
Intangible assets	161,804,752	145,326,616	11%
Tangible assets	192,701,284	123,246,467	56%
Financial assets	1,777,974	1,812,475	-2%
Fixed assets under investment	3,179,066	12,279,720	-74%
<b>Current assets, of which:</b>	<b>238,244,962</b>	<b>170,223,844</b>	<b>40%</b>
Inventories	99,299,321	101,026,478	-2%
Receivables	90,871,163	26,081,604	248%
Trade receivables	89,399,589	23,066,782	288%
Other assets	1,471,574	3,014,822	-51%
Short term investments	697,541	881,206	-21%
Cash and cash equivalents	47,376,937	42,234,556	12%
<b>Deferred expenses</b>	<b>4,292,921</b>	<b>2,203,462</b>	<b>95%</b>
<b>Total assets</b>	<b>602,000,959</b>	<b>455,092,584</b>	<b>32%</b>
<b>Current liabilities, of which:</b>	<b>272,938,264</b>	<b>131,083,262</b>	<b>108%</b>
Third-party providers	68,189,816	29,299,629	133%
Bank debts	95,265,489	57,710,905	65%
Debts to affiliated companies	21,853,897	5,118,797	327%
Other current liabilities	87,629,062	38,953,931	125%
<b>Non-current liabilities, of which:</b>	<b>152,254,915</b>	<b>137,480,912</b>	<b>11%</b>
Bank debts	150,117,492	135,318,611	11%
Other non-current liabilities	2,137,423	2,162,301	-1%
<b>Provisions</b>	<b>1,864,083</b>	<b>2,197,788</b>	<b>-15%</b>
<b>Deferred income</b>	<b>5,088,001</b>	<b>5,589,963</b>	<b>-9%</b>
<b>Total debts</b>	<b>432,145,263</b>	<b>276,351,925</b>	<b>56%</b>
<b>Equity, of which:</b>	<b>148,099,129</b>	<b>159,187,296</b>	<b>-7%</b>
Subscribed and paid-up capital	176,945,730	176,945,730	0%
Share premium	38	38	0%
Legal reserves	145,939	-	-
Other reserves	2,685,374	4,693,364	-43%
Reserves from conversion	(119,303)	(185,330)	-36%
Carried forward profit or loss	(21,840,615)	(961,910)	2171%
Loss for the financial year	(8,032,583)	(19,619,145)	-59%
Losses related to equity instruments	(1,685,451)	(1,685,451)	0%
<b>Minority interests</b>	<b>21,756,567</b>	<b>19,553,363</b>	<b>11%</b>
<b>Total equity and liabilities</b>	<b>602,000,959</b>	<b>455,092,584</b>	<b>32%</b>

# STANDALONE BALANCE SHEET

## ROCA INDUSTRY HOLDINGROCK1

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>135,667,926</b>	<b>89,919,962</b>	<b>51%</b>
Intangible assets	2,118	2,588	-18%
Tangible assets	17,677	20,232	-13%
Financial assets	135,648,131	89,897,142	51%
<b>Current assets, of which:</b>	<b>97,536,505</b>	<b>82,508,623</b>	<b>18%</b>
Receivables	85,947,805	80,474,276	7%
<i>Trade receivables</i>	763,890	780,498	-2%
<i>Receivables with related parties</i>	85,183,915	79,693,686	7%
Other assets	-	92	-100%
Cash and cash equivalents	11,588,700	2,034,347	470%
<b>Deferred expenses</b>	<b>190,122</b>	<b>34,331</b>	<b>454%</b>
<b>Total assets</b>	<b>233,394,553</b>	<b>172,462,916</b>	<b>35%</b>
<b>Current liabilities, of which:</b>	<b>67,518,443</b>	<b>7,201,656</b>	<b>838%</b>
Third-party providers	569,675	306,777	86%
Debts to affiliated companies	10,315,903	5,118,797	102%
Other current liabilities	56,632,865	1,776,082	3089%
<b>Deferred income</b>	<b>1,944</b>	<b>2,488</b>	<b>-22%</b>
<b>Total debts</b>	<b>67,520,387</b>	<b>7,204,144</b>	<b>837%</b>
<b>Equity, of which:</b>	<b>165,874,166</b>	<b>165,258,772</b>	<b>0%</b>
Subscribed and paid-up capital	176,945,730	176,945,730	0%
Share premium	38	38	0%
Carried forward profit or loss	(10,001,546)	(175,042)	N/A
Profit or loss for the financial year	615,395	(9,826,502)	N/A
Losses related to equity instruments	(1,685,451)	(1,685,451)	0%
<b>Total equity and liabilities</b>	<b>233,394,553</b>	<b>172,462,916</b>	<b>35%</b>



# BALANCE SHEET

## BICO INDUSTRIES

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>64,177,674</b>	<b>61,206,657</b>	<b>5%</b>
Intangible assets	17,599	26,398	-33%
Tangible assets	40,088,988	40,934,959	-2%
Financial assets	23,665,526	19,851,352	19%
Fixed assets under investment	405,561	393,948	3%
<b>Current assets, of which:</b>	<b>55,707,255</b>	<b>49,649,913</b>	<b>12%</b>
Inventories	32,012,307	40,253,421	-20%
Receivables	21,042,594	5,247,863	301%
<i>Trade receivables</i>	14,558,130	4,285,311	240%
<i>Receivables with related parties</i>	5,846,171	-	-
<i>Other assets</i>	638,293	962,552	-34%
Short term investments	496,440	494,740	0%
Cash and cash equivalents	2,155,914	3,653,889	-41%
<b>Deferred expenses</b>	<b>64,338</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>119,949,267</b>	<b>110,856,570</b>	<b>8%</b>
<b>Current liabilities, of which:</b>	<b>76,598,879</b>	<b>68,016,363</b>	<b>13%</b>
Third-party providers	16,901,692	8,935,747	89%
Debts to affiliated companies	-	5,191,832	-100%
Bank debts	34,700,817	33,163,855	5%
Debts to shareholders	17,983,515	12,562,005	43%
Other current liabilities	7,012,855	8,162,924	-14%
<b>Non-current liabilities, of which:</b>	<b>9,397,113</b>	<b>7,003,131</b>	<b>34%</b>
Bank debts	9,397,113	7,003,131	34%
<b>Provisions</b>	<b>8,492</b>	<b>37,830</b>	<b>-78%</b>
<b>Deferred income</b>	<b>2,735,271</b>	<b>2,997,185</b>	<b>-9%</b>
<b>Total debts</b>	<b>88,739,755</b>	<b>78,054,509</b>	<b>14%</b>
<b>Equity, of which:</b>	<b>31,209,512</b>	<b>32,802,061</b>	<b>-5%</b>
Subscribed and paid-up capital	10,700,000	10,700,000	0%
Share premium	16,749,484	16,749,484	0%
Legal reserves	2,117,703	2,117,703	0%
Other reserves	1,814,091	1,814,091	0%
Carried forward profit or loss	1,420,783	170,064	735%
Profit or loss for the financial year	(1,592,549)	1,336,876	N/A
Profit allocation	-	(86,157)	-100%
<b>Total equity and liabilities</b>	<b>119,949,267</b>	<b>110,856,570</b>	<b>8%</b>

# BALANCE SHEET TERRA IMPEX

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>5,846,973</b>	<b>6,428,007</b>	<b>-9%</b>
Intangible assets	-	945	-100%
Tangible assets	5,846,973	5,671,289	3%
Financial assets	-	682,200	-100%
Fixed assets under investment	-	73,573	-100%
<b>Current assets, of which:</b>	<b>17,401,809</b>	<b>17,133,529</b>	<b>2%</b>
Inventories	7,018,955	12,160,786	-42%
Receivables	10,306,091	4,166,063	147%
Trade receivables	40,513	1,841,522	-98%
Receivables with related parties	10,004,441	2,014,813	397%
Other assets	261,137	309,728	-16%
Cash and cash equivalents	76,763	806,680	-90%
<b>Deferred expenses</b>	<b>-</b>	<b>12,297</b>	<b>-100%</b>
<b>Total assets</b>	<b>23,248,782</b>	<b>23,573,833</b>	<b>-1%</b>
<b>Current liabilities, of which:</b>	<b>3,517,106</b>	<b>3,333,431</b>	<b>6%</b>
Third-party providers	903,796	76,411	1083%
Bank debts	1,896,360	2,595,978	-27%
Other current liabilities	716,950	661,042	8%
<b>Non-current liabilities, of which:</b>	<b>5,550,079</b>	<b>4,826,126</b>	<b>15%</b>
Bank debts	5,550,079	4,826,126	15%
<b>Provisions</b>	<b>122,035</b>	<b>157,528</b>	<b>-23%</b>
<b>Total debts</b>	<b>9,189,220</b>	<b>8,317,085</b>	<b>10%</b>
<b>Equity, of which:</b>	<b>14,059,562</b>	<b>15,256,748</b>	<b>-8%</b>
Subscribed and paid-up capital	13,757,071	13,757,071	0%
Legal reserves	67,762	8,000	747%
Reserves from conversion	(134,332)	(185,330)	-28%
Carried forward profit or loss	(344,848)	(1,150,885)	-70%
Profit or loss for the financial year	713,909	2,827,892	-75%
<b>Total equity and liabilities</b>	<b>23,248,782</b>	<b>23,573,833</b>	<b>-1%</b>

# BALANCE SHEET IRANGA

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>5,376,658</b>	<b>5,662,286</b>	<b>-5%</b>
tangible assets	5,376,658	5,662,286	-5%
<b>Current assets, of which:</b>	<b>3,027,776</b>	<b>1,640,259</b>	<b>85%</b>
Inventories	1,985,695	986,254	101%
Receivables	961,724	196,445	390%
<i>Trade receivables</i>	892,294	150,365	493%
<i>Other assets</i>	69,430	46,080	51%
Cash and cash equivalents	80,357	457,560	-82%
<b>Total assets</b>	<b>8,404,434</b>	<b>7,302,545</b>	<b>15%</b>
<b>Current liabilities, of which:</b>	<b>1,597,622</b>	<b>3,685,833</b>	<b>-57%</b>
Other current liabilities	1,597,622	3,685,833	-57%
<b>Non-current liabilities, of which:</b>	<b>13,320,793</b>	<b>10,670,028</b>	<b>25%</b>
Other liabilities	13,320,793	10,670,028	25%
<b>Total debts</b>	<b>14,918,415</b>	<b>14,355,861</b>	<b>4%</b>
<b>Equity, of which:</b>	<b>(6,513,981)</b>	<b>(7,053,315)</b>	<b>-8%</b>
Subscribed and paid-up capital	752,633	754,479	0%
Reserves from conversion	(40,059)	-	-
Carried forward profit or loss	(7,788,700)	(7,807,794)	0%
Profit or loss for the financial year	562,145	-	-
<b>Total equity and liabilities</b>	<b>8,404,434</b>	<b>7,302,545</b>	<b>15%</b>

# BALANCE SHEET EVOLOR

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>70,292,971</b>	<b>70,611,057</b>	<b>0%</b>
Intangible assets	51,909,305	54,995,343	-6%
Tangible assets	17,076,982	13,796,395	24%
Fixed assets under investment	1,306,684	1,819,319	-28%
<b>Current assets, of which:</b>	<b>48,746,197</b>	<b>35,629,714</b>	<b>37%</b>
Inventories	15,990,950	16,088,317	-1%
Receivables	22,459,727	9,075,172	147%
Trade receivables	22,458,115	9,067,094	148%
Other assets	1,612	8,078	-80%
Cash and cash equivalents	10,295,520	10,466,225	-2%
<b>Deferred expenses</b>	<b>681,074</b>	<b>505,862</b>	<b>35%</b>
<b>Total assets</b>	<b>119,720,242</b>	<b>106,746,633</b>	<b>12%</b>
<b>Current liabilities, of which:</b>	<b>76,018,064</b>	<b>56,510,880</b>	<b>35%</b>
Third-party providers	21,526,407	10,345,869	108%
Bank debts	6,022,574	435,736	1282%
Debts to shareholders	31,712,531	30,762,450	3%
Other current liabilities	16,756,552	14,966,825	12%
<b>Non-current liabilities, of which:</b>	<b>39,955,532</b>	<b>47,754,328</b>	<b>-16%</b>
Bank debts	39,955,532	47,754,328	-16%
<b>Provisions</b>	<b>56,028</b>	<b>266,193</b>	<b>-79%</b>
<b>Total debts</b>	<b>116,029,624</b>	<b>104,531,401</b>	<b>11%</b>
<b>Equity, of which:</b>	<b>3,690,618</b>	<b>2,215,232</b>	<b>67%</b>
Subscribed and paid-up capital	119,590	119,590	0%
Share premium	8,356,940	8,356,940	0%
Legal reserves	23,918	23,918	0%
Other reserves	9,092,956	9,203,085	-1%
Carried forward profit or loss	(15,378,171)	(21,408,442)	-28%
Profit or loss for the financial year	1,475,385	6,915,078	-79%
Profit allocation	-	(994,937)	-100%
<b>Total equity and liabilities</b>	<b>119,720,242</b>	<b>106,746,633</b>	<b>12%</b>

# BALANCE SHEET

## ECO EURO DOORS

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>35,121,160</b>	<b>35,448,649</b>	<b>-1%</b>
Intangible assets	11,564	6,851	69%
Tangible assets	34,111,679	34,701,428	-2%
Financial assets	4,178	-	-
Fixed assets under investment	993,739	740,370	34%
<b>Current assets, of which:</b>	<b>35,926,550</b>	<b>38,872,758</b>	<b>-8%</b>
Inventories	22,411,235	22,187,559	1%
Receivables	5,682,986	2,888,278	97%
Trade receivables	5,529,039	2,875,902	92%
Other assets	153,947	12,376	1144%
Cash and cash equivalents	7,832,329	13,796,921	-43%
<b>Deferred expenses</b>	<b>306,562</b>	<b>180,617</b>	<b>70%</b>
<b>Total assets</b>	<b>71,354,272</b>	<b>74,502,024</b>	<b>-4%</b>
<b>Current liabilities, of which:</b>	<b>26,581,227</b>	<b>26,539,967</b>	<b>0%</b>
Third-party providers	9,829,651	8,536,554	15%
Debts to affiliated companies	7,662,671	9,178,268	-17%
Bank debts	7,825,205	8,572,422	-9%
Other current liabilities	1,263,700	252,723	400%
<b>Non-current liabilities, of which:</b>	<b>16,331,425</b>	<b>17,691,368</b>	<b>-8%</b>
Bank debts	14,583,350	15,529,064	-6%
Other non-current liabilities	1,748,075	2,162,304	-19%
<b>Provisions</b>	<b>1,677,528</b>	<b>1,756,493</b>	<b>-4%</b>
<b>Deferred income</b>	<b>2,175,498</b>	<b>2,391,099</b>	<b>-9%</b>
<b>Total debts</b>	<b>46,765,678</b>	<b>48,378,927</b>	<b>-3%</b>
<b>Equity, of which:</b>	<b>24,588,592</b>	<b>26,123,097</b>	<b>-6%</b>
Subscribed and paid-up capital	5,643,500	5,643,500	0%
Share premium	5,189,785	5,189,785	0%
Legal reserves	8,975,317	8,975,317	0%
Carried forward profit or loss	5,817,592	4,267,187	36%
Profit or loss for the financial year	(1,037,602)	5,255,951	N/A
Profit allocation	-	(3,208,643)	-100%
<b>Total equity and liabilities</b>	<b>71,354,270</b>	<b>74,502,024</b>	<b>-4%</b>

# BALANCE SHEET DIAL

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>25,261,134</b>	<b>24,586,533</b>	<b>3%</b>
Intangible assets	206,715	226,571	-9%
Tangible assets	24,783,275	15,087,667	64%
Financial assets	2,500	19,785	-87%
Fixed assets under investment	268,644	9,252,510	-97%
<b>Current assets, of which:</b>	<b>29,740,261</b>	<b>28,333,874</b>	<b>5%</b>
Inventories	9,144,729	10,499,979	-13%
Receivables	7,131,679	6,393,589	12%
Trade receivables	6,973,414	4,992,372	40%
Other assets	158,265	1,401,217	-89%
Short term investments	201,101	186,466	8%
Cash and cash equivalents	13,262,752	11,253,840	18%
<b>Deferred expenses</b>	<b>12,655</b>	<b>2,586</b>	<b>389%</b>
<b>Total assets</b>	<b>55,014,050</b>	<b>52,922,993</b>	<b>4%</b>
<b>Current liabilities, of which:</b>	<b>7,439,253</b>	<b>7,644,895</b>	<b>-3%</b>
Third-party providers	2,597,736	607,928	327%
Bank debts	1,384,630	4,140,499	-67%
Other current liabilities	3,456,887	2,896,468	19%
<b>Non-current liabilities, of which:</b>	<b>9,000,183</b>	<b>6,900,926</b>	<b>30%</b>
Bank debts	9,000,183	6,900,926	30%
<b>Deferred income</b>	<b>175,288</b>	<b>199,191</b>	<b>-12%</b>
<b>Total debts</b>	<b>16,614,724</b>	<b>14,745,012</b>	<b>13%</b>
<b>Equity, of which:</b>	<b>38,399,326</b>	<b>38,177,981</b>	<b>1%</b>
Subscribed and paid-up capital	10,600	10,600	0%
Legal reserves	2,120	2,120	0%
Other reserves	20,896,993	20,896,993	0%
Carried forward profit or loss	16,266,893	12,894,054	26%
Profit or loss for the financial year	1,222,720	4,374,214	-72%
<b>Total equity and liabilities</b>	<b>55,014,050</b>	<b>52,922,993</b>	<b>4%</b>

