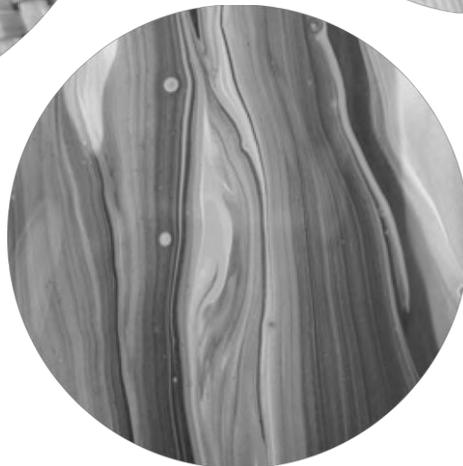
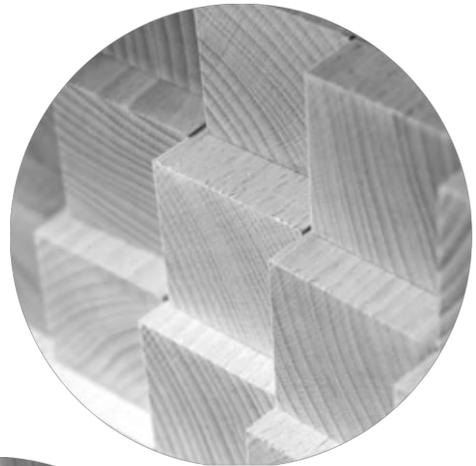
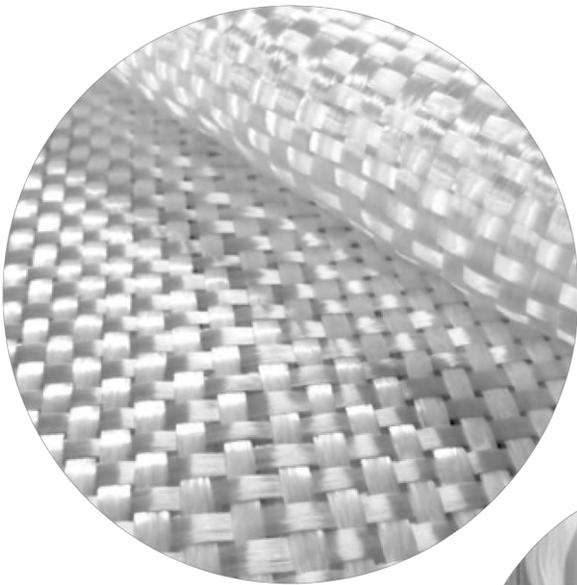


# FINANCIAL REPORT

FOR Q1 2023



Company listed on AeRO market  
of the Bucharest Stock Exchange

**SYMBOL: ROC1**

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# COMPANY INFORMATION

## INFORMATION ABOUT THIS FINANCIAL REPORT

Report type	Quarterly report – Q1 2023
According to	Annex 13 of FSA Regulation 5/2018
For the financial year	01.01.2023 – 31.03.2023
Date of publication of the report	16.05.2023

## ISSUER INFORMATION

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

## INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	176,945,730 RON
Market on which the securities are traded	SMT-AeRO Premium
Total number of shares	17,694,573
Symbol	ROC1

## CONTACT DETAILS FOR INVESTORS

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

The financial statements as of 31 March 2023 presented in the following pages are **unaudited**.

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



Message from  
**THE CHIEF EXECUTIVE OFFICER**

*Ioan-Adrian Bindea*



**From my position as CEO**, I often ask myself how the company is perceived from a shareholder position and what information I would need if I were in that role, not the executive side. These lines are written with those concerns in mind, attempting to answer some of the questions I think are relevant.

In my previous message from the 2022 annual report, I anticipated a challenging market context, where we are adjusting our plans, where budgets are under pressure, where we are preparing alternative scenarios to best manage difficult situations. Going forward, adaptation to the conditions encountered along the way, teamwork and a solid base of know-how remain key words for the long-term sustainable development we are building step by step.

Here is now the story of the first quarter of an ambitious 2023.

**The leader's responsibility is to reconstruct plans**

Strategically, at the moment of vision setting, and at every step of the way, my role is to break down the plans by maximizing each stage of accelerated progress, but also the difficult ones, when expertise and resilience make the difference so that the desired outcome becomes possible again, and more importantly tangible and motivating for the teams that have to achieve this result at year end.



## Message from **THE CHIEF EXECUTIVE OFFICER**

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At the end of 2022, we were talking about a challenging market context in which our plans remain just as ambitious. Traditionally we knew that the first quarter would not have the best results, a characteristic feature of the industry in which we operate. We also knew that the industry would be among the first to feel the shockwaves of an economic movement that other segments are still barely sensing.

We knew that the impact of access to credit, the strong echoes of banking effects in other parts of the world, inflation still reasonably absorbed by the FMCG and retail industries will all lead to caution and hesitation in the building materials industry and its immediate users - the builders. Cost pressures will continue to come from the movements taking place in the labour market.

