ROCA INDUSTRY HOLDINGROCK1 S.A.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2024

PREPARED IN ACCORDANCE WITH THE OMFP NO. 2844/2016

AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

AS ADOPTED BY THE EUROPEAN UNION, AS REVISED

CONTENT

	Notes	2024	2023
Revenue from contracts with customers	5	599,182,219	425,863,799
Other operating income	6	1,777,099	1,392,430
Changes in inventories of finished goods and work in progress		14,950,984	(15,147,448)
Raw materials, consumables used and merchandise costs		(396,636,331)	(270,521,860)
Depreciation and amortisation	15,16,25	(30,613,323)	(22,918,628)
Employee benefits expenses	7	(95,823,794)	(68,188,370)
Advertising costs		(9,789,385)	(7,654,757)
Services and utilities expenses	8	(53,460,780)	(41,593,451)
Other gains/(losses) – net	9	2,819,256	(3,558,212)
Loss on derecognition of associate	17	-	(705,018)
Loss on liquidated entity		-	(17,047)
Operating profit/ (loss)		**32,405,945**	**(3,048,562)**
Financial income	10	307,234	699,530
Financial costs	10	(25,224,951)	(18,446,653)
Net finance result		**(24,917,717)**	**(17,747,123)**
Share of net loss of associates accounted for using the equity method	17	-	(206,065)
Profit/(loss) before income tax		**7,488,228**	**(21,001,750)**
Income tax expense	11	(1,611,596)	(128,838)
Profit/(loss) for the period from continuing operations		**5,876,632**	**(21,130,588)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(114,749)	887,098
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		2,821,362	18,305,263
Deferred tax on revaluations of property, plant and equipment		(451,418)	(2,926,767)
Other comprehensive income, net of tax		**2,255,195**	**16,265,594**
Total comprehensive income for the year		**8,131,827**	**(4,864,994)**
Profit/ (loss) is attributable to:			
- Owners of the Company		1,520,816	(19,394,198)
- Non-controlling interests		4,355,816	(1,736,390)
		5,876,632	**(21,130,588)**
Total comprehensive income is attributable to:			
- Owners of the Company		3,821,911	(4,757,864)
- Non-controlling interests		4,309,916	(107,130)
		8,131,827	**(4,864,994)**
Basic and diluted earnings per share		**0.01**	**(0.11)**

*) *During December 2024, ROC1 shareholders approved the process of reducing the nominal value of shares (from RON 10/per share to RON 1/per share). Following this process, for comparability, the calculation of earnings per share has been updated with the new ROC1 share structure, including the result of the financial year ended as at December 31, 2023.*

These consolidated financial statements were approved and signed today, 25 March 2025.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **Chairman of the Board of Directors**

Signature _________________________

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature ______________________

ROCA INDUSTRY HOLDINGROCK1 S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED AS AT 31 DECEMBER 2024
(all amounts are expressed as 'RON' unless otherwise specified)

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Goodwill	14	94,134,182	84,923,483
Other Intangible assets	15	117,388,500	110,840,590
Property, plant and equipment	16	238,928,232	206,439,728
Right-of-use assets	25	11,087,779	14,654,827
Non-current financial assets		722,785	34,800
Total non-current assets		**462,261,478**	**416,893,428**
Current assets			
Inventories	18	113,373,491	89,411,631
Trade receivables	19	93,823,107	75,517,971
Other current financial assets	20	12,885,757	4,157,089
Prepayments		1,415,056	1,291,575
Cash and cash equivalents	21	33,335,995	38,501,727
Total current assets		**254,833,406**	**208,879,993**
TOTAL ASSETS		**717,094,884**	**625,773,421**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		248,672,220	176,945,730
Share premium		44	38
Revaluation reserve		18,822,243	16,452,299
Other reserves		334,872	403,721
Retained earnings		(57,063,967)	(32,782,295)
Total equity attributable to owners of the Company	22	**210,765,412**	**161,019,493**
Non-controlling interests	23	24,042,654	22,579,427
Total equity		**234,808,066**	**183,598,920**
Non-current liabilities			
Borrowings	24	161,980,142	158,599,061
Lease liability	25	6,016,509	8,577,857
Government grants	27	2,003,796	2,699,312
Deferred tax liabilities	28	23,982,909	20,159,077
Total non-current liabilities		**193,983,356**	**190,035,307**
Current liabilities			
Borrowings	24	126,731,691	109,550,643
Lease liability	25	3,233,709	2,902,105
Liabilities related to acquisitions of subsidiaries	13	37,305,750	68,758,901
Trade and other payables	26	109,382,283	62,051,101
Employee benefits - current		6,843,919	5,582,265
Current tax liabilities	28	1,719,138	804,398
Government grants	27	3,086,972	2,489,781
Total current liabilities		**288,303,462**	**252,139,194**
Total liabilities		**482,286,818**	**442,174,501**
TOTAL EQUITY AND LIABILITIES		**717,094,884**	**625,773,421**

These consolidated financial statements were approved and signed today, 25 March 2025.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **Chairman of the Board of Directors**

Signature _________________________

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature ______________________

The Explanatory Notes attached form an integral part of these consolidated financial statements.

ROCA INDUSTRY HOLDINGROCK1 S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED AS AT 31 DECEMBER 2024
(all amounts are expressed as 'RON' unless otherwise specified)

	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total capital attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 31 December 2022	**176,945,730**	**38**	**2,348,223**	**(128,537)**	**(18,246,667)**	**160,918,787**	**17,732,186**	**178,650,973**
Result for the year	-	-	-	-	(19,394,198)	**(19,394,198)**	(1,736,390)	**(21,130,588)**
Other comprehensive income	-	-	14,104,076	532,258	-	**14,636,334**	1,629,260	**16,265,594**
Total comprehensive result for the year	**-**	**-**	**14,104,076**	**532,258**	**(19,394,198)**	**(4,757,864)**	**(107,130)**	**(4,864,994)**
Transactions with owners in their capacity as owners:								
Transaction costs on issuance of shares	-	-	-	-	(182,978)	**(182,978)**	-	**(182,978)**
Non-controlling interests on acquisition of subsidiary (note 13)	-	-	-	-	-	**-**	(545,970)	**(545,970)**
Transactions with non-controlling interests (note 13)	-	-	-	-	5,041,548	**5,041,548**	5,500,341	**10,541,889**
Balance as at 31 December 2023	**176,945,730**	**38**	**16,452,299**	**403,721**	**(32,782,295)**	**161,019,493**	**22,579,427**	**183,598,920**
Result for the year	-	-		-	1,520,816	1,520,816	4,355,816	5,876,632
Other comprehensive income	-	-	2,369,944	(68,849)	-	2,301,095	(45,900)	2,255,195
Total comprehensive result for the year	**-**	**-**	**2,369,944**	**(68,849)**	**1,520,816**	**3,821,911**	**4,309,916**	**8,131,827**
Transactions with owners in their capacity as owners:								
Capital contribution	71,726,490	6	-	-	-	71,726,496	-	71,726,496
Transaction costs on issuance of shares	-	-	-	-	(203,495)	(203,495)	-	(203,495)
Non-controlling interests on acquisition of subsidiary (note 13)	-	-	-	-	-	-	8,910,330	8,910,330
Transactions with non-controlling interests (note 13)	-	-	-	-	(25,598,993)	(25,598,993)	(11,757,019)	(37,356,012)
Balance as at 31 December 2024	**248,672,220**	**44**	**18,822,243**	**334,872**	**(57,063,967)**	**210,765,412**	**24,042,654**	**234,808,066**

These consolidated financial statements were approved and signed today, 25 March 2025.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **Chairman of the Board of Directors**

Signature __________________________

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature ______________________

ROCA INDUSTRY HOLDINGROCK1 S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AS AT 31 DECEMBER 2024
(all amounts are expressed as 'RON' unless otherwise specified

	2024	2023
Result before tax	**7,488,228**	**(21,001,750)**
Adjustments for:		
Depreciation and amortisation	30,613,323	22,918,628
Amortisation of government grants (note 27)	(1,151,995)	(996,881)
Movements in allowance for expected credit losses	(156,301)	(78,890)
Impairment of current assets	(1,407,992)	176,894
Share of result of associate (note 17)	-	206,065
Loss on derecognition of associate	-	705,018
Interest income	(300,959)	(689,255)
Interest expenses	21,889,391	16,400,494
Unrealized foreign exchange loss	(97,408)	829,982
Net (gain)/loss on sale of non-current assets	(530,255)	571,400
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
Increase of trade and other receivables	(20,831,425)	(7,573,404)
Decrease/(Increase) of inventories	(14,482,868)	24,752,870
Increase/(Decrease) of trade and other payables	32,086,894	(7,871,200)
(Increase)/Decrease in long-term receivables	(687,985)	23,808
Cash flows from operating activities	**52,430,648**	**28,373,779**
Income tax paid	(1,473,526)	(2,182,054)
Net cash generated from operating activities	**50,957,122**	**26,191,726**
Cash flows from investing activities:		
Payment for the acquisition of a subsidiary, net of cash (note 13)	(40,757,387)	(23,087,863)
Payments for acquisition of property, plant and equipment	(23,218,673)	(28,588,560)
Payments for acquisition of intangible assets	(62,061)	(97,882)
Receipt of government grants	1,053,670	603,525
Interest received	300,959	689,255
Proceeds from the sale of property, plant and equipment	1,194,699	574,363
Net cash used in investing activities	**(61,488,793)**	**(49,907,162)**
Cash flows from financing activities:		
Proceeds from borrowings (note 32)	130,574,790	75,240,273
Repayment of borrowings (note 32)	(115,284,673)	(47,095,915)
Interest paid	(20,437,577)	(14,920,176)
Transaction costs related to loans and borrowings	-	(198,622)
Transactions with non-controlling interests	-	10,541,890
Repayments of lease liabilities	(4,482,077)	(4,488,967)
Proceeds from shares issued	15,313,720	-
Transaction costs related to shares issuance	(203,495)	(182,978)
Net cash generated from financing activities	**5,480,688**	**18,895,506**
Net decrease in cash and cash equivalents	**(5,050,983)**	**(4,819,930)**
Cash and cash equivalents at the beginning of the financial year	38,501,727	42,434,560
Effects of exchange rate changes on cash and cash equivalents	(114,749)	887,097
Cash and cash equivalents at the end of year	**33,335,995**	**38,501,727**

These consolidated financial statements were approved and signed today, 25 March 2025.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **Chairman of the Board of Directors**

Signature _________________________

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature ______________________

1. GENERAL INFORMATION

Roca Industry Holdingrock1 S.A. (the "Company", the "Parent-Company" or "Roca Industry") is a Romanian company, established in September 2021, with 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 SOCIETATEA DE INVESTITII ALTERNATIVE CU CAPITAL PRIVAT ROCA INVESTMENTS S.A. ("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.

The Company's subsidiaries activate in the field of construction materials, i.e. in the production of fiberglass and fiberglass reinforcement (BICO, TERRA, EUROPLAS, IRANGA), production of varnishes, paints, and decorative plasters (EVOLOR), production of doors for residential buildings (VELTADOORS - after the merger that took place in December 2024, when WORKSHOP DOORS - acquired earlier this year - absorbed ECO EURO DOORS), production of edged panels and fencing mesh (DIAL), and as well as production of low-voltage copper and aluminium electrical cables (ELECTROPLAST). More Information on the Group's structure is provided in *Note 1 Subsidiaries*, and information on other related party relationships of the Group is provided in *Note 31 – Related parties.*

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 two facilities from Romania (Piatra Neamț and Vaslui), two from Republic of Moldova, through TERRA IMPEX S.R.L. ("Terra"), company fully acquired in March 2022 and EUROPLAS LUX S.R.L. ("Europlas"), fully acquired in 2023 and one in Lithuania, Iranga Technologijos ("Iranga"), also acquired during 2023. On October 2022, Bico initiated the process of acquiring 55% of the share capital of Europlas, thus signing two deals, whereby the purchase of the 50% package was already completed, while the purchase of the additional 5% package of the share capital was completed in 2023. In May 2023, Bico fully acquired Iranga Technologijos, and in October 2023, Bico completed the process of acquiring 100% of the share capital of Europlas Lux.

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.

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. As at 31 December 2023, Roca Industry held 100% of the share capital of EED.

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. Roca Industry Holdingrock1 SA has acquired Dial in 2022.

ELECTROPLAST SA ("Electroplast"), with an experience of over 30 years in the manufacture of low voltage copper and aluminium electrical cables, is a company founded in 1993, with headquarters in Bistrita, Bistrita-Nasaud county. The company was acquired in June 2023.

VELTADOORS SRL ("Veltadoors", former WORKSHOP DOORS S.R.L.), a company active since 2009 in the interior doors market in the region, was acquired in February 2024. In December 2024, the company absorbed ECO EURO DOORS following the merger process.

For further information please see *Note 13 – Business combination*.

These consolidated financial statements are presented in RON. Foreign operations are included in accordance with the policies set out in *Note 34 – Significant accounting policies.*

1. GENERAL INFORMATION (continued)

Subsidiaries

The consolidated financial statements of the Group include:

Name of subsidiary	Principal activities	Place of incorporation and operation	Ownership held by the Group		Ownership held by non-controlling interests	
			31.12.2024	31.12.2023	31.12.2024	31.12.2023
Evolor S.R.L. ('Evolor')	**Varnishes, paints and decorative plasters**	**Romania**	**100%**	**100%**	**-**	**-**
Bico Industries S.A. ('Bico")	**Fiberglass and fiberglass reinforcement**	**Romania**	**60%**	**60%**	**40%**	**40%**
*Terra Impex Termoizolare S.R.L.**	*Fiberglass and fiberglass reinforcement*	*Romania*	*-*	*60%*	*-*	*40%*
*Terra Impex S.R.L. ('TI', 'Terra')***	*Fiberglass and fiberglass reinforcement*	*Republic of Moldova*	*60%*	*60%*	*40%*	*40%*
*Investitii Real Estate S.R.L. ('II', 'Terra')***	*Fiberglass and fiberglass reinforcement*	*Republic of Moldova*	*-*	*60%*	*-*	*40%*
Iranga Technologijos UAB ('Iranga')	*Fiberglass and fiberglass reinforcement*	*Lithuania*	*60%*	*60%*	*40%*	*40%*
*Europlas Lux S.R.L. ('Europlas')***	*Fiberglass and fiberglass reinforcement*	*Republic of Moldova*	*-*	*60%*	*-*	*40%*
Eco Euro Doors S.R.L. ('EED') ***	Doors for residential buildings	Romania	-	100%	-	-
Dial S.R.L. ('Dial')	**Edged panels and fencing mesh**	**Romania**	**100%**	**100%**	**-**	**-**
Electroplast S.A. ('Electroplast')	**Copper and aluminium electric cables**	**Romania**	**99.999975%**	**99.999975%**	**0.000025%**	**0.000025%**
VeltaDoors S.R.L. ('Veltadoors') *	**Doors for residential buildings**	**Romania**	**100%**	**-**	**-**	**-**

** Terra Impex Termoizolare was liquidated on 15 February 2024*
*** II merged with Europlas and TI in October 2024; TI was the absorbing entity*
**** Workshop was acquired in two steps during 2024 - 70% in February 2024 and remaining 30% in October 2024. At the end of 2024 Workshop Doors merged with EED, when Workshop Doors was the absorbing entity and it was renamed VeltaDoors SRL.*

As at 31 December 2024, the Group owns directly 60% of Bico Industries (31 December 2023: 60%) and indirectly owns 60% (31 December 2023: 60%) of Terra and Iranga, through by Bico Industries which fully owns these subsidiaries.

Majority shareholder

The majority shareholder of the Company is SOCIETATEA DE INVESTITII ALTERNATIVE CU CAPITAL PRIVAT ROCA INVESTMENTS S.A. ('Roca Investments S.A.'), an investment fund, which holds 66 % (2023: 61%) of its ordinary shares, based in Romania.

Associate

As at 31 December 2024, the Group does not hold any investments in associates. During 2023, the Group acquired the control in Europlas Lux SRL. For further details, refer to *Note 17 – Investing in associate.*

1. GENERAL INFORMATION (continued)

Group Management

The management of the Group consists of the Board of Directors of each company, together with the executive management.

At the level of Roca Industry, the Board of Directors consists of: Ioan Adrian Bindea - President of BoD, Roca Management SRL – through legal representative Rudolf Paul Vizental, Alexandru Savin, Victorița Șter-Chelba and Vasile Sandu.

