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Independent Auditors' Report

To the Shareholders of Roca Industry HoldingRock1 SA

Gara Herăstrău nr. 4, corp A, etaj 3, sector 2, București

Unique Registration Code: 44987869

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of Roca Industry HoldingRock1 SA ("the Company"), which comprise the separate statement of financial position as at 31 December 2024, the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The separate financial statements as at and for the year ended 31 December 2024 are identified as follows:
 - Net assets/Total equity: Lei 249,625,889
 - Net profit for the year: Lei 9,765,184
3. In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2024, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards and related amendments ("OMPF no. 2844/2016").



Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council and related amendments ("the Regulation") and Law no. 162/2017 and related amendments ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the separate financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of investment in subsidiaries

Carrying amount of investments in subsidiaries: Lei 227,369 thousand as at 31 December 2024 (Lei 151,293 thousand as at 31 December 2023)

Reversal of impairment: Lei 8,721 thousand for the year ended 31 December 2024.

See Note 3 and Note 8 to the separate financial statements.

The key audit matter

Investments in subsidiaries are carried at cost less impairment losses.

As presented in Note 8 to the financial statements, in the previous year, the Company had recognized impairment losses

How the matter was addressed in our audit

Our audit procedures related to the Company's impairment test of investments in subsidiaries as at 31 December 2023, performed with the assistance of our own valuation specialists, included, among others, the following:

- Evaluating the value-in-use model of the subsidiaries (the "impairment model") applied



for subsidiaries amounting to Lei 8,721 thousand for the period ending 31 December 2023, pertaining to Bico Industries SA.

During 2023 and 2024, BICO Industries SA achieved further efficiencies and synergies within the Group, following the acquisitions of new subsidiaries in 2022 and 2023, and this represented a significant change with a favourable impact on the impaired subsidiary that indicate that an impairment loss recognised for investment in subsidiaries no longer exists.

The Company reassessed the recoverable amount as at 31 December 2024, and, as a result, the Company reversed the impairment loss previously recorded for the investment in Bico Industries SA. The Company engaged an external appraiser to assist management in the determination of recoverable amount.

The estimate of the recoverable amount of the investments in subsidiaries involves significant judgments regarding assumptions such as future cash flows, growth rates, gross and net operating margins, net working capital requirements, capital expenditures and discount rates, as well as economic assumptions, such as the evolution of costs, and wages in the context of the economy and inflation. In the wake of the above factors it required our increased attention during the audit and was considered to be a key audit matter.

to perform the annual impairment test, in the context of the relevant requirements of the applicable financial reporting standards;

- Evaluating the competence and objectivity of the external appraiser engaged by the Company;
- We considered the sensitivity of the impairment model to changes in key assumptions, such as forecast growth rates, discount rates and cash flows, to identify assumptions at greater risk of subjectivity or inconsistency in application;
- Evaluating the Company's budgeting process by comparing historical budgets with their subsequent realization;
- Evaluating the key assumptions used to determine the discount rate, operating cash flows, growth rate, operating margins, working capital requirements and capital expenditures. In this context, we evaluated whether certain assumptions on which the evaluation was based, at the individual level and taken as a whole, took into account: i) the economic environment of the subsidiary and industry it operates in; ii) available market information; iii) the subsidiary's business plans, including management expectations; iv) the risks associated with the cash flows, including the possible variability of the value and the moment of the occurrence of the cash flows and their effect on the sensitivity of the discount rate; v) specific requirements of the relevant financial reporting standard; vi) a comparative analysis with the general performance of similar companies and with the performance and historical financial trends of the companies in the group;
- Testing the mathematical accuracy of the discounted cash flow model;
- Evaluating the adequacy of the disclosures regarding impairment testing in the notes to the separate financial statements.



Other information

6. The Board of Directors is responsible for the preparation and presentation of other information. The other information comprises the information included in the Annual Report (Administrators' Report which also includes the Sustainability Statement) and the Remuneration report, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon as part of our engagement to audit the separate financial statements.

With regard to the Sustainability Statement, which constitutes a separate part of the Administrators' Report, we performed a limited assurance engagement, the results of which were presented in a separate assurance report with an unmodified conclusion.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Administrators' Report

With respect to the Administrators' Report we read and, based solely on the work required to be undertaken in the course of the audit of the separate financial statements, we report, as required by OMPF no. 2844/2016, that, in our opinion:

- a) The information given in the Administrators' Report for the financial year for which the separate financial statements are prepared is consistent, in all material respects, with the separate financial statements;
- b) The Administrators' Report has been prepared, in all material respects, in accordance with OMPF no. 2844/2016, articles 15 – 19 of the accounting regulations in accordance with International Financial Reporting Standards.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Remuneration Report

With respect to Remuneration Report, we read the Remuneration Report in order to determine whether it presents, in all material respects, the information required by article 107, alin (1) and (2) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations and related amendments. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with OMPF no. 2844/2016 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Separate Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of



accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements - Report on Compliance with the ESEF Regulation

15. In accordance with Law no. 162/2017 on statutory audits of annual financial statements and consolidated financial statements and amendment of certain regulations, we are required to express an opinion on compliance of the separate financial statements, as included in the Annual report with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format and related amendments (the "RTS on ESEF"). *NA*



Responsibilities of Management

16. Management is responsible for the preparation of the separate financial statements in a digital format, presented in, that complies with the RTS on ESEF. This responsibility includes the preparation of the separate financial statements in the applicable xHTML format, including ensuring consistency between the digital format and the signed separate financial statements and the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

Auditors' Responsibilities

17. Our responsibility is to express an opinion on whether the individual financial statements, included in the Annual Report comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Our procedures included evaluating the appropriateness of the digital format of the separate financial statements and assessing consistency between the digital format and the signed and audited separate financial statements, stamped by us for identification purposes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

18. In our opinion, the separate financial statements of the Company, as included in the Annual Report, as at and for the year ended 31 December 2024 have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

Report on Other Legal and Regulatory Requirements - Public Interest Entities

19. We were appointed by the General Shareholders' Meeting on 20th of November 2023 to audit the separate financial statements of Roca Industry HoldingRock1 SA for the year ended 31 December 2024. Our total uninterrupted period of engagement is 2 years, covering the periods ending 31 December 2023 to 31 December 2024.



20. We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Company, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
- we have not provided to the Company the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is MIHALI HORATIU MIHALI.

For and on behalf of KPMG Audit S.R.L.:

Mihali Horatiu Mihali

MIHALI HORATIU MIHALI

KPMG Audit SRL

KPMG Audit SRL

registered in the electronic public register of financial auditors and audit firms under no AF3354

registered in the electronic public register of financial auditors and audit firms under no FA9

Cluj-Napoca, 26 March 2025

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: **MIHALI HORATIU MIHALI**
Registrul Public Electronic: **AF3354**

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de audit: **KPMG AUDIT S.R.L.**
Registrul Public Electronic: **FA9**