We understand the euphoria of economic growth - albeit slowed, but we are also looking carefully at the potential to reach the PNRR targets and release the tranches to support this industry in a timely manner.

Turning the angle of analysis inwards, ROCA Industry now reflects the eclecticism of the building. We are a conglomerate of companies, with an appetite for growth, and the synergy created at Group level will give us the strength and toughness to get through the encountered challenges.

However, I can tell you from my own experience, that it is those who go through a difficult economic period together and get through it by finding a way to find their way back to their own way in the end, who make economic history.

In this conglomerate, we have companies that have already found stability - through management teams built well together, with solid plans and agility in identifying market movements and the need to adapt - Evolor (ex Sarcom) is already on this trajectory.

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## Message from **THE CHIEF EXECUTIVE OFFICER**



We have companies that have set out on the path of the regional champions we want for Romania, and that have to struggle with the weight of their own growth in a market that demands agility, speed, and flexibility. Juggling these two elements - plus new cultures, geographies, and markets, requires ambition, motivation, but also parallel plans and decisions with short-term impact - as is the case with our company BICO Industries, a holding company in formation.

We have companies that need construction and for this we are putting into action a whole system of industry and private equity know-how, a successful model that has already produced regional champions. These are the latest additions to the Holding. They are companies that first and foremost need the right people in the right place. They are also the companies that are performing below our budgeted level at the end of 2022. For them, we started at the beginning - the first quarter was an intense period of searching for the most suitable candidates - for their company, for the Holding, for the new industrial Romania.

### **What does “to reconstruct plans” mean**

Although we talk about Holding as the sum of its companies, we understand that the level of development of the companies is different, and the solutions need to be different. Prior to the publication of this report we had one of our quarterly meetings with the companies, where we analysed and looked for alternative scenarios for each one. The alternative scenarios and plans for organic growth, or through M&A are on the table of the management teams, who are thus going through the second quarter with new working tools and assumptions for success.



Message from  
**THE CHIEF EXECUTIVE OFFICER**



What we will actually do - is to keep the proposed budget targets at the end of 2022, to look especially in those markets that allow expansion, to build the Romanian brands that will become regional champions, and last but not least, to build those sustainable business partnerships that are stable bridges under conditions of economic instability.

We will continue the level of investment because what has brought us this far will not take us any further, where we are aiming, and our objective to have at least 8 companies in our portfolio remains valid.

As I have mentioned on every occasion, we are in a long-term construct that brings value to shareholders over time. To maximize value, achieve our goals and support Romania's reindustrialization by growing regional champions, we are already working towards the goal of being admitted to trading on the main market of the Bucharest Stock Exchange.

**Ioan-Adrian Bindea**  
**Chief Executive Officer**





Message from

## **THE CHIEF COMMERCIAL OFFICER**

*Alexandru Fogărași*

The history of the Romanian market shows us that when the economic conditions are not favorable for an industry, the main measures a company take are causality-driven - "because," and usually the pressure starts in the financial and operational departments, transitioning to procurement as well. This process is natural and cyclical.

What doesn't happen as naturally is the process that starts with the question - What do we do in order to? And the absence of this question throws us into a cycle of cost reductions, layoffs, and quality reductions, with the sole purpose of resilience but not antifragility. The answers that come from purpose, rather than causality - in order to - are the answers that lead to optimal reconfiguration of plans, focusing on opportunity and solution rather than simple causality. It is the process through which, in commercial departments traditionally characterized by courage, the strategy that allows transition through uncertainty with growth prospects is born.

At the latest meeting of the Holding's management teams and its companies, we went through this exercise of identifying alternative routes, unaddressed opportunities, as well as evaluating the efforts required to capture these opportunities. Each of our companies has its own development plan and different ways to achieve its goals. However, what is increasingly prominent in focus is this economic ecosystem of the value chain, an ecosystem that is easier to build and implement with multiple partners, suppliers, and customers at the Holding level.

In the coming period, in the commercial area, we aim to open new markets, capture existing market potential, while also addressing market needs, and last but not least, strengthen our commercial teams with the right people for this growth mindset.



**Alexandru Fogărași**  
**Chief Commercial Officer**

# EXECUTIVE SUMMARY

**The Q1 2023 Financial report** of ROCA Industry Holdingrock1 S.A. contains a brief presentation of the company and its subsidiaries, presents the main events that took place during 2023 and up to the date of the present report, the ROC1 shareŝ evolution on the capital market and explains the consolidated financial results of the Company, including also its subsidiaries.

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

- **Full takeover of Iranga Technologijos, UAB**, company from Lithuania, following the negotiations started in August 2022;
- **Initiation of the mergers between EED and Doorsrock4 and between Dial and Nativerock1** (the investment vehicles through which the two companies were acquired, with the aim of obtaining the credit facility to ensure the necessary financing structure), key conditions agreed with the lenders in order to obtain the credit facilities and the subsequent financing of the companies
- **Initiation of Electroplast acquisition and of the share capital increase, together with company's transfer on the main market of BSE**, ty convening the Extraordinary General Meeting of Shareholders for the approval of all the necessary steps.