The executive management of Roca Industry consists of: Valentin Albu — Financial Director, Miruna Munteanu — Marketing Manager, Alexandru Fogarasi — Commercial Director, Stefan Szitas — Operational Director.

The remuneration of the management is shown in *Note 31 - Related Parties*.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation

Compliance with IFRS

These financial statements are the consolidated financial statements of the Group formed by Roca Industry Holdingrock1 SA ("the Company" or "Roca Industry" or "the Parent Company") and its subsidiaries, together the "Roca Industry Group" or the "Group", prepared in accordance with the OMFP 2844 /2016 and International Financial Reporting Standards as adopted by the European Union, as revised, ("IFRS").

The consolidated financial statements were authorized for issue by the Board of Directors on 25 March 2025 and will be submitted for shareholders' approval in the meeting scheduled on 29 April 2025.

The Company also issues an original version of the consolidated financial statements prepared in accordance with OMFP 2844 /2016 and IFRS-EU in Romanian language, that will be used for submitting to the Bucharest Stock Exchange, which is the original binding version.

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain class of property, plant and equipment measured at revalued amount (fair value).

Going concern

As at 31 December 2024, the Group and its subsidiaries recorded a net gain of RON 5.88 million. The Company's ability to continue as a going concern depends on the successful achievement of its objectives, the ability of the Group to generate sufficient future cash flows and financial support from shareholders. In this respect, Roca Investments, as majority shareholder of Roca Industry, has expressed its intention to provide financial support in the event of financial difficulties in the future, by providing a letter of support.

The Company's management have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated):

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to *IAS 7 Statement of Cash Flows* and *IFRS 7 Financial Instruments*: *Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's condensed consolidated interim financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's condensed consolidated interim financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

The following amended standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted:

- Lack of exchangeability (Amendments to IAS 21) - *effective for annual reporting periods beginning on or after 1 January 2025;*
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) – *effective for annual reporting periods beginning on or after 1 January 2026;*
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) - *effective for annual reporting periods beginning on or after 1 January 2026;*
- IFRS 18 Presentation and Disclosure in Financial Statements - *effective for annual reporting periods beginning on or after 1 January 2027;*

- IFRS 19 Subsidiaries without Public Accountability: Disclosures - *effective for annual reporting periods beginning on or after 1 January 2027;*
- Annual Improvements to IFRS Standards – volume 11 - *effective for annual reporting periods on or after 1 January 2026.*

The Group has not early adopted any of these amended standards and does not expect that they will have a significant impact on the Group's consolidated financial statements when become effective.

2.4 New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At the date of authorization of these consolidated financial statements, the following standards and amendments issued by IASB have not been endorsed by the European Union as at 20 January 2025:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) – *effective for annual reporting periods beginning on or after 1 January 2026;*
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) - *effective for annual reporting periods beginning on or after 1 January 2026;*
- IFRS 18 Presentation and Disclosure in Financial Statements - *effective for annual reporting periods beginning on or after 1 January 2027;*
- IFRS 19 Subsidiaries without Public Accountability: Disclosures - *effective for annual reporting periods beginning on or after 1 January 2027*;
- Annual Improvements to IFRS Standards – volume 11 - *effective for annual reporting periods on or after 1 January 2026*.

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in accordance with the IFRS as adopted by the European Union requires the Group's management to use estimates and assumptions that affect the application of accounting policies, as well as the reported value of assets and liabilities. The related estimates and judgments are based on historical data and other factors considered to be relevant in the given circumstances, and the result of these factors forms the basis of the judgments used in determining the accounting value of assets and liabilities for which there are no other valuation sources available. Actual results may differ from estimated values.

Estimates and judgments are continuously reviewed. Revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the current period and future periods, if the revision affects both the current period and future periods.

The estimates and assumptions are used mainly in:

- *Goodwill and other intangible assets impairment testing* (for further details please see *Note 14 Goodwill*);
- *Determining fair value in business combination* - Management uses a valuation specialist to appraise all businesses at the date of acquisition and allocate purchase price to identifiable intangible and tangible assets (for further details please see *Note 13 Business combinations*);
- *Determining fair value of Property, plant and equipment*. Management used a valuation specialist to appraise all *Property, plant and equipment* as at 31 December 2023 and 31 December 2024 for the newly acquired subsidiary.
- *Provision for expected credit losses of trade receivables* - Except for receivable that are provided for, the Group has no issues with collection of receivables. Main Group customers are large retailers and distributors and management judges to have a low risk of default. (for further details please see *Note 19 Trade Receivables* and *Note 29 ii) – Financial instruments – Risk management)*;
- *Accounting for transactions under common control*.

4. SEGMENT REPORTING

a) Information about reportable segments

2024	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Electric cables	Total reportable segments
Revenue						
External customers	164,602,011	101,969,987	98,608,996	66,475,618	167,525,607	599,182,219
Other operating income	741,794	136,484	678,725	94,027	124,985	1,776,015
Changes in inventories of finished goods and work in progress	8,264,954	509,274	382,407	2,187,736	3,606,613	14,950,984
Raw materials, consumables used and merchandise costs	(98,649,408)	(61,440,094)	(49,865,453)	(47,749,764)	(138,831,623)	(396,536,342)
Depreciation and amortisation	(10,240,753)	(4,027,730)	(8,721,157)	(2,783,449)	(4,671,627)	(30,444,716)
Employee benefits expenses	(34,181,248)	(16,127,641)	(21,156,254)	(7,756,229)	(13,100,821)	(92,322,193)
Advertising costs	(1,461,195)	(5,811,019)	(936,730)	(285,608)	(493,695)	(8,988,247)
Services and utilities expenses	(18,982,478)	(7,374,126)	(10,444,609)	(5,877,261)	(7,578,343)	(50,256,817)
Other gains/(losses) – net	**(291,057)**	**118,268**	**3,227,890**	**(100,734)**	**(135,336)**	**2,819,031**
Revaluation loss	-	-	(46,427)	-	-	(46,427)
Net foreign exchange losses	(201,752)	(14,784)	(42,911)	(482,799)	(177,419)	(919,665)
Gain on disposal of property, plant and equipment	10,106	28,848	104,962	376,589	9,748	530,253
Loss allowance	(150,790)	51,655	6,123	5,476	32,335	(55,201)
Reversal of Impairment of current assets	4,913	-	3,127,324	-	-	3,132,237
Other	46,466	52,549	78,819	-	-	177,834
EBITDA adjusted*	**20,235,019**	**11,967,069**	**20,479,348**	**7,093,995**	**11,285,058**	**71,060,489**
Financial income	698	20,405	15,454	207,658	7	244,222
Financial costs	(4,873,620)	(4,605,523)	(5,672,433)	(3,142,195)	(5,100,074)	(23,393,845)
Segment profit before tax	**4,929,698**	**3,368,285**	**6,116,836**	**1,269,799**	**1,345,693**	**17,030,311**
Total assets	**175,412,242**	**132,539,870**	**179,724,374**	**82,255,045**	**145,384,276**	**715,315,807**
Total liabilities	**90,516,035**	**85,513,794**	**98,543,099**	**53,377,481**	**90,061,942**	**418,012,351**
Other disclosures:						
Capital expenditure	6,381,418	9,079,582	533,304	629,538	6,562,960	23,186,802

**Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) for operating segments is defined and calculated as segment profit/(loss) before tax of a given operating segment adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets in the operating segment and iI) net finance result in the operating segment. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies*

4. SEGMENT REPORTING (continued)

a) Information about reportable segments (continued)

2023	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Electric cables	Total reportable segments
Revenue						
External Customers	144,963,007	96,209,238	55,479,732	50,696,545	78,515,277	425,863,799
Other operating income	654,431	4,726	611,635	47,806	72,745	1,391,343
Changes in inventories of finished goods and work in progress	(16,847,068)	510,081	1,691,651	(891,707)	389,595	(15,147,448)
Raw materials, consumables used and merchandise costs	(77,736,315)	(59,179,893)	(33,974,796)	(35,365,268)	(64,186,119)	(270,442,391)
Depreciation and amortisation	(8,246,153)	(3,631,167)	(6,125,312)	(2,649,523)	(2,052,310)	(22,704,465)
Employee benefits expenses	(25,828,493)	(12,943,786)	(14,391,826)	(6,349,632)	(5,745,513)	(65,259,250)
Advertising costs	(2,362,997)	(3,004,682)	(701,032)	(387,090)	(303,033)	(6,758,834)
Services and utilities expenses	(17,894,391)	(6,880,830)	(6,130,874)	(4,870,652)	(3,383,044)	(39,159,791)
Other gains/(losses) – net	**(342,921)**	**(312,089)**	**(1,159,525)**	**(1,934,446)**	**(22,223)**	**(3,771,204)**
Revaluation loss	*(26,913)*	*(36,886)*	*(3,003)*	*(1,424,886)*	-	*(1,491,688)*
Net foreign exchange gains/(losses)	*(56,665)*	*(371,620)*	*(497,069)*	*(583,208)*	*(96,375)*	*(1,604,937)*
Gain/(loss) on disposal of property, plant and equipment	*(688,358)*	*40,367*	-	*74,617*	-	*(573,374)*
Expected credit loss on trade receivables	*(204)*	*(35,348)*	-	-	-	*(35,552)*
Impairment of current assets	*408,407*	-	*(659,453)*	-	*74,152*	*(176,894)*
Other	*20,812*	*91,398*	-	*(970)*	-	*111,240*
Share of loss of an associate	(206,065)	-	-	-	-	(206,065)
Loss on derecognition of associate	(705,018)	-	-	-	-	(705,018)
Loss on liquidated entity	(17,047)	-	-	-	-	(17,047)
EBITDA adjusted*	**5,377,189**	**14,770,904**	**1,925,037**	**2,879,033**	**5,434,060**	**30,386,223**
Financial income	9,643	94,840	348,321	65,988	3	518,795
Financial costs	(4,501,834)	(3,077,650)	(4,715,537)	(2,964,087)	(2,551,036)	(17,810,144)
Segment profit/(loss) before tax	**(9,061,221)**	**7,788,788**	**(9,067,563)**	**(4,602,066)**	**734,342**	**(14,207,720)**
Total assets	**168,960,347**	**129,176,056**	**113,505,645**	**82,603,158**	**130,375,345**	**624,620,551**
Total liabilities	**83,348,483**	**84,539,437**	**77,836,883**	**52,763,242**	**73,184,179**	**371,672,224**
Other disclosures:						
Capital expenditures	10,255,659	13,979,572	4,998,471	1,618,845	5,453,765	36,306,312

**Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) for operating segments is defined and calculated as segment profit/(loss) before tax of a given operating segment adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets in the operating segment and ii) net finance result in the operating segment. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.*

4. SEGMENT REPORTING (continued)

a) Information about reportable segments (continued)

Please see below a reconciliation of adjusted EBITDA for each segment:

2024	**Fiberglass and fiberglass reinforcement**	**Varnishes, paints and decorative plasters**	**Doors for residential buildings**	**Edged panels and fencing mesh**	**Electric cables**	**Total reportable segments**
Operational profit **	**9,802,620**	**7,953,403**	**11,773,815**	**4,204,336**	**6,445,760**	**40,179,934**
Segment depreciation and amortisation	10,240,753	4,027,730	8,721,157	2,783,449	4,671,627	30,444,716
Segment revaluation loss	-	-	46,427	-	-	46,427
Segment gain on disposal of property, plant and equipment, net	(10,106)	(28,848)	(104,962)	(376,589)	(9,748)	(530,253)
Segment net foreign exchange gains/(losses)	201,752	14,784	42,911	482,799	177,419	919,665
Adjusted EBITDA	**20,235,019**	**11,967,069**	**20,479,348**	**7,093,995**	**11,285,058**	**71,060,489**

2023	**Fiberglass and fiberglass reinforcement**	**Varnishes, paints and decorative plasters**	**Doors for residential buildings**	**Edged panels and fencing mesh**	**Electric cables**	**Total reportable segments**
Operational profit**	**(4,569,030)**	**10,771,598**	**(4,700,347)**	**(1,703,967)**	**3,285,375**	**3,083,629**
Segment depreciation and amortisation	8,246,153	3,631,167	6,125,312	2,649,523	2,052,310	22,704,465
Segment revaluation loss	26,913	36,886	3,003	1,424,886	-	1,491,688
Segment gain on disposal of property, plant and equipment, net	688,358	(40,367)	-	(74,617)	-	573,374
Segment net foreign exchange gains/(losses)	56,665	371,620	497,069	583,208	96,375	1,604,937
Segment share of profit of an associate	206,065	-	-	-	-	206,065
Segment loss on derecognition of associate	705,018	-	-	-	-	705,018
Segment loss on liquidated entity	17,047	-	-	-	-	17,047
Adjusted EBITDA	**5,377,189**	**14,770,904**	**1,925,037**	**2,879,033**	**5,434,060**	**30,386,223**

***Operational profit does not contain unallocated amounts for Roca Industry Holdingrock1, of Loss on derecognition of associate and Loss on liquidated entity.*

	2024	**2023**
EBITDA adjusted	71,060,489	30,386,223
Unallocated:		
Parent Company EBITDA adjusted	(7,605,607)	(6,334,621)
TOTAL EBITDA adjusted	**63,454,882**	**24,051,602**

4. SEGMENT REPORTING (continued)

b) Basis for segmentation

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Fiberglass and fiberglass reinforcement	Fiberglass mesh production through facilities in Romania (Piatra Neamt and Vaslui), Republic of Moldova and Lithuania
Varnishes, paints and decorative plasters	Production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes
Doors for residential buildings	Production of doors intended for residential buildings
Edged panels and fencing mesh	Production of fence edged panels, fencing mesh, Rabitz mesh, rectangular pillars and other related products
Copper and aluminium electric cables	Production of electrical low-voltage copper and aluminium cables

The Board of Directors are separately monitoring the operational results of the operating segments for the purpose of taking decisions on resource allocation and performance evaluation. Segment earnings before interest, tax, depreciation and amortisation ("EBITDA") is used to measure performance because management believes that such information is one of the most relevant in evaluating the results of the segments.

All assets and liabilities are allocated to reportable segments.

Reconciliation of profit/(loss) account	**2024**	**2023**
Segment profit/(loss) before tax	**17,030,311**	**(14,207,720)**
Income tax	(1,608,593)	(134,825)
Segment result after tax	15,421,718	(14,342,545)
Unallocated:		
Parent Company operating expenses	(9,545,086)	(6,788,043)
Result after tax on continued operations	**5,876,632**	**(21,130,588)**

Reconciliation of assets	**31 December 2024**	**31 December 2023**
Segment operating assets	**715,315,807**	**624,620,551**
Unallocated:		
Parent Company assets (mainly cash & right-of-use assets)	1,779,077	1,152,870
Total assets	**717,094,884**	**625,773,421**
Reconciliation of liabilities		
Segment operating liabilities	418,012,351	371,672,224
Unallocated:		
Parent Company liabilities	64,274,467	70,502,277
Total liabilities	**482,286,818**	**442,174,501**

4. SEGMENT REPORTING (continued)

b) Basis for segmentation (continued)

The Group allocated interest expense to segments without allocating the originating liabilities to them.

	Non-current assets*	
	31 December 2024	31 December 2023
Romania	347,520,510	311,263,324
Republic of Moldova	13,234,307	12,708,798
Lithuania	6,649,694	7,963,023

*The fixed assets for this purpose consist of tangible assets, right-of-use assets and intangible assets.

5. REVENUE

	2024	2023
Revenue by product line		
Fiberglass and fiberglass reinforcement	164,602,011	144,963,007
Varnishes, paints and decorative plasters	101,969,987	96,209,238
Doors for residential buildings	98,608,996	55,479,732
Edged panels and fencing mesh	66,475,618	50,696,545
Electric cables	167,525,607	78,515,277
	599,182,219	**425,863,799**

	2024	2023
Revenue by timing of revenue		
Goods transferred at a point in time	599,056,828	423,708,552
Services transferred as they are provided	125,391	2,155,247
	599,182,219	**425,863,799**

There are no outstanding or partially outstanding obligations in respect of revenue recognition at 31 December 2024 or 31 December 2023.