# BALANCE SHEET ELECTROPLAST

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>56,104,047</b>	<b>55,735,480</b>	<b>1%</b>
Intangible assets	942,830	701,408	34%
Tangible assets	54,951,824	54,697,250	0%
Financial assets	17,400	29,312	-41%
Fixed assets under investment	191,993	307,510	-38%
<b>Current assets, of which:</b>	<b>52,816,899</b>	<b>45,110,902</b>	<b>17%</b>
Inventories	10,747,450	9,684,252	11%
Receivables	40,272,965	34,146,161	18%
Trade receivables	40,163,315	34,011,236	18%
Other assets	109,650	134,925	-19%
Cash and cash equivalents	1,796,484	1,280,489	40%
<b>Deferred expenses</b>	<b>1,666,596</b>	<b>845,677</b>	<b>97%</b>
<b>Total assets</b>	<b>110,587,542</b>	<b>101,692,059</b>	<b>9%</b>
<b>Current liabilities, of which:</b>	<b>76,111,551</b>	<b>58,058,276</b>	<b>31%</b>
Third-party providers	26,658,084	20,123,875	32%
Bank debts	35,160,418	25,139,699	40%
Debts towards affiliated parties	11,639,619	11,201,790	4%
Other current liabilities	2,653,430	1,592,912	67%
<b>Non-current liabilities, of which:</b>	<b>4,359,387</b>	<b>12,877,683</b>	<b>-66%</b>
Bank debts	4,359,387	12,877,683	-66%
<b>Total debts</b>	<b>80,470,938</b>	<b>70,935,959</b>	<b>13%</b>
<b>Equity, of which:</b>	<b>30,116,603</b>	<b>30,756,100</b>	<b>-2%</b>
Subscribed and paid-up capital	3,996,000	3,996,000	0%
Legal reserves	4,296,000	4,296,000	0%
Other reserves	31,961,596	32,039,553	0%
Carried forward profit or loss	(9,497,497)	(12,594,718)	-25%
Profit or loss for the financial year	(639,496)	3,019,265	N/A
<b>Total equity and liabilities</b>	<b>110,587,541</b>	<b>101,692,059</b>	<b>9%</b>

# BALANCE SHEET DOORSROCK4

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>70,489,913</b>	<b>70,489,913</b>	<b>0%</b>
Financial assets	70,489,913	70,489,913	0%
<b>Current assets, of which:</b>	<b>7,981,149</b>	<b>9,511,271</b>	<b>-16%</b>
Receivables	7,729,410	9,239,285	-16%
<i>Receivables with related parties</i>	7,662,671	9,178,268	-17%
<i>Other assets</i>	66,739	61,017	9%
Short term investments	-	200,000	-100%
Cash and cash equivalents	251,739	71,986	250%
<b>Deferred expenses</b>	<b>620,410</b>	<b>664,801</b>	<b>-7%</b>
<b>Total assets</b>	<b>79,091,472</b>	<b>80,665,985</b>	<b>-2%</b>
<b>Current liabilities, of which:</b>	<b>6,092,815</b>	<b>15,957,077</b>	<b>-62%</b>
Third-party providers	564,496	551,187	2%
Bank debts	5,528,319	2,565,412	115%
Other current liabilities	-	12,840,478	-100%
<b>Non-current liabilities, of which:</b>	<b>44,280,256</b>	<b>35,169,818</b>	<b>26%</b>
Bank debts	35,592,946	26,753,581	33%
Other non-current liabilities	8,687,310	8,416,237	3%
<b>Total debts</b>	<b>50,373,071</b>	<b>51,126,895</b>	<b>-1%</b>
<b>Equity, of which:</b>	<b>28,718,401</b>	<b>29,539,090</b>	<b>-3%</b>
Subscribed and paid-up capital	31,270,180	31,270,180	0%
Share premium	4	4	0%
Carried forward profit or loss	(1,731,094)	-	-
Profit or loss for the financial year	(820,689)	(1,731,094)	-53%
<b>Total equity and liabilities</b>	<b>79,091,472</b>	<b>80,665,985</b>	<b>-2%</b>



# BALANCE SHEET NATIVEROCK1

BALANCE SHEET INDICATORS (RON)	30.06.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>57,536,682</b>	<b>57,540,132</b>	<b>0%</b>
Financial assets	57,536,682	57,540,132	0%
<b>Current assets, of which:</b>	<b>2,510,679</b>	<b>4,204,117</b>	<b>-40%</b>
Receivables	2,474,300	4,053,247	-39%
Receivables with related parties	2,474,300	4,053,247	-39%
Cash and cash equivalents	36,379	150,870	-76%
<b>Deferred expenses</b>	<b>751,164</b>	<b>802,968</b>	<b>-6%</b>
<b>Total assets</b>	<b>60,798,525</b>	<b>62,547,217</b>	<b>-3%</b>
<b>Current liabilities, of which:</b>	<b>30,069,306</b>	<b>28,997,005</b>	<b>4%</b>
Third-party providers	623,211	716,439	-13%
Bank debts	2,747,166	951,939	189%
Other current liabilities	26,698,929	27,328,627	-2%
<b>Non-current liabilities, of which:</b>	<b>31,678,901</b>	<b>31,836,519</b>	<b>0%</b>
Bank debts	31,678,901	31,836,519	0%
<b>Total debts</b>	<b>61,748,207</b>	<b>60,833,524</b>	<b>2%</b>
<b>Equity, of which:</b>	<b>(949,682)</b>	<b>1,713,693</b>	<b>-155%</b>
Subscribed and paid-up capital	100	100	0%
Legal reserves	20	-	-
Carried forward profit or loss	134,626	-	-
Profit or loss for the financial year	(1,084,428)	1,713,593	N/A
<b>Total equity and liabilities</b>	<b>60,798,525</b>	<b>62,547,217</b>	<b>-3%</b>

# DECLARATION OF THE MANAGEMENT



**Bucharest, 18 August 2023**

"I confirm, according to the best available information, that the unaudited consolidated and standalone financial results for the period between 01.01.2023 and 30.06.2023 give a correct and consistent picture of the assets, liabilities, financial position profit and loss account of ROCA Industry Holdingrock1 SA and that the management report provides a correct and realistic picture of the important events that took place in the first six months of 2023 and their impact on the company's financial statements."

**Ioan Adrian Bindea**

**Chairman of the Board of Directors**



Financial Report – H1 2023

**Thank You!**

**ROCA INDUSTRY HOLDINGROCK1 SA**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**as at and for the six month period ended at  
30 June 2023**

prepared in accordance with the  
Order of the Minister of Public Finance no. 1802/2014,  
as subsequently amended

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**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM BALANCE SHEET**  
as at 30 June 2023

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>A. NON-CURRENT ASSETS</b>				
<b>I. INTANGIBLE ASSETS</b>				
1. Set-up costs (acc. 201 - 2081)	01		-	-
2. Development costs (acc. 203 - 2803 - 2903)	02		-	-
3. Concessions, patents, licenses, trademarks and other similar rights and other intangible assets (acc. 205 + 208 - 2805 - 2808 - 2905 - 2908)	03	3	95,020,271	93,413,296
4. Goodwill (acc. 2071 - 2807)	04	3	50,083,697	68,168,808
5. Advances and intangible assets in progress and evaluation of mineral resources (acc. 206 - 2806 - 2906)	05		-	-
6. Advances for intangible assets (acc. 4094)	06	3	222,648	222,648
<b>TOTAL (row 01 to 06)</b>	<b>07</b>	<b>3</b>	<b>145,326,616</b>	<b>161,804,752</b>
<b>II. TANGIBLE ASSETS</b>				
1. Land and buildings (acc. 211 + 212 - 2811 - 2812 - 2911 - 2912)	08	3	66,742,874	125,693,395
2. Technical equipment & machinery (acc. 213 + 223 - 2813 - 2913)	09	3	47,422,713	60,617,851
3. Other equipment & furniture (acc. 214 + 224 - 2814 - 2914)	10	3	885,522	1,167,512
4. Investment property (acc. 215 - 2815 - 2915)	11		-	-
5. Non-current assets in progress (acc. 231 - 2931)	12	3	12,279,720	3,179,066
6. Investment property in progress (acc. 235 - 2935)	13		-	-
7. Intangible assets in progress and evaluation of mineral resources (acc. 216 - 2816 - 2916)	14		-	-
8. Bearer biological assets (acc. 217 + 227 - 2817 - 2917)	15		-	-
9. Advances for tangible assets (acc. 4093)	16	3	8,195,358	5,222,526
<b>TOTAL (row 08 to 16)</b>	<b>17</b>	<b>3</b>	<b>135,526,187</b>	<b>195,880,350</b>
<b>III. FINANCIAL ASSETS</b>				
1. Shares in related parties (acc. 261 - 2961)	18		-	-
2. Loans granted to related parties (acc. 2671 + 2672 - 2964)	19		-	-
3. Investments in related parties and in jointly controlled entities (acc. 262 + 263 - 2962)	20	3	-	17,400
Equivalent securities	201	3	1,092,284	962,869
4. Loans granted to related parties and to jointly controlled entities (acc. 2673 + 2674 - 2965)	21		-	-
5. Other long term investments (acc. 265 + 266 - 2963)	22	3	7,768	7,768
6. Other loans (acc. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	23	3	712,423	789,937
<b>TOTAL (row 18 to 23)</b>	<b>24</b>	<b>3</b>	<b>1,812,475</b>	<b>1,777,974</b>
<b>NON-CURRENT ASSETS - TOTAL (row 07 + 17 + 24)</b>	<b>25</b>	<b>3</b>	<b>282,665,278</b>	<b>359,463,076</b>
<b>B. CURRENT ASSETS</b>				
<b>I. INVENTORIES</b>				
1. Raw materials and consumables (acc. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	26	4	41,505,542	46,541,840
2. Work in progress (acc. 331 + 332 + 341 +/- 348* - 393 - 3941 - 3952)	27	4	5,756,368	6,800,385
3. Finished goods and merchandises (acc. 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 + 326 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - din ct. 4428)	28	4	49,867,503	40,719,429
4. Advances for inventories (acc. 4091)	29	4	3,897,065	5,237,667
<b>TOTAL (row 26 to 29)</b>	<b>30</b>	<b>4</b>	<b>101,026,478</b>	<b>99,299,321</b>

**ROCA INDUSTRY HOLDINGROCKI SA**  
**CONSOLIDATED INTERIM BALANCE SHEET**  
as at 30 June 2023

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>II. RECEIVABLES</b> (Amounts to be collected after a period of more than one year must be presented separately for each item)				
1. Trade receivables (acc. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 4092 + 411 + 413 + 418 - 491)	31	5	23,066,782	89,399,589
2. Amounts receivable from related parties (acc. 451** - 495*)	32		-	-
3. Amounts receivable from related parties and jointly controlled entities (acc. 453 - 495*)	33		-	-
4. Other receivables (acc. 425 + 4282 + 431** + 437** + 4382 + 441** + 4424 + din ct. 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 4662 + 461 + 473** - 496 + 5187)	34	5	3,014,822	1,471,574
5. Subscribed and unpaid share capital (acc. 456 - 495*)	35		-	-
6. Receivables representing dividends distributed during the financial year	35a			
<b>TOTAL (row 31 to 35a)</b>	<b>36</b>	<b>5</b>	<b>26,081,604</b>	<b>90,871,163</b>
<b>III. SHORT TERM INVESTMENTS</b>				
1. Shares in related parties (acc. 501 - 591)	37		-	-
2. Other short term investments (acc. 505 + 506 + 507 + din ct. 508 - 595 - 596 - 598 + 5113 + 5114)	38	6	881,206	697,541
<b>TOTAL (row 37 + 38)</b>	<b>39</b>	<b>6</b>	<b>881,206</b>	<b>697,541</b>
<b>IV. CASH AND CASH EQUIVALENTS</b> (acc. 508 + ct. 5112 + 512 + 531 + 532 + 541 + 542)	<b>40</b>	<b>7</b>	<b>42,234,556</b>	<b>47,376,937</b>
<b>CURRENT ASSETS – TOTAL (row 30 + 36 + 39 + 40)</b>	<b>41</b>		<b>170,223,844</b>	<b>238,244,961</b>
<b>C. Deferred expense (acc. 471) (row 43+44)</b>	<b>42</b>		<b>2,203,462</b>	<b>4,292,921</b>
Amounts to be resumed in a period of up to one year (from acc. 471*)	43		388,239	2,267,972
Amounts to be resumed in a period exceeding one year (from acc. 471*)	44		1,815,223	2,024,949
<b>D. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LESS THAN ONE YEAR</b>				
1. Debenture loans, presenting separately from the convertible debenture loans (acc. 161 + 1681 - 169)	45		-	-
2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	46	8	57,710,905	95,265,489
3. Advance payments from customers (ct. 419)	47	8	470,149	1,783,274
4. Trade payables - suppliers (acc. 401 + 404 + 408)	48	8	28,829,480	66,406,542
5. Bills of exchange payable (acc. 403 + 405)	49		-	-
6. Amounts owed to the entities of the group (acc. 1661 + 1685 + 2691 + 451***)	50		-	-
7. Amounts owed to associates and to jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)	51	8	10,066,197	21,853,897
8. Other liabilities including tax and social security debts (acc. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	52	8	34,006,531	87,629,062
<b>TOTAL (row 45 to 52)</b>	<b>53</b>	<b>8</b>	<b>131,083,262</b>	<b>272,938,264</b>
<b>E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41 + 43 - 53 - 70 - 73- 76)</b>	<b>54</b>		<b>38,525,300</b>	<b>(33,627,923)</b>

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM BALANCE SHEET**  
as at 30 June 2023

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>F. TOTAL ASSETS MINUS CURRENT LIABILITIES</b> (row 25 + 44 +54)	<b>55</b>		<b>323,005,801</b>	<b>327,860,102</b>
<b>G. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LONGER THAN ONE YEAR</b>				
1. Debenture loans presenting separately the loans from the convertible debenture loans (acc. 161 + 1681 - 169)	56		-	-
2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	57	8	135,318,611	150,117,492
3. Advance payments from customers (acc. 419)	58		-	-
4. Trade payables-suppliers (acc. 401 + 404 + 408)	59		-	-
5. Bills of exchange payable (acc. 403 + 405)	60		-	-
6. Amounts owed to the entities of the group (acc. 1661 + 1685 + 2691 + 451***)	61		-	-
7. Amounts owed to associates and to jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)	62		-	-
8. Other liabilities including tax and social security debts (acc. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	63	8	2,162,301	2,137,423
<b>TOTAL (row 56 to 63)</b>	<b>64</b>	<b>8</b>	<b>137,480,912</b>	<b>152,254,915</b>
<b>H. PROVISIONS</b>				
1. Provisions for pensions and similar obligations (acc. 1515 + 1517)	65		-	-
2. Provisions for taxes (acc. 1516)	66	9	1,619,261	1,619,261
3. Other provisions (acc. 1511 + 1512 + 1513 + 1514 + 1518)	67	9	578,527	244,822
<b>TOTAL (row 65 to 67)</b>	<b>68</b>	<b>9</b>	<b>2,197,788</b>	<b>1,864,083</b>
<b>I. DEFERRED INCOME</b>				
1. Investment subsidies (acc. 475) (row 70 + 71):	69	10	5,582,449	5,086,541
Amounts to be resumed in a period of up to one year (from acc. 475*)	70	10	996,007	1,201,133
Amounts to be resumed in a period longer than one year (from acc. 475*)	71	10	4,586,442	3,885,408
2. Deferred income (acc. 472) - total (row 73 + 74), out of which:	72	10	7,514	1,460
Amounts to be resumed in a period of up to one year (from acc. 472*)	73	10	7,514	1,460
Amounts to be resumed in a period longer than one year (from. 472*)	74		-	-
3. Deferred income related to assets received by transfer from customers (acc. 478) (row 76 + 77):	75		-	-
Amounts to be resumed in a period of up to one year (from acc. 478*)	76		-	-
Amounts to be resumed in a period longer than one year (from acc. 478*)	77		-	-
Gain on bargain purchase (acc. 2075)	78		-	-
<b>TOTAL (row 69 + 72 + 75+78)</b>	<b>79</b>	<b>10</b>	<b>5,589,963</b>	<b>5,088,001</b>
<b>J. CAPITAL AND RESERVES</b>				
<b>I. CAPITAL</b>				
1. Subscribed and paid in share capital (acc. 1012)	80	11	176,945,730	176,945,730
2. Subscribed and not paid in share capital (acc. 1011)	81		-	-
3. Patrimony (acc. 1015)	82		-	-
4. Patrimony of national research and development institutes (acc. 1018)	83		-	-
5. Other equity items (acc. 1031)	84		-	-
Balance C				
<b>TOTAL (row 80 + 81 + 82 + 83 + 84)</b>	<b>85</b>	<b>11</b>	<b>176,945,730</b>	<b>176,945,730</b>