## **Q1 2023 financial results**

Roca Industry is the holding company that manages the companies in the Group, without having operational or production activity of its own. At the end of March 2023, the Holding held stakes in six productive companies, Bico, Evolor (former Sarcom), Eco Euro Doors (EED) and Dial Hărŝova (Dial) directly, as well as in Terra and Europlas Lux – indirectly, through Bico, and controlled two investment vehicles (SPVs – Doorsrock4 and Nativerock1). The complete picture of the entire group of companies is presented on page 15.

Four of the six companies were acquired during 2022, at different times (Terra in March, EED in May, Dial in September and Europlas in October), the direct or indirect holdings of Roca Industry in these companies being distinct (Evolor – ex Sarcom – 100%, Bico – 70%, Terra – 70% (in which Bico holds 100% of the share capital), EED – 100%, Dial – 100%, Europlas – 35% (in which Bico holds 50% of the share capital). For a more accurate picture of reality and as no new acquisitions were finalized between January and March 2023, the company's management presents the group's results in two forms: consolidated results and cumulated results.

# EXECUTIVE SUMMARY

RON mn	Q1 '23 cumulated results	Q1 '23 consolidated results
Turnover	95,4	82,3
EBITDA	3,1	3,1
Net profit	(1,3)	(5,5)
<i>Profit related to the parent company</i>		(5,1)
<i>Profit related to non-controlling interests</i>		(0,4)

Amounts are expressed in million RON

- Consolidated results** in which, according to the accounting rules in force, the holding company is obliged to include in the scope of consolidation only those companies in which it holds majority stakes for at least one month at the reporting date. **In terms of comparability between the two periods (Q1 2023 vs. Q1 2022), we would like to note that the financial results of Q1 2023 include all companies acquired during 2022 (Terra, EED, Dial and Europlas), while the Q1 2022 results do not include these acquisitions. Thus, the 2022 transactions had no impact on the Q1 2022 consolidated results.** Consolidation is based on the holding company's stake in each company.

Consolidated EBITDA in the amount of EUR 3.1 million is reduced by the impact of amortization of goodwill, licenses, brands and customer relations, expenses amounting to RON 1.8 million for the first three months of 2023, elements that appear only in the consolidated financial statements (without being reflected and having impact on individual or combined ones)

- The cumulated results have the objective to present financial information in a format that allows comparability with the previous year, without the percentage of ownership and acquisition date figures being affected. These are relevant as they show the activity of the company itself, without the influence of corporate events.** The cumulated results are summing up the individual performance of each subsidiary over the entire reporting period, regardless of the moment of its acquisition and without considering the share of Roca Industry holdings in the share capital of each company. These results do not include the impact of the expenses of RON 1.8 million with the amortization of goodwill, licenses, brands and customer relations, nor the impact of the adjustments imposed by the consolidation principles.

# EXECUTIVE SUMMARY

## Cumulated financial performance

- At a cumulated level, in the first three months of 2023, the Group recorded a turnover of RON 95.4 million, 0.4% up compared to Q1 2022.
- Considering that Q1 2022 was an atypical one, with higher sales than in a normal period and with larger margins, elements that influence the comparability with the current period, the productive companies achieved a **cumulated EBITDA of RON 4.4 million**, respectively an **EBITDA margin of 4.6%**.
- At the level of the entire holding, **EBITDA, in the amount of RON 3.1 million**, recorded additional operating expenses of the holding and its investment vehicles. Thus, at a cumulated level, the **EBITDA margin represents 3.3% of the turnover**.

Cumulated profit and loss indicators	Results for Q1 2023 (RON th)			Q1 2023 EBITDA margin	Q1 2023 net profit margin
	Turnover	EBITDA	Net result		
Sarcom	17,601	2,122	(765)	12.1%	N/A
Bico	36,694	(185)	(1,671)	-0.5%	N/A
Terra	11,230	749	460	6.7%	4.1%
Europas Lux	1,911	19	(18)	1.0%	N/A
EED	15,881	1,251	103	7.9%	0.6%
Dial	12,076	437	(112)	3.6%	N/A
<i>Companies' total</i>	<b>95,393</b>	<b>4,394</b>	<b>(2,004)</b>	<b>4.6%</b>	N/A
Roca Industry	-	(1,127)	1,260	N/A	N/A
Doorsrock4	-	(37)	(102)	N/A	N/A
Nativerock1	-	(82)	(497)	N/A	N/A
<i>Holding and SPVs total</i>	-	<b>(1,246)</b>	<b>661</b>	<b>N/A</b>	<b>N/A</b>
<i>Cumulated total</i>	<b>95,393</b>	<b>3,148</b>	<b>(1,343)</b>	<b>3.3%</b>	<b>N/A</b>

- The increase in bank interest combined with higher indebtedness as well as the additional expenses with amortization following the investments made, generated for the directly productive companies a cumulated loss of RON 2.0 million. At Group level, the cumulated net loss is in total amount of RON 1.3.

