

Approval for Initiating a Bond Issuance Program by ROCA Industry and Mandating the Board of Directors to Execute Necessary Steps

The Board of Directors of ROCA Industry submits for shareholders' approval the initiation of a bond issuance program by the Company. The proposed program will be executed through one or more subsequent issuances, with a maximum (nominal) value of up to RON 50,000,000 and a minimum success threshold of RON 25,000,000. The proposal includes that the bond issuance plan will be carried out over a maximum period of 2 years from the date of its approval by the Extraordinary General Meeting of Shareholders (EGMS), and all necessary steps for the project's completion will be delegated to the Board of Directors.

a. Strategic Aspects

Since its inception, followed shortly by its listing on the AeRO market of the Bucharest Stock Exchange at the beginning of 2022, ROCA Industry has committed to investors to develop and consolidate its presence in the Romanian market, this being one of its strategic plans for a 3–7-year period.

The evolution of ROCA Industry has been rapid in terms of creating and consolidating a portfolio of companies. Thus, in less than 3 years since its inception, the Company has directly acquired 5 companies:

- November 2021 – 100% of **Evolor's** share capital, one of the largest players in the paint and varnish production industry
- May 2022 – 70% of **Eco Euro Doors'** share capital, the largest Romanian producer of doors for residential constructions, followed by the acquisition of the remaining 30% in December 2022
- September 2022 – 100% of **Dial's** share capital, a company specialized in the production of fence panels, woven wire mesh, Rabitz mesh, and rectangular poles
- June 2023 – 99.99% of **Electroplast's** share capital, one of the largest producers of low voltage copper and aluminum electrical cables
- February 2024 – 70% of **Workshop Doors'** share capital, the second largest Romanian producer of doors for residential constructions.

Additionally, **Bico**, which became the largest producer of fiberglass mesh in Central and Eastern Europe and the third largest in the European Union, has been in ROCA Industry's portfolio since its inception and has made 3 acquisitions over two years to consolidate its regional presence. By acquiring Terra (March 2022) and Europlas (first 50% in October 2022 and fully in October 2023), Bico expanded into Moldova, and the full acquisition of Iranga in May 2023 ensured expansion into Lithuania.

To pay for the last two direct acquisitions (Electroplast and Workshop Doors), ROCA Industry completed a capital increase of RON 71.7 million at the beginning of this year.

ROCA Industry aims to expand into the construction materials industry and related industries with growth potential and future-oriented products. The holding also focuses on companies with growth potential in their field, which are not yet among the top 3 players in their industry and have a product portfolio potential for geographical expansion at the European level. Currently, the Company's management is initially analyzing potential new companies that could meet the criteria to come under the holding's umbrella, without advanced negotiations. Given ROCA Industry's extensive M&A experience and the history of transactions made (8 companies acquired directly or indirectly in less than 3 years since its inception), the Company's management considers securing a source of funding at this moment essential for continued accelerated development.

Additionally, following the private placement in December 2021 (RON 45 million), the use of leveraged buyout (LBO) bank financing, and the capital increase completed in January 2023 (RON 71.7 million), the Company's management considers a bond issuance as a natural and necessary step in development plans. This issuance brings significant contributions to diversifying the Group's funding sources, reducing capital costs, and ensuring an optimal financing structure.

Through this bond issuance, ROCA Industry's management continues to demonstrate its commitment to medium- and long-term growth and development strategies. Moreover, it reduces dependency on traditional bank financing and gains greater predictability in financial expenses (bank facilities generally have variable interest rates dependent on national and international macroeconomic developments).

b. Structuring the Bond Issuance Program

The program – carried out in one or more rounds – of corporate bond issuance, will have a total nominal value of up to RON 50 million or the equivalent in EUR. The proposed success threshold, or the level at which the program will be declared completed, is RON 25 million. The bond issuance structure is flexible, with an annual interest rate of up to 12%. The bonds will be nominal, convertible, or non-convertible, secured or unsecured, and can be issued for a period between 3 and 5 years.

The bonds can be offered within one or more public sale offerings and/or one or more private placements to investors through an offer addressed to qualified investors and/or to fewer than 150 individuals or legal entities other than qualified investors, in an EU member state, based on exceptions to the prospectus publication requirement provided in Article 1, paragraph (4) of EU Regulation No. 1129/2017 on the Prospectus.

The bond issuance program approval will be valid for 2 years from the date of the EGMS approval resolution and aims to finance full or partial acquisitions of new companies for diversifying and optimizing ROCA Industry's investment portfolio.

The bonds will be admitted to trading on the regulated market of the Bucharest Stock Exchange.