Geographical information

		2024 Revenue from both external & internal customers				
Country	**Total**	**Fiberglass and fiberglass reinforcement**	**Varnishes, paints and decorative plasters**	**Doors for residential buildings**	**Edged panels and fencing mesh**	**Electric cables**
Romania	468,512,143	59,076,754	100,602,916	82,446,376	64,765,110	161,620,987
Italy	39,464,993	38,201,833	-	-	-	1,263,160
Germany	19,827,247	19,747,118	-	-	-	80,129
Hungary	18,378,903	1,404,658	-	15,637,440	-	1,336,805
Poland	9,787,112	9,787,112	-	-	-	-
Greece	8,936,442	8,936,442	-	-	-	-
Bulgaria	9,835,882	9,729,524	-	106,358	-	-
Croatia	2,978,941	2,891,673	-	-	-	87,268
Portugal	4,124,094	4,124,094	-	-	-	-
France	2,601,153	890,645	-	-	1,710,508	-
Other	14,735,309	9,812,158	1,367,071	418,822	-	3,137,258
	599,182,219	**164,602,011**	**101,969,987**	**98,608,996**	**66,475,618**	**167,525,607**

5. REVENUE (continued)

		2023 Revenue from both external & internal customers				
Country	**Total**	**Fiberglass and fiberglass reinforcement**	**Varnishes, paints and decorative plasters**	**Doors for residential buildings**	**Edged panels and fencing mesh**	**Electric cables**
Romania	335,232,062	59,129,090	95,834,136	54,790,080	48,197,443	77,281,313
Italy	40,135,584	40,135,584	-	-	-	-
Germany	9,581,593	9,380,790	-	-	-	200,803
Bulgaria	6,461,500	6,461,500	-	-	-	-
Greece	6,026,087	6,026,087	-	-	-	-
Croatia	3,705,645	3,416,219	-	-	-	289,426
Portugal	3,505,310	3,505,310	-	-	-	-
Poland	3,348,223	3,348,223	-	-	-	-
Hungary	2,673,313	2,263,594	-	219,875	-	189,844
France	3,337,799	960,389	-	-	2,318,915	58,495
Other	11,856,683	10,336,221	375,102	469,777	180,187	495,396
	425,863,799	**144,963,007**	**96,209,238**	**55,479,732**	**50,696,545**	**78,515,277**

Information about main customers/ concentration of revenue

Revenues of approximately 124.6 million RON (2023: 125.7 million RON) from all income segments, derived from sales to the Group's largest customer, which is one of the most expansive construction materials retailers on the local market.

No other single customer contributed 10% or more to the Group's revenues in 2024 or 2023. All other customers represent less than 5% of total revenue individually. The main customers of the Group are large distributors and retailers.

6. OTHER OPERATING INCOME

	2024	**2023**
Amortisation of government grants towards purchase of property, plant and equipment	1,151,995	996,881
Dividends income from equity instruments	66,830	69,300
Other income	558,274	326,249
	1,777,099	**1,392,430**

7. EMPLOYEE BENEFITS EXPENSES

	2024	**2023**
Wages and salaries	(93,894,299)	(66,744,657)
Social security contributions	(1,929,495)	(1,443,713)
	(95,823,794)	**(68,188,370)**

8. SERVICES AND UTILITIES EXPENSES

	2024	2023
Transport costs	(16,809,932)	(10,703,179)
Energy and water	(10,189,695)	(9,867,729)
Expense with third parties services	(9,419,892)	(7,133,139)
Expenses with taxes	(3,655,569)	(2,625,495)
Repair and maintenance costs	(2,040,625)	(1,294,773)
Audit fees	(1,688,743)	(1,173,228)
Insurance costs	(1,307,440)	(1,030,300)
Management and consulting fees	(1,191,248)	(2,004,370)
Rent	(1,113,892)	(428,094)
Environmental and fire protection services	(1,001,796)	(733,548)
IT services	(881,855)	(402,900)
Recruitment services	(776,320)	(495,499)
Labor protection services	(678,076)	(767,668)
Legal and accounting advice	(630,469)	(1,498,862)
Valuation fees	(329,518)	(250,895)
Commissions	(164,139)	(142,429)
Other expenses	(1,581,571)	(1,041,343)
	(53,460,780)	**(41,593,451)**

9. OTHER GAINS / (LOSSES) - NET

	2024	2023
Net foreign exchange losses	(919,442)	(1,396,383)
Loss allowance	(55,202)	(35,551)
Revaluation loss	(46,426)	(1,491,688)
Gain/(Loss) on disposal of property, plant and equipment, net	530,255	(571,400)
Reversal of impairment/(Impairment) of current assets	1,407,992	(176,894)
Other gains	1,902,079	113,704
	2,819,256	**(3,558,212)**

10. FINANCE INCOME AND FINANCE COSTS

	2024	2023
Finance costs		
Interest expense from borrowings	(21,286,010)	(16,033,699)
Bank commissions	(979,934)	(659,420)
Interest expense from lease liabilities	(603,381)	(366,795)
Financial discounts granted	(567,271)	(764,250)
Other financial costs	(1,788,355)	(622,489)
	(25,224,951)	**(18,446,653)**

Finance income	2024	2023
Interest income	300,959	689,255
Other finance income	6,275	10,275
	307,234	**699,530**

11. INCOME TAX

	2024	2023
Current tax	(2,388,268)	(1,344,620)
Deferred tax (see *Note 28*)	776,672	1,215,782
Income tax expense	**(1,611,596)**	**(128,838)**

The charge for the year can be reconciled to the profit before tax as follows:

	2024	2023
Profit before tax on continuing operations	**7,488,228**	**(21,001,750)**
Romanian corporate tax rate of 16 % (2023: 16 %)	(1,198,116)	(3,360,280)
Tax effect of non-deductible expenses when determining taxable profit:		
Depreciation	472,900	1,035,171
Accruals	-	161,873
Sponsorship	28,073	1,404
Protocol expenses	145,419	40,493
Other	1,403,776	1,153,639
Tax effect of non-taxable income in determining taxable profit:		
Dividends income	10,693	(11,088)
Reversal of accruals	-	(54,654)
Others	(366,493)	(5,724)
Unrecognised deferred tax assets	1,460,421	2,039,235
Effect of different tax rates of subsidiaries operating in other jurisdictions	57,751	(34,693)
Effect of a different tax regime	(205,321)	-
Fiscal credits	(3,227,168)	(658,504)
Income tax reductions	-	(138,263)
Reinvested profit	-	(46,918)
Other tax effects	(193,531)	7,147
Tax expense for the year	**(1,611,596)**	**128,838**

The Group has tax losses that arose in Romania and are available for 5 years (term applicable for those recognized starting with 2024) and 7 years (term applicable for those arose until 2023), for offsetting against future taxable profits of the companies in which the losses arose. Tax losses will expire until 2029.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and there are no other tax planning opportunities or other evidence of recoverability in the near future.

12. EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. There are no dilutive financial instruments and diluted EPS equals EPS.

	2024	2023
Profit/ (Loss) after tax attributable to ordinary equity holders of the parent	1,520,816	(19,394,198)
Weighted average number of ordinary shares for basic EPS	242,695,013	176,945,730*
Profit/(Loss) after tax attributable to ordinary equity holders of the parent	***0.006***	***(0.11)***

**) During December 2024, ROC1 shareholders approved the process of reducing the nominal value of shares (from RON 10 per share to RON 1 per share). Following this process, for comparability, the calculation of earnings per share has been updated with the new ROC1 share structure, including the result of the financial year ended as at December 31, 2023.*

13. BUSINESS COMBINATIONS

The Group's strategy is to develop and scale strong domestic brands active in the field of building materials, both under a joint strategy, and through the synergies generated by their activity. Thus, in order to implement this strategy, the Groups aims to achieve its objectives, both through organic growth - by increasing and developing the companies inside the holding - and through M&A consolidations with other complementary companies in the same activity sector, which should allow the generation of synergies.

The Group has purchased two of its subsidiaries (Bico in 2021 and Electroplast in 2023) from its Parent-Company, Roca Investments. The Group has decided to account for transactions under common control in accordance with provisions of *IFRS 3 – Business combinations* accounting, according to which the acquirer is a separate entity in its own right and should not be confused with the economic group as a whole. The accounting policy has been applied consistently in all related acquisitions.

The Group contracted an external appraiser to determine the fair value of the acquired assets, assumed liabilities, as well as the purchase price for the acquired entity. The purchase price was allocated between the acquired assets and the identifiable assumed liabilities at their fair value determined on the acquisition date, and the residual value was recognized as goodwill.

The evaluation of the acquired assets and assumed liabilities was based on discounted future cash flows, for which the main assumptions included: growth rates, operating costs, gross and net operating margins, working capital requirements, capital expenditures, and discount rates, as well as economic assumptions such as the evolution of wages and raw material costs in the context of the economy and inflation.

Acquisitions in 2024

Acquisition of Workshop Doors S.R.L. ('Workshop ')

On February 8, 2024, the Group completed the acquisition of 70% of the share capital of Workshop, a company active since 2009 on the interior doors market in the region, with two production facilities, in Reghin and Petelea. The acquisition price for the 70% shareholding amounted to RON 30.0 million, payable in two instalments. The first instalment, in the amount of RON 22.5 million, paid upon completion of the transaction and the difference of RON 7.5 million was paid within a period of 6 months, following the fulfilment of certain conditions.

In October 2024, the Group acquired the remaining 30% for an additional consideration of RON 37.4 million, payable until September 2025.

Acquisitions in 2023

Acquisition of IRANGA Technologijos UAB ('Iranga')

On 2 May 2023, the Group, acquired Iranga, a non-listed company based in Lithuania and specialised in the production of fiber glass and composite fiberglass materials. The value of the transaction amounted to EUR 1,6 million, EUR 0.45 million for the acquisition of the shares and EUR 1,1 million for the acquisition of a shareholder loan. The acquisition of Iranga is in line with the development strategy of the Group, the new acquired company is intended to help in the process of diversification of the market in which the company operates, contributing to the creation of added value through synergies within the fiber glass segment of the Group.

Acquisition-related costs amounting to RON 891,372 are included in operating expenses in the statement of profit or loss account and in operating cash flows in the statement of cash flows prepared for 2023.

Acquisition of ELECTROPLAST SA ('Electroplast')

In June 2023, the Group acquired 99,99997 % of the share capital of Electroplast, a company held by the Group's main shareholder, Roca Investments S.A. ('Roca Investments') for a consideration equal to RON 45,750,988. The value of the consideration was established on the basis of a valuation report prepared by an independent valuer authorized by ANEVAR.

Acquisition of EUROPLAS Lux SRL ('Europlas')

In October 2023, Bico acquired the remaining shares and became the sole shareholder of Europlas. The purchase price paid by Bico for the remaining 45% amounted to EUR 120,000. Acquisition-related costs amounting to RON 19,317 are included in operating expenses in the statement of profit or loss account and in operating cash flows in the statement of cash flows prepared for 2023.

13. BUSINESS COMBINATIONS (continued)

Liabilities related to acquisitions of shareholdings

	31 December 2024	31 December 2023
EVOLOR	-	12,346,125
ELECTROPLAST	-	56,412,776
VELTADOORS (former WORKSHOP DOORS)	37,305,750	-
Total liabilities related to acquisition of participations	**37,305,750**	**68,758,901**

The amount of 56,412,775.6 RON representing a debt at 31 December 2023, to Societatea de Investiții Alternative cu Capital Privat Roca Investments S.A. („Roca Investments”) was converted at the beginning of 2024 into equity (see Note 22 – Share capital and reserves).

Acquisitions in 2024 - Assets and liabilities taken over

The fair values of the identifiable assets and liabilities at the date of acquisition are shown in the table below. Fair value measurements were carried out by an independent valuer ANEVAR.

WORKSHOP DOORS	Fair value recognised on acquisition
Customer contracts	13,568,866
Licenses and other intangible assets	-
Property, plant and equipment	26,596,632
Right-of-use assets	-
Inventories	8,071,000
Trade and other receivables	4,350,000
Prepayments	46,000
Cash and cash equivalents	1,639,000
Total assets	**54,271,498**
Borrowings	(5,371,000)
Lease liabilities	-
Trade payables	(2,811,000)
Other payables	(12,241,388)
Deferred tax liabilities	(4,149,386)
Total liabilities	**(24,572,774)**
Total identifiable net assets at fair value	**29,698,724**
Non-controlling interest	(8,909,618)
Goodwill arising on acquisition	9,210,894
Purchase consideration transferred	**30,000,000**
Purchase consideration – cash outflow	
Cash consideration	30,000,000
Less: Balances acquired	
Cash	(1,639,000)
Unpaid amount	-
Net outflow of cash – investing activities	**28,361,000**

13. BUSINESS COMBINATIONS (continued)

Acquisitions in 2023 - Assets and liabilities taken over

	IRANGA	ELECTROPLAST	EUROPLAS	Total
Trademarks	-	14,423,620	-	14,423,620
Customer contracts	-	5,774,352	-	5,774,352
Licenses and other intangible assets	-	942,830	5,954	948,784
Property, plant and equipment	6,988,583	37,069,074	959,908	45,017,565
Right-of-use assets	1,679,845	2,230,840	1,576,120	5,486,805
Investments	-	17,400	-	17,400
Inventories	1,453,545	10,747,450	1,113,924	13,314,919
Trade and other receivables	1,079,313	44,683,907	41,473	45,804,693
Cash and cash equivalents	274,916	1,796,484	625,833	2,697,233
Total assets	**11,476,202**	**117,685,957**	**4,323,212**	**133,485,371**
Borrowings	(3,127,658)	(51,046,858)	(955,119)	(55,129,635)
Lease liabilities	(1,679,845)	(2,023,697)	(1,576,120)	(5,279,662)
Trade payables	(4,398,418)	(31,309,570)	(161,836)	(35,869,824)
Other payables	(370,906)	(1,065,999)	(1,114,851)	(2,551,756)
Deferred tax liabilities	(1,350,982)	(310,290)	(31,873)	(1,693,145)
Total liabilities	**(10,927,809)**	**(85,756,414)**	**(3,839,799)**	**(100,524,022)**
Total identifiable net assets at fair value	**548,393**	**31,929,543**	**483,413**	**32,961,349**
Non-controlling interest	500,897	3	45,070	545,970
Fair value of previously held equity interest	-	-	(159,526)	(159,526)
Goodwill arising on acquisition	1,168,760	13,821,443	227,131	15,217,334
Purchase consideration transferred	**2,218,050**	**45,750,989**	**596,088**	**48,565,127**
Acquisition consideration — Cash out				
Consideration of the acquisition transferred	2,218,050	45,750,989	596,088	48,565,127
Shareholder debt acquired	3,127,658	11,574,797	1,218,506	15,920,961
Contingent consideration	-	-	-	-
Less: Cash balances acquired	(274,916)	(1,796,484)	(625,833)	(2,697,233)
Less: Liabilities – December 31, 2023	-	(56,412,776)	-	(56,412,776)
Net cash outflows — investment activities	**5,070,792**	**(883,474)**	**1,188,761**	**5,376,079**

The cash flows resulting from the acquisition of subsidiaries have been presented in the consolidated statement of cash flows, taking into account also the changes in liabilities related to acquisition of subsidiaries, presented in note 13.

In case of Electroplast, at the date of acquisition, loans consisting of debts to credit institutions and approx. RON 11 mil. loan from former shareholders, which after the takeover were transferred to the new shareholder, Roca Industry.

In respect of goodwill for Electroplast, the most significant contributors to Electroplast goodwill were considered the synergies the entity will generate in the Group. Goodwill for Iranga and Europlas considered not significant.

13. BUSINESS COMBINATIONS (continued)

Acquisitions in 2023 - Assets and liabilities taken over (continued)

Reconciliation of cash flows related to subsidiaries acquisition:

	2024	2023
Payments for acquisition of subsidiaries (net of cash acquired), statement of cash flow:	(40,757,387)	(23,087,863)
Net cash outflows — for current year acquisitions	28,361,000	5,376,079
Settlement of liabilities related to acquisitions in prior periods	12,346,125	17,711,784

The cash flows used in the acquisition of subsidiaries have been presented in the consolidated statement of cash flows, taking into account also the changes in liabilities related to acquisition of subsidiaries, presented above in this note.

In determining FV of trademarks in business combinations they applied the relief from royalty method for trademarks as discussed below.

The excess economic benefits method determined the value of client lists as the present value of the cash flows attributable to the intangible asset, after deducting the cash flows attributable to other assets.

I**mpairment testing - trademarks and customer lists**

Presented below are the main assumptions and methods used for trademarks and customer lists as of valuation date. No impairment indicators were identified by management in respect of trademarks or customer lists as at 31 December 2024 and 31 December 2023.