# EXECUTIVE SUMMARY

## Consolidated financial performance

As the acquisitions made by Roca Industry during 2022 took place starting with March (so none of these have performance included in the Q1 2022 consolidated financial results), and considering the favourable context of the building materials industry in the first quarter of 2022, the comparability of Q1 2022 and Q1 2023 consolidated results does not give a true picture of reality. Even though the consolidated turnover increased by 84% in Q1 2023 vs Q1 2022, the higher operating expenses caused the **EBITDA at consolidated level** to be in total amount of RON 3.1 million (with a margin of 4% of turnover). The transactions carried out during 2022 that led to the consolidation of the holding also generated an increase in depreciation and amortization expenses following the recognition of the goodwill from the acquisitions, as well as financial expenses as a result of the increase in bank interest and the new credit facilities required by the companies in the group (including LBOs - leveraged buyout) negatively influenced the net result. Thus, the recorded consolidated net loss was RON 5.5 million.

## Roca Industry's individual performance:

Roca Industry recorded **financial revenues** in the amount of RON 2.6 million (out of which RON 1.5 million come from dividends distributed but not paid by Nativerock1 – distributed during 2022 and settled after finalizing the individual annual financial statements of Nativerock1, from which the holding's operating expenses and financial expenses were deducted. As a result, Roca Industry reported a **net profit** of RON 1.3 mn.

# ROCA INDUSTRY

## ON THE CAPITAL MARKET

### SHARE PRICE AND LIQUIDITY DEVELOPMENTS

On 27 January 2022, Roca Industry shares were admitted to trading on the AeRO market, the Multilateral Trading System of the Bucharest Stock Exchange, under the symbol ROC1. Previously, in December 2021, the company successfully held a private placement of its shares during which 4,500,000 share were issued at 10 RON/share to 120 shareholders

On 13 April 2023, ROC1 shares were held by 581 shareholders, legal persons and natural persons. ROC1 shareholding structure, in accordance with the information provided by the Central Depository, is the following:

Shareholding structure at 13 April 2023			
	Number of shares	Value (RON)	% in total
Roca Investments SA	10,757,557	107,575,570	60.80%
Mihai Bîrliba	1,014,461	10,144,614	5.73%
Other shareholders	5,922,555	59,225,550	33.47%
<b>Total</b>	<b>17,694,573</b>	<b>176,945,730</b>	<b>100%</b>

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

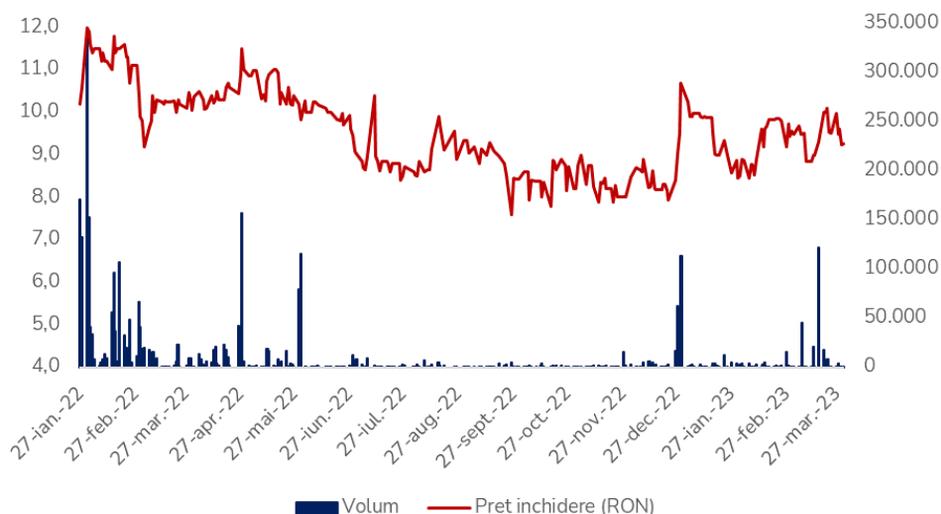
From the beginning of the year and until the end of April, ROC1 shares recorded a minimum price of RON 8.45 (31 March 2023) and a maximum price of RON 10.26 (3 January 2023). In this period, the weighted average price (excluding the deal transactions) was RON 9.48. Thus, at the end of March 2023, ROC1 shares was 13.5% below the one recorded at FY 2022.

During the first three months of 2022, ROC1 shares attracted a liquidity of RON 3.01 mn on BVB's AeRO market (316.4 thousand shares, about 1.8% of the total number of the company's shares), with a daily average of RON 49.4 thousand, with a daily average activity of over 5.2 thousand shares. In this calculation the DEAL transactions have been removed.