**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM BALANCE SHEET**  
**as at 30 June 2023**

*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>II. SHARE PREMIUM</b> (acc. 104)	<b>86</b>	<b>11</b>	<b>38</b>	<b>38</b>
<b>III. REVALUATION RESERVE</b> (acc. 105)	<b>87</b>	<b>11</b>	<b>4,693,364</b>	<b>2,685,374</b>
<b>IV. RESERVES</b>				
1. Legal reserve (acc. 1061)	88		-	145,939
2. Statutory or contractual capital reserve (acc. 1063)	89		-	-
3. Other reserve (acc. 1068)	90		-	-
<b>TOTAL (row 88 to 90)</b>	<b>91</b>		-	145,939
Own shares (acc. 109)	92		-	-
Gains related to equity instruments (acc. 141)	93		-	-
Losses related to equity instruments (acc. 149)			1,685,451	1,685,451
<b>Balance D</b>	<b>94</b>			
<b>TRANSLATION RESERVES</b>	Balance C	<b>951</b>	-	-
	Balance D	<b>961</b>	185,330	119,303
<b>V. RETAINED EARNINGS</b> (acc. 117)	Balance C	<b>95</b>	-	-
	Balance D	<b>96</b>	961,910	20,387,466
<b>VI. PROFIT OR LOSS FOR THE PERIOD</b> (acc. 121)				
	Balance C	<b>97</b>	-	-
	Balance D	<b>98</b>	19,619,145	8,032,583
Profit distribution (acc. 129)	99		-	-
<b>EQUITY - TOTAL</b> (row 85+86+87+91+95-96+97-98-99)	<b>100</b>		<b>159,187,296</b>	<b>149,552,278</b>
Public patrimony (acc. 1016)	101		-	-
Private patrimony (acc. 1017)	102		-	-
<b>VII. NON-CONTROLLING INTERESTS</b>	<b>103</b>		<b>19,553,363</b>	<b>20,303,418</b>
1. Profit or loss for the period	104		1,395,378	(367,894)
2. Other own capital	105		18,157,985	20,671,312
<b>TOTAL EQUITY - TOTAL (row 100 + 101 + 102)</b>	<b>106</b>		<b>178,740,659</b>	<b>169,855,696</b>

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Monocont Evidence SRL  
Status: Authorised legal persons, CECCAR members

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT**  
for the six month period ended 30 June 2023  
(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	Six month period ended	
			30 June 2022	30 June 2023
<b>1. Net revenue (row 02 + 03 – 04 + 05 + 06)</b>	<b>01</b>	<b>12</b>	<b>116,457,804</b>	<b>205,593,869</b>
Revenue from finished goods and services (acc. 701 + 702 + 703 + 704 + 705 + 706 + 708)	02	12	110,085,399	181,134,091
Revenue from sale of merchandise (acc. 707)	03	12	8,058,339	30,812,952
Trade discounts granted (acc. 709)	04	12	1,685,934	6,353,174
Interest income recorded by entities removed from the General Register and which have ongoing leases (acc. 766*)	05		-	-
Income from operating grants related to net revenue (acc. 7411)	06		-	-
2. Income associated with the costs of completed production (acc. 711 + 712)	Balance C	07	5,708,637	-
	Balance D	08	-	11,093,175
3. Own work capitalised (acc. 721 + 722)	09		-	1,325,462
4. Income from revaluation of non-current assets (acc. 755)	10		-	-
5. Income from property investment production (acc. 725)	11		-	-
6. Income from subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12		240,368	264,271
7. Other operating income (acc. 751+ 758 + 7815)	13		136,913	473,812
- out of which, income from negative goodwill (acc. 7815)	14		-	-
- out of which, income from investment subsidies (acc. 7584)	15		-	-
<b>OPERATING INCOME - TOTAL (row 01 + 07 - 08 + 09 + 10 + 11 + 12 + 13)</b>	<b>16</b>		<b>122,543,722</b>	<b>196,564,239</b>
<b>8. a) Raw materials and consumables expenses (acc. 601 + 602)</b>	<b>17</b>		<b>72,832,397</b>	<b>98,180,448</b>
Other expenses with materials (acc. 603 + 604 + 606 + 608)	18		2,607,635	6,743,746
b) Other expenses (with energy and water) (acc. 605 - 7413)	19		2,922,419	3,959,024
c) Cost of sale of merchandise (acc. 607)	20		6,961,118	27,701,006
Trade discounts received (acc. 609)	21		413	5,024
<b>9. Personnel related expenses (row 23 + 24), out of which:</b>	<b>22</b>		<b>13,769,635</b>	<b>28,359,932</b>
a) Salaries and wages (acc. 641 + 642 + 643 + 644)	23		13,503,090	27,759,110
b) Social security and other related costs (acc. 645)	24		266,545	600,822
<b>10. a) Impairments on non-current assets (row 26 - 27)</b>	<b>25</b>		<b>6,185,507</b>	<b>11,803,828</b>
a.1) Expenses (acc. 6811 + 6813 + 6817)	26		6,185,507	11,803,828
a.2) Income (acc. 7813)	27		-	-
<b>b) Impairments on current assets (row 29 - 30)</b>	<b>28</b>		<b>(104,634)</b>	<b>(783,613)</b>
b.1) Expenses (acc. 654 + 6814)	29		17,337	98,195
b.2) Income (acc. 754 + 7814)	30		121,971	881,808
<b>Other operating expenses (row 32 to 38)</b>	<b>31</b>	<b>13</b>	<b>8,400,948</b>	<b>20,186,488</b>
11.1. Expenses with third party services (acc. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	32	13	7,717,157	18,174,168
11.2. Other taxes, duties or assimilated expenses; expenses representing transfers and contributions due under special regulations (acc. 635 + 6586*)	33	13	391,991	1,117,073
11.3. Expenses with environmental protection (acc. 652)	34	13	110,489	209,614
11.4. Expenses from revaluation of tangible assets (acc. 655)	35		-	-

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Row no.	Note	Six month period ended	
			30 June 2022	30 June 2023
11.5. Expenses regarding calamities and other similar events (acc. 6587)	36	13	1,824	290
11.6. Other expenses (acc. 651 + 6581+ 6582 + 6583 + 6588)	37	13	179,487	685,343
Expenses with refinancing interests recorded by the General register of removed entities that have ongoing leasing agreements (acc. 666*)	38		-	-
<b>Adjustments related to provisions (row 40 - 41)</b>	<b>39</b>		<b>(192,834)</b>	<b>(336,133)</b>
- Expenses (acc. 6812)	40		-	2,591
- Income (acc. 7812)	41		192,834	338,724
<b>OPERATING EXPENSES – TOTAL (row 17 la 20 - 21 + 22 + 25 + 28 + 31 + 39)</b>	<b>42</b>		<b>113,381,778</b>	<b>195,809,702</b>
<b>OPERATING PROFIT/LOSS:</b>				
- Profit (row 16 - 42)	<b>43</b>		9,161,944	754,537
- Loss (row 42 - 16)	<b>44</b>		-	-
12. Income from controlling interests (acc. 7611 + 7612 + 7613)	45		-	-
- out of which income obtained from related parties	46		-	-
13. Interest income (acc. 766*)	47	14	-	109,757
- out of which income obtained from related parties	48		-	-
14. Income from subsidies for interest due (acc. 7418)	49		-	-
15. Other financial income (acc. 7615 + 762 + 764 + 765 + 767 + 768)	50	14	468,318	204,134
- out of which, income from other financial assets (acc. 7615)	51		-	-
<b>FINANCIAL INCOME - TOTAL (row 45 + 47 + 49 + 50)</b>	<b>52</b>	<b>14</b>	<b>468,318</b>	<b>313,891</b>
16. Impairment on financial assets and financial investments held as current assets (row 54 - 55)	53		-	-
- Expenses (acc. 686)	54		-	-
- Revenues (acc. 786)	55		-	-
17. Interest expenses (acc. 666*)	56	14	1,810,348	6,546,281
- of which, expenses in relation with affiliated entities	57		-	-
Other financial expenses (acc. 663 + 664 + 665 + 667 + 668)	58	14	860,490	1,619,472
<b>FINANCIAL EXPENSES - TOTAL (row 53 + 56 + 58)</b>	<b>59</b>	<b>14</b>	<b>2,670,838</b>	<b>8,165,753</b>
<b>FINANCIAL RESULT FOR THE PERIOD:</b>				
- Profit (row 52 - 59)	<b>60</b>		-	-
- Loss (row 59 - 52)	<b>61</b>		<b>2,202,520</b>	<b>7,851,862</b>
<b>TOTAL INCOME (row 16 + 52)</b>	<b>62</b>		<b>123,012,040</b>	<b>196,878,130</b>
<b>TOTAL EXPENSES (row 42 + 59)</b>	<b>63</b>		<b>116,052,616</b>	<b>203,975,455</b>
<b>PROFIT OR LOSS OF ASSOCIATES</b>				
- Profit	<b>601</b>		-	-
- Loss	<b>611</b>		-	126,525

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

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Item description	Row no.	Note	Six month period ended	
			30 June 2022	30 June 2023
<b>18. GROSS PROFIT OR LOSS:</b>				
- Profit (row 62 - 63)	<b>64</b>		<b>6,959,424</b>	-
- Loss (row 63 - 62)	<b>65</b>		-	<b>7,223,850</b>
19. Income tax expense (acc. 691)	66		1,508,178	1,176,627
20. Other taxes not presented among the above items (acc. 698)	67		11,662	-
<b>21. NET PROFIT OR LOSS FOR THE YEAR:</b>				
- Profit (row 64 - 66 - 67)	<b>68</b>		<b>5,439,584</b>	-
- Loss (row 65 + 66 + 67); (row 66 + 67 - 64)	<b>69</b>		-	<b>8,400,477</b>
<b>22. ATRIBUTABLE TO OWNERS OF THE COMPANY - Profit/(loss)</b>	<b>70</b>		<b>3,202,118</b>	<b>(8,032,583)</b>
<b>23. ATRIBUTABLE TO NON-CONTROLLING INTERESTS - Profit/(loss)</b>	<b>71</b>		<b>2,237,466</b>	<b>(367,894)</b>

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Monocont Evidence SRL  
Status: Authorised legal persons, CECCAR members

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Balance as at 31 December 2022	Increase		Decrease		Balance as at 30 June 2023
		Total, out of which	By transfer	Total, out of which	By transfer	
	1	2	3	4	5	6
Subscribed share capital	176,945,730	-	-	-	-	176,945,730
Share premium	38	-	-	-	-	38
Revaluation reserve	4,693,364	-	-	2,007,990	-	2,685,374
Legal reserve	-	145,939	-	-	-	145,939
Losses related to equity instruments – debit balance	(1,685,451)	-	-	-	-	(1,685,451)
Translation reserves	(185,330)	-	-	(66,027)	-	(119,303)
Retained earnings	D (961,910)	(19,425,556)	(19,619,145)	-	-	(20,387,466)
Loss for the year	D (19,619,145)	(8,032,583)	-	(19,619,145)	(19,619,145)	(8,032,583)
<b>Total own equity</b>	<b>159,187,296</b>	<b>(27,312,200)</b>	<b>(19,619,145)</b>	<b>(17,677,182)</b>	<b>(19,619,145)</b>	<b>149,552,278</b>
Non-controlling interests – result for the year	1,395,378	(367,894)	-	1,395,378	1,395,378	(367,894)
Non-controlling interests – other equity items	18,157,985	9,878,490	1,395,378	7,365,163	-	20,671,312
<b>Total equity</b>	<b>178,740,659</b>	<b>(17,801,604)</b>	<b>(18,223,767)</b>	<b>(8,916,641)</b>	<b>(18,223,767)</b>	<b>169,855,696</b>

Revaluation reserves

As at 30 June 2023 revaluation reserves recognised represent the surplus from the revaluation of tangible assets, land and buildings.

Translation reserves

Translation reserves are the result of the exchange rate differences of the assets and liabilities of non-resident companies (e.g. Terra Impex SRL), an entity from Republic of Moldova acquired by Bico Industries at the end of first quarter of 2022.

Non-controlling interests

The increase of approximately RON 7.3 million from *Non-controlling interests - Other equity items* represents the impact of the 30% share not controlled by the parent company from the shares of Euro Eco Doors SRL, until December 2022, when Roca Industry increased its participation to 100% of the share capital of EED, but also the 30% share of non controlling interests related to other equity items for the Bico Group.

ADMINISTRATOR,

Prepared by,

Name and surname:  
Ioan-Adrian Bindea

Name and surname: Monocont Evidence SRL  
Status: Authorised legal persons, CECCAR members

Signature \_\_\_\_\_

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Balance as at December 31, 2021	Increase		Decrease		Balance as at June 30, 2022
		Total, out of which	By transfer	Total, out of which	By transfer	
	1	2	3	4	5	6
Subscribed share capital	<b>176,945,730</b>	-	-	-	-	<b>176,945,730</b>
Share premium	<b>38</b>	-	-	-	-	<b>38</b>
Losses related to equity instruments (Debit Balance)	<b>(1,619,421)</b>	(44,894)	-	-	-	<b>(1,664,315)</b>
Translation reserves	-	168,778	-	-	-	<b>168,778</b>
Retained earnings	Credit Balance	-	-	-	-	-
	Debit Balance	-	(978,758)	(978,758)	(34,889)	-
Profit/(loss) for the period	Credit Balance	-	3,202,118	-	-	<b>3,202,118</b>
	Debit Balance	<b>(978,758)</b>	-	-	(978,758)	-
<b>Total own equity</b>	<b>174,347,589</b>	<b>2,347,244</b>	<b>(978,758)</b>	<b>(1,013,647)</b>	<b>(978,758)</b>	<b>177,708,480</b>
Non-controlling interests – result for the period	-	2,237,466	-	-	-	<b>2,237,466</b>
Non-controlling interests – other equity items	<b>10,792,822</b>	7,681,454	-	-	-	<b>18,474,276</b>
<b>Total equity</b>	<b>185,140,411</b>	<b>12,266,164</b>	<b>(978,758)</b>	<b>(1,013,647)</b>	<b>(978,758)</b>	<b>198,420,222</b>

Losses related to equity instruments

Losses related to equity instruments represent the costs of intermediaries for the private placement from December 2021, when the Company attracted RON 45 million from individual and professional investors.

Translation reserves

Translation reserves are the result of the exchange rate differences of the assets and liabilities of non-resident companies (e.g. Terra Impex SRL), an entity from Republic of Moldova acquired by Bico Industries at the end of first quarter of 2022.

Non-controlling interests

The increase of approximately RON 7.7 million in non-controlling interests - other equity items represents the impact of the 30% share not controlled by the parent company from the shares of Euro Eco Doors SRL, an entity 70% controlled by the parent company starting with the second quarter of 2022.