Trademarks	Valuation technique — application of the method of avoiding payment of royalty — Level 3
EED and WS Doors	To estimate recoverable value of the brand, the royalty rate,of 2.5%, was used. Discount rate 15.40%, Growth rate 2.5% Estimation of the recoverable value of customer relationships was done by using the current forecasts related to the contributing assets, namely CGU, along with the current discount rate of 17.9%, growth rates of 0% to 26% and the appropriate customer retention rate of 65% to 7% (depending on the year).
ELP	To estimate recoverable value of the brand, the royalty rate, the median value of the sample, i.e. 1.10%, was used. Discount rate 13,90%, Growth rate 2.5% Estimation of the recoverable value of customer relationships was done by using the current forecasts related to the contributing assets, namely CGU, along with the current discount rate of 16.4%, growth rate of 0% to 12% and the appropriate customer retention rate of 65% to 7% (depending on the year).
BICO	To estimate the recoverable value of the brands, a royalty rate for Bico and Hitrom trademark, a 3.1%, royalty rate was used. Discount rate used was of 13.27%, growth rate 2.5%. A modest royalty rate of 0.25% was estimated for the Bico Industries dome brand, with the same discount rate and growth rate. Estimation of the recoverable value of customer relationships was done by using the current forecasts related to the contributing assets, namely CGU, along with the current discount rate of 16.27%, growth rate of 0% 25% and the appropriate customer retention rate of 65% to 7% (depending on the year).
EVOLOR	Sticky and Coral brands: To estimate the recoverable value of the brand, royalty rate of 3.3% of was used. Discount rate 12.92%, growth rate in perpetuity 2.5%. Estimation of the recoverable value of customer relationships was done by using the current forecasts related to the contributing assets, namely CGU, along with the current discount rate of 15.42%, growth rates of 0% to 15% and the appropriate customer retention rate of 64% to 7%.
DIAL	Estimation of the recoverable value of customer relationships was done by using the current forecasts related to the contributing assets, namely CGU, along with the current discount rate of 17.82%, growth rates of 0% to 10% and the appropriate customer retention rates of 86% to 16% (depending on the year).

Estimation of the recoverable value of the brands was done by using the current brand-related forecasts, along with the royalty rate used in the previous valuations, the current discount rate, and the current remaining useful life.

Estimation of the recoverable value of customer relationships was done by using the current forecasts related to the contributing assets, namely CGU, along with the current parameters influencing the discount rate and the appropriate customer retention rate.

13. BUSINESS COMBINATIONS (continued)

Acquisitions in 2023 - Assets and liabilities taken over (continued)

Recoverable amount of brands, estimated based on above assumptions, exceeds carrying value by RON 50,270 thousand and total recoverable amount of customer relationships exceeds carrying value by RON 19.129 thousand.

Based on the above, no impairment was identified in respect of other intangible assets – trademarks and customer lists.

Property, plant and equipment — Level 2

Real estate were valued using the income capitalization method. The allocation of value between land and buildings was carried out by measuring the land using the market approach, the direct comparison method.

The activity-specific movable property was assessed using the net replacement cost method (indirect method).

Other assets and liabilities — it was generally considered that the carrying amounts are similar to fair values. Where necessary, additional allowances for the impairment of assets were created (e.g.: inventories, receivables).

14. GOODWILL

Goodwill is monitored by management at the level of the five operational segments identified in *Note 4 - Segment reporting*. A segment-level summary of the goodwill allocation is presented below:

	31 December 2024	31 December 2023
Varnishes, paints and decorative plasters	35,389,467	35,389,467
Fiberglass and fiberglass reinforcement	18,846,752	18,846,947
Doors for residential buildings	19,941,779	10,730,885
Edged panels and fencing mesh	6,134,741	6,134,741
Electric cables	13,821,443	13,821,443
	94,134,182	**84,923,483**

	RON
Cost	
At 1 January 2023	**79,561,286**
Recognized at the acquisition of subsidiaries	15,217,334
Other changes	-
At 31 December 2023	**94,778,620**
Recognized at the acquisition of subsidiaries	9,210,699
Other changes	-
At 31 December 2024	**103,989,319**
Accumulated impairment	
At 1 January 2023	**(9,855,137)**
Impairment losses for the year	-
At 31 December 2023	**(9,855,137)**
Impairment losses for the year	-
At 31 December 2024	**(9,855,137)**
Carrying amount	
At 31 December 2024	**94,134,182**
At 31 December 2023	**84,923,483**

14. GOODWILL (continued)

Impairment testing for CGUs containing goodwill

Goodwill arises in a business combination and is the excess of the consideration transferred to acquire a business over the underlying fair value of the net identified assets acquired. Such goodwill is tested annually for impairment or whenever there are impairment indicators, and is carried at cost less accumulated impairment losses.

As a result of the management assessment, taking into account that the strategy of the Group for its subsidiaries is to acquire, transform, consolidate, scale operations and become debt free and therefore, after the acquisition of new business there is a period of transformation, consolidation which is cost intensive in the beginning of this process.

The Company's management analysed the recoverable value of the CGUs/ reportable segments, based on the valuation reports prepared at year-end by an independent valuer authorised by ANEVAR.

Following a business combination, goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit, among others, from the synergies of the business combination.

The Group's cash-generating units (CGU) are defined on the basis of the type of products they make and sell. For the purpose of impairment testing, the Group's cash-generating units are aggregated into an operating segment, which is the level reviewed by the Group CFO (i.e. chief financial decision maker). The discount rate is determined by an independent evaluator authorised by ANEVAR.

Management has used the value in use approach to calculate the recoverable amount of the cash-generating unit. The aggregated recoverable amount of the operating segment is then compared to its aggregated carrying amount. An impairment loss is recognized if the aggregated carrying amount of the operating segment exceeds its aggregated recoverable amount. The value in use is determined based on future discounted cash flows using the weighted average cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the CGU.

The cash flow projections are generally based on a five-year financial planning period using business plans approved by management. The business plans include among others, management's current view on market growth, pricing and costs, as well as economic assumptions, such as the evolution of costs and salaries in the context of the economy and inflation.. In any event, the growth rate used to extrapolate cash flow projections beyond the planning period does not exceed the long-term average growth rate for the relevant market for the products and country in which the cash-generating unit operates.

A decrease in operating costs once the segments are fully integrated in the Group, synergies between segments and within the same segment are expected.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales volume	Sales volumes for the next 5 years were projected considering past data and expectations of demand for the next 5 years. Average growth rate for sales volume is of of approximatively 14%.
Sales price	A sales prices were assumed to increase in line with inflation and industry specific growth rates; increases considered management strategy and expectations for variations in price because of variation in CAGR for each segment. Average value increase in sales is of approximatively 10%.
Budgeted EBITDA margin	Based on past performance of each segment and expectation for improvement in operational costs because of synergies at Group level.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.

14. GOODWILL (continued)

Assumption	Approach used to determine values
Annual capital expenditure	Expected cash costs in the CGUs. This is based on the historical experience of management, and the replacement expenditure. No incremental revenue or cost savings are assumed in the value in use model because of this expenditure.
Weighted average cost of capital	This is the weighted average cost of capital used to extrapolate cash flows beyond the budget period. To calculate the discount rate, the Group used Weighted Average Cost of Capital ("WACC"), which reflects the optimal funding structure applied to the flows in the numerical order. **WACC (nominal) = KE* (E /(E+D) + KD* (D /(E+D)) * (1-t)** The main components in the calculation of the WACC are the cost of equity (Ke) and the cost of borrowed capital (Kd): ▪ The cost of equity (Ke) is calculated as follows: Ke=(Rf+β*MRP)+α ▪ The risk-free rate (Rf) used in the estimate is derived from the rate of government bonds, designated by law at the maturity date and published by the ECB. ▪ The Beta factor reflects the cost of the equity system and is measured by the coefficient and coefficient between the increase in equity capital and the increase in share capital. By applying the calculation formula: β*[1+D/E*(1-tax)] is calculated as the adjusted Beta factor and is applied when calculating the cost of equity. ▪ The EquityRiskPremium (ERP) is the difference between the average risk premium and the expected total risk premium. ERP was estimated from studies published by Damodaran.
Pre-tax discount rates	Reflects the specific risks related to the relevant segments and to the country.
Long-term growth rate	Long term growth rate used in impairment testing is of 2.5% (2023: 2.6%) for all subsidiaries. The long-term growth rate was determined by an independent evaluator as at 31 December 2024, respectively 31 December 2023.

A sensitivity analysis was performed on the discount rates and EBITDA variation for terminal value at the cash-generating units' level for goodwill impairment purposes.

Operating segments (2024)	Carrying amount of goodwill	Pre-tax WACC	Long-term growth rates	Adjusted EBITDA margins Terminal value
Fiberglass and fiberglass reinforcement (BICO)	18,846,752	13.27%	2.5%	15.3%
Edged panels and fencing mesh (DIAL)	6,134,741	12.82%	2.5%	16.3%
Varnishes, paints and decorative plasters (EVOLOR)	35,389,467	12.92%	2.5%	20.0%
Electric cables (ELECTROPLAST)	13,821,443	13.90%	2.5%	9.2%
Doors for residential buildings (VELTADOORS)	19,941,779	15.40%	2.5%	28.4%

Operating segments (2023)	Carrying amount of goodwill	Pre-tax WACC	Long-term growth rates	Adjusted EBITDA margins Terminal value
Fiberglass and fiberglass reinforcement (BICO)	18,846,947	14.37%	2.6%	15.4%
Edged panels and fencing mesh (DIAL)	6,134,741	13.85%	2.6%	20.3%
Varnishes, paints and decorative plasters (EVOLOR)	35,389,467	18.44%	2.6%	15.5%
Electric cables (ELECTROPLAST)	13,821,443	16.96%	2.6%	8.5%
Doors for residential buildings (EED)	10,730,885	15.62%	2.6%	18.9%

14. GOODWILL (continued)

Fiberglass and fiberglass reinforcement segment

The recoverable amount of the fiberglass and fiberglass reinforcement CGU of RON 188.088 thousand (2023: RON 156,681 thousand) was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 16.27% (2023: 14.37%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (2023: 2.60%). As a result of the analysis, there is headroom of RON 50,135 thousand (2023: RON 3,426 thousand) and management did not identify an impairment for this CGU in 2024, respectively in 2023.

Varnishes, paints and decorative plasters

The recoverable amount of varnishes, paints and decorative plasters CGU of RON 137,982 thousand (2023: RON 109,188 thousand) was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.42% (2023: 18.44%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (2023: 2.60%). As a result of the analysis, there is headroom of RON 27,852 thousand (2023: RON 8,493 thousand) and management did not identify an impairment for this CGU in 2024, nor in previous years.

Doors for residential buildings

The recoverable amount of doors for residential buildings CGU of RON 239,904 thousand (2023: RON 69,851 thousand) was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 17.90% (2023: 15.62%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (2023: 2.60%). As a result of the analysis, there is headroom of RON 92,988 thousand (2023: RON 5,158 thousand) and management did not identify an impairment for this CGU in 2024, nor in 2023.

Edged panels and fencing mesh

The recoverable amount of edged panels and fencing mesh CGU of RON 76,802 thousand (2023: RON 100,752 thousand) was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 17.82% (2023: 13.85%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (2023: 2.60%). As a result of the analysis, there is headroom of RON 20,609 thousand (2023: RON 3,118 thousand) and management did not identify an impairment for this CGU in 2024, nor in 2023.

Electric cables

The recoverable amount of electric cables CGU of RON 142,010 thousand (2023: RON 112,269 thousand) was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 16.40% (2023: 16.96%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (2023: 2.60%). As a result of the analysis, there is headroom of RON 33,150 thousand (2023: RON 6,077 thousand) and management did not identify an impairment for this CGU in 2024, nor in 2023.

Management has identified that reasonably possible change in the following key assumptions could cause carrying amount to exceed recoverable amount.

15. OTHER INTANGIBLE ASSETS

	Trademarks	Customer contracts	Licenses and other intangible assets	Total
Cost				
At 31 December 2022	**60,259,681**	**38,502,077**	**679,029**	**99,440,787**
Acquisition of subsidiary	14,423,620	5,774,352	949,402	21,147,374
Additions	-	-	97,882	97,882
Transfer	-	-	-	-
Disposals	-	-	(1,360)	(1,360)
At 31 December 2023	**74,683,301**	**44,276,429**	**1,724,953**	**120,684,683**
Acquisition of subsidiary	-	13,568,866	-	13,568,866
Additions	-	-	62,061	62,061
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 December 2024	**74,683,301**	**57,845,295**	**1,787,014**	**134,315,610**
Accumulated amortisation and impairment				
At 31 December 2022	**(2,652,891)**	**(1,436,113)**	**(108,864)**	**(4,197,868)**
Acquisition of subsidiary	-	-	-	-
Amortisation	(3,373,575)	(2,092,316)	(181,075)	(5,646,966)
Impairment	-	-	-	-
Disposals	-	-	741	741
At 31 December 2023	**(6,026,466)**	**(3,528,429)**	**(289,198)**	**(9,844,093)**
Acquisition of subsidiary	-	-	-	-
Amortisation	(3,734,165)	(2,835,728)	(513,124)	(7,083,017)
Impairment	-	-	-	-
Disposals	-	-	-	-
At 31 December 2024	**(9,760,631)**	**(6,364,157)**	**(802,322)**	**(16,927,110)**
Carrying amount				
At 31 December 2024	**64,922,670**	**51,481,138**	**984,692**	**117,388,500**
At 31 December 2023	**68,656,835**	**40,748,000**	**1,435,755**	**110,840,590**

As part of the impairment tests, the Group evaluated the recoverability of the intangible assets with significant carrying amounts within those cash-generating units as of December 31, 2024.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Equipment and machinery	Fixtures and fittings	Asset under construction	Total
Cost or valuation					
As at 31 December 2022	**65,985,011**	**59,085,136**	**1,132,703**	**12,279,720**	**138,482,570**
Acquisition of subsidiary	28,531,633	10,599,874	253,579	5,632,479	45,017,565
Revaluation recognized in other comprehensive income	6,228,338	11,856,792	220,133	-	18,305,263
Revaluation surplus through profit and loss account	(1,438,541)	-	(53,147)	-	(1,491,688)
Gross book value netted off against the accumulated depreciation at revaluation	(4,189,437)	(16,823,152)	(675,418)	-	(21,688,007)
Additions	2,712,424	10,309,069	490,632	16,678,582	30,190,707
Transfer	11,915,054	16,672,701	4,783	(28,702,999)	(110,461)
Disposals	(413,478)	(1,807,148)	(45,595)	-	(2,266,221)
As at 31 December 2023	**109,331,004**	**89,893,272**	**1,327,670**	**5,887,782**	**206,439,728**
Acquisition of subsidiary	22,544,186	5,003,740	125,465	-	27,673,391
Revaluation recognized in other comprehensive income	1,358,505	1,298,005	164,852	-	2,821,362
Gross book value netted off against the accumulated depreciation at revaluation	(1,436,817)	(4,274,100)	(889,782)	-	(6,600,699)
Additions	114,918	6,672,231	463,583	15,967,941	23,218,673
Transfer	8,423,020	(714,217)	425,106	(8,133,909)	-
Disposals	-	(1,842,257)	(180,663)	-	(2,022,920)
As at 31 December 2024	**140,334,816**	**96,036,674**	**1,436,231**	**13,721,814**	**251,529,535**
Accumulated depreciation and impairment					
As at 31 December 2022	**(1,167,703)**	**(6,605,407)**	**(247,181)**	**-**	**(8,020,291)**
Depreciation expense	(3,058,408)	(11,282,129)	(469,900)	-	(14,810,437)
Impairment	35,777	(13,514)	-	-	22,263
Reduction of depreciation related to disposals	897	1,077,898	41,663	-	1,120,458
Accumulated depreciation netted of against gross book value at revaluation	4,189,437	16,823,152	675,418	-	21,688,007
As at 31 December 2023	-	-	-	-	-
Depreciation expense	(3,790,264)	(15,728,965)	(510,994)	-	(20,030,223)
Reduction of depreciation related to disposals	-	719,541	108,680	-	828,221
Accumulated depreciation netted of against gross book value at revaluation	1,436,817	4,274,100	889,782	-	6,600,699
As at 31 December 2024	**(2,353,447)**	**(10,735,324)**	**487,468**	**-**	**(12,601,303)**
Carrying amount					
At 31 December 2024	**137,981,369**	**85,301,350**	**1,923,699**	**13,721,814**	**238,928,232**
At 31 December 2023	**109,331,004**	**89,893,272**	**1,327,670**	**5,887,781**	**206,439,728**

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The balance as at 31 December 2024 of property, plant and equipment increased mainly as a result of Workshop Doors's acquisition.

At the end of 2023, all the subsidiaries have engaged an independent valuer authorized by ANEVAR to revalue all tangible assets existing at the end of the financial year. Thus, a uniform approach was applied across the Group.