# ROCA INDUSTRY

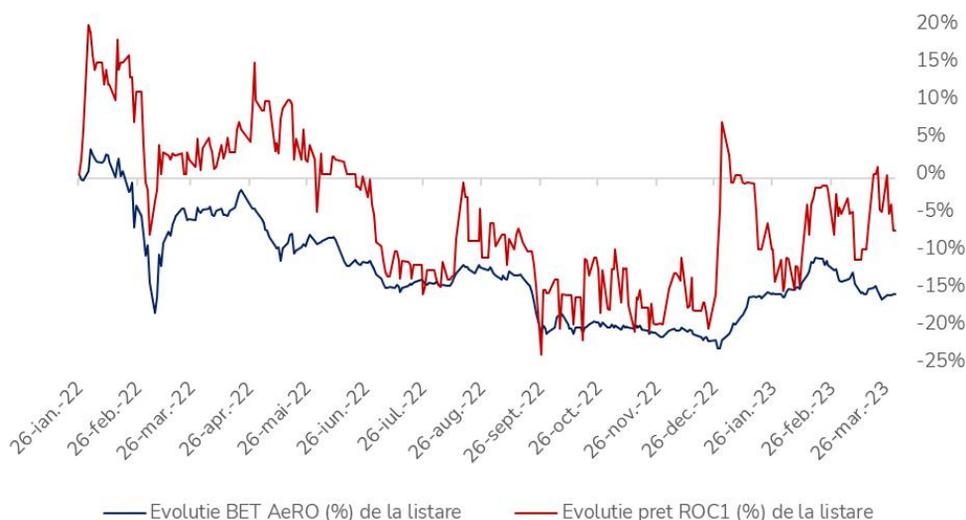
## ON THE CAPITAL MARKET

The daily volume and closing price of ROC1 shares from listing to end of March 2023 (without taking into consideration the deal transactions)



In the challenging macroeconomic context of 2022, which continued to manifest itself in the first months of 2023, while the BET AeRO evolution was a decreasing one (-15.9%), **from listing to 31 March 2023**, the price of ROC1 shares diminished by 7.4% (to the level of RON 9.26). Total recorded liquidity was RON 30.45 mn (2.88 mn shares, about 16.3% of the total number of the company's shares).

The closing price development of ROC1 vs BET AeRO since listing and up to 31 March 2023 (excluding the deal transactions)

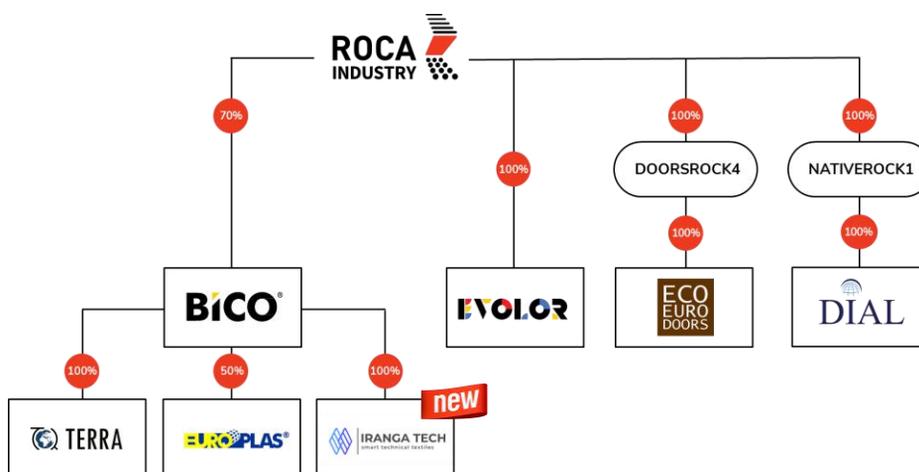


# ABOUT ROCA INDUSTRY HOLDINGROCK 1

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

As a holding, by its nature, until now Roca Industry has not carried out its own operational activities. Specific to the business model of a holding, Roca Industry operates and implements the business strategy through its directly owned subsidiaries **BICO INDUSTRIES S.A.**, **EVOLOR S.A.** (ex. **SARCOM S.R.L.**, **ECO EURO DOORS S.R.L.** and **DIAL S.R.L.**), as well as through those indirectly owned, through BICO INDUSTRIES – **TERRA IMPEX S.R.L.** and **EUROPLAS LUX S.R.L.** and **IRANGA TECHNOLOGIJOS, UAB** (acquisition finalized in May 2023) These subsidiaries operate in the field of construction materials, more precisely in the production of fiberglass and fiberglass reinforcement (BICO, TERRA, EUROPLAS LUX and IRANGA), the production of varnishes, paints and decorative plasters (EVOLOR, former SARCOM), the production of doors for residential constructions (ECO EURO DOORS), respectively of the production of edged panels and fence mesh (DIAL).

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



*Doorsrock4, Nativerock1 – companies created for the purpose of structuring the financing of acquisition transactions*