ADMINISTRATOR,

Name and surname:  
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Signature \_\_\_\_\_

Prepared by,

Name and surname: Monocont Evidence SRL  
Status: Authorised legal persons, CECCAR members

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**ROCA INDUSTRY HOLDINGROCK1 SA**  
**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
for the six month period ended 30 June 2023  
(all amounts are in lei ("RON"), of not otherwise stated)

Item description	Six month period ended	
	30 June 2022	30 June 2023
A	1	2
<b>Cash flows from operating activities</b>		
Net result for the year - profit/(loss) for the year	3,202,118	(8,518,565)
<b>Adjustments for:</b>		
Net financial result	2,202,520	7,978,387
Amortisation and depreciation	6,185,507	11,803,828
Impairment of tangible and intangible assets	-	-
Impairment of trade and other receivables, net	-	(783,613)
Changes in provisions, net	(192,834)	(336,133)
Income tax expense	1,508,178	1,176,627
<b>Cash generated from operating activities before working capital changes</b>	<b>12,905,489</b>	<b>11,320,531</b>
<b>Changes in working capital:</b>		
(Increase)/ decrease of inventories	(20,927,317)	14,078,151
Increase of trade receivables and prepayments	(8,184,656)	(21,985,014)
Decrease of liabilities and deferred income	30,122,577	92,008,791
Interests paid	(1,542,479)	(381,812)
Income tax paid	(1,299,818)	-
<b>Net cash generated from operating activities</b>	<b>11,073,796</b>	<b>95,040,647</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of subsidiaries	(63,983,684)	(45,750,989)
Payments for purchase of tangible assets	(19,547,616)	(9,059,921)
Payments for purchase of intangible assets	-	(18,041,239)
Other purchases of tangible and intangible assets, net of cash	-	51,901
<b>Net cash generated used in investing activities</b>	<b>(83,531,300)</b>	<b>(72,800,248)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the subscribed share capital	-	-
Losses related to equity instruments	-	-
Payment of commissions related to contracted bank loans	-	-
Proceeds from bank loans	47,222,290	21,960,807
Reimbursements of bank loans	(15,215,740)	(45,485,363)
Dividends paid	-	-
Proceeds from loans received from related parties	-	4,949,100
Reimbursements from loans received from related parties	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>30,464,071</b>	<b>(18,575,456)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(40,450,954)</b>	<b>3,664,943</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>80,125,681</b>	<b>42,234,556</b>
Cash and cash equivalents from subsidiaries acquired during the period	4,385,675	1,477,438
<b>Cash and cash equivalents at the end of the period</b>	<b>44,060,402</b>	<b>47,376,937</b>

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Monocont Evidence SRL  
Status: Authorised legal persons, CECCAR members

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month period ended 30 June 2023**  
*(all amounts are in lei (“RON”), if not otherwise stated)*

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**NOTE 1: ACTIVITY DESCRIPTION**

Roca Industry Holdingrock1 SA (the "Company", the "Parent-Company" or "Roca Industry") is a Romanian company, established in September 2021, the registered office being at 4 Gara Herastrau Street, building A, floor 3, district 2, Bucharest. The company is registered with the Trade Register under number J40 / 16918/2021 and has Unique Registration Code (CUI) 44987869.

Roca Industry is the first strategic project of ROCA Investments, which groups under the umbrella of a specialized holding Romanian companies producing construction materials. The aim of the project is to develop and scale strong and sustainable local brands both on the basis of a common strategy and through the synergies generated by their activity. In a fragmented global economy, Roca Industry is building a structure capable of adapting fast to multiple and unpredictable changes.

Roca Industry operates and implements the business strategy through its subsidiaries: BICO Industries SA, EVOLOR SRL (former Sarcom SRL - in December 2022, the company has absorbed Colorock13 – the SPV through which the purchase of Evolor was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) ECO EURO DOORS SRL, DIAL SRL, ELECTROPLAST SA and two special purpose vehicles (SPVs Doorsrock4 SRL and Nativerock1 SRL). Also, as at 30 June 2023 BICO Industries SA owned Terra (70%) and EUROPLAS LUX SRL (50%), both acquired during the year 2022 and also Iranga Technologijos, acquired in May 2023.

The Company’s subsidiaries activate in the field of construction materials, i.e. in the production of fiberglass and fiberglass reinforcement (BICO, Terra, Europlas and Iranga), and production of varnishes, paints, and decorative plasters (EVOLOR), production of doors for residential buildings (ECO EURO DOORS), production of edged panels and fencing mesh (DIAL), as well as the production of cables and electrical conductors (ELECTROPLAST)

BICO Industries SA is a company established in 2006, identified on the market under the BICO brand, being the first and largest national producer of fiberglass mesh and the only domestic manufacturer of fiberglass reinforcement. It operates in the production facilities in Piatra Neamț and Vaslui, and two in the Republic of Moldova, through TERRA IMPEX S.R.L. (“Terra”), EUROPLAS LUX S.R.L. (“Europlas”) and through Iranga Technologijos, a company from Lithuania, acquired in May 2023.

In October 2022, Bico initiated the process of acquiring 55% of the share capital of Europlas, thus signing two transactions, the last on in the first part of 2023. In May 2023, Bico completed the process of acquiring 100% of the share capital of Iranga Technologijos.

EVOLOR SRL (“EVOLOR”, former “SARCOM”) is a company incorporated in 1993, focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes. EVOLOR sells its own products under the Sticky and Coral brands, addressing both the low-priced and premium products markets, offering a range of 380 products both in the Dedeman and Leroy Merlin chains, and in an extensive network of local distributors, covering over 31 counties.

On December 2022 the merger between Evolor (former Sarcom) and Colorock13 (SPV through which the purchase of Evolor was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) took place, being one of the key conditions agreed upon with the creditor to obtain the loan facility and further financing for Evolor.

ECO EURO DOORS SRL (“EED”) is the largest Romanian manufacturer of doors intended for residential buildings, with an experience of 27 years on the market. The Company offers a wide range of products, addressing both the clients’ needs for standard products and the needs of those seeking non-standard sizes. At the end of 2022, Roca Industry holds 100% of the share capital of EED, the purchase being carried out through a SPV held by Roca Industry, DOORSROCK4 S.R.L – the SPV established in 2021, with the purpose of ensuring the financing structure necessary to purchase 70% from the shares of the company ECO EURO DOORS SRL, deal completed in May 2022 (through a deal such as LBO (Leveraged Buy Out)).

DIAL S.R.L. (“Dial”) is a company with an experience of more than 20 years, specialising in the production of fence edged panels, fencing mesh, Rabitz mesh, rectangular pillars and many more. The company’s activity is carried out in its factory in Hârșova. For the full purchase of Dial through a deal such as LBO (Leveraged Buy Out), Roca Industry



**ROCA INDUSTRY HOLDINGROCK1 SA**  
**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month period ended 30 June 2023**

*(all amounts are in lei ("RON"), if not otherwise stated)*

established in 2022 an additional SPV, NATIVEROCK1 S.R.L ("Nativerock1") with the purpose of ensuring the financing structure necessary for the purchase deal of DIAL SRL, deal completed in September 2022.

ELECTROPLAST SA ("Electroplast") with over 30 years of experience in the manufacture of low-voltage copper and aluminum electrical cables, Electroplast S.A. is a company established in 1993, with headquarters in Bistrița, Bistrița-Năsăud County. In 2001, it became a Romanian-Italian joint company by co-opting as a shareholder one of the most important cable producers in Europe (Italian Cable Company S.p.A - ICC). The action came from the company's need to rapidly develop its activity, including through the ability to expand in foreign markets. After that moment, the company gradually became one of the main producers of cables and electrical conductors in Romania. ELP experienced continuous development until 2008, when it was affected by the sharp decline in investment at a time of maximum indebtedness. There followed a period of almost 10 years in which the company did not know any development and efficiency of the activity. In 2019, Roca Investments took over a stake representing 50% of ELP's share capital, the following year it increased its participation to 60% through a share capital increase, and later, through two other transactions, until the beginning in 2023 he became the sole shareholder.

These condensed consolidated interim financial statements refer to Roca Industry Holdingrock1 SA and the 8\* subsidiaries in which the Company holds participations ("the Group" or "the Companies"):

<b>Subsidiary</b>	<b>% shareholding 31.12.2022</b>	<b>% shareholding 30.06.2023</b>	<b>Consolidation date</b>
BICO Industries SA	70.00%	70.00%	31.12.2021
TERRA Impex SRL	70.00%	70.00%	31.03.2022
EUROPLAS	35.00%	39.00%	31.10.2022
IRANGA ***	-	70.00%	01.05.2023
EVOLOR SRL	100.00%	100.00%	31.12.2021
ECO EURO DOORS SRL**	100.00%	100.00%	31.05.2022
DIAL SRL	70.00%	70.00%	30.09.2022
ELECTROPLAST	-	100.00%	30.06.2023
COLOROCK13 SRL*	100.00%	100.00%	04.10.2021
DOORSROCK4 SRL	100.00%	100.00%	01.01.2022
NATIVEROCK1 SRL	100.00%	100.00%	01.01.2022

*\*) On December 2022, the merger between Evolor and Colorock took place, through which the SPV - Colorock was absorbed by Evolor;*

*\*\*\*) On December 2022, following the exercise of put option by the former shareholders, Roca Industry increased its participation to 100% from the share capital of EED.*

*\*\*\*) During 2023, respectively in May and June 2023, the acquisitions of the companies Iranga and Electroplast were completed.*

Russia – Ukraine conflict

The invasion of Ukraine by the Russian Federation and the development of the conflict with global impact could have a significant impact on companies with physical operations in Ukraine, Russia and Belarus, as well as on entities with indirect interests (e.g. those with clients and suppliers, investments and creditors with operations in these countries). Also, the sanctions imposed on the Russian government, Russian entities and Russian individuals in many jurisdictions could affect companies, such as by losing access to financial resources and trade, but also by the side effects of sanctions on global prices (e.g. oil, natural gas and other petroleum products). The effects of the conflict are widespread and rapidly evolving. Companies that do not have operations in Russia and Ukraine could still be affected by the conflict, the effects including, but not limited to:

- Destruction, confiscation or abandonment of tangible and intangible property / assets;
- Sanctions imposed on a company that may impact its ability to operate (eg access to funds, banking systems, etc.);
- Sanctions imposed on the clients of a company, which can impact its ability to sell goods and services and collect receivables;
- Sanctions imposed on a company's suppliers, which may impact its ability to obtain raw materials, goods and services, or which may indirectly increase its costs of obtaining these elements from alternative sources;
- Sanctions imposed on creditors and / or banks of an entity, which may limit its capacity to access financing;

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

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- Changes in the approach of customers and consumers on companies connected with Russia, Belarus or other jurisdictions related to the Russian Federation, which could reduce the demand for products of those companies;
- Changes in risk appetite that may lead to the situation in which creditors and investors withdraw their financial support for companies with ties to Russia, resulting in an increased liquidity risk and / or doubts about the continuity of the activity of those companies;
- Volatility in the prices of financial instruments and commodities, including oil, natural gas, other petroleum products and minerals, but also volatility in foreign exchange rates.

However, based on the information available at the time of preparation of this report, the Company's management has not identified any concrete potential risks related to the Russia- Ukraine conflict, so no significant impact on the current course of operations is estimated. The Company's direct exposure to business partners affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Company collaborates, who have been directly affected by the sanctions, as well as risks related to the future volatility of commodity prices or exchange rates) it is difficult to quantify. At the date of approval of these financial statements, the Company's management has no indication of any significant impact on the Company's business.

## **NOTE 2: ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

### **Basis of preparation of the consolidated interim financial statements**

These are the condensed consolidated interim financial statements of Roca Industry Holdingrock1 SA, as at and for the six month period ended 30 June 2023, prepared voluntarily by the Company, in accordance with:

- Accounting Law 82/1991 (republished in 2015);
- The Order of the Minister of Public Finance no. 1802/2014 as subsequently amended ("OMFP 1802/2014").

These condensed consolidated interim financial statements are translated from Romanian, in case of discrepancy between the two versions, the Romanian version prevails.

These consolidated financial statements contain:

- Consolidated interim balance sheet;
- Consolidated interim profit and loss account;
- Consolidated interim statement of changes in equity;
- Consolidated interim statement of cash flows;
- Explanatory notes to the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements refers to Holdingrock1 SA and its subsidiaries: Bico Industries SA, Terra Impex SRL, Europlas, Iranga, Doorsrock SRL, Eco Euro Doors SRL, Evolor SRL, Colorock13 SRL, Nativerock1, Dial and Electroplast (the "Group" or the "Companies").

The accounting entries on the basis of which these consolidated financial statements have been prepared are made in lei ("RON"). These consolidated financial statements are presented in lei ("RON"), unless otherwise indicated.

These financial statements are not intended to present the financial position, the result of operations, cash flows and a complete set of notes to the financial statements in accordance with accounting regulations and principles accepted in countries and jurisdictions other than Romania. Therefore, the financial statements are not prepared for the use of persons who do not know the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no. 1802/2014 as subsequently amended.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2022.

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

**NOTE 3. NON-CURRENT ASSETS**

Item description	Gross book value					Accumulated depreciation (depreciation and impairments or value losses)						Net book value	
	Balance as at 31.12.2022	Additions from business combinations	Additions	Disposal	Transfer	Balance as at 30.06.2023	Balance as at 31.12.2022	Additions from business combinations	Additions	Disposals and impairment	Balance as at 30.06.2023	Balance as at 31.12.2022	Balance as at 30.06.2023
<b>a) Intangible assets</b>													
Licenses, trademarks, similar rights and other intangible assets	99,654,583	1,143,802	38,165	40,210	-	100,796,340	4,634,312	200,973	2,548,500	741	7,383,044	95,020,271	93,413,296
Goodwill	67,448,073	18,224,510	103,654	-	-	85,776,237	17,364,376	43,169	3,003,972	2,804,089	17,607,428	50,083,697	68,168,808
Advances	222,648	-	-	-	-	222,648	-	-	-	-	-	222,648	222,648
<b>Total</b>	<b>167,325,304</b>	<b>19,368,312</b>	<b>141,819</b>	<b>40,210</b>	<b>-</b>	<b>186,795,225</b>	<b>21,998,688</b>	<b>244,142</b>	<b>5,552,472</b>	<b>2,804,830</b>	<b>24,990,472</b>	<b>145,326,616</b>	<b>161,804,752</b>
<b>b) Property, plant and equipment</b>													
Land and buildings	70,675,447	60,835,270	9,050,814	-	-	140,561,531	3,932,573	9,969,058	966,505	-	14,868,136	66,742,874	125,693,395
Technical equipment & machinery	102,392,481	23,080,716	11,326,510	3,046,391	-	133,753,316	54,969,768	15,227,671	4,934,079	1,996,053	73,135,465	47,422,713	60,617,851
Other equipment & furniture	1,864,837	751,726	327,561	4,325	-	2,939,799	979,315	589,442	204,308	778	1,772,287	885,522	1,167,512
Advances and tangible assets in progress	20,475,078	1,638,932	6,175,823	19,888,241	-	8,401,592	-	-	-	-	-	20,475,078	8,401,592
<b>Total</b>	<b>195,407,843</b>	<b>86,306,644</b>	<b>26,880,708</b>	<b>22,938,957</b>	<b>-</b>	<b>285,656,238</b>	<b>59,881,656</b>	<b>25,786,171</b>	<b>6,104,892</b>	<b>1,996,831</b>	<b>89,775,888</b>	<b>135,526,187</b>	<b>195,880,350</b>
<b>c) Financial assets</b>													
Other long term investments	7,768	-	-	-	-	7,768	-	-	-	-	-	7,768	7,768
Investments in related parties and in jointly controlled entities	-	-	17,400	-	-	17,400	-	-	-	-	-	-	17,400
Equivalent securities	1,092,284	-	962,869	1,092,284	-	962,869	-	-	-	-	-	1,092,284	962,869
Other loans	712,423	-	77,514	-	-	789,937	-	-	-	-	-	712,423	789,937
<b>Total</b>	<b>1,812,475</b>	<b>-</b>	<b>1,057,783</b>	<b>1,092,284</b>	<b>-</b>	<b>1,777,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,812,475</b>	<b>1,777,974</b>
<b>NON-CURRENT ASSETS - TOTAL</b>	<b>364,545,622</b>	<b>105,674,956</b>	<b>28,080,310</b>	<b>24,071,451</b>	<b>-</b>	<b>474,229,437</b>	<b>81,880,344</b>	<b>26,030,313</b>	<b>11,657,364</b>	<b>4,801,661</b>	<b>114,766,360</b>	<b>282,665,277</b>	<b>359,463,076</b>

The additions from business combinations from 2023 refer to the acquisition of Iranga (through Bico Industries) and Electroplast. A goodwill of RON 27 million resulted from these events. Until the end of the year, an independent valuator will identify all intangible assets related to these acquisitions (e.g. trademarks, customer relations etc.), thus the goodwill will decrease, in favor of these intangible assets (e.g. trademarks, customer relations etc.).