At the end of 2024, the newly acquired company VELTADOORS (former Workshop Doors) together with the absorbed company as a result of the merger from December 2024 (ECO EURO DOORS), underwent the process of revaluation of property, plant and equipments in order to align to the Group's accounting policy.

According to the revaluation reports at 31 December 2023 and 2024, the fair value of the assets was estimated by applying the following methods:

- income approach, the capitalization of rental income (MCV) method - for real estate properties;
- cost approach, net replacement cost (NRC) method - for goods without an active market, i.e. specialised equipment;
- market approach, direct comparison method (DCM) - for movable goods with an active market and for land plots related to the sites.

Due to successive revaluations and the history of the acquired companies in 2023 and 2024, it was not possible to determine the carrying amount at the fixed asset level.

17. INVESTING IN ASSOCIATE

In October 2022, the Group acquired an effective ownership interest of 35% stake in Europlas Lux SRL ('Europlas'), which is involved in the production of fiberglass and fiberglass reinforcement in the Republic of Moldova.

In October 2023, the Group acquired the control of Europlas by purchasing an additional 25% stake, increasing its ownership to 60% (indirect effective ownership via its subsidiary Bico). For details related to purchase price and fair values of the identifiable assets and liabilities at the date of acquisition please refer to Note 13 – Business combinations.

Loss on derecognition of investment in associate:	**RON**
Carrying amount of associate at 31 December 2022	1,070,610
Share of result during 2023 until acquisition of control	(206,065)
Carrying amount of associate before acquisition of control	864,545
Fair value at date control obtained	159,526
Carrying amount of associate before acquisition of control	(864,545)
Loss on derecognition of investment in associate:	**(705,019)**

18. INVENTORIES

	31 December 2024	**31 December 2023**
Raw materials and consumables	46,965,644	40,792,766
Finished goods	44,666,007	32,700,193
Goods for resale	6,970,990	5,958,539
Packaging materials	4,510,446	3,705,091
Advances paid for raw materials acquisitions	2,939,103	2,344,418
Work in progress	2,290,172	637,285
Other inventories	5,031,129	3,273,339
	113,373,491	**89,411,631**
Out of which, accumulated inventory write-down	(1,967,780)	(3,408,101)

19. TRADE RECEIVABLES

	31 December 2024	31 December 2023
Trade receivables from contracts with customers	94,980,647	76,831,812
Loss allowance trade receivables	(1,157,540)	(1,313,841)
	93,823,107	**75,517,971**

Movement in loss allowance:	**2024**	**2023**
Opening loss allowance at 1 January	**(1,313,841)**	**(1,301,696)**
Increase in loss allowance recognised in profit or loss during the year	(806,113)	(93,509)
Amount reversed	962,414	172,399
Acquisition of subsidiary	-	(91,035)
Closing loss allowance at 31 December	**(1,157,540)**	**(1,313,841)**
Receivables written off during the year as uncollectible	243,838	114,441
Movements during the year	156,301	78,890
Net effect in profit or loss during the year	**87,537**	**35,551**

20. OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
Other receivables	10,984,409	2,892,396
Loss allowance other receivables	(246,834)	(640,087)
Financial assets at cost	**10,737,575**	**2,252,309**
Advances paid for raw materials acquisitions	41,770	259,150
Current tax assets	1,813,908	-
VAT receivable	292,504	1,645,630
TOTAL OTHER CURRENT ASSETS	**12,885,757**	**4,157,089**

21. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash at bank and in hand	20,372,384	30,335,976
Deposits at call	12,963,611	8,165,751
Total unrestricted cash	**33,335,995**	**38,501,727**

22. SHARE CAPITAL AND RESERVES

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Number	***Number***	***RON***	***RON***
Share capital				
Authorized ordinary shares	248,672,220	17,694,573	248,672,220	176,945,730

The nominal value of the shares is RON 1 per share (31 December 2023: RON 10 per share).

22. SHARE CAPITAL AND RESERVES (continued)

In 2024, the Company has requested shareholder approval for the split of the nominal value of the shares (from RON 10 per share to RON 1 per share). The process was completed in December 2024, and each investor holds, following the split, 10 new shares for each share held before the time the process was completed. The purpose of the split was to diversify the investor base, through greater flexibility in the investment strategy and to improve the liquidity of ROC1 shares.

The paid-in subscribed capital consists of: 121.3 million lei (December 31, 2023: 105.9 million lei), representing the paid-in subscribed capital, RON 71 million (December 31, 2023: RON 71 million) representing the contribution in kind of 60% of the shares of Bico Industries SA and RON 56.4 million (December 31, 2023: nil) representing the contribution in kind of 99.999975% of the shares of Electroplast SRL.

Ownership structure:	**Balance as at 31 December 2024**			**Balance as at 31 December 2023**		
	No. of shares	**Amount in RON**	**% total**	**No. of shares**	**Amount in RON**	**% total**
Roca Investments SA	163,988,340	163,988,340	66%	10,757,557	107,575,570	61 %
Other	84,683,880	84,683,880	34%	6,937,016	69,370,160	39 %
Total	**248,672,220**	**248,672,220**	**100%**	**17,694,573**	**176,945,730**	**100 %**

On 11 January 2024, the Board of Directors approved the following:

a) for a number of up to 8,431,851 New Shares, which were not subscribed during the first phase of the Share Capital Increase are to be offered for subscription in a private placement addressed to certain persons from the European Union based on the exceptions allowed from the publication of a prospectus, including those provided in article 1(4), letters (a) and (b) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published in the case of a public offering of securities or the admission of securities to trading on a regulated market, and repealing Directive 2003/71/EC ("Prospectus Regulation") and/or to investors to whom such private placements may be otherwise lawfully addressed to and directed, in reliance of the exceptions in Regulation S ("Regulation S") under the U.S. Securities Act of 1933 ("U.S. Securities Act") and without the need to undertake any other formalities under any applicable law, to the extent, and only provided that, an investment in the New Shares does not constitute a violation of any applicable law by such investor.

b) that a number of 5,641,277 New Shares remaining unsubscribed after the first stage of the Share Capital Increase are to be issued in the private placement stage of the Share Capital Increase, in order to the set-off of certain, liquid and enforceable claims, with a total value of 56,412,775.6 RON, held by the by Societatea de Investitii Alternative cu Capital Privat Roca Investments S.A. („Roca Investments"), as creditor, against the Company, as debtor.

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value.
Revaluation reserve	Gains/losses arising on the revaluation of the Group's property (other than investment property)
Other reserves	Translation reserves result from foreign exchange differences on assets and liabilities of non-resident companies.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

	Revaluation reserve
At 31 December 2022	**2,348,223**
Revaluation – gross	18,305,263
Deferred tax	(2,926,767)
Revaluation gain recorded in comprehensive income, net of tax	**15,378,496**
Non-controlling interests (NCI) share in revaluation – gross	(1,516,179)
Deferred tax	241,759
Revaluation gain attributable to shareholders of parent, net of tax	**14,104,076**

22. SHARE CAPITAL AND RESERVES (continued)

At 31 December 2023	**16,452,299**
Revaluation – gross	2,821,362
Deferred tax	(451,418)
Revaluation gain recorded in comprehensive income, net of tax	**2,369,944**
Non-controlling interests (NCI) share in revaluation – gross	-
Deferred tax	-
Revaluation gain attributable to shareholders of parent, net of tax	**2,369,944**
At 31 December 2024	**18,822,243**

At the end of 2023, all the subsidiaries have engaged an independent valuer authorized by ANEVAR to revalue all tangible and intangible assets existing at the end of the financial year. Thus, a uniform approach was applied across the Group.

At the end of 2024, the newly acquired company VELTADOORS (former Workshop Doors) together with the absorbed company as a result of the merger from December 2024 (Eco Euro Doors), underwent the process of revaluation of property, plant and equipment. For the other subsidiaries, an independent valuer also assess the assets held by these companies and concluded that during the financial year ended as at 31 December 2024 no significant changes had occurred.

23. NON-CONTROLLING INTERESTS

The financial information of subsidiaries with non-controlling interests is set out below:

Proportion of equity interest held by non-controlling interests (see Note 1 – Subsidiaries for further information):

	2024	**2023**
BICO INDUSTRIES SA	40%	40%
TERRA IMPEX TERMOIZOLARE SRL	-	40%
TERRA IMPEX S.R.L.	40%	40%
INVESTITI IMOBILIARE SRL	-	40%
IRANGA	40%	40%
EUROPLAS	-	40%
ELECTROPLAST	0.000025%	0.000025%

Accumulated balances of non-controlling interest:

	31 December 2024	**31 December 2023**
BICO INDUSTRIES	25,298,697	23,631,345
TERRA	(376,280)	(560,307)
IRANGA	89,734	(147,378)
EUROPLAS (until merger with Terra)	(969,494)	(344,230)
ELECTROPLAST	(3)	(3)
	24,042,654	**22,579,427**

Balance on 1 January 2023	**17,732,186**
Non-controlling interests arising on acquisition	(545,970)
Share of the result for the year	(1,736,390)
Share of other comprehensive income	1,629,260
Non-controlling interests bought out	5,500,341
Payment of dividends	-

23. NON-CONTROLLING INTERESTS (continued)

Balance as at 31 December 2023	**22,579,427**
Non-controlling interests arising on acquisition	8,910,330
Share of the result for the year	4,355,816
Share of other comprehensive income	(45,900)
Non-controlling interests bought out	(11,757,019)
Payment of dividends	-
Balance as at 31 December 2024	**24,042,654**

Transactions with non-controlling interests:

	31 December 2024	31 December 2023
Carrying amount of non-controlling interests (sold)/acquired	11,757,019	(5,500,341)
Consideration received from/(paid) to non-controlling interests	(37,356,012)	10,541,889
Excess of consideration (paid)/received recognised in the transactions with non-controlling interests reserve within equity	**(25,598,993)**	**5,041,548**

The shareholding structure of Bico changed at the end of July 2023, when a share capital increase took place in total amount of RON 10.5 million. Following this, and the manner in which it was contributed, the minority shareholder increased its holding up to 40% of the share capital, while ROCA Industry ownership had been reduced from 70% to 60%.

Significant non-controlling interests:

The summarised financial information of the mainly subsidiaries that are not fully controlled is provided below. The amounts disclosed for each subsidiary are before inter-company eliminations.

The following information relates to Bico's financial position and performance:

Summarised balance sheet	**BICO**	
	31 December 2024	**31 December 2023**
Current assets	55,693,621	48,189,906
Non-current assets	94,717,252	99,575,950
Current liabilities	58,709,582	60,481,011
Non-current liabilities	28,454,548	28,206,482
Equity attributable to owners of the Company	**63,246,743**	**59,078,363**
Non-controlling interests	**25,298,697**	**23,631,345**

Summarised statement of comprehensive income	**BICO**	
	31 December 2024	**31 December 2023**
Revenue	151,688,189	143,991,018
Expenses	(144,336,991)	(147,025,285)
(Loss)/ Profit for the year	6,341,847	(3,034,267)
Other comprehensive income	-	-
Total comprehensive income	**6,341,847**	**(3,034,267)**
(Loss)/ Profit allocated to non-controlling interests	2,536,739	(1,017,097)
Dividends paid to non-controlling interests	-	-

23. NON-CONTROLLING INTERESTS (continued)

Summarised cash flows	BICO	
	31 December 2024	31 December 2023
Cash flows generated from operating activities	7,213,739	17,250,174
Cash flows used in investing activities	(2,234,185)	(14,825,328)
Cash flows (used in)/generated from financing activities	(10,312,509)	3,420,900
Net (decrease)/ increase in cash and cash equivalents	**(5,332,955)**	**5,845,746**

The following information relates to Terra's financial position and performance:

Summarised balance sheet	TERRA and EUROPLAS	
	31 December 2024	31 December 2023
Current assets	6,280,137	4,513,348
Non-current assets	9,535,284	7,100,601
Current liabilities	6,207,595	9,411,911
Non-current liabilities	872,387	3,861,048
Equity attributable to owners of the Company	**(3,365,345)**	**(1,659,010)**
Non-controlling interests	**(1,346,138)**	**(560,306)**

Summarised statement of comprehensive income	TERRA and EUROPLAS	
	31 December 2024	31 December 2023
Revenue	47,961,868	41,178,643
Expenses	(47,274,682)	(40,703,127)
Profit for the year	582,741	377,827
Other comprehensive income	-	-
Total comprehensive income	**582,741**	**377,827**
Profit allocated to non-controlling interests	233,096	65,831
Dividends paid to non-controlling interests	-	-

Summarised cash flows	TERRA and EUROPLAS	
	31 December 2024	31 December 2023
Cash flows (used in)/generated from operating activities	(3,783,801)	4,344,577
Cash flows generated from/(used in) investing activities	588,031	(3,701,767)
Cash flows generated from/(used in) financing activities	2,719,200	(1,323,290)
Net decrease in cash and cash equivalents	**(476,570)**	**(680,480)**

24. BORROWINGS

	31 December 2024	31 December 2023
Secured borrowing at amortised cost		
Bank loans	242,578,054	218,573,690
Bank overdrafts	25,898,934	34,647,132
Unsecured borrowings at amortized cost		
Loans from related parties	20,234,845	14,928,882
	288,711,833	**268,149,704**
Non-current (> 1 year)	161,980,142	158,599,061
Current (<1 year)	126,731,691	109,550,643

Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	31 December 2024	31 December 2023
Trade receivables	92,528,468	82,859,601
Inventories	107,494,273	86,398,425
Cash and cash equivalents	28,959,634	27,958,506
Total current assets pledged as security	**228,982,375**	**197,216,532**
Property, plant and equipment	210,832,433	176,595,353
Total non-current assets pledged as security	**210,832,433**	**176,595,353**
Total assets pledged as security	**439,814,808**	**373,811,885**

Furthermore, the shares of Evolor, Veltadoors (taken over from EED following the merger) and Dial are pledged as security in favour of the banks which provided the loans.

Compliance with loan covenants

At the end of 2024, only one subsidiary, Dial, did not comply with the financial covenants stipulated in the LBO loan agreements (such as leverage and DSCR) and obtained bank waivers for failing to meet banking indicators, while the other subsidiaries have complied with the financial covenants of its borrowing facilities during 2024 reporting period.

The rest of Group companies have complied with the financial covenants of its borrowing facilities during 2024 reporting period.

According to the contractual conditions, depending on the degree of non-compliance of financial covenants, the bank requests the blocking of certain amounts in an account at the Bank's disposal, which will be released when the company will meet the banking indicators; repayment on demand is not triggered.