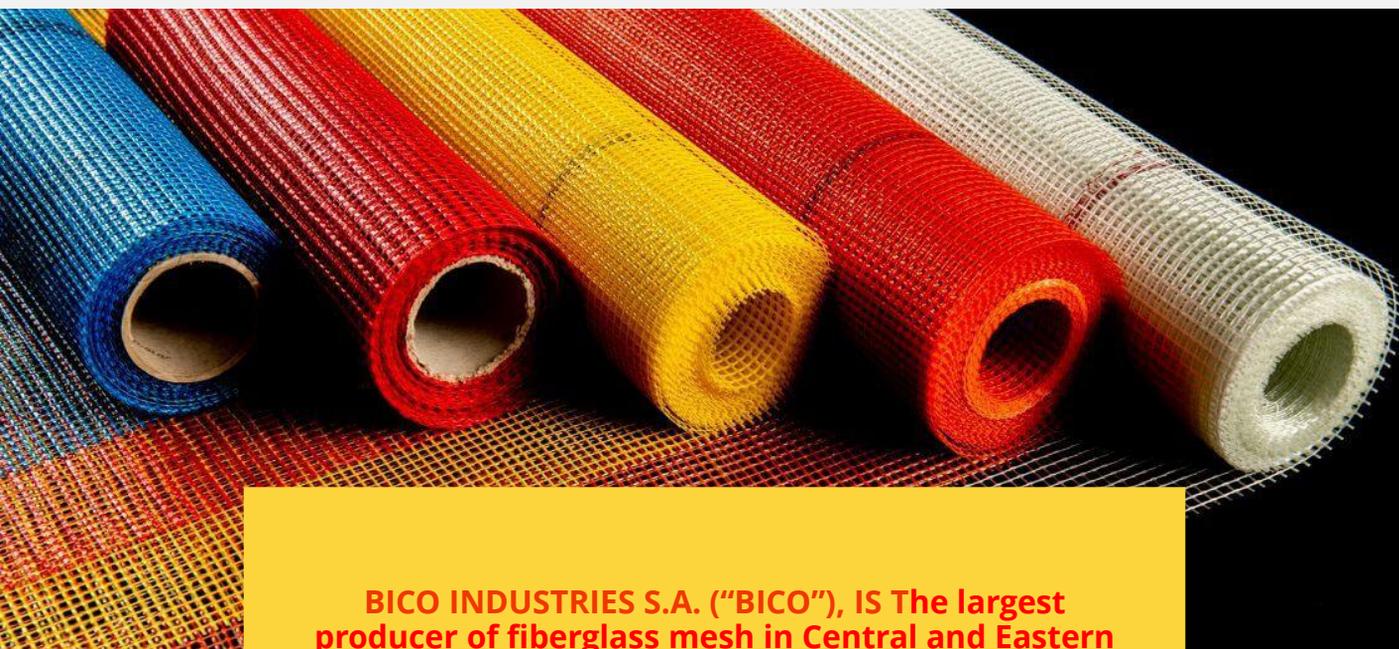
# ABOUT ROCA INDUSTRY HOLDINGROCK 1

**The objective of Roca Industry is to contribute to the reindustrialization of Romania, by adding to the Holding several companies in the field of construction materials and related industries, to transform them into regional champions by creating a solid foundation and by long term investments in production capacities and acquisition of new companies**

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

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

# BICO Industries



**BICO INDUSTRIES S.A. ("BICO"), IS The largest producer of fiberglass mesh in Central and Eastern Europe and fourth largest producer in Europe**

**Bico** is a company established in 2006 which succeeded in building and retaining in the team professionals in the field, with experience of more than 20 years. Over time, the company developed various expertise, in the production of related materials, passing from woven mesh, through braided mesh and recently incorporating the newer technology called laid scrim. Roca Industry holds 70% of Bico's share capital, the second shareholder being Mihai Bîrliba, the founder of the company, with 30% of the share capital.

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

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

## BICO Industries

Starting October 2022, Bico also holds 50% of the share capital of **Europlas**. Europlas specializes in the production of reinforcing mesh, having installed in the Ialoveni Free Economic Zone, Republic of Moldova, a production capacity of 7 million sqm of reinforcing mesh per year, adding 10% to the production of fiberglass mesh for ETICS systems owned by the Bico and Terra brands. The foundations of this production center were laid in 2017, and the official market launch of Europlas products took place in 2018. With a current team of over 25 employees, Europlas manages to place 100% of its production capacity in the Republic Moldova or Romania.

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

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

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

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

# BICO Industries

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

Both traditionally and particularly, in 2023 the delay in the outdoor construction season has resulted in a latency in inventory movement, which has resulted in further destocking actions so that the company can remain competitive in the face of future variations in raw material costs.

On the other hand, in the area of exports, the company has experienced delays in the marketing of products on the glass fiber mesh line, delays caused by the latency of foreign markets, especially Italy, which represents a significant share of total exports for the company.

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

# EVOLOR (former SARCOM)

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

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

The company is present in the market with the products known under the brands STICKY and CORAL. With experience of around 30 years and a market share of around 8% in the Romanian paint and varnish industry, the company is one the largest players in the market, being in 8th place in 2022 according to the 2021 and in top 5 in terms of profitability.



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

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

## EVOLOR (former SARCOM)

Through the products offered, Evolor addresses consumers needs in a balanced way, offering both products with accessible prices (Sticky), as well as products for the premium area (Coral). These are sold in DIY chains (Dedeman, Leroy Merlin and Brico Depot), and in an extensive network of local distributors, covering over 33 counties. The company expanded its network of local distributors by signing a contract with Brico Depot in early 2023, with the first delivery taking place in April.