**NOTE 4: INVENTORIES**

	<b>Balance as at 31 December 2022</b>	<b>Balance as at 30 June 2023</b>
Raw materials and consumables	41,945,422	46,853,130
Impairment for raw materials	(439,880)	(311,290)
<b>Raw materials and consumables (net)</b>	<b>41,505,542</b>	<b>46,541,840</b>
Semi-finished goods	5,756,368	6,202,877
Work in progress	-	597,508
Impairment for semi finished goods	-	-
<b>Work in progress (net)</b>	<b>5,756,368</b>	<b>6,800,385</b>
Finished goods	39,687,860	36,791,554
Impairment for finished goods	(1,164,107)	(658,679)
Merchandise	12,521,080	5,615,162
Impairment for merchandise	(1,177,330)	(1,028,608)
<b>Finished goods and merchandise (net)</b>	<b>49,867,503</b>	<b>40,719,429</b>
<b>Advance payments to suppliers for inventories</b>	<b>3,897,065</b>	<b>5,237,667</b>
<b>Total inventories</b>	<b>101,026,478</b>	<b>99,299,321</b>

**NOTE 5: TRADE RECEIVABLES**

	<b>Balance as at 31 December 2022</b>	<b>Balance as at 30 June 2023</b>
Trade receivables	24,277,832	90,653,467
Allowances for doubtful customers	(1,301,696)	(1,312,824)
Advances for services	90,644	58,947
<b>Trade receivables (net)</b>	<b>23,066,780</b>	<b>89,399,590</b>
Other receivables	2,194,637	1,150,894
Income tax receivable	785,723	306,691
Sundry debtors	674,551	654,075
Allowances for doubtful sundry debtors	(640,087)	(640,087)
<b>Other receivables (net)</b>	<b>3,014,824</b>	<b>1,471,573</b>
<b>Total trade receivables</b>	<b>26,081,604</b>	<b>90,871,163</b>

Other receivables represent mainly amounts to be recovered from state institutions (VAT to be recovered).

**NOTE 6: SHORT TERM INVESTMENTS**

Short-term investments mainly include the amount deposited in an escrow account for the acquisition by Bico of Terra, deal completed in March 2022, representing the outstanding amount to be paid to former Terra shareholders, which will be released from the escrow account as certain conditions established in the sale and purchase agreement are complied with.

**ROCA INDUSTRY HOLDINGROCK1 SA**  
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**NOTE 7: CASH AND CASH EQUIVALENTS**

	<b>Balance as at 31 December 2022</b>	<b>Balance as at 30 June 2023</b>
Current bank accounts	42,176,372	47,238,323
Petty cash	58,184	138,614
<b>Total cash and cash equivalents</b>	<b>42,234,556</b>	<b>47,376,937</b>

**NOTE 8: LIABILITIES**

	<b>Balance as at 31 December 2022</b>	<b>Balance as at 30 June 2023</b>
Short-term bank borrowings	57,710,905	95,265,487
Trade payables	28,829,480	66,406,537
Advance payments from customers	470,149	1,783,275
Amounts owed to related parties	10,066,197	26,953,898
Other short-term liabilities	34,006,531	82,528,955
<b>Total short term liabilities</b>	<b>131,083,262</b>	<b>272,938,152</b>
Long-term bank borrowings	135,318,611	150,117,492
Other long-term liabilities	2,162,301	2,137,535
<b>Total long-term liabilities</b>	<b>137,480,912</b>	<b>152,255,027</b>
<b>Total liabilities</b>	<b>268,564,174</b>	<b>425,193,179</b>

As at 30 June 2023, respectively 31 December 2022, the short-term portion of bank loans is presented as follows:

<b>Entity</b>	<b>Bank</b>	<b>Facility type</b>	<b>Interest rate</b>	<b>Balance as at 31.12.2022</b>	<b>Balance as at 30.06.2023</b>
Evolor	Banca Transilvania	evolving	2.75% + EURIBOR 3M	5,720,800	6,022,574
Bico	Banca Transilvania	Investment loan	2.2% + ROBOR 2M	476,000	476,000
Bico	Banca Transilvania	Credit IMM Invest	2.5% + ROBOR 3M	514,706	73,529
Bico	Banca Transilvania	Credit line	2.25 + ROBOR 6M	3,237,953	-
Bico	Banca Transilvania	Investment loan	2% + ROBOR 6M	504,000	504,000
Bico	Banca Transilvania	Credit IMM Invest	2% + ROBOR 3M	356,129	356,129
Bico	Unicredit Bank	Financing CAPEX	2.85% + ROBOR 1M	-	-
Bico	Unicredit Bank	Credit line	2.5% + ROBOR 3M	1,924,524	1,820,524
Bico	Unicredit Bank	Credit line	2.5% + EURIBOR 1M	16,079,050	16,131,050
Bico	Unicredit Bank	Investment loan	1.8% + ROBOR 3M	429,915	453,094
Bico	Unicredit Bank	Investment loan	2.2% + EURIBOR 1M	4,046,703	10,683,858
Bico	Credit Europe Bank	Credit line	2% + ROBOR 3M	5,330,262	3,924,094
Bico	Credit Europe Bank	Investment loan	2.25% + ROBOR 3M	264,614	278,538
Terra Impex	Moldova-Agroindbank	Current activity	4%	2,595,978	1,896,359
EcoEuroDoors	Raiffeisen Bank	Financing CAPEX	2.2% + EURIBOR 3M	783,731	1,048,354
EcoEuroDoors	Raiffeisen Bank	Financing CAPEX	2.2% + EURIBOR 3M	705,358	943,518
EcoEuroDoors	Raiffeisen Bank	Revolving	1.01% + ROBOR 1M	2,083,333	833,333
EcoEuroDoors	Raiffeisen Bank	Revolving	1.5% + ROBOR 3M	5,000,000	5,000,000
Doorsrock	Raiffeisen Bank	Financing for the acquisition of EED	2.3% + EURIBOR 3M	2,565,411	5,528,319
Nativerock	Banca Transilvania	Financing for the acquisition of DIAL	3% + EURIBOR 3M	951,939	2,747,166
Dial	Banca Transilvania	Investment loan	2.75% + EURIBOR 3M	4,140,499	1,384,630
Electroplast	CEC Bank	Financing medium term	3.0% + EURIBOR 3M		796,208
Electroplast	CEC Bank	Domain factoring with recourse	2.50% + ROBOR 1M		22,210,578
Electroplast	CEC Bank	Credit line	2.75% + ROBOR 3M		9,590,594
Electroplast	CEC Bank	Credit line - inventories	3.0% + EURIBOR 3M		2,329,848

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*(all amounts are in lei (“RON”), if not otherwise stated)*

Entity	Bank	Facility type	Interest rate	Balance as at 31.12.2022	Balance as at 30.06.2023
Electroplast	CEC Bank	Investment loan	3.0% + EURIBOR 6M		111,632
Electroplast	HP Bank	Financing medium term	11%		121,558
<b>Short term bank borrowings - total</b>				<b>57,710,905</b>	<b>95,265,487</b>

As at 30 June 2023, respectively 31 December 2022, the long-term portion of bank loans is presented as follows:

Entity	Bank	Facility type	Interest rate	Balance as at 31.12.2022	Balance as at 30.06.2023
Evolor	Banca Transilvania	Credit line	2.75% + EURIBOR 3M	42,469,264	39,955,532
Bico	Banca Transilvania	Investment loan	2.2% + ROBOR 2M	317,334	79,334
Bico	Banca Transilvania	Credit IMM Invest	2.5% + ROBOR 3M	-	3,344,013
Bico	Banca Transilvania	Investment loan	2% + ROBOR 6M	1,344,000	1,092,000
Bico	Banca Transilvania	Credit IMM Invest	3.5% + ROBOR 3M	1,500,000	1,500,000
Bico	Banca Transilvania	Credit IMM Invest	2% + ROBOR 3M	1,305,806	1,127,742
Bico	Unicredit Bank	Investment loan	1.8% + ROBOR 3M	1,648,015	1,510,321
Bico	Credit Europe Bank	Investment loan	2% + ROBOR 3M	887,974	743,703
Terra Impex	Moldova-Agroindbank	Current activity	4%	4,826,128	5,550,080
EcoEuroDoors	Raiffeisen Bank	Financing CAPEX	2.2% + EURIBOR 3M	8,173,192	7,675,447
EcoEuroDoors	Raiffeisen Bank	Financing CAPEX	2.2% + EURIBOR 3M	7,355,872	6,907,903
Doorsrock	Raiffeisen Bank	Financing for the acquisition of EED	2.3% + EURIBOR 3M	26,753,581	35,592,946
Nativerock	Banca Transilvania	Financing for the acquisition of DIAL	3% + EURIBOR 3M	31,836,519	31,678,901
Dial	Banca Transilvania	Investment loan	2.75% + EURIBOR 3M	6,900,926	9,000,183
Electroplast	CEC Bank	Financing medium term	EURIBOR 3M + 3,0%	-	3,299,738
Electroplast	CEC Bank	Credit line - inventories	EURIBOR 3M + 3,0%	-	194,662
Electroplast	CEC Bank	Investment loan	EURIBOR 6M + 3,0%	-	725,606
Electroplast	HP Bank	Financing medium term	11%	-	139,381
<b>Long term bank borrowings - total</b>				<b>135,318,611</b>	<b>150,117,492</b>

*Other short-term liabilities* mainly include the followings:

- payables by Roca Industry to related parties of RON 56.4 million, according to the sale and purchase agreement of shares in Electroplast.
- payables by Colorock to former Evolor shareholders of RON 14.8 million, according to the sale and purchase agreement of shares in Evolor. The debt was transferred to Evolor subsequent to the merger carried out in December 2022;
- loan taken over with the purchase of social shares in Iranga in the amount of 1.6 million RON;
- payable salaries and contributions of aprox. RON 9.7 million.

*Other long-term payables* mainly include the payables under leasing agreements.

**ROCA INDUSTRY HOLDINGROCK1 SA**  
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**NOTA 9: PROVISIONS**

	<b>Taxes</b>	<b>Others</b>	<b>Total provisions</b>
<b>Balance as at 31.12.2022</b>	<b>1,619,261</b>	<b>578,527</b>	<b>2,197,788</b>
Provisions recognised	-	-	-
Provisions used	-	-	-
Provisions reversed	-	333,705	333,705
<b>Balance as at 30.06.2023</b>	<b>1,619,261</b>	<b>244,822</b>	<b>1,864,083</b>

As at 30 June 2023, respectively 31 December 2022, the provisions were constituted mainly for various expenses related to tax liabilities, representing probable obligations generated by previous events of the companies.

**NOTE 10: DEFERRED INCOME**

Deferred income represents mainly the investment grants collected by Bico Industries and Eco Euro Doors in prior years. These are recognised as income in the *Profit and loss statement* in proportion to the depreciation of the related fixed assets which have been acquired under these investment programs.

**NOTE 11: SHARE CAPITAL AND RESERVES**

The paid-in subscribed share capital of the Parent Company as of 30 June 2023, respectively as of 31 December 2022 is RON 176,945,730, the equivalent of 17,694,573 shares. The nominal value of a share is RON 10. As at 30 June 2023, respectively 31 December 2022, the share capital of the Parent Company is fully paid in.

The paid-in subscribed capital consists of: RON 105.9 million, representing the paid-up subscribed capital, and RON 71 million, representing the in-kind contribution of 70% of the shares of Bico Industries SA.

The shareholders' structure is the following:

	<b>Balance as at 31 December 2022</b>			<b>Balance as at 30 June 2023</b>		
	<b>No of shares</b>	<b>Amount in RON</b>	<b>% in total</b>	<b>No of shares</b>	<b>Amount in RON</b>	<b>% in total</b>
Roca Investments SA	10,757,557	107,575,570	61%	10,757,557	107,575,570	61%
Mihai Birliba	1,014,461	10,144,610	6%	1,014,461	10,144,610	6%
Other	5,922,555	59,225,550	33%	5,922,555	59,225,550	33%
<b>Total</b>	<b>17,694,573</b>	<b>176,945,730</b>	<b>100%</b>	<b>17,694,573</b>	<b>176,945,730</b>	<b>100%</b>

Revaluation reserves

As at 30 June 2023, respectively 31 December 2022, revaluation reserves recognised represent the surplus from the revaluation of tangible assets, land and buildings.

Legal reserves

According to the legal provisions, legal reserves were established in the proportion of 5% of the profit before taxation in accordance with the statutory individual financial statements of the companies within the Group.

**NOTE 12: NET REVENUE**

<b>Item description</b>	<b>Six month period ended</b>	
	<b>30 June 2022</b>	<b>30 June 2023</b>
Sold production	110,085,399	181,134,091
Income from sale of goods	8,058,339	30,812,952
Trade discounts offered	(1,685,934)	6,353,174
<b>Net revenue - total</b>	<b>116,457,804</b>	<b>205,593,869</b>

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

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**NOTE 13: OTHER OPERATING EXPENSES**

<b>Item description</b>	<b>Six month period ended</b>	
	<b>30 June 2022</b>	<b>30 June 2023</b>
Transportation and travel expenses	2,720,819	4,313,923
Commissions and fees	1,449,394	2,280,494
Rent expenses	324,308	2,205,819
Marketing and protocol expenses	566,076	1,577,040
Other taxes	360,080	1,117,073
Repairs and maintenance expenses	94,489	318,909
Bank fees and commissions	162,370	247,119
Communication expenses	81,469	96,863
Other operating expenses	2,641,943	8,029,249
<b>Other operating expenses - total</b>	<b>8,400,948</b>	<b>20,186,488</b>

**NOTE 14: NET FINANCE RESULT**

<b>Item description</b>	<b>Six month period ended</b>	
	<b>30 June 2022</b>	<b>30 June 2023</b>
Interest income	-	109,757
Other finance income	468,318	204,134
<b>Total finance income</b>	<b>468,318</b>	<b>313,891</b>

<b>Item description</b>	<b>30 June 2022</b>	<b>30 June 2023</b>
Interest expense	1,810,348	6,546,281
Foreign exchange losses, net	860,490	1,619,472
<b>Total finance costs</b>	<b>2,670,838</b>	<b>8,165,753</b>

<b>Net finance result – loss</b>	<b>(2,202,520)</b>	<b>(7,851,862)</b>
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**NOTE 15: RELATED PARTIES**

Information regarding the loans received from the related parties is presented in the *note 8 - Liabilities*. The nature of the transactions is mainly financing.

**NOTE 16: CONTINGENCIES**

**16.1 Fiscal environment**

The legislative and fiscal framework in Romania and its implementation in practice change frequently and is subject to different interpretations by various Ministries of the Government. The Romanian Government has a number of agencies that are authorized to carry out controls on Romanian companies as well as on foreign companies operating in Romania. These inspections are similar in nature to tax audits performed by tax authorities in many countries, but they can focus not only on fiscal issues but also on other legal or regulatory items of interest for the agency. Moreover, the agencies conducting these inspections appear to be much less regulated and the company subject to control appear to have fewer practical ways of protection than in many other countries.

Fiscal controls consist in thorough controls of taxpayers accounting records. Such controls sometimes occur after months or even years from the payment obligations have been established. Consequently, companies may be due taxes and fines. In addition, fiscal legislation is subject to frequent changes and authorities often manifest inconsistency in the interpretation of laws.

Management believes it has adequately recorded the fiscal obligations from the attached financial statements; however, there is a risk that the tax authorities will take different views on the interpretation of certain tax issues.



## **16.2 Transfer prices**

According to the fiscal legislation, the fiscal assessment for a transaction with affiliates is based on the market price concept for that transaction. Based on this concept, the transfer prices must be adjusted in order to reflect the market prices that would have been used between entities having no affiliation relation and acting independently, based on "normal market conditions".

It is likely that verifications of the transfer prices may be performed in the future by the fiscal authorities, in order to establish if these prices are complying with the principle of "normal market conditions" and that the tax base for the Romanian taxpayer is not distorted. Management cannot quantify the result of such a verification.

## **NOTE 17: FINANCIAL RISKS**

### **17.1 Interest rate risk**

The Group's exposure to the risk of interest rate changes refers mainly to bank loans with variable interest rates that the Companies have in the long term. The group's policy is to monitor and renegotiate interest rates.

### **17.2 Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Group seeks to maintain monetary assets in foreign currency at the level of monetary liabilities in foreign currency, in order not to be significantly exposed to foreign exchange risk.

### **17.3 Liquidity risk**

Liquidity risk, also called financing risk, is the risk that a company might encounter difficulty in accumulating funds to meet its commitments associated with financial instruments. Liquidity risk may arise as a result of the inability to quickly sell a financial asset at a value close to fair value.

The Group's liquidity policy is to identify financing needs in advance and take action to meet them.

## **NOTE 18: SUBSEQUENT EVENTS**

On 20 July 2023 Eco Euro Doors SRL and Doorsrock4 SRL merged.

We recall that Doorsrock4, a company 100% owned by Roca Industry, was established as an SPV (Special Purpose Vehicle), with the purpose of obtaining a credit facility to provide the necessary financing structure for the acquisition of EED by Roca Industry. In the Merger, EED is the acquiring company and Doorsrock4 is the absorbed company. As a result of the Merger, Doorsrock4 was struck off the Commercial Register as a result of the dissolution, without going into liquidation, and transferred all of its assets to EED

On 27 July 2023, Bico's shareholders, respectively Roca Industry holding 70% of the share capital and Mihai Birliba with 30% of the share capital, approved the increase in Bico's share capital with a total amount of RON 10,551,881.4, of which RON 1,800,000 represents the total nominal value of the newly issued shares and RON 8,751,888.44 represents the share premium, as follows:

- Mihai Birliba subscribed 179 new shares, each with a value of RON 10,000 and having a total value of RON 1,790,000. The cash contribution of Mr. Mihai Birliba is in total amount of RON 10,541,888.44 (including also the conversion of a receivable of RON 5,441,888.44 RON held by Mr. Mihai Birliba against Bico, from two loan agreements), out of which: (i) RON 1,790,000 represents the nominal value of the newly issued shares, and (ii) the amount of RON 8,751,888.44 represents share premium;

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

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- Roca Industry subscribed 1 new share, having a value of RON 10,000, in exchange for a cash contribution of RON 10,000.