24. BORROWINGS (continued)

CURRENT BORROWINGS

Subsidiary	Counterparty	Interest rate	Maturity	31 December 2024	31 December 2023
EVOLOR S.R.L	BANCA TRANSILVANIA	2.75% + 3M EURIBOR	26.05.2029	6,823,295	5,202,870
EVOLOR S.R.L.	BANCA TRANSILVANIA	2% + 3M ROBOR	26.05.2029	2,087,034	1,177,500
BICO INDUSTRIES S.A.	BANCA TRANSILVANIA	2.2% + 6M ROBOR	02.08.2024	-	317,334
BICO INDUSTRIES S.A.	BANCA TRANSILVANIA	2% + 6M ROBOR	10.08.2026	504,000	504,000
BICO INDUSTRIES S.A.	BANCA TRANSILVANIA	2,5% + ROBOR 3M	17.08.2024	-	1,098,243
BICO INDUSTRIES S.A.	BANCA TRANSILVANIA	2% + 3M ROBOR	10.08.2027	356,129	356,129
BICO INDUSTRIES S.A.	UNICREDIT BANK	2.5% + 3M ROBOR	07.11.2024	1,820,524	1,820,524
BICO INDUSTRIES S.A.	UNICREDIT BANK	2.5% + 3M EURIBOR	07.11.2024	16,165,825	16,167,450
BICO INDUSTRIES S.A.	UNICREDIT BANK	2.5% + 3M ROBOR	26.10.2027	453,094	453,094
BICO INDUSTRIES S.A.	UNICREDIT BANK	2.6% + 3M EURIBOR	07.11.2024	-	9,934,598
BICO INDUSTRIES S.A.	CREDIT EUROPE BANK	2.75% + 3M ROBOR	16.12.2024	-	2,360,144
BICO INDUSTRIES S.A.	CREDIT EUROPE BANK	2.25% + 3M ROBOR	15.09.2026	-	293,543
BICO INDUSTRIES S.A.	FIRST BANK	2.65% + 3M EURIBOR	02.11.2028	1,277,440	1,277,440
BICO INDUSTRIES S.A.	BRD	2% + 3M ROBOR	15.11.2025	3,378,432	3,002,271
BICO INDUSTRIES S.A.	BRD	1.6% + 3M EURIBOR	15.11.2025	3,561,917	-
BICO INDUSTRIES S.A.	BRD	2% + 3M ROBOR	18.11.2026	306,087	-
BICO INDUSTRIES S.A.	BRD	2.5% + 3M EURIBOR	18.11.2029	1,996,000	-
BICO INDUSTRIES S.A.	MIHAI BIRLIBA	3.5% + 1M EURIBOR	30.04.2025	-	2,984,760
TERRA IMPEX S.R.L.	VICTORIA BANK SA	6.25%	08.02.2030	526,432	438,929
TERRA IMPEX S.R.L.	MOLDOVA-AGROINDBANK	6.93%	20.11.2024	-	2,175,890
TERRA IMPEX S.R.L.	MOLDOVA-AGROINDBANK	6.68%	19.09.2025	2,058,909	1,706,288
TERRA IMPEX S.R.L.	MOLDOVA-AGROINDBANK	6.68%	20.12.2025	5,322,645	-
TERRA IMPEX S.R.L.*	MOLDOVA-AGROINDBANK	6%	20.01.2026	205,925	-
TERRA IMPEX S.R.L.*	MOLDOVA-AGROINDBANK	6%	20.01.2026	463,336	-
VELTADOORS S.R.L**	RAIFFEISEN BANK	2.2% + 3M EURIBOR	17.05.2029	6,804,002	6,807,800
VELTADOORS S.R.L**	RAIFFEISEN BANK	1.9% + 3M EURIBOR	31.07.2025	2,887,693	-
VELTADOORS S.R.L**	RAIFFEISEN BANK	2.2% + 1M ROBOR	31.07.2028	607,301	-
DIAL SRL	BANCA TRANSILVANIA	3% + 3M EURIBOR	20.09.2030	3,303,520	3,432,474
DIAL SRL	BANCA TRANSILVANIA	2.75% + 3M EURIBOR	20.09.2030	1,387,627	1,259,145
ROCA INDUSTRY HOLDINGROCK1 SA	ROCA INVESTMENTS	3% + 1M EURIBOR	03.04.2025	4,974,100	4,974,600
ROCA INDUSTRY HOLDINGROCK1 SA	ROCA INVESTMENTS	3,2% + 1M EURIBOR	31.08.2024	-	5,969,520
ROCA INDUSTRY HOLDINGROCK1 SA	ROCA INVESTMENTS	3,2% + 1M EURIBOR	12.04.2025	8,290,025	-
ROCA INDUSTRY HOLDINGROCK1 SA	ROCA INVESTMENTS	3,2% + 1M EURIBOR	31.07.2025	1,000,000	1,000,000
ELECTROPLAST S.A.	CEC BANK	1,35% + 1M ROBOR	11.07.2025	34,719,426	32,061,420
ELECTROPLAST S.A.	CEC BANK	2,75% + 3M ROBOR	11.07.2025	6,037,618	-
ELECTROPLAST S.A.	CEC BANK	3,0% + 3M EURIBOR	12.07.2025	-	1,362,145
ELECTROPLAST S.A.	CEC BANK	3,0% + 3M EURIBOR	12.07.2028	797,425	755,604
ELECTROPLAST S.A.	CEC BANK	3,0% + 6M EURIBOR	13.09.2030	670,259	523,858

ELECTROPLAST S.A.	BRD	3,0% + 3M EURIBOR	01.04.2026	972,236	-
ELECTROPLAST S.A.	HP	11%	01.04.2026	73,981	133,070
VELTADOORS S.R.L***	FIRST BANK	2,40% + 3M ROBOR	07.10.2029	2,346,667	-
VELTADOORS S.R.L***	FIRST BANK	2,50% + 3M ROBOR	07.10.2025	2,086,120	-
VELTADOORS S.R.L***	FIRST BANK	2,20% + 3M ROBOR	07.10.2027	2,466,667	-
Total				**126,731,691**	**109,550,643**

BORROWINGS NON - CURRENT

Subsidiary	Counterparty	Interest rate	Maturity	31 December 2024	31 December 2023
EVOLOR S.R.L.	BANCA TRANSILVANIA	2.75% + 3M EURIBOR	26.05.2029	37,938,484	36,988,512
EVOLOR S.R.L.	BANCA TRANSILVANIA	2% + 3M ROBOR	26.05.2029	8,293,864	7,054,637
BICO INDUSTRIES S.A.	BANCA TRANSILVANIA	2% + 6M ROBOR	10.08.2026	336,000	840,000
BICO INDUSTRIES S.A.	BANCA TRANSILVANIA	2% + 3M ROBOR	10.08.2027	593,548	949,677
BICO INDUSTRIES S.A.	UNICREDIT BANK	1.8% + 3M ROBOR	26.10.2027	830,680	1,283,774
BICO INDUSTRIES S.A.	CREDIT EUROPE BANK	2.25% + 3M ROBOR	15.09.2026	-	589,966
BICO INDUSTRIES S.A.	BRD	2% + 3M ROBOR	18.11.2026	333,913	-
BICO INDUSTRIES S.A.	BRD	2.5% + 3M EURIBOR	18.11.2029	7,786,397	-
BICO INDUSTRIES	FIRST BANK	2,65% + 3M EURIBOR	02.11.2028	3,709,925	4,983,923
TERRA IMPEX S.R.L.	VICTORIA BANK SA	6.25%	08.02.2030	2,261,998	4,438,936
TERRA IMPEX S.R.L.*	MOLDOVA-AGROINDBANK	6%	20.01.2026	38,611	-
TERRA IMPEX S.R.L.*	MOLDOVA-AGROINDBANK	6%	20.01.2026	51,481	-
VELTADOORS S.R.L***	RAIFFEISEN BANK	2.2% + 3M EURIBOR	31.07.2029	40,001,253	46,850,076
VELTADOORS S.R.L***	RAIFFEISEN BANK	2,2% + 1M ROBOR	31.07.2028	1,568,860	2,552,437
DIAL SRL	BANCA TRANSILVANIA	3% + 3M EURIBOR	20.09.2030	26,106,858	30,034,148
DIAL SRL	BANCA TRANSILVANIA	2.75% + 3M EURIBOR	20.09.2030	6,938,133	7,730,860
ROCA INDUSTRY HOLDINGROCK1 SA	ROCA INVESTMENTS SA	3,2% + 1M EURIBOR	30.08.2027	5,970,720	-
ELECTROPLAST S.A.	CEC BANK	2,75% + 3M ROBOR	12.07.2025	-	8,186,711
ELECTROPLAST S.A.	CEC BANK	3,0% + 3M EURIBOR	12.07.2028	2,061,801	2,859,513
ELECTROPLAST S.A.	CEC BANK	3,0% + 6M EURIBOR	13.09.2030	3,183,727	3,094,929
ELECTROPLAST S.A.	HP	11%	01.04.2026	9,444	160,962
VELTADOORS S.R.L***	FIRST BANK	2,4% + 3M ROBOR	07.10.2029	9,236,667	-
VELTADOORS S.R.L***	FIRST BANK	2,2% + 3M ROBOR	07.10.2027	4,727,778	-
Total				**161,980,142**	**158,599,061**

** II merged with Europlas and TI in October 2024; TI was the absorbing entity*
*** At the end of 2024 Workshop Doors merged with EED, when Workshop Doors was the absorbing entity, and it was renamed VeltaDoors SRL.*

25. LEASES

Amounts recognized in the consolidated statement of financial position:

Right-of-use assets	Rights of use: Land	Rights of use: Buildings	Rights of use: Equipment	Rights of use: Vehicles	Total
Cost					
At 31 December 2022	**622,713**	**490,699**	**3,194,539**	**3,697,684**	**8,005,635**
Additions	-	256,178	3,117,847	2,778,398	6,152,423
Acquisition of subsidiary	-	3,255,965	1,837,663	393,177	5,486,805
Disposals	-	(84,080)	(187,900)	(787,224)	(1,059,204)
At 31 December 2023	**622,713**	**3,918,762**	**7,962,149**	**6,082,035**	**18,585,659**
Additions	-	353,640	162,366	1,734,746	2,250,752
Acquisition of subsidiary	-	-	-	-	-
Disposals	-	(286,114)	-	(2,803,531)	(3,089,645)
At 31 December 2024	**622,713**	**3,986,288**	**8,124,515**	**5,013,250**	**17,746,766**
Accumulated depreciation					
At 31 December 2022	**(37,513)**	**(198,347)**	**(244,842)**	**(895,507)**	**(1,376,209)**
Acquisition of subsidiary	-	-	-	-	-
Charge for the year	(45,016)	(749,201)	(1,000,679)	(1,192,155)	(2,987,051)
Eliminated on disposals	-	66,956	148,507	216,965	432,428
At 31 December 2023	**(82,529)**	**(880,592)**	**(1,097,014)**	**(1,870,697)**	**(3,930,832)**
Acquisition of subsidiary	-	-	-	-	-
Charge for the year	(45,016)	(1,137,752)	(844,989)	(2,016,484)	(4,044,241)
Eliminated on disposals	-	86,030	-	1,230,056	1,316,086
At 31 December 2024	**(127,545)**	**(1,932,314)**	**(1,942,003)**	**(2,657,125)**	**(6,658,987)**
Carrying amount					
At 31 December 2024	**495,168**	**2,053,974**	**6,182,512**	**2,356,125**	**11,087,779**
At 31 December 2023	**540,184**	**3,038,170**	**6,865,135**	**4,211,338**	**14,654,827**

The average lease term is 4 years (2023: 4 years).

25. LEASES (continued)

Lease liabilities

Maturity analysis:	**31 December 2024**	**31 December 2023**
Present value of lease liabilities	**10,147,113**	**12,745,534**
Out of which:		
not later than 3 months	1,133,298	1,106,016
later than 3 months and not later than 1 year	3,176,837	3,099,232
later than 1 year and not later than 5 years	5,517,367	8,166,619
later than 5 years	319,611	373,667
Less: unearned interest	**(896,895)**	**(1,265,572)**
Total	**9,250,218**	**11,479,962**
Analysed as follows:		
- Non-current	6,016,509	8,577,857
- Current	3,233,709	2,902,105

Amounts recognized in the profit and loss account

	2024	**2023**
Depreciation expense on right-of-use assets	(4,044,241)	(2,987,051)
Interest expenses on lease liabilities	(603,381)	(366,795)
Expense relating to variable lease payments	(438,849)	(223,786)
Expense relating to short-term and low value leases	(675,043)	(204,308)

26. TRADE AND OTHER PAYABLES

	31 December 2024	**31 December 2023**
Trade payables	90,404,961	52,789,135
Accrued expenses	3,648,966	2,404,983
Interest payable on related party loans	2,099,707	759,412
Interest payable	1,208,381	1,096,862
Other liabilities	10,736,835	2,490,031
Trade and other payables	**108,098,850**	**59,554,443**
Advance payments received from clients	707,027	2,208,854
VAT payable	3,331	-
Other taxes to State budget	573,075	287,804
	109,382,283	**62,051,101**

27. GOVERNMENT GRANTS

	2024	2023
At 1 January	5,189,093	5,582,449
Received during the year	1,053,670	603,525
Recognized to the statement of profit or loss account	(1,151,995)	(996,881)
At 31 December	**5,090,768**	**5,189,093**
- non-current	2,003,796	2,699,312
- current	3,086,972	2,489,781

Government and/or European Union subsidies are used for the acquisition of tangible assets. There are no unfulfilled conditions or contingencies attached to these grants.

28. DEFERRED TAX

Deferred tax assets

	31 December 2024	31 December 2023
The balance comprises temporary differences attributable to:		
Property, plant and equipment	-	256,347
Trade and other receivables	127,951	277,617
Inventories	284,782	332,211
Trade and other payables	495,743	580,794
Lease liabilities	1,230,797	1,468,737
Total deferred tax assets	**2,139,273**	**2,915,706**

Deferred tax liabilities

	31 December 2024	31 December 2023
The balance comprises temporary differences attributable to:		
Property, plant and equipment	5,088,703	2,926,767
Intangible assets	18,631,922	17,515,742
Right-of-use assets	1,259,115	1,489,832
Borrowings	1,142,442	1,142,442
Total deferred tax liabilities	**26,122,182**	**23,074,783**
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,139,273)	(2,915,706)
Net deferred tax liabilities	**23,982,909**	**20,159,077**

The tax rates applied differ, depending on the residence country, Romania, the Republic of Moldova and Lithuania.
In Romania, the tax rate is 16%, in the Rep. Moldova's tax rate is 12% and in Lithuania is 15%.

28. DEFERRED TAX (continued)

Reconciliation (DTL)/DTA, net	**2024**	**2023**
At 1 January	**(20,159,077)**	**(16,754,947)**
Tax income recognised in profit or loss	776,973	1,215,782
Tax expense recognised in other comprehensive income	(451,418)	(2,926,767)
Acquisition of subsidiary	(4,149,387)	(1,693,145)
At 31 December	**(23,982,909)**	**(20,159,077)**

Movements	**Trade other receivables**	**Inventories**	**Trade and other payables**	**Lease liabilities**	**Property, plant and equipment**	**Total**
At 1 January 2023	**195,138**	**440,387**	**341,130**	**478,234**	**-**	**1,454,889**
(Charged)/credited						
- to profit or loss	67,913	(178,680)	239,664	225,600	(2,372,699)	(2,018,202)
- to other comprehensive income	-	-	-	-	-	-
Acquisition of subsidiary	14,566	70,504	-	764,903	2,629,046	3,479,019
At 31 December 2023	**277,617**	**332,211**	**580,794**	**1,468,737**	**256,347**	**2,915,706**
(Charged)/credited						
- to profit or loss	(189,159)	(47,429)	(85,051)	(237,940)	(256,347)	(815,926)
- to other comprehensive income	-	-	-	-	-	-
Acquisition of subsidiary	39,493	-	-	-	-	39,493
At 31 December 2024	**127,951**	**284,782**	**495,743**	**1,230,797**	**-**	**2,139,273**

Movements	**Property, plant and equipment**	**Intangible assets**	**Right-of-use assets**	**Borrowings**	**Total**
At 1 January 2023	**(2,573,954)**	**(15,158,610)**	**(477,272)**	**-**	**(18,209,836)**
(Charged)/credited					
- to profit or loss	2,573,954	874,544	(214,514)	-	3,233,984
- to other comprehensive income	(2,926,767)	-	-	-	(2,926,767)
Acquisition of subsidiary	-	(3,231,676)	(798,046)	(1,142,442)	(5,172,164)
At 31 December 2023	**(2,926,767)**	**(17,515,742)**	**(1,489,832)**	**(1,142,442)**	**(23,074,783)**
(Charged)/credited					
- to profit or loss	307,343	1,054,839	230,717	-	1,592,899
- to other comprehensive income	(451,418)	-	-	-	(451,418)
Acquisition of subsidiary	(2,017,861)	(2,171,019)	-	-	(4,188,880)
At 31 December 2024	**(5,088,703)**	**(18,631,922)**	**(1,259,115)**	**(1,142,442)**	**(26,122,182)**

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT

General risk management framework

The Parent's Board of Directors has overall responsibility for establishing and overseeing the risk management framework at each Group company level. The Group's risk management policies are defined in such a way as to ensure the identification and analysis of the risks faced by the Group, the establishment of appropriate limits and controls, and the monitoring of risks and compliance with established limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities.

The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Main financial instruments

The main financial instruments used by the Group, resulting from the risk of the financial instrument, are the following:

- Bank loans with variable rate;
- Liabilities from acquisition of subsidiaries;
- Trade and other payables;
- Trade receivables;
- Cash and cash equivalents.

Financial instruments by category

Assets	**31 December 2024**	**31 December 2023**
	RON	*RON*
Non-current financial assets	722,785	34,800
Trade receivables	93,823,107	75,517,971
Other current financial assets	12,885,757	4,157,089
Cash and cash equivalents	33,335,995	38,501,727
	140,767,644	**118,211,587**

Liabilities	**31 December 2024**	**31 December 2023**
	RON	*RON*
Borrowings	288,711,833	268,149,704
Lease liabilities	9,250,218	11,479,962
Liabilities related to acquisitions of subsidiaries	37,305,750	68,758,901
Trade and other payables	109,382,283	62,051,101
Employee benefits - current	6,843,919	5,582,265
	451,494,003	**416,021,933**

All financial assets and liabilities are measured at amortized cost.