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

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

Sales performance in the first 3 months of the year was in line with strategic plan forecasts, although at market level, expectations of price increases at manufacturers were not confirmed as the company reacted swiftly to the market stagnation with appropriate commercial offers. In addition, the company made its first foreign sale in March - the first in the company's history, to the Republic of Moldova. This creates the conditions for the development of the export distribution channel.

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

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

# ECO EURO DOORS

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

**EED** is the largest Romanian producer of doors for residential constructions. With an experience of 28 years on the construction materials market, initially in distribution of products intended for the construction industry (doors and complementary products, sanitary, etc.), 18 years ago the first steps were taken in production. Production is mainly focused on interior doors. With a 10,000 sqm factory, over 8,000 sqm storage capacity and additional 36,000 sqm land, EED products are distributed nationally through the Dedeman chain (DIY stores) as well as other specialist retailers and distributors.

The company offers a wide range of products (laminated doors, painted doors, ready-to-paint doors, addressing both the need of customers for standard products as well as those who request products of non-standard sizes. Additionally, to meet the needs of its customers, EED offers for sale various accessories and goods.



The transaction by which Roca Industry acquired 70% of EED share capital (through **Doorsrock4**) was completed in May 2022. In November 2022, the shareholders holding the remaining 30% of EED's share capital exercised their put option for the sale of this stake. Thus, at the end of 2022, Roca Industry owned 100% of the shares

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

# ECO EURO DOORS

The process initiated by ROCA Industry of transitioning the acquired companies to the desired business model also involves the formation of responsible, committed management teams that can build strategic plans and implement them successfully. To this end, ROCA Industry initiated a recruitment process to fill management roles in the Eco Euro Doors team, with a focus on roles with commercial impact, a process that was ongoing at the end of the first quarter but was successfully completed.

The new management team will be in place in Q2 and will have an immediate focus on balancing sales, both in terms of volumes and product categories.

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

Even with the transition to a management team, the company managed to expand business relationships with new customers, including signing a framework contract abroad.

# DIAL

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

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

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

Dial's market share is estimated to be between 13% and 18% from a turnover point of view. Its portfolio includes over 200 products that are distributed particularly at national level, through the DIY store chains and other retailers and specialised distributors, while exports represent approximately 10% of the sales.



The market of metal wire products is one with relatively few large manufacturers, where the top 5 manufacturers cover more than 70% of the market needs. Among them, Dial ranks 3 in size. (Source: Commercial Due Diligence Dial Hârşova, Deloitte). In 2022, the metal wire products market was affected by fluctuations in the prices of raw materials, but also by the increase in those for energy.

For the first quarter of 2023, Dial was the portfolio company most affected in terms of sales performance evolution compared to the 2023 estimates, but also compared to the performance in the same period of the previous year. This result directly reflects the impact of the transition from a one-person entrepreneurial model to a model based on a managerial team that takes on individual and team goals.

# DIAL

During this transition, the impact was also generated by the lack of an adequate sales team in terms of numbers and training, able to identify price fluctuations in the field, the timing of stock build-up prior to the selling season and, last but not least, to maintain commercial relationships with partners.

The recruitment process for management positions with commercial impact was spread over the first quarter, while overlapping with a possible raw material crisis, with Turkey as a market affected by the earthquake in February 2023, which fortunately did not materialise.

Although the recruitment process was completed at the beginning of Q2, we estimate that the company's development may need a longer growth recovery curve. The current product portfolio does not cover the industry areas that are receiving funding during this period - e.g. infrastructure, and the residential category offers limited segmentation and premiumisation opportunities.

Under these circumstances, one of the priorities of the management team will be to identify the areas of development of the company for the future, in parallel with the focus on the commercial area, including maintaining and increasing exports.

# KEY EVENTS IN Q1 2023 AND UP TO DATE

## GENERAL MEETING OF SHAREHOLDERS

In **27 April 2023** the Ordinary General Meeting of Shareholders (OGMS) took place. The main items on the **OGMS** agenda included the approval of the company's revenue and expenditure budget for 2023 and the approval of the company's individual and consolidated financial statements,

## MERGERS AND ACQUISITIONS

### **FULL TAKEONVER OF IRANGA, LITUANIA**

On **2 mai 2023**, Bico signed a sales and purchase agreement for the entire acquisition of Iranga, a Lithuanian company. The transaction value was in amount of EUR 3.2 million, composed of EUR 1.6 million for the acquisition of all the shares, paid on completion of the transaction (on 3 May 2022), and EUR 1.6 million allocated for the acquisition of a production line, for which the commissioning process has already been completed

### **MERGER BETWEEN SPVs and ROCA INDUSTRY SUBSIDIARIES**

On **3 May 2023** the initiation of the merger by absorption process between Doorsrock4 (SPV established with the aim of obtaining a credit facility to ensure the financing structure necessary for EED acquisition) and EED was approved.

Afterwards, on **9 May 2023**, the Board of Directors approved the initiation of the merger by absorption process between Nativerock1 (SPV established with the aim of obtaining a credit facility to ensure the financing structure necessary for Dial acquisition) and Dial.

As part of the merger, the SPVs will be the absorbed companies. These mergers were one of the key conditions agreed with the lenders in order to obtain the credit facilities necessary for the acquisition of EED and Dial and the subsequent financing of the companies.