As a result of this operation, the share capital of Bico is RON 12,500,000, divided into 1,250 shares, and the shareholding structure is the following:

- Mr. Mihai Bîrliba holds 500 shares, with a nominal value of RON 10,000 each and in total value of RON 5,000,000, representing 40% of the share capital
- Roca Industry holds 750 shares, with a nominal value of RON 10,000 each and in total value of 7,500,000 RON, representing 60% of the share capital.

On 27 July 2023, the Board of Directors of the Company approved the granting of a loan to Eco Euro Doors S.R.L. („EED”), Company’s subsidiary, in total amount of RON 2,000,000. This loan, to be reimbursed in a 12-month period, granted under market conditions, will be used by EED for financing its current activity. At the same time, Roca Industry’s Board of Directors approved the adoption of the Decision of the Sole Associate of EED by which the following will be decided:

- Contracting from Raiffeisen Bank S.A. of a loan in the form of an overdraft in maximum amount of RON 3,000,000, for a period of 12 months, for financing EED’s current activity,
- Contracting from Raiffeisen Bank S.A. of a loan in the form of a term loan, for a period of 60 months, in maximum amount of RON 3,250,000, for partially financing the costs of purchasing some equipment necessary to carry out the company's current activity.

These consolidated financial statements were approved and signed today, August 17, 2023.

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Monocont Evidence SRL  
Status: Authorised legal persons, CECCAR members

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**

**CONDENSED SEPARATE INTERIM  
FINANCIAL STATEMENTS**

**as at and for the six month period ended at  
30 June 2023**

Prepared in accordance with the Order of the Minister of Public Finance  
no. 1802/2014, as subsequently amended

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**ROCA INDUSTRY HOLDGINROCKI SA**  
**SEPARATE INTERIM BALANCE SHEET**  
as at 30 June 2023

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>A. NON-CURRENT ASSETS</b>				
<b>I. INTANGIBLE ASSETS</b>				
1. Set-up costs (acc. 201 - 2081)	01		-	-
2. Development costs (acc. 203 - 2803 - 2903)	02		-	-
3. Concessions, patents, licenses, trademarks and other similar rights and other intangible assets (acc. 205 + 208 - 2805 - 2808 - 2905 - 2908)	03		2,588	2,118
4. Goodwill (acc. 2071 - 2807)	04		-	-
5. Advances and intangible assets in progress and evaluation of mineral resources (acc. 206 - 2806 - 2906)	05		-	-
6. Advances for intangible assets (acc. 4094)	06		-	-
<b>TOTAL (row 01 to 06)</b>	<b>07</b>		<b>2,588</b>	<b>2,188</b>
<b>II. TANGIBLE ASSETS</b>				
1. Land and buildings (acc. 211 + 212 - 2811 - 2812 - 2911 - 2912)	08		-	-
2. Technical equipment & machinery (acc. 213 + 223 - 2813 - 2913)	09		-	-
3. Other equipment & furniture (acc. 214 + 224 - 2814 - 2914)	10		20,232	17,677
4. Investment property (acc. 215 - 2815 - 2915)	11		-	-
5. Non-current assets in progress (acc. 231 - 2931)	12		-	-
6. Investment property in progress (acc. 235 - 2935)	13		-	-
7. Intangible assets in progress and evaluation of mineral resources (acc. 216 - 2816 - 2916)	14		-	-
8. Bearer biological assets (acc. 217 + 227 - 2817 - 2917)	15		-	-
9. Advances for tangible assets (acc. 4093)	16		-	-
<b>TOTAL (row 08 to 16)</b>	<b>17</b>		<b>20,232</b>	<b>17,677</b>
<b>III. FINANCIAL ASSETS</b>				
1. Shares in related parties (acc. 261 - 2961)	18	3	89,897,142	135,648,131
2. Loans granted to related parties (acc. 2671 + 2672 - 2964)	19		-	-
3. Investments in related parties and in jointly controlled entities (acc. 262 + 263 - 2962)	20		-	-
4. Loans granted to related parties and to jointly controlled entities (acc. 2673 + 2674 - 2965)	21		-	-
5. Other long term investments (acc. 265 + 266 - 2963)	22		-	-
6. Other loans (acc. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	23		-	-
<b>TOTAL (row 18 to 23)</b>	<b>24</b>	<b>3</b>	<b>89,897,142</b>	<b>135,648,131</b>
<b>NON-CURRENT ASSETS - TOTAL (row 07 + 17 + 24)</b>	<b>25</b>		<b>89,919,962</b>	<b>135,667,926</b>
<b>B. CURRENT ASSETS</b>				
<b>I. INVENTORIES</b>				
1. Raw materials and consumables (acc. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	26		-	-
2. Work in progress (acc. 331 + 332 + 341 +/- 348* - 393 - 3941 - 3952)	27		-	-
3. Finished goods and merchandises (acc. 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 + 326 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - din ct. 4428)	28		-	-
4. Advances for inventories (acc. 4091)	29		-	-
<b>TOTAL (row 26 to 29)</b>	<b>30</b>		<b>-</b>	<b>-</b>

**ROCA INDUSTRY HOLDING ROCKI SA**  
**SEPARATE INTERIM BALANCE SHEET**  
**as at 30 June 2023**

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>II. RECEIVABLES</b> (Amounts to be collected after a period of more than one year must be presented separately for each item)				
1. Trade receivables (acc. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 4092 + 411 + 413 + 418 - 491)	31	4	780,497	763,890
2. Amounts receivable from related parties (acc. 451** - 495*)	32	4	79,693,686	85,183,915
3. Amounts receivable from related parties and jointly controlled entities (acc. 453 - 495*)	33		-	-
4. Other receivables (acc. 425 + 4282 + 431** + 437** + 4382 + 441** + 4424 + din ct. 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 4662 + 461 + 473** - 496 + 5187)	34	4	92	-
5. Subscribed and unpaid share capital (acc. 456 - 495*)	35		-	-
6. Receivables representing dividends distributed during the year (ct.463)	35a		-	-
<b>TOTAL (row 31 to 35a)</b>	<b>36</b>	<b>4</b>	<b>80,474,275</b>	<b>85,947,805</b>
<b>III. SHORT TERM INVESTMENTS</b>				
1. Shares in related parties (acc. 501 - 591)	37		-	-
2. Other short term investments (acc. 505 + 506 + 507 + din ct. 508 - 595 - 596 - 598 + 5113 + 5114)	38		-	-
<b>TOTAL (row 37 + 38)</b>	<b>39</b>		<b>-</b>	<b>-</b>
<b>IV. CASH AND CASH EQUIVALENTS</b> (acc. 508 + ct. 5112 + 512 + 531 + 532 + 541 + 542)	<b>40</b>	<b>5</b>	<b>2,034,347</b>	<b>11,588,700</b>
<b>CURRENT ASSETS – TOTAL (row 30 + 36 + 39 + 40)</b>	<b>41</b>		<b>82,508,622</b>	<b>97,536,505</b>
<b>C. Deferred expense (acc. 471) (row 43+44)</b>	<b>42</b>		<b>34,331</b>	<b>190,122</b>
Amounts to be resumed in a period of up to one year (from acc. 471*)	43		34,331	190,122
Amounts to be resumed in a period exceeding one year (from acc. 471*)	44		-	-
<b>D. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LESS THAN ONE YEAR</b>				
1. Debenture loans, presenting separately from the convertible debenture loans (acc. 161 + 1681 - 169)	45		-	-
2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	46		-	-
3. Advance payments from customers (ct. 419)	47		-	-
4. Trade payables - suppliers (acc. 401 + 404 + 408)	48	6	306,777	569,675
5. Bills of exchange payable (acc. 403 + 405)	49		-	-
6. Amounts owed to the entities of the group (acc. 1661 + 1685 + 2691 + 451***)	50	6	5,118,797	10,315,903
7. Amounts owed to associates and to jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)	51		-	-
8. Other liabilities including tax and social security debts (acc. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	52	6	1,776,082	56,632,865
<b>TOTAL (row 45 to 52)</b>	<b>53</b>	<b>6</b>	<b>7,201,656</b>	<b>67,518,443</b>
<b>E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41 + 43 - 53 - 70 - 73- 76)</b>	<b>54</b>		<b>75,340,212</b>	<b>30,207,326</b>

**ROCA INDUSTRY HOLDING ROCKI SA**  
**SEPARATE INTERIM BALANCE SHEET**  
**as at 30 June 2023**

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>F. TOTAL ASSETS MINUS CURRENT LIABILITIES</b> (row 25 + 44 + 54)	<b>55</b>		<b>165,260,174</b>	<b>165,875,252</b>
<b>G. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LONGER THAN ONE YEAR</b>				
1. Debenture loans presenting separately the loans from the convertible debenture loans (acc. 161 + 1681 - 169)	56		-	-
2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	57		-	-
3. Advance payments from customers (acc. 419)	58		-	-
4. Trade payables-suppliers (acc. 401 + 404 + 408)	59		-	-
5. Bills of exchange payable (acc. 403 + 405)	60		-	-
6. Amounts owed to the entities of the group (acc. 1661 + 1685 + 2691 + 451***)	61		-	-
7. Amounts owed to associates and to jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)	62		-	-
8. Other liabilities including tax and social security debts (acc. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	63		-	-
<b>TOTAL (row 56 to 63)</b>	<b>64</b>		<b>-</b>	<b>-</b>
<b>H. PROVISIONS</b>				
1. Provisions for pensions and similar obligations (acc. 1515 + 1517)	65		-	-
2. Provisions for taxes (acc. 1516)	66		-	-
3. Other provisions (acc. 1511 + 1512 + 1513 + 1514 + 1518)	67		-	-
<b>TOTAL (row 65 to 67)</b>	<b>68</b>		<b>-</b>	<b>-</b>
<b>I. DEFERRED INCOME</b>				
1. Investment subsidies (acc. 475) (row 70 + 71):	69		<b>2,487</b>	<b>1,944</b>
Amounts to be resumed in a period of up to one year (from acc. 475*)	70		1,085	858
Amounts to be resumed in a period longer than one year (from acc. 475*)	71		1,402	1,086
2. Deferred income (acc. 472) - total (row 73 + 74), out of which:	72		-	-
Amounts to be resumed in a period of up to one year (from acc. 472*)	73		-	-
Amounts to be resumed in a period longer than one year (from. 472*)	74		-	-
3. Deferred income related to assets received by transfer from customers (acc. 478) (row 76 + 77):	75		-	-
Amounts to be resumed in a period of up to one year (from acc. 478*)	76		-	-
Amounts to be resumed in a period longer than one year (from acc. 478*)	77		-	-
Gain on bargain purchase (acc. 2075)	78		-	-
<b>TOTAL (row 69 + 72 + 75+78)</b>	<b>79</b>		<b>2,487</b>	<b>1,944</b>
<b>J. CAPITAL AND RESERVES</b>				
<b>I. CAPITAL</b>				
1. Subscribed and paid in share capital (acc. 1012)	80	7	176,945,730	176,945,730
2. Subscribed and not paid in share capital (acc. 1011)	81		-	-
3. Patrimony (acc. 1015)	82		-	-
4. Patrimony of national research and development institutes (acc. 1018)	83		-	-
5. Other equity items (acc. 1031)	84	-	-	-
Balance C				
<b>TOTAL (row 80 + 81 + 82 + 83 + 84)</b>	<b>85</b>	<b>7</b>	<b>176,945,730</b>	<b>176,945,730</b>

**ROCA INDUSTRY HOLDGINROCK1 SA**  
**SEPARATE INTERIM BALANCE SHEET**  
**as at 30 June 2023**

*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Row no.	Note	31.12.2022	30.06.2023
<b>II. SHARE PREMIUM</b> (acc. 104)	<b>86</b>	<b>7</b>	<b>38</b>	<b>38</b>
<b>III. REVALUATION RESERVE</b> (acc. 105)	<b>87</b>		-	-
<b>IV. RESERVES</b>				
1. Legal reserve (acc. 1061)	88		-	-
2. Statutory or contractual capital reserve (acc. 1063)	89		-	-
3. Other reserve (acc. 1068)	90		-	-
<b>TOTAL (row 88 to 90)</b>	<b>91</b>		-	-
Own shares (acc. 109)	92		-	-
Gains related to equity instruments (acc. 141)	93		-	-
Losses related to equity instruments (acc. 149)			1,685,451	1,685,451
<b>Balance D</b>	<b>94</b>			
<b>V. RETAINED EARNINGS</b> (acc. 117)				
	<b>Balance C</b>	<b>95</b>	-	-
	<b>Balance D</b>	<b>96</b>	<b>175,042</b>	<b>10,001,546</b>
<b>VI. PROFIT OR LOSS FOR THE PERIOD</b> (acc. 121)				
	<b>Balance C</b>	<b>97</b>	-	<b>615,395</b>
	<b>Balance D</b>	<b>98</b>	<b>9,826,503</b>	-
Profit distribution (acc. 129)	99		-	-
<b>EQUITY - TOTAL</b> (row 85+86+87+91+95-96+97-98-99)	<b>100</b>		<b>165,258,772</b>	<b>165,874,166</b>
Public patrimony (acc. 1016)	101		-	-
Private patrimony (acc. 1017)	102		-	-
<b>TOTAL EQUITY - TOTAL (row 100 + 101 + 102)</b>	<b>103</b>		<b>165,258,772</b>	<b>165,874,166</b>

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Valentin Albu  
Status: Financial director

Signature \_\_\_\_\_



**ROCA INDUSTRY HOLDING ROCKI SA**  
**SEPARATE INTERIM PROFIT AND LOSS ACCOUNT**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Row no.	Note	Six month period ended	
			30 iunie 2022	30 iunie 2023
<b>1. Net revenue (row 02 + 03 – 04 + 05 + 06)</b>	<b>01</b>		-	-
Revenue from finished goods and services (acc. 701 + 702 + 703 + 704 + 705 + 706 + 708)	02		-	-
Revenue from sale of merchandise (acc. 707)	03		-	-
Trade discounts granted (acc. 709)	04		-	-
Interest income recorded by entities removed from the General Register and which have ongoing leases (acc. 766*)	05		-	-
Income from operating grants related to net revenue (acc. 7411)	06		-	-
2. Income associated with the costs of completed production (acc. 711 + 712)	Balance C	07	-	-
	Balance D	08	-	-
3. Own work capitalised (acc. 721 + 722)	09		-	-
4. Income from revaluation of non-current assets (acc. 755)	10		-	-
5. Income from property investment production (acc. 725)	11		-	-
6. Income from subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12		-	-
7. Other operating income (acc. 751+ 758 + 7815)	13		228	780
- out of which, income from negative goodwill (acc. 7815)	14		-	-
- out of which, income from investment subsidies (acc. 7584)	15		-	-
<b>OPERATING INCOME - TOTAL (row 01 + 07 - 08 + 09 + 10 + 11 + 12 + 13)</b>	<b>16</b>		<b>228</b>	<b>780</b>
<b>8. a) Raw materials and consumables expenses (acc. 601 + 602)</b>	<b>17</b>		27,065	29,948
Other expenses with materials (acc. 603 + 604 + 606 + 608)	18		8,736	2,396
b) Other expenses (with energy and water) (acc. 605 - 7413)	19		-	13,072
c) Cost of sale of merchandise (acc. 607)	20		-	-
Trade discounts received (acc. 609)	21		-	-
<b>9. Personnel related expenses (row 23 + 24), out of which:</b>	<b>22</b>	<b>8</b>	<b>414,058</b>	<b>1,320,354</b>
a) Salaries and wages (acc. 641 + 642 + 643 + 644)	23	8	414,058	1,290,553
b) Social security and other related costs (acc. 645)	24	8	-	29,801
<b>10. a) Impairments on non-current assets (row 26 - 27)</b>	<b>25</b>		<b>2,437</b>	<b>5,444</b>
a.1) Expenses (acc. 6811 + 6813 + 6817)	26		2,437	5,444
a.2) Income (acc. 7813)	27		-	-
<b>b) Impairments on current assets (row 29 - 30)</b>	<b>28</b>		-	-
b.1) Expenses (acc. 654 + 6814)	29		-	-
b.2) Income (acc. 754 + 7814)	30		-	-
<b>Other operating expenses (row 32 to 38)</b>	<b>31</b>	<b>9</b>	<b>646,422</b>	<b>1,520,512</b>
11.1. Expenses with third party services (acc. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	32	9	645,288	1,468,766
11.2. Other taxes, duties or assimilated expenses; expenses representing transfers and contributions due under special regulations (acc. 635 + 6586*)	33	9	500	6,330
11.3. Expenses with environmental protection (acc. 652)	34		-	-
11.4. Expenses from revaluation of tangible assets (acc. 655)	35		-	-
11.5. Expenses regarding calamities and other similar events (acc. 6587)	36		-	-
11.6. Other expenses (acc. 651 + 6581+ 6582 + 6583 + 6588)	37	9	634	45,416
Expenses with refinancing interests recorded by the General register of removed entities that have ongoing leasing agreements (acc. 666*)	38		-	-
<b>Adjustments related to provisions (row 40 - 41)</b>	<b>39</b>		-	-
- Expenses (acc. 6812)	40		-	-