Due to the short-term nature, the carrying amount of cash and cash equivalents, trade receivables and other receivables as well as commercial and other liabilities, is close to their fair value.

The company's management estimated that the carrying amount of the borrowing is close to the fair value, as 90% of the bank loans were obtained at a variable interest rate.

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT (continued)

Risk management

i) Market risk

a. Foreign exchange risk management

The Group is exposed to foreign exchange risk due to the fact that most of the borrowings are in EUR. The Group constantly monitors and manages the exposure to exchange rate variations. Roca Industry's subsidiaries have increased their export sales from 2022 onwards, so part of the trade receivables are linked to EUR, which is a natural hedge. The accounting value of the Group's monetary assets and liabilities denominated in foreign currencies at the reporting date was as follows:

Liabilities	**31 December 2024**				
	RON	**EUR**	**USD**	**MDL**	**TOTAL**
Borrowings	105,475,674	183,236,159	-	-	288,711,833
Liabilities from acquisition of subsidiaries	-	37,305,750	-	-	37,305,750
Finance lease	19,769	9,230,449	-	-	9,250,218
Trade and other payables	23,962,782	77,294,579	10,134,805	4,834,036	116,226,202
	129,458,225	**307,066,937**	**10,134,805**	**4,834,036**	**451,494,003**

Assets	**31 December 2024**				
	RON	**EUR**	**USD**	**MDL**	**TOTAL**
Cash and cash equivalents	22,695,365	8,022,567	1,949,830	668,233	33,335,995
Trade receivables	84,573,595	9,249,512	-	-	93,823,107
Other current financial assets	13,075,539	214,876	-	318,127	13,608,542
	120,344,499	**17,486,955**	**1,949,830**	**986,360**	**140,767,644**
Net balance assets/(liabilities)	**(9,113,726)**	**(289,579,982)**	**(8,184,975)**	**(3,847,676)**	**(310,726,359)**

Liabilities	**31 December 2023**				
	RON	**EUR**	**USD**	**MDL**	**TOTAL**
Borrowings	111,032,132	157,117,572	-		268,149,704
Liabilities from acquisition of subsidiaries	56,412,776	12,346,125	-		68,758,901
Finance lease	29,624	11,383,442	-	66,896	11,479,962
Trade and other payables	15,520,769	41,219,705	8,482,887	2,410,005	67,633,366
	182,995,301	**222,066,844**	**8,482,887**	**2,476,901**	**416,021,933**

Assets	**31 December 2023**				
	RON	**EUR**	**USD**	**MDL**	**TOTAL**
Cash and cash equivalents	16,229,254	21,894,118	156,924	221,431	38,501,727
Trade receivables	70,473,520	5,044,451	-	-	75,517,971
Other current financial assets	3,710,515	3,233	-	478,141	4,191,889
	90,413,289	**26,941,802**	**156,924**	**699,572**	**118,211,587**
Net balance assets/(liabilities)	**(92,582,012)**	**(195,125,042)**	**(8,325,963)**	**(1,777,329)**	**(297,810,346)**

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT (continued)

i) Market risk (continued)

a. Foreign exchange risk management (continued)

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	2024	**2023**
Net foreign exchange gains/(losses)	(919,442)	(1,396,383)

Analysis of the sensitivity of the exchange rate

An appreciation/(depreciation) of the EUR compared to the RON, would increase/(decrease) the profit or loss by the amounts shown below:

	2024			
	10 %	**-10 %**	**10 %**	**-10 %**
	EUR	**EUR**	**USD**	**USD**
Liabilities	(30,706,076)	30,706,076	(1,013,523)	1,013,523
Less: Income tax	(4,912,972)	4,912,972	(162,164)	162,164
Profit or loss	(25,793,104)	25,793,104	(851,359)	851,359
Assets	1,748,660	(1,748,660)	194,991	(194,991)
Less: Income tax	279,786	(279,786)	31,199	(31,199)
Profit or loss	1,468,874	(1,468,874)	163,792	(163,792)
Net profit/(loss)	**(24,324,230)**	**24,324,230**	**(687,567)**	**687,567**

	2023			
	10 %	**-10 %**	**10 %**	**-10 %**
	EUR	**EUR**	**USD**	**USD**
Liabilities	(22,208,470)	22,208,470	(848,326)	848,326
Less: Income tax	(3,553,355)	3,553,355	(135,732)	135,732
Profit or loss	(18,655,115)	18,655,115	(712,594)	712,594
Assets	2,694,397	(2,694,397)	15,693	(15,693)
Less: Income tax	431,103	(431,103)	2,511	(2,511)
Profit or loss	2,263,294	(2,263,294)	13,182	(13,182)
Net profit/(loss)	**(16,391,821)**	**16,391,821**	**(699,412)**	**699,412**

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT (continued)

i) Market risk (continued)

b. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	31 December 2024	**% of total loans**	**31 December 2023**	**% of total loans**
Variable rate borrowings	277,699,071	96%	256,110,869	95%
Fixed rate borrowings – repricing or maturity dates:				
Less than 1 year	8,651,228	3%	7,438,937	3%
1 - 5 years	2,361,534	1%	4,599,898	2%
Over 5 years	-		-	
	288,711,833	**100%**	**268,149,704**	**100%**

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on profit before tax	
	2024	**2023**
Interest rates - increase by 70 basis points	(2,008,645)	(1,792,776)
Interest rates - decrease by 70 basis points	2,008,645	1,792,776

c. Price risk

Price risk is the risk that the Group's future revenues will be adversely impacted by changes in the purchase price of raw materials and materials needed for production. The Group constantly analyses the evolution of purchase prices and takes measures to ensure that there is enough supply and to cover costs through sales prices.

ii) Credit risk management

Credit risk consists in the possibility that the contracting parties breach their contractual obligations, leading to financial losses for the Group. The Group is exposed to credit risk arising from its operational activity, mainly from the collection of trade receivables. Regarding cash and cash equivalents, the Group analysed the credit risk and determined that it is not significant.

Receivables

Trade receivables come mostly from key accounts, i.e. large building material retail chains in Romania and abroad. Exposure to credit risk is controlled by the permanent monitoring of each debtor. The Group constantly evaluates its credit risk, taking into account financial performance, payment history and, when necessary, requests default risk insurance.

The balance of receivables is monitored at the end of each month and any major delay to a customer is analysed.

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT (continued)

ii) Credit risk management (continued)

The credit risk profile of trade receivables is presented based on their maturity as per the loss allowance matrix. This matrix is initially based on the observed historical default rates of the Group, adjusted with prospective factors specific to debtors and the economic environment, when appropriate. Trade receivables are not interest-bearing and have, in general, payment terms ranging from advance payment to 100 days.

The methodology used by the Group to measure expected losses of trade receivables may be described as follows:

- determining an appropriate watch period for tracking the historical loss rate. The Group selected 2 previous periods for data collection;
- collecting data on trade receivables and grouping them according to their maturity status in each analysed period and by main activities;
- analysing the evolution of these balances over a period of 12 months and determining the unpaid amounts from each outstanding group in order to determine the proportion of balances from each due category that was not collected in the end;
- determining the weighted average rate of losses (%) depending on the maturity status for the 2 analysed periods;
- application of the loss rate thus determined on trade receivables at 31 December 2024, respectively 31 December 2023.

The following table presents the risk profile of trade and other receivables based on the Group's loss allowance matrix.

As at December 31, 2024

	Gross value	Bad debt allowance	Net trade receivables
Not overdue	73,862,928	-	73,862,928
Overdue 0-30 days	16,380,900	-	16,380,900
Overdue 30-60 days	1,593,006	-	1,593,006
Overdue 60-90 days	582,453	-	582,453
Overdue 90-180 days	901,880	-	901,880
Overdue 180-360 days	725,374	(229,006)	496,368
Overdue more than 360 days	934,106	(928,534)	5,572
Total trade receivables	**94,980,647**	**(1,157,540)**	**93,823,107**

As at December 31, 2023

	Gross value	Bad debt allowance	Net trade receivables
Not overdue	64,439,328	-	64,439,328
Overdue 0-30 days	8,700,925	-	8,700,925
Overdue 30-60 days	906,008	-	906,008
Overdue 60-90 days	629,839	(2,182)	627,657
Overdue 90-180 days	446,206	(7,630)	438,576
Overdue 180-360 days	140,588	(11,930)	128,658
Overdue more than 360 days	1,568,918	(1,292,099)	276,819
Total trade receivables	**76,831,812**	**(1,313,841)**	**75,517,971**

To reconcile the variation between the opening balance and the closing balance of loss allowances of trade receivables, see note 19 – Trade receivables.

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT (continued)

iii) Liquidity risk management

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they become due.

The Group's approach to liquidity risk is to ensure, as far as possible, that it has sufficient liquidity to pay its debts when they become due. To counteract this risk factor, the management applied restrictive policies for the delivery of products to uncertain customers, requested in certain cases advance payment of the delivered products and made a careful selection of new customers based on their credit worthiness and financial discipline.

Trade receivables and payables and other current payables are not interest-bearing, therefore their carrying amount is similar to their contractual value. The situation of assets and receivables according to maturity is presented below:

31-Dec-24	**Less than 3 months**	**From 3 months to 1 year**	**1-5 years**	**> 5 years**	**Total contractual value**
Liabilities					
Borrowings	-	126,731,691	161,980,142	-	288,711,833
Other long-term debts	37,305,750	-	-	-	37,305,750
Trade and other payables	116,226,202	-	-	-	116,226,202
Leasing	1,133,298	3,176,837	5,517,367	319,611	10,147,113
Total	**154,665,250**	**129,908,528**	**167,497,509**	**319,611**	**452,390,898**
Assets					
Cash and cash equivalents	33,335,995	-	-	-	33,335,995
Trade and other receivables	106,708,864	-	-	-	106,708,864
Total	**140,044,859**	**-**	**-**	**-**	**140,044,859**
Net assets/(liabilities)	**(14,620,391)**	**(129,908,528)**	**(167,497,509)**	**(319,611)**	**(312,346,039)**

31-Dec-23	**Less than 3 months**	**From 3 months to 1 year**	**1-5 years**	**> 5 years**	**Total contractual value**
Liabilities					
Borrowings	-	109,550,643	67,464,867	91,134,194	268,149,704
Liabilities from acquisition of subsidiaries	68,758,901	-	-	-	68,758,901
Trade and other payables	67,633,366	-	-	-	67,633,366
Leasing	1,106,016	3,099,232	8,166,619	373,667	12,745,534
Total	**137,498,283**	**112,649,875**	**75,631,486**	**91,507,861**	**417,287,505**
Assets					
Cash and cash equivalents	38,501,727	-	-	-	38,501,727
Trade and other receivables	79,675,060	-	-	-	79,675,060
Total	**118,176,787**	**-**	**-**	**-**	**118,176,787**
Net assets/(liabilities)	**(19,321,496)**	**(112,649,875)**	**(75,631,486)**	**(91,507,861)**	**(299,110,718)**

29. FINANCIAL INSTRUMENTS — RISK MANAGEMENT (continued)

At the beginning of 2024, the Company completed the share capital increase, converting into shares the debt that Roca Industry had towards Roca Investments in the amount of RON 56,412,770. This amount is presented as at 31 December 2023 in the Statement of financial position, under *Liabilities from acquisition of subsidiaries (for further details please see also Note 13 Business combinations)*. Additionally, also in the process of increasing the share capital, the Company received RON 15,313,720 as a result of the new shares issued. These aspects, as well as those related to the operational activity of the companies, by which the management expects an optimization of the cash flow demonstrate that it will fulfil its commitments in the coming period. Also, included in borrowings balance as at 31 December 2023, RON 14,928,880 lei is due to Roca Investment (RON 11,944,120) and NCI (Mihai Birliba – RON 2,984,760). Roca Industry has the financial support of its parent Roca Investments.

For future plans of the Group please see note 2.1 (Going concern) and Note 35 *Events after the reporting period*.

30. CAPITAL MANAGEMENT

The Group's objective related to capital management refers to maintaining the ability to continue its activity with the aim of providing compensation to shareholders and benefits to other interested parties and to maintain an optimal capital structure.

The Group monitors capital based on the degree of indebtedness, calculated as net debt divided by total capital.

Net debt = total loans (current and long-term loans) minus cash and cash equivalents.

Total capital = equity plus net debt.

Gearing ratio

		31 December 2024	31 December 2023
Cash and cash equivalents	1,	33,335,995	38,501,727
Borrowings	2,	288,711,833	268,149,704
Lease liabilities	3,	9,250,218	11,479,962
Net debt/(asset)	4=2+3-1	**264,626,056**	**241,127,939**
Total equity	5,	234,808,066	183,598,920
Net debt to equity ratio	4/5*100	**113%**	**131%**

Loan contracts

Under the terms of the major borrowing facilities, the Group companies are required to comply with the several financial covenants. Mainly all subsidiaries complied with these covenants throughout the reporting period, except for one subsidiary (Dial), but obtained bank exemptions for failing to meet banking indicators.

Dividends

No dividends were distributed to the owners of the parent company during the reporting periods.

31. RELATED PARTIES

Parent entity:

The group is controlled by:

			Ownership interest	
Name	**Type**	**Place of incorporation**	**31 December 2024**	**31 December 2023**
Roca Investments SA	Immediate parent entity	Romania	66%	61 %

31. RELATED PARTIES (continued)

Subsidiaries:
Interests in subsidiaries are set out in note 1 – General information.

Key management personnel compensation:

	2024	2023
Short-term employee benefits	13,943,127	12,739,395

No other types of compensation are granted to key management personnel.

Loans from related parties:

Loans from parent entity	2024	2023
Beginning of the year	**11,944,120**	**4,947,400**
Loans advanced	8,289,658	11,879,980
FX impact	1,067	54,940
Loan repayments made	-	(4,938,200)
End of year	**20,234,845**	**11,944,120**

Loans from other related parties (Mihai Birliba – former majority shareholder of Bico)	2024	2023
Beginning of the year	**2,984,760**	**4,947,400**
Loans advanced	2,950,000	5,824,060
FX impact	745	-
Loan repayments made	(5,935,505)	(7,786,700)
End of year	**-**	**2,984,760**

Interest payable	2024	2023
Beginning of the year	**740,471**	**171,397**
Interest expense	1,359,566	566,914
Foreign exchange impact	(330)	2,160
Interest paid	-	-
End of year	**2,099,707**	**740,471**

Other balances with related parties

	31 December 2024	31 December 2023
DIAL - BP Support Services - CFO services subsidiary	32,326	25,523
EVOLOR - Poiana Fermecată	47,373	-
ELP - Roca Management SRL	5,921	-
ELP - Electroplast Investment SRL	5,920	-
ELP - Dismark Services SRL	29,694	-
ELP - Adidana SRL	28,644	-

31. RELATED PARTIES (continued)

Other transactions with related parties

	2024	2023
Dial - BP Support Services - CFO services subsidiary	316,807	25,523
EVOLOR - Poiana Fermecata	596,926	-
EVOLOR - Poiana Fermecata	3,313	-
ELP - Roca Management SRL	71,047	-
ELP - Electroplast Investment SRL	74,088	-
ELP - Dismark Services SRL	427,947	-
ELP - Adidana SRL	208,613	-

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

			Non-cash changes				
	1 ian-24	**Financing cash flows**	**Acquisition of subsidiary**	**New leases**	**Other changes**	**Foreign exchange impact**	**31-Dec-24**
Bank loans (note 24)	253,220,822	9,985,966	5,371,000	-	-	(100,800)	268,476,988
Loans from related parties (Note 31)	14,928,880	5,304,153	-	-	-	1,812	20,234,845
Lease liabilities (Note 25)	11,479,962	(4,482,077)	-	2,250,752	-	1,581	9,250,218
Total liabilities from financing activities	**279,629,664**	**10,808,042**	**5,371,000**	**2,250,752**	**-**	**(97,407)**	**297,962,051**

			Non-cash changes				
	1 ian-23	**Financing cash flows**	**Acquisition of subsidiary**	**New leases**	**Other changes**	**Foreign exchange impact**	**31-Dec-23**
Bank loans (note 24)	190,382,104	23,164,816	38,898,463	-	-	775,440	253,220,822
Loans from related parties (note 31)	9,894,800	4,979,540	-	-	-	54,542	14,928,882
Lease liabilities (note 25)	5,300,388	(4,488,967)	-	10,580,024	-	88,517	11,479,962
Total liabilities from financing activities	**205,577,292**	**23,655,389**	**38,898,463**	**10,580,024**	**-**	**918,499**	**279,629,666**

33. COMMITMENTS AND CONTINGENCIES

Commitments

Most of the commitments are at the level of Roca Industry subsidiaries:

- Dial, Veltadoors (after the absorption of EED in merger process from December 2024) and Evolor to comply with financial covenants such as leverage and DSCR;
- On 31.12.2024, Dial obtained bank exemptions for failing to meet banking indicators.

