

To: *Bursa de Valori București S.A.*

Autoritatea de Supraveghere Financiară

CURRENT REPORT 06/2023

According to Law nr. 24/2017 regarding issuers of financial instruments and market operations, ASF regulation nr. 5/2018 regarding the issuers of financial instruments and market operations and/or the Bucharest Stock Exchange Rulebook for Multilateral Trading System.

Date of report	8.03.2023
Name of the Company	ROCA INDUSTRY HOLDINGROCK1 S.A.
Registered Office	4 GARA HERASTRAU street, BUILDING A, Floor 3, Sector 2, Bucharest
Phone	+40 31 860 21 01
Email	investors@rocaindustry.ro
Website	www.rocaindustry.ro
Registration nr. with Trade Registry	J40/16918/2021
Fiscal Code	RO 44987869
Subscribed and paid share capital	176,945,730 lei
Total number of shares	17,694,573
Symbol traded instruments	ROC1
Market where securities are traded	MTS AeRO Premium

Important events to be reported: 2023 Revenue and expense budget estimate

The management of Roca Industry HOLDINGROCK1 S.A. (hereinafter referred to as the "Company" or "Roca Industry") informs the market about the availability of the Consolidated Revenue and Expense Budget for fiscal year 2023 and Individual Revenue and Expense Budget for 2023. Both budgets were endorsed by the Board of Directors of the Company during the meeting held on 7 March 2023 and will be submitted for approval to the Ordinary General Meeting of Shareholders, which will take place on 27 April 2023.

2023 Consolidated Revenue and Expense Budget ROCA INDUSTRY HOLDINGROCK1

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

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

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

At the date of this report, Roca Industry operates and implements the business strategy through its directly or indirectly owned subsidiaries: BICO INDUSTRIES S.A., SARCOM S.R.L., TERRA IMPEX S.R.L, ECO EURO DOORS S.R.L, DIAL SRL and EUROPLAS LUX.

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

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

During 2023 Roca Industry, through its subsidiaries, aims to achieve a turnover RON 466,307,773, up by 77% compared to the 2022 consolidated results. This growth is based on the expansion of distribution channels, an increase in quantities sold, and the full inclusion in the consolidated financial statements of the companies that were acquired during 2022.

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

Following the projected investments for 2023, EBITDA is estimated to amount to RON 64,511,548, 2.8 times higher as compared to 2022 EBITDA. This is eroded by amortisation of subsidiaries' fixed assets, amortisation of goodwill, licences, brands and customer relationships identified as a result of business combinations, negative financial result (mainly bank interest) and income tax.

Thus, Roca Industry aims to obtain a consolidated net profit of RON 18,337,433 during 2023. Except for Sarcom, which merged with Colorock at the end of 2022, the goodwill, licences, brands and customer relationships are items that only appear in the consolidated financial statements, not being reflected or having any impact in the individual financial statements.

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

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

2023 Individual Revenue and Expense Budget ROCA INDUSTRY HOLDINGROCK1

The development of Roca Industry Holding aims to create an ecosystem through which growth and profitability reflected in dividends will result from the development of companies and the creation of new business lines in the long term, as mentioned in the prospectus for the listing on the AeRO market of the BSE. Thus, in its second year on the stock market, **Roca Industry is continuing the holding's development plans**, both through M&A transactions and new investments in group's companies.

2023 Individual Revenues and Expenses Budget	Amount (Ron)
Operating income	0
Operating expenses	7,736,316
Financial income	5,935,858
Financial expenses	859,722
Gross result	(2,675,180)
Net result	(2,774,695)
Number of shares	17,694,573
Net earnings per share	-0.16

Roca Industry is a holding company with no operating income of its own, recording income mainly from dividends distributed by the companies held and other financial income. Thus, the 2023 Individual Revenue and Expense Budget is based on the following major objectives:

- ❖ Financial income includes dividend income as well as interest income on loans. As part of its strategy as a holding, Roca Industry acquired during 2022 two companies directly (EED and Dial) and two others indirectly (Terra and Europlas, through Bico). The direct acquisitions were made through investment vehicles set up to provide the necessary financing structure (Leveraged Buyouts - credit facility and Roca Industry's own resources). In order to receive these facilities, the investment vehicles have agreed with the banks certain conditions, including the limitation of the dividends to be distributed in the coming period. In the case of the loans already contracted, this limitation will be removed as from the financial year 2024.
- ❖ Financial expenses consist of interest on loans received from the majority shareholder.
- ❖ In 2023, Roca Industry will invest in several growth directions, so significant amounts of operating expenses include:
 - a) **Salary costs & compensation of Board members generated also by the development of a high performing management team in the Romanian industry** - during 2023 Roca Industry intends to build a management team of 7 members (currently the team has 5 members), who will have direct involvement in the development and implementation of the growth strategies of the holding companies. The Board of Directors will continue to consist of 5 members.

- b) **Investor Relations (IR) costs aiming also to increase the business transparency and the implementation of best practice principles in communicating with investors** - These costs are to be allocated both for the fulfilment of the holding's legal obligations (in relation to shareholders and capital market regulators) and for the organisation of specific investor events (conferences, meetings, Investors Day).
- c) **PR & marketing expenses for significant investments in communication and marketing** - The marketing activities of the Holding are closely related to relationship with investors, with the market in which the Holding companies operate, with potential other companies for future acquisitions, as well as to organization of regular events with business partners, potential customers and management teams of the Holding companies. Transparency and visibility of the Holding's results are important elements to communicate to all target audiences. These communications can influence the perceptual value of the Holding with impact including in trading on the AeRO market. Although it is a relatively new brand in the market, ROCA Industry strives to strengthen the Holding's image in the industrial sector, communicating its vision of building strong Romanian brands.
- d) **ESG costs for significant investments in the sustainability pillar** - from the moment Roca Industry was founded, the management team has been committed to developing a sustainable business model, which is why the main objective for 2023 is to finalise the sustainability strategy, more specifically, to implement a set of actions and objectives based on the data provided by the holding companies. This methodical approach will allow Roca Industry to adhere to international sustainability standards while tracking progress in real time. Also, in 2023 Roca Industry will launch the holding's first Sustainability Report, a summary of all the actions carried out during 2022 and the impact Roca Industry has on local communities and on the environment.

Ioan-Adrian Bindea

President of the Board of Directors