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**SEPARATE INTERIM PROFIT AND LOSS ACCOUNT**  
**for the six month period ended 30 June 2022**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Row no.	Note	Six month period ended	
			30 iunie 2022	30 iunie 2023
- Income (acc. 7812)	41		-	-
<b>OPERATING EXPENSES – TOTAL</b> (row 17 la 20 - 21 + 22 + 25 + 28 + 31 + 39)	<b>42</b>		<b>1,098,718</b>	<b>2,891,276</b>
<b>OPERATING PROFIT/LOSS:</b>				
- Profit (row 16 - 42)	<b>43</b>		-	-
- Loss (row 42 - 16)	<b>44</b>		<b>1,098,490</b>	<b>2,890,496</b>
12. Income from controlling interests (acc. 7611 + 7612 + 7613)	45	10	-	1,500,000
- out of which income obtained from related parties	46	10	-	1,500,000
13. Interest income (acc. 766*)	47	10	1,023,751	2,232,398
- out of which income obtained from related parties	48	10	1,023,751	2,232,398
14. Income from subsidies for interest due (acc. 7418)	49		-	-
15. Other financial income (acc. 7615 + 762 + 764 + 765 + 767 + 768)	50	10	18,780	93,483
- out of which, income from other financial assets (acc. 7615)	51		-	-
<b>FINANCIAL INCOME - TOTAL (row 45 + 47 + 49 + 50)</b>	<b>52</b>	<b>10</b>	<b>1,042,531</b>	<b>3,825,881</b>
16. Impairment on financial assets and financial investments held as current assets (row 54 - 55)	53		-	-
- Expenses (acc. 686)	54		-	-
- Revenues (acc. 786)	55		-	-
17. Interest expenses (acc. 666*)	56		-	216,908
- of which, expenses in relation with affiliated entities	57		-	-
Other financial expenses (acc. 663 + 664 + 665 + 667 + 668)	58	10	33,547	-
<b>FINANCIAL EXPENSES - TOTAL (row 53 + 56 + 58)</b>	<b>59</b>	<b>10</b>	<b>33,547</b>	<b>216,908</b>
<b>FINANCIAL RESULT PROFIT OR LOSS:</b>				
- Profit (row 52 - 59)	<b>60</b>	<b>10</b>	<b>1,008,984</b>	<b>3,608,973</b>
- Loss (row 59 - 52)	<b>61</b>		-	-
<b>TOTAL INCOME (row 16 + 52)</b>	<b>62</b>		<b>1,042,759</b>	<b>3,826,661</b>
<b>TOTAL EXPENSES (row 42 + 59)</b>	<b>63</b>		<b>1,132,265</b>	<b>3,108,184</b>
<b>18. GROSS PROFIT OR LOSS:</b>				
- Profit (row 62 - 63)	<b>64</b>		-	<b>718,477</b>
- Loss (row 63 - 62)	<b>65</b>		<b>89,506</b>	-
19. Income tax expense (acc. 691)	66		-	-
20. Other taxes not presented among the above items (acc. 698)	67		10,240	103,082
<b>21. NET PROFIT OR LOSS FOR THE PERIOD:</b>				
- Profit (row 64 - 66 - 67)	<b>68</b>		-	<b>615,395</b>
- Loss (row 65 + 66 + 67); (row 66 + 67 - 64)	<b>69</b>		<b>99,746</b>	-

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Valentin Albu  
Status: Financial director

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Balance as at December 31, 2022	Increase		Decrease		Balance as at June 30, 2023
		Total, out of which	By transfer	Total, out of which	By transfer	
	1	2	3	4	5	6
Subscribed share capital	<b>176,945,730</b>	-	-	-	-	<b>176,945,730</b>
Share premium	<b>38</b>	-	-	-	-	<b>38</b>
Revaluation reserves	-	-	-	-	-	-
Legal reserves	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-
Losses related to equity instruments (Debit Balance)	<b>(1,685,451)</b>		-	-	-	<b>(1,685,451)</b>
Retained earnings						
Credit Balance	-	-	-	-	-	-
Debit Balance	<b>(175,042)</b>	(9,826,503)	(9,826,503)	-	-	<b>(10,001,545)</b>
Profit/(loss) for the period						
Credit Balance	-	615,395	-	-	-	<b>615,395</b>
Debit Balance	<b>(9,826,503)</b>			(9,826,503)	(9,826,503)	-
<b>Total equity</b>	<b>165,258,772</b>	<b>(9,211,108)</b>	<b>(9,826,503)</b>	<b>(9,826,503)</b>	<b>(9,826,503)</b>	<b>165,874,167</b>

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Valentin Albu  
Status: Financial director

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY**  
**for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

Item description	Balance as at December 31, 2021	Increase		Decrease		Balance as at June 30, 2022
		Total, out of which	By transfer	Total, out of which	By transfer	
	1	2	3	4	5	6
Subscribed share capital	<b>176,945,730</b>	-	-	-	-	<b>176,945,730</b>
Share premium	<b>38</b>	-	-	-	-	<b>38</b>
Revaluation reserves	-	-	-	-	-	-
Legal reserves	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-
Losses related to equity instruments (Debit Balance)	<b>(1,619,421)</b>	(44,894)	-	-	-	<b>(1,664,315)</b>
Retained earnings						
Credit Balance	-	-	-	-	-	-
Debit Balance	-	(175,042)	(175,042)	-	-	<b>(175,042)</b>
Profit/(loss) for the period						
Credit Balance	-	-	-	-	-	-
Debit Balance	<b>(175,042)</b>	(99,746)	-	(175,042)	(175,042)	<b>(99,746)</b>
<b>Total equity</b>	<b>175,151,305</b>	<b>(319,682)</b>	<b>(175,042)</b>	<b>(175,042)</b>	<b>(175,042)</b>	<b>175,006,665</b>

Losses related to equity instruments

Losses related to equity instruments represent the costs of intermediaries for the private placement from December 2021, when the Company attracted RON 45 million from individual and professional investors.

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Valentin Albu  
Status: Financial director

Signature \_\_\_\_\_

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**SEPARATE INTERIM STATEMENT OF CASH FLOWS**

for the six month period ended 30 June 2023

(all amounts are in lei ("RON"), of not otherwise stated)

Item description	Six month period ended	
	30.06.2022	30.06.2023
A	1	2
<b>Cash flows from operating activities</b>		
Gross result for the period – (loss)/profit for the period	(89,506)	615,395
<i>Adjustments for:</i>		
Net financial result	(1,008,984)	(3,608,973)
Amortisation and depreciation	2,437	5,444
Income tax	-	103,082
<b>Cash generated from operating activities before working capital changes</b>	<b>(1,096,053)</b>	<b>(2,885,052)</b>
<b>Changes in working capital:</b>		
Increase of trade receivables and prepayments	(615,930)	(9,611,171)
(Decrease)/Increase of liabilities and deferred income	(1,758,765)	55,378,314
Income tax paid	(9,611)	(114,254)
<b>Net cash generated (used in)/generated from operating activities</b>	<b>(3,480,359)</b>	<b>42,767,837</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of tangible and intangible assets	(27,762)	(2,419)
Payments for loans granted in subsidiaries	(11,370,370)	(5,936,280)
Proceeds for loans granted in subsidiaries	-	9,884,750
Payments for investments in subsidiaries	(24,381,340)	(45,750,989)
Interest received	230,141	465,355
<b>Net cash generated used in investing activities</b>	<b>(35,549,331)</b>	<b>(41,339,603)</b>
<b>Cash flows from financing activities</b>		
Dividends received	-	3,177,019
Proceeds from loans received from related parties	-	4,949,100
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>8,126,119</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(39,029,690)</b>	<b>9,554,353</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>74,391,333</b>	<b>2,034,347</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>35,361,642</b>	<b>11,588,700</b>

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Valentin Albu  
Status: Portfolio CFO

Signature \_\_\_\_\_

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**NOTE 1: ACTIVITY DESCRIPTION**

Roca Industry Holdingrock1 SA (the "Company", the "Parent-Company" or "Roca Industry") is a Romanian company, established in September 2021, the registered office being at 4 Gara Herastrau Street, building A, floor 3, district 2, Bucharest. The company is registered with the Trade Register under number J40 / 16918/2021 and has Unique Registration Code (CUI) 44987869.

Roca Industry is the first strategic project of ROCA Investments, which groups under the umbrella of a specialized holding company Romanian companies producing construction materials. The aim of the project is to develop and scale strong and sustainable local brands both on the basis of a common strategy and through the synergies generated by their activity. In a fragmented global economy, Roca Industry is building a structure capable of adapting fast to multiple and unpredictable changes.

Roca Industry operates and implements the business strategy through its directly or indirectly owned subsidiaries: BICO Industries SA, EVOLOR SRL (former SARCOM SRL – in December 2022 the company absorbed the SPV - Colorock - initially used with the aim of ensuring the financing structure necessary for the purchase transaction of the Evolor company), TERRA IMPEX SRL, ECO EURO DOORS SRL and ELECTROPLAST SA. Also, June 30, 2023 Bico Industries SA owns Terra (100%) and EUROPLAS LUX SRL (55%), acquired during 2022, but also Iranga Technologijos, acquired in May 2023.

These subsidiaries operate in the field of construction materials, more precisely in the production of fiberglass and fiberglass reinforcement (BICO, TERRA, Europlas and Iranga), production of varnishes, paints and decorative plasters (EVOLOR), production of doors for residential constructions (ECO EURO DOORS), respectively manufacturers of electrical cables and conductors (ELECTROPLAST).

BICO Industries SA is a company incorporated in 2006, identified in the market under the BICO brand, being the first and largest national producer of fiberglass mesh and the only domestic manufacturer of fiberglass reinforcement. It operates in the production centers in Piatra Neamț and Vaslui and in two centres in the Republic of Moldova, through TERRA IMPEX S.R.L. ("Terra"), a company fully acquired in March 2022, through EUROPLAS LUX S.R.L. ("Europlas") and through Iranga Technologijos, a Lithuanian company (fully acquired in Mai 2023).

In March 2022, BICO completed the full acquisition of TERRA IMPEX S.R.L. ("TERRA"), a company with the same object of activity. TERRA is one of the largest producers of fiberglass mesh in Eastern Europe, having installed in the Vulcanesti Free Economic Zone, Republic of Moldova, a production capacity of over 25 million sqm / year.

EVOLOR SRL ("EVOLOR") is a company incorporated in 1993, focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes. EVOLOR sells its own products under the Sticky and Coral brands, addressing both the low-priced and premium products markets, offering a range of 380 products both in the Dedeman and Leroy Merlin chains, and in an extensive network of local distributors, covering over 31 counties.

On December 2022 the merger between Evolor and Colorock13 (SPV through which the purchase of Sarcom was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) took place, being one of the key conditions agreed upon with the creditor to obtain the loan facility and further financing for Sarcom.

ECO EURO DOORS SRL ("EED") is the largest Romanian manufacturer of doors intended for residential buildings, with an experience of 27 years on the market. The Company offers a wide range of products, addressing both the clients' needs for standard products and the needs of those seeking non-standard sizes. At the end of 2022, Roca Industry holds 100% of the share capital of EED, the purchase being carried out through a SPV held by Roca Industry, DOORSROCK4 S.R.L – the SPV established in 2021, with the purpose of ensuring the financing structure necessary to purchase 70% from the shares of the company ECO EURO DOORS SRL, deal completed in May 2022 (through a deal such as LBO (Leveraged Buy Out)).

DIAL S.R.L. ("Dial") is a company with an experience of more than 20 years, specialising in the production of fence edged panels, fencing mesh, Rabitz mesh, rectangular pillars and many more. The company's activity is carried out in its factory in Hârșova. For the full purchase of Dial through a deal such as LBO (Leveraged Buy Out), Roca Industry established in 2022 an additional SPV, NATIVEROCK1 S.R.L ("Nativerock1") with the purpose of ensuring the financing structure necessary for the purchase deal of DIAL SRL, deal completed in September 2022.

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ELECTROPLAST SA ("Electroplast") with an experience of over 30 years in the manufacture of low voltage copper and aluminium electrical cables, Electroplast S.A. is a company established in 1993, with headquarters in Bistrita, Bistrita-Nasaud County. In 2001 it became a Romanian-Italian joint venture by co-opting as a shareholder one of the most important cable manufacturers in Europe (Italian Cable Company S.p.A - ICC). The action came from the company's need to accelerate the development of its activity, including the ability to expand into foreign markets. Since then, the company has gradually become one of the leading manufacturers of electrical cables and conductors in Romania. ELP experienced continuous growth until 2008, when it was affected by a sharp drop in investments at a time of maximum indebtedness. This was followed by a period of almost 10 years in which the company did not grow and streamline its business. In 2019, Roca Investments acquired a stake representing 50% of ELP's share capital, the following year increased its stake to 60% through a share capital increase, and then, through two further transactions, by the beginning of 2023 became the sole shareholder. Electroplast was acquired in June 2023.

The structure of the companies directly or indirectly owned by Roca Industry is presented below:



**NOTE 2: ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

**Basis of preparing the separate interim financial statements**

These are the condensed separate interim financial statements of Roca Industry Holdingrock1 SA prepared voluntarily by the Company in accordance with:

- Accounting Law 82/1991 (republished in 2015), amended by Law 259/2007;
- The Order of the Minister of Public Finance no. 1802/2014 as subsequently amended (“OMFP 1802/2014”).

These condensed separate interim financial statements are translated from Romanian, in case of discrepancy between the two versions, the Romanian version prevails.

These condensed separate interim financial statements include:

- Separate interim balance sheet;
- Separate interim profit and loss account;
- Separate interim statement of changes in equity;

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- Separate interim statement of cash flows;
- Explanatory notes to the condensed separate interim financial statements.

The accounting entries on the basis of which these financial statements have been prepared are made in lei ("RON"). These financial statements are presented in lei ("RON"), unless otherwise indicated.

These financial statements are not intended to present the financial position, the result of operations, cash flows and a complete set of notes to the financial statements in accordance with accounting regulations and principles accepted in countries and jurisdictions other than Romania. Therefore, the financial statements are not prepared for the use of persons who do not know the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no. 1802/2014 as subsequently amended.

The accounting policies applied in these interim financial statements are the same as those applied in the annual financial statements as at and for the year ended 31 December 2022.

**NOTE 3: FINANCIAL ASSETS**

Financial assets represent the participations held by the Company in its subsidiaries:

Subsidiary	31 December 2022		30 June 2023	
	Gross value	Impairment	Gross value	Impairment
Bico Industries SA	71,012,300	(12,385,542)	71,012,300	(12,385,542)
Evolor SRL	100	-	100	-
Evolor SRL– unpaid	-	-	-	-
Doorsrock4 SRL	31,270,184	-	31,270,184	-
Doorsrock4 SRL – unpaid	-	-	-	-
Nativerock1 SRL	100	-	100	-
Electroplast SA	-	-	45,750,989	-
<b>Total</b>	<b>102,282,684</b>	<b>(12,385,542)</b>	<b>148,033,673</b>	<b>(12,385,542)</b>

Subsidiary	Investments in subsidiaries, net value	
	31 December 2022	30 June 2023
Bico Industries SA	58,626,758	58,626,758
Evolor SRL	100	100
Evolor SRL– unpaid	-	-
Doorsrock4 SRL	31,270,184	31,270,184
Doorsrock4 SRL – unpaid	-	-
Nativerock1 SRL	100	100
Electroplast SA	-	45,750,989
<b>Total</b>	<b>89,897,142</b>	<b>135,648,131</b>

In the second half of 2021, Roca Investments SA together with Mihai Bîrliba contributed to 70% of the Bico's share capital, representing 71 million RON. Bico Industries SA was established in 2006 and is a company focused on the production of fiberglass mesh for ETICS systems (External Thermal Insulation Composite System), fiberglass mesh for other industrial materials and corners with fiberglass reinforcement mesh glass.