As at 31 December 2023, Roca Industry has issued a corporate guarantee to First Bank for the loan granted to its subsidiary, Bico Industries, in the amount of RON 1,280,000.

On 25 October 2024, Roca Industry issued a corporate guarantee to First Bank for the credit facilities received by its subsidiary Workshop Doors SRL in the amount of RON 21,400,000.

33. COMMITMENTS AND CONTINGENCIES (continued)

Taxation

All amounts owed to the State for taxes have been paid or recorded at the balance sheet date. The tax system in Romania is undergoing consolidation and harmonization with European legislation, and there can be different interpretations by the tax authorities in connection with tax law that may give rise to additional taxes and penalties. In cases when the state authorities identify non-compliances with or violations of the Romanian laws, the following may occur: seizure of the amounts concerned, imposing additional tax liabilities, fines, penalties for delays (applied to the remaining amounts payable). Therefore, tax sanctions arising from violations of the law can lead to significant amounts payable to the State.

The Group companies consider that it has paid all fees, taxes, penalties and penalty interests on time and in full, to the extent it was applicable.

In Romania, tax periods are open for audits for a period of 5 years.

Geopolitical tensions

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 continually 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:

- 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;

- 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 has no 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) at the date of preparation of these financial statements. 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.

Litigations

The management of the Group considers that the litigations in which the Group companies are involved will not have a significant impact on the operations and the financial position of the Group.

Commitments

For the subsidies received, it was obliged to keep the fixed assets for a average period of 3 years, which was respected for all the fixed assets purchased.

33. COMMITMENTS AND CONTINGENCIES (continued)

Environmental related matters

The Group has not recorded any liabilities as at 31 December 2024 and 31 December 2023 for any anticipated costs, including legal fees and consulting fees or costs for design and implementation of remediation plans, related to environmental matters. The management of the Group does not consider that there are significant costs associated with environmental matters related to its business activities.

34. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries on 31 December 2024 and 31 December 2023, Control is obtained when the Group is exposed or has rights to variable returns from its involvement in the investee and has the ability to affect these returns by its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ✓ Power over the investee (i,e, existing rights that give it the current ability to direct the relevant activities of the investee);
- ✓ Exposure or rights to variable returns from its involvement in the investee;
- ✓ Ability to use its power over the investee to influence its profitability,

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ✓ The contractual arrangement(s) with the other holders of the investee's votes;
- ✓ Rights arising from other contractual arrangements;
- ✓ The voting rights and potential voting rights of the Group,

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The Group has elected to account for business acquisitions under common control based on fair values, applying IFRS 3 business combination accounting.

c) Investing in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Investments in associates (continued)

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and it's carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

d) Revenue from contracts with customers

The Group produces and sells a range of construction materials: fiberglass and fiberglass reinforcements, varnishes, paints and decorative plasters, doors for residential buildings, edged panels and fencing mesh, as well as copper and aluminium electric cables.

Revenue from contracts with customers is recognized at a point in time when control of the goods is transferred to the customer (i,e, at the point in time when the products are delivered to the customer) at a value that reflects the consideration to which the group expects to be entitled in exchange for the goods. Delivery takes place when the products have been shipped to the specified location, the risk of loss has been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, acceptance clauses have expired, or the Group has objective evidence that all acceptance criteria have been met, A claim is recognized when the goods are delivered, i,e, when the consideration is unconditional, because it is only necessary to pass the time before the payment due.

The group concluded that it is the principal in its income agreements because it controls the goods before transferring them to the customer.

Revenue from the sale of construction materials is recognized when control of the asset is transferred to the customer, generally when delivery of construction material to the customer's location. The normal period of credit starts with advance payments and reaches 100 days after delivery.

The group shall consider whether there are other contractual promises that constitute separate performance obligations to which part of the transaction price has to be allocated (e,g, guarantees, loyalty points for customers). In determining the transaction price for the sale of construction materials, the Group shall take into account the effects of variable consideration, the existence of a significant funding component, cash-free consideration and consideration payable to the customer (if applicable).

Variable consideration

If the consideration of a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the transfer of the goods to the customer. Variable consideration is estimated at the beginning of the contract and is limited until a significant reversal of the amount of recognized cumulative revenue is highly likely not to occur when the uncertainty associated with variable consideration is resolved later. Some contracts for the sale of construction materials give customers the right to return the goods within a certain period. Return rights give rise to variable consideration.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Revenue from contracts with customers (continued)

Return rights

In accordance with the Group's standard contractual terms and in accordance with legal provisions, return rights are granted for products which do not meet the characteristics assumed in the contract; however, in general, returns are rare and insignificant in value.

The Group can grant retrospective volume reductions if the quantity of construction materials purchased during the period exceeds a certain threshold.

Significant funding component

It is considered that there is no significant element of financing, as sales are made with a credit term of 30 days, which is in line with market practice.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Trademarks, licenses and customer contracts

Trademarks and licences acquired separately are presented at historical cost. Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Useful life

The group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

- ✓ Trademarks: 20 years
- ✓ Customer contracts: 20 years
- ✓ Licenses: 4 years
- ✓ Software: 3 years

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Tangible assets, other than buildings and land, are measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price, import duties, non-refundable purchase taxes and fees, any directly attributable costs of bringing the asset into its working condition and to the location for its intended use. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land and assets under construction are not depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. Depreciation is computed on the amounts of tangible assets on a straight-line basis down to the assets estimated residual values. Construction in progress and tangible in progress are not depreciated.

Depreciation methods and useful live, are reassessed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation periods, which approximate the estimated useful economic live of the respective assets, are as follows:

	Period (years)
Buildings	10 - 48
Installations and equipment	3 - 15
Vehicles and means of transport	5

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

g) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that a non-financial asset, other than inventory or deferred tax assets, may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Impairment of non-financial assets (continued)

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

h) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The group recognizes the right-of-use assets at the commencement date of the lease (i,e, on the date on which the underlying asset is available for use), Right-of-use assets are valued at cost, less any accumulated depreciation and impairment losses, and adjusted for any revaluation of lease receivables, The cost of right-of-use assets includes the amount of recognized lease receivables, the initial direct costs incurred and the lease payments made on or before the starting date, minus any lease incentives received, Right-of-use assets are written off linearly for the shortest period between the lease term and the estimated useful life of the assets, as follows:

- ✓ Buildings:1 year
- ✓ Land: 14 years
- ✓ Equipment: 6 years
- ✓ Vehicles: 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the Exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section *Impairment of non-financial assets*.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Leases (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

In order to determine the incremental loan rate, the Group shall:

- ✓ where possible, use as a starting point the recent funding received by third parties by the group, adjusted to reflect changes in the funding conditions from the time of receipt of third-party funding

- ✓ use a cumulative approach that starts from an adjusted risk-free interest rate for credit risk for leases held by the group, where it has no recent third party funding, and

- ✓ make lease-specific adjustments, e,g, term, country, currency and guarantee.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease exemption to its short-term lease of machinery and equipment (i,e, those leases that have a lease life of 12 months or less from the commencement date and do not contain a purchase option), The Group also applies the exemption from recognition of leases of low value assets for leases of office equipment considered to be of low value, Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a linear basis over the lease term.

Group as lessor

The group did not enter into any lease agreements as a lessor.

i) Inventories

Inventories are recorded at the lower of cost and net realizable value.

Cost of inventory is generally determined on a first-in/first-out basis basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overhead, but excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and costs to be incurred in marketing, selling and distribution.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial assets

Initial recognition and assessment

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (CMO) and at fair value through profit or loss.

The classification of financial assets at the time of initial recognition depends on the characteristics of the contractual cash flows of financial assets and the group's business model for their management, Except for trade receivables that do not contain a significant funding component or for which the Group has applied a practical solution, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset that is not measured at fair value through profit or loss, transaction costs, Trade receivables that do not contain a significant financing component or for which the Group has applied the practical method are valued at transaction price.

For a financial asset to be classified and measured at amortized cost or fair value through the IOC, it must give rise to cash flows that are 'excluding principal and interest payments (IPP)' at the outstanding principal amount, This evaluation is called the IPP test and is carried out at instrument level, Financial assets with non-PPI cash flows are classified and measured at fair value through profit or loss, regardless of the business model.

The group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows, The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets or both, Financial assets classified and measured at amortized cost are held within a business model with the objective of holding financial assets to collect contractual cash flows, while financial assets classified and measured at fair value through IOCs are held within a business model with the objective of both owning to collect contractual cash flows and selling.

Purchases or sales of financial assets requiring delivery of assets within a time frame set by market regulations or conventions (ordinary transactions) are recognized at the trade date, i,e, at the time the Group commits to buy or sell the asset.

For the purposes of subsequent valuation, financial assets are classified in four categories:

- Financial assets at amortized cost (debt securities)
- Financial assets at fair value through OCI with recycling of accumulated gains and losses (debt instruments)
- Financial assets designated at fair value through OCIs without recycling accumulated gains and losses on derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt securities)

Financial assets at amortized cost are subsequently valued using the effective interest method (EIR) and subject to impairment, Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired,

The Group has only financial assets at amortized cost (trade and other receivables and bank balances),

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. drawn from the consolidated statement of the financial position of the group) when:

- ✓ The rights to receive cash flows from the asset have expired

Or

- ✓ The Group has transferred its rights to receive cash flows from the asset or has undertaken an obligation to pay fully the cash flows received, without significant delay, to a third party under a pass-through arrangement; and either (a) The group has substantially transferred all the risks and benefits associated with the asset, or (b) the group has neither transferred nor substantially retained all the risks and benefits associated with the asset, but has transferred control of the asset,

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through agreement, it shall assess whether and to what extent it has retained the risks and rewards of ownership, If the Group has not transferred or substantially retained all the risks and rewards of the asset, nor has it transferred control of the asset, it shall continue to recognize the transferred asset to the extent that it continues to be involved, In this case, the Group also recognizes an associated liability, The transferred asset and the associated liability are valued on a basis that reflects the rights and obligations that the Group has retained,

The continuing involvement that takes the form of a guarantee on the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of consideration that the Group may be required to repay.

Cash and short-term deposits

In the statement of financial position, cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially based on the transaction price, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See financial assets accounting policy for a description of the Group's impairment policies.

Impairment

The Group applies the simplified approach of IFRS 9 for measuring expected credit losses, using a lifetime expected loss reduction (ECL) for all commercial receivables. In order to measure the expected credit losses, trade receivables are grouped on the basis of the common characteristics of credit risk and days of delay.

The expected loss rates are based on the sales payment profiles for a period of 36 months before 31 December 2022 and 1 January 2022 respectively, and the corresponding historical credit losses incurred during that period. Historical loss rates are adjusted to reflect current and future information on macroeconomic factors that affect customers' ability to settle receivables.

Trade receivables are cancelled when there is no reasonable expectation of recovery, Indicators showing that there is no reasonable expectation of recovery include, inter alia, the fact that a debtor does not engage in a reimbursement plan with the group and does not make contractual payments for a period exceeding 120 days of delay, Impairment losses on trade receivables are presented as net impairment losses in operating profit, Subsequent recoveries of previously cancelled amounts are credited to the same item.

k) Financial liabilities

Initial recognition and assessment

Financial liabilities are classified, on initial recognition, as financial liabilities at fair value through profit or loss, or other liabilities, or as derivatives designated as hedging instruments in effective hedge, as applicable.

All financial liabilities are initially recognized at fair value and, in the case of other liabilities, at the net amount of directly attributable transaction costs.

The financial liabilities of the Group include trade and other payables as well as loans and loans, including bank overdrafts.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial liabilities (continued)

Subsequent assessment

For the purposes of subsequent valuation, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortized cost (trade and other payables and loans).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading shall be recognized in the profit and loss account.

Financial liabilities designated at initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria in IFRS 9 are met, The Group did not designate any financial liability as at fair value through profit or loss.

Other financial liabilities at amortized cost

This is the most relevant category for the Group, after initial recognition, interest-bearing loans and loans are subsequently valued at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The amortized cost is calculated by taking into account any reduction or acquisition premium and fees or costs that form an integral part of the EIR, The amortization of the EIR is included as financial costs in the profit and loss account.

Derecognition

A financial liability is derecognized when the obligation arising from that liability is satisfied, canceled or expires. Where an existing financial liability is replaced by another debt on substantially different terms from the same creditor, or where the conditions of an existing claim are substantially changed, such exchange or such modification shall be treated as derecognition of the original debt and recognition of a new claim. The difference between those carrying amounts is recognized in the profit or loss account.

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of the financial position if there is a currently applicable legal right to clear amounts recognized and if there is an intention to settle on a net basis, realize assets and settle liabilities simultaneously.

o) Provisions

Provisions are recognized at the time when the Group has a legal or constructive obligation as a result of past events, when an outflow of resources embodying economic benefits is required to settle the obligation and for which a credible estimate can be made of the amount of the obligation, Where there are a number of similar obligations, the probability that an outflow of resources will be required for settlement shall be determined by assessing the class of obligations as a whole, The provision is recognized even if the probability of a resource outflow related to any item included in any class of obligations is low, Where the Company expects the repayment of a provision, for example through an insurance contract, the repayment is recognized as a separate asset, but only when the repayment is theoretically certain.

Provisions shall be measured at the present value of the estimated expenses necessary for the settlement of the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, The increase in the provision due to the passage of time is recognized as interest expense.

p) Measuring fair value

Fair value is the price that would have received to sell an asset or paid to transfer a liability to an orderly transaction between market participants at the measurement date, The group shall measure the fair value of an asset or liability on the basis of assumptions that market participants would use when pricing the asset or liability, assuming that they act to obtain maximum economic benefits,

The group shall use valuation techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable data and minimizing the use of unobservable data, All assets and liabilities that are measured at fair value in the financial statements shall be included in the fair value hierarchy, depending on the nature of the input data, as follows:

- Level 1 — quoted prices on active markets for identical assets or liabilities that the entity can access at the valuation date;
- Level 2 — data other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 — input data for the asset or liability,

At each reporting date, the Group shall review the values of assets and liabilities that require revaluation or discounting of fair value in accordance with applied accounting policies, The carrying amount of the Group's main assets and liabilities (cash, trade receivables and other receivables, trade receivables and other current receivables) is close to their fair value at the reporting date.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Current versus non-current classification

The group shall disclose the assets and liabilities in the statement of financial position on the basis of the current/long-term classification, An asset is current when:

It is expected that they will be made or are intended to be sold or consumed within the normal operating cycle:

- ✓ Held primarily for trading purposes;
- ✓ Expected to be achieved within twelve months of the reporting period;

Or

- ✓ Cash or cash equivalent, unless it cannot be exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as long-term.

A liability is current when:

- ✓ It is expected to be settled within the normal operating cycle,
- ✓ It is primarily held for the purpose of trading,
- ✓ It must be settled within twelve months after the reporting period,

Or

- ✓ There is no unconditional right to postpone the settlement of the debt for at least twelve months after the reporting period,

The group classifies all other liabilities as long-term.

Deferred tax assets and liabilities are classified as assets and long-term receivables.

r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued, is presented as a share premium.

s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

Under the LBO mechanism, dividends are distributed only if certain bank indicators are met. We refer to leverage and DSCR.

t) Taxes

Income tax expenses consist of current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period**.**

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ✓ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,

- ✓ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ✓ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,

- ✓ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current tax and deferred tax for the financial year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

v) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Subsidiaries

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- ✓ assets and liabilities for each balance sheet presented are translated at the closing rate on that balance sheet date,
- ✓ income and expenses for each profit or loss statement and for the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of exchange rates prevailing at transaction dates, in which case income and expenses are converted at transaction dates), and
- ✓ all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

34. SIGNIFICANT ACCOUNTING POLICIES (continued)

w) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

The Group does not grant long term or post-employment benefits.

35. EVENTS AFTER THE REPORTING PERIOD

APPOINTMENT OF MANAGING DIRECTOR

At the Board of Directors meeting held on January 22, 2025, Mr. Ioan-Adrian Bindea resigned from his position as General Manager of the Company and the Board of Directors appointed Ms. Camelia Ene as General Manager of ROCA Industry. Her mandate is granted for a period of 3 (three) years, starting from 22.01.2025 and until 22.01.2028.

These consolidated financial statements were approved and signed today, 25 March 2024.

Approved by,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **Chairman of the Board of Directors**

Signature _________________________

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature _________________________