COLOROCK13 SRL was incorporated in 2021 and is the SPV that owns 100% Evolor (former Sarcom), in order to ensure the financing structure necessary for the acquisition transaction. SARCOM is a company established in 1993, focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes. Sarcom owns the brands STICKY and CORAL. On December 2022 the merger between Evolor and Colorock13 (SPV through which the purchase of Sarcom was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) took place, being one of the key conditions agreed upon with the creditor to obtain the loan facility and further financing for Sarcom.

On May 2022 it was signed the closing of the transaction of Eco Euro Doors ("EED"), with Roca Industry purchasing through the SPV Doorsrock4 a package of 70% of the company's share capital. Additional, on December 2022,



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following the exercise of put option by the former shareholders, Roca Industry increased its participation to 100% from the share capital of EED.

Dial was fully acquired by Roca Industry on September, through the SPV – Nativerock1.

As at 31 December 2022, the Group's management reassessed the situation of recovering the net book value of its investments in subsidiaries, taking into account a list of internal and external impairment indicators and decided to adopt a cautions approach regarding the value of the shares held in Bico Industries. Thus, as at 31 December 2022, an impairment was presented in amount of RON 12.4 million.

In June 2023, Roca Industry acquired a number of 3,995,999 shares, each with a nominal value of RON 1 and a total nominal value of RON 3,995,999, held by the Private Alternative Investment Company Roca Investments S.A. ("Roca Investments") and representing 99.99997% of the share capital of ELECTROPLAST S.A. ("Electroplast"), for a price equal to RON 45,750,988.6, established on the basis of a valuation report drawn up by an ANEVAR authorised independent appraiser.

**NOTE 4: RECEIVABLES**

The trade receivables in amount of RON 763,890 as at 30 June 2023 mainly represent re-invoicing of costs with consultants for the purchase of shares by Nativerock1, but also other re-invoicings to the group companies (Bico, Dial, EED and Sarcom). The company also has a receivable from Nativerock, amounting to 1,634,383 lei, mainly representing dividends distributed but not paid.

The amount to be collected from affiliated entities represent the loans granted by the Company to its subsidiaries and are detailed in *Note 11 – Related parties*.

**NOTE 5: CASH AND CASH EQUIVALENTS**

	<b>Balance as at 31 December 2022</b>	<b>Balance as at 30 June 2023</b>
Bank accounts	2,034,347	11,588,700
<b>Total</b>	<b>2,034,347</b>	<b>11,588,700</b>

**NOTE 6: LIABILITIES**

At 30 June 2023 the liabilities mainly represent trade payables, salaries and contributions payable, as well as the debt to Roca Investments in respect of the price of the shares of Electroplast SA.

<b>Tipuri de servicii</b>	<b>31 December 2022</b>	<b>30 June 2023</b>
Consultanta in sustenabilitate	140,587	75,553
Consultanta in HR	29,144	-
Consultanta in marketing si comunicare	25,224	195,357
Consultanta in domeniul relatiilor cu investitorii	17,662	-
Altele (refacturari, chirie, telecomunicatii, servicii contabilitate, audit)	94,160	298,765
<b>Total</b>	<b>306,777</b>	<b>569,675</b>

A part of the trade payables related to the consultancy services were re-invoiced to the Group companies.

**NOTE 7: SHARE CAPITAL AND RESERVES**

The paid-in subscribed share capital of the Company as of December 31, 2022 and June 30, 2023 is RON 176,945,730, the equivalent of 17,694,573 shares. The nominal value of a share is RON 10. On December 31, 2022, respectively June 30, 2023, the share capital of the Company is fully paid in.

The paid-in subscribed capital consists of: RON 105.9 million, representing the paid-up subscribed capital, and RON 71 million, representing the in-kind contribution of 70% of the shares of Bico Industries SA

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The shareholders' structure is the following:

	Balance as at 31 December 2022			Balance as at 30 June 2023		
	No of shares	Amount in RON	% in total	No of shares	Amount in RON	% in total
Roca Investments SA	10.757.557	107.575.570	61%	10.757.557	107.575.570	61%
Mihai Birliba	1.014.461	10.144.610	6%	1.014.461	10.144.610	6%
Others	5.922.555	59.225.550	33%	5.922.555	59.225.550	33%
<b>Total</b>	<b>17.694.573</b>	<b>176.945.730</b>	<b>100%</b>	<b>17.694.573</b>	<b>176.945.730</b>	<b>100%</b>

**NOTE 8: PERSONNEL RELATED EXPENSES**

Item description	30 June 2022	30 June 2023
Wages	404,947	1,290,553
Social security and other related costs	9,111	29,801
<b>Personnel related expenses - total</b>	<b>414,058</b>	<b>1,320,354</b>

As at June 30, 2023, the Company had 5 employees, plus 5 Board of Directors members (June 30, 2022: 3 employees, 3 BOD members).

*Remuneration of the Board of Directors*

Roca Industry has adopted a unitary management system (one-tier), being administered by a Board of Directors ("BoD") consisting of 5 members.

The president and the members of the Board of Directors have a monthly net salary of EUR 3,000.

**NOTE 9: OTHER OPERATING EXPENSES**

Item description	Six month period ended	
	30 June 2022	30 June 2023
Costs of third party services	308,224	950,527
Marketing and protocol expenses	196,719	208,855
Transportation and travel expenses	44,952	22,022
Rent expenses	81,892	279,944
Other operating expenses	14,635	59,164
<b>Total</b>	<b>646,422</b>	<b>1,520,512</b>

**NOTE 10: NET FINANCE RESULT**

Item description	Six month period ended	
	30 June 2022	30 June 2023
Interest income – related entities	1,023,751	2,162,262
Interest income – credit institutions	-	70,136
Dividend income	-	1,500,000
Other finance income	18,780	827,801
<b>Total finance income</b>	<b>1,042,531</b>	<b>4,560,199</b>

Item description	30 June 2022	30 June 2023
Foreign exchange losses	33,547	734,318
Interest expenses	-	216,908
<b>Total</b>	<b>33,547</b>	<b>951,226</b>

<b>Net finance result – profit</b>	<b>1,008,984</b>	<b>3,608,973</b>
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**NOTE 11: RELATED PARTIES**

Related parties	Registered office	Nature of relationship
Roca Investments SA	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Parent Company (major shareholder)
Bico Industries SA	31 Petru Movila Street, Piatra Neamt, Neamt county	Subsidiary
Terra Impex SRL	Vulcanesti Free Economic Zone, Republic of Moldova	Subsidiary (indirect ownership through Bico)
Evolor SRL	5 Depozitelor Street, Mihaesti commune, Buleta village, Valcea county	Subsidiary (indirect ownership through Colorock)
Doorsrock SRL	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Subsidiary
Eco Euro Doors SRL	11C Carpati Street, Reghin, Mures county	Subsidiary (indirect ownership through Doorsrock)
Nativerock1 SRL	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Subsidiary
DIAL SRL	Harsova, str. Soseaua Constantei, nr.17, jud. Constanta	Filiala (detinere indirecta, prin intermediul Nativerock)
UAB Iranga Technologijos	Ateities g. 3, Vievis, Lituania	Filiala (detinere indirecta, prin intermediul Bico)
Electroplast SA	14, Subcetate Street, Bistrița, Județ Bistrita-Nasaud	Subsidiary

**Loans granted to related parties**

On first semester of 2023, the Company granted in April a loan for the payment of the purchase price of the shares of Iranga Technologijos, UAB. Bico also repaid 9,884,750 lei of the balance of loans as of 31.12.2022.

Therefore, on June 30, 2023, the situation of the loans granted by the Company to its subsidiaries is presented as follows:

Subsidiary	Date of contract	Due date	Ccy	Interest rate	Principal as at 30.06.2023 (RON)	Interest as at 30.06.2023 (RON)	Total amount as at 30.06.2023 (RON)
Evolor	25.11.2021	25.11.2023	RON	Fixa 6%	24,000,000	2,332,000	26,332,000
Evolor	18.11.2022	18.11.2023	RON	ROBOR 1M +2,5%	5,099,691	279,620	5,379,311
Bico Industries	20.11.2021	30.06.2023	EUR	Fixa 4%	2,481,700	24,817	2,506,517
Bico Industries	03.04.2023	03.04.2024	EUR	EURIBOR 1M + 3.5%	4,963,400	27,202	4,990,602
Doorsrock4	13.05.2022	16.05.2024	EUR	Fixa 6%	6,452,420	445,217	6,897,637
Doorsrock4	16.12.2022	16.12.2023	EUR	EURIBOR 1M + 3%	1,737,190	52,487	1,789,677
Nativerock1	20.09.2022	19.09.2023	EUR	Fixa 6%	23,953,657	1,110,890	25,064,547
Electroplast SA	30.06.2023*	31.12.2024	EUR	Dob. de ref. BNR	2,978,040	377,330	3,355,370
Electroplast SA	30.06.2023*	31.12.2024	EUR	Fixa 6%	1,271,638	315,801	1,587,439
Electroplast SA	30.06.2023*	31.12.2024	EUR	ROBOR 1M + 3%	992,680	178,633	1,171,313
Electroplast SA	30.06.2023*	31.12.2024	RON	Dob. de ref. BNR	678,440	58,124	736,564
Electroplast SA	30.06.2023*	31.12.2023	RON	ROBOR 1M + 3.5%	2,000,000	271,903	2,271,903
Electroplast SA	30.06.2023*	31.12.2024	RON	Dob. de ref. BNR	1,356,880	109,772	1,466,652
<b>Total</b>					<b>77,965,735</b>	<b>5,583,797</b>	<b>83,549,533</b>

\*Following the acquisition of Electroplast, the company took over by assignment the loans granted by Roca Investment on 30.06.2023

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As at December 31, 2022 the loans granted by the Company to its subsidiaries were as follows:

Subsidiary	Date of contract	Due date	Currency	Interest rate	Principal as at 31.12.2021 (RON)	Interest as at 31.12.2021 (RON)	Total amount as at 31.12.2021 (RON)
Evolor (former Sarcom)	25.11.2021	25.11.2023	RON	Fixa 6%	24,000,000	1,608,000	25,608,000
Evolor (former Sarcom)	18.11.2022	18.11.2023	RON	ROBOR 1M +2,5%	5,099,691	54,759	5,154,450
Bico Industries	20.11.2021	30.06.2023	EUR	Fixa 4%	7,421,100	93,535	7,514,635
Bico Industries	14.03.2022	13.03.2023	EUR	Fixa 4%	4,947,400	99,970	5,047,370
Doorsrock4	13.05.2022	16.05.2023	EUR	Fixa 6%	6,431,620	249,761	6,681,381
Doorsrock4	16.12.2022	16.12.2023	EUR	EURIBOR 1M + 3%	1,731,590	3,266	1,734,856
Nativerock1	20.09.2022	19.09.2023	EUR	Fixa 6%	22,886,959	389,016	23,275,975
<b>Total</b>					<b>72,518,360</b>	<b>2,497,307</b>	<b>75,016,667</b>

**Loans received from related parties**

As at June 30, 2023 the loans received by the Company were as follows :

Description	Contract date	Due date	Interest rate	Loan received	Interest to be paid	Balance of loan received
Societatea de Investitii Alternative cu Capital Privat Roca Investments S.A.	14.12.2022	14.12.2023	EURIBOR 1M + 3%	4,963,400	312,037	5,275,437
Societatea de Investitii Alternative cu Capital Privat Roca Investments S.A.	03.04.2023	03.04.2024	EURIBOR 1M + 3,2%	4,963,400	77,066	5,275,437
<b>Total</b>				<b>9,926,800</b>	<b>389,103</b>	<b>10,315,903</b>

The purpose of the loan received in December was partially for the increase of the capital of Doorsrock4 (acquisition of 30% of the social shares of Eco Euro Doors SRL) and partially for the operational expenses of the holding.

The purpose of the loan received in April 2023 was to expand the business, namely by granting a loan to Bico, used to pay the purchase price of the shares of Iranga Technologijos, UAB.

As at 31 December 2022, the loans received from related parties were as follows :

Description	Contract date	Due date	Interest rate	Loan received	Interest to be paid	Balance of loan received
Societatea de Investitii Alternative cu Capital Privat Roca Investments S.A.	14.12.2022	14.12.2023	EURIBOR 1M + 3%	4,947,400	171,397	5,118,797
<b>Total</b>				<b>4,947,400</b>	<b>171,397</b>	<b>5,118,797</b>

The purpose of the loan received was partially for the increase of the capital of Doorsrock4 (acquisition of 30% of the social shares of Eco Euro Doors SRL) and partially for the operational expenses of the holding.

**NOTE 12: CONTINGENCIES**

**12.1 Fiscal environment**

The legislative and fiscal framework in Romania and its implementation in practice change frequently and is subject to different interpretations by various Ministries of the Government. The Romanian Government has a number of agencies that are authorized to carry out controls on Romanian companies as well as on foreign companies operating

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in Romania. These inspections are similar in nature to tax audits performed by tax authorities in many countries, but they can focus not only on fiscal issues but also on other legal or regulatory items of interest for the agency. Moreover, the agencies conducting these inspections appear to be much less regulated and the company subject to control appear to have fewer practical ways of protection than in many other countries.

Fiscal controls consist in thorough controls of taxpayers accounting records. Such controls sometimes occur after months or even years from the payment obligations have been established. Consequently, companies may be due taxes and fines. In addition, fiscal legislation is subject to frequent changes and authorities often manifest inconsistency in the interpretation of laws.

Management believes it has adequately recorded the fiscal obligations from the attached financial statements; however, there is a risk that the tax authorities will take different views on the interpretation of certain tax issues.

## **12.2 Transfer prices**

According to the fiscal legislation, the fiscal assessment for a transaction with affiliates is based on the market price concept for that transaction. Based on this concept, the transfer prices must be adjusted in order to reflect the market prices that would have been used between entities having no affiliation relation and acting independently, based on "normal market conditions".

It is likely that verifications of the transfer prices may be performed in the future by the fiscal authorities, in order to establish if these prices are complying with the principle of "normal market conditions" and that the tax base for the Romanian taxpayer is not distorted. Management cannot quantify the result of such a verification.

## **NOTE 13: FINANCIAL RISKS**

### **13.1 Interest rate risk**

The Company's exposure to the risk of interest rate changes refers mainly to long term bank loans with variable interest rates that its subsidiaries have. Its subsidiaries policy is to monitor and renegotiate interest rates.

### **13.2 Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company seeks to maintain monetary assets in foreign currency at the level of monetary liabilities in foreign currency, in order not to be significantly exposed to foreign exchange risk.

### **13.3 Liquidity risk**

Liquidity risk, also called financing risk, is the risk that a company might encounter difficulty in accumulating funds to meet its commitments associated with financial instruments. Liquidity risk may arise as a result of the inability to quickly sell a financial asset at a value close to fair value.

The Company's liquidity policy is to identify financing needs in advance and take action to meet them.

## **NOTE 14: SUBSEQUENT EVENTS**

On 27 July 2023, Bico's shareholders, respectively Roca Industry holding 70% of the share capital and Mihai Birliba with 30% of the share capital, approved the increase in Bico's share capital with a total amount of RON 10,551,881.4, of which RON 1,800,000 represents the total nominal value of the newly issued shares and RON 8,751,888.44 represents the share premium, as follows:

- Mihai Birliba subscribed 179 new shares, each with a value of RON 10,000 and having a total value of RON 1,790,000. The cash contribution of Mr. Mihai Birliba is in total amount of RON 10,541,888.44 (including also the conversion of a receivable of RON 5,441,888.44 RON held by Mr. Mihai Birliba against Bico, from

**ROCA INDUSTRY HOLDINGROCK1 SA**  
**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS**  
**as at and for the six month period ended 30 June 2023**  
*(all amounts are in lei ("RON"), if not otherwise stated)*

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two loan agreements), out of which: (i) RON 1,790,000 represents the nominal value of the newly issued shares, and (ii) the amount of RON 8,751,888.44 represents share premium;

- Roca Industry subscribed 1 new share, having a value of RON 10,000, in exchange for a cash contribution of RON 10,000.

As a result of this operation, the share capital of Bico is RON 12,500,000, divided into 1,250 shares, and the shareholding structure is the following:

- Mr. Mihai Bîrliba holds 500 shares, with a nominal value of RON 10,000 each and in total value of RON 5,000,000, representing 40% of the share capital
- Roca Industry holds 750 shares, with a nominal value of RON 10,000 each and in total value of 7,500,000 RON, representing 60% of the share capital.

These condensed separate interim financial statements were approved and signed today, August 17, 2022.

ADMINISTRATOR,

Name and surname:  
Ioan-Adrian Bindea

Signature \_\_\_\_\_

Prepared by,

Name and surname: Valentin Albu  
Status: Portfolio CFO

Signature \_\_\_\_\_