# KEY EVENTS IN Q1 2023 AND UP TO DATE

## LOAN AGREEMENTS BETWEEN ROCA INDUSTRY AND RELATED PARTIES

On **23 January 2023**, Roca Industry announced the prolongation of two short-term loan agreements granted to Bico, in total amount of EUR 3.5 million. The EUR 2 million facility was entirely reimbursed, while the second one, in amount of EUR 1.5 million has to be reimbursed until 30 June 2023.

Additionally, on **31 March 2023**, Roca Industry's Board of Directors approved the conclusion of a loan agreement by which Roca Industry received from Roca Investments (Roca Industry's shareholder) a EUR 1 million loan for a period of 12 months, under market conditions. It was granted to Bico for the acquisition price payment of Iranga's shares.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

In the consolidated financial statements, according to the legislation in force, the holding company is obliged to include in the scope of consolidation only those companies that have been owned for at least one month on the reporting date. The performance of each company included in the holding is taken into account from the moment Roca Industry controls it, without previous achievements being recognized. Consolidation of results obtained during the reporting period is carried out depending on the shares held by the holding company in each company.

Thus, in the consolidated financial statements of Roca Industry for Q1 2023, the performance of all the companies acquired during 2022 (Terra, EED and Dial) were included, while for Q1 2022 their performance was not taken into account. For the results of Europlas, company held 50% by Bico and in which Roca Industry has an indirect minority stake since September 2022, a 35% of its Q1 2023 net profit was recognized.

In addition to the presentation of consolidated performance information that complies with the above principles, the **cumulated P&L Analysis** chapter presents the picture of the cumulated indicators at the Group level, by summing up the individual performance of each subsidiary for Q1 2022, even though these companies were not part of the Group and without considering the share of Roca Industry holdings in the share capital of each company. The objective of the cumulated financial statements is to present financial information in a format that allows comparability with the previous year, without being impacted by the percentage of ownership and acquisition date figures. In other words, the cumulated results show the activity of the company itself, without the influence of corporate events.

As it was mentioned in 2022 Annual Report, year 2023 perspectives take into account the contextual elements that we are tracking and incorporating into short-term actions in ROCA Industry:

- Increase in wages in construction sector and the impact on the construction price;
- Consumption evolution;
- Evolution of bank lending activities;
- Market changes in the sectors in which we operate (bankruptcies, M&As, exits from the local market, etc.);
- Variation in the number of employees in industry and construction;
- Evolution of prices for raw materials for the industries in which we operate.

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

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## CONSOLIDATED P&L ANALYSIS

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	Q1 2023	Q1 2022	Q1'23 vs Q1'22 (%)
<b>Operating income</b>	<b>81,929,844</b>	<b>44,555,612</b>	<b>84%</b>
Turnover	82,263,042	43,424,622	89%
Inventory variation	(1,388,595)	959,219	N/A
Other operating income	1,055,397	171,771	514%
<b>Operating expenses, other than amortization, prov and value adjust,</b>	<b>78,801,013</b>	<b>40,564,366</b>	<b>94%</b>
<b>EBITDA</b>	<b>3,128,831</b>	<b>3,991,246</b>	<b>-22%</b>
Depreciation of goodwill, relationship and contracts with customers	1,778,151	1,782,757	0%
Depreciation of fixed assets, other than goodwill, relationship and contracts with customers	4,122,292	613,444	434%
<b>Operating Result</b>	<b>(1,925,422)</b>	<b>1,595,046</b>	<b>N/A</b>
Financial revenues	127,499	151,329	-16%
Financial expenses	3,441,380	867,722	297%
<b>Financial result</b>	<b>(3,313,881)</b>	<b>(716,393)</b>	<b>363%</b>
<b>Gross result</b>	<b>(5,239,303)</b>	<b>878,653</b>	<b>N/A</b>
Income tax	250,211	628,017	-60%
<b>Net result, of which:</b>	<b>(5,503,401)</b>	<b>250,636</b>	<b>N/A</b>
<i>related to the associates of the parent company</i>	<i>(5,137,796)</i>	<i>(551,079)</i>	
<i>related to non-controlling interests</i>	<i>(365,605)</i>	<i>801,715</i>	

In the first quarter of 2023, Roca Industry achieved a consolidated EBITDA of RON 3.1 million, mainly generated from the activity carried out by Evolor, former Sarcom (EBITDA RON 2.1 million), EED (EBITDA RON 1.3 million), Terra (EBITDA RON 0.8 million) and Dial (EBITDA RON 0.4 million).

The holding company, Bico and the SPVs set up for the purpose of financing the acquisitions (Doorsrock4 and Nativerock1) generated a cumulative negative EBITDA of RON 1.5 million, mainly representing the operating expenses of the holding company as well as other expenses from the current activity carried out by the companies.

Consolidated EBITDA in Q1 2023 of RON 3.1 million was 23% lower compared to Q1 2022, mainly due to the decrease in EBITDA achieved by Bico in the first 3 months of 2023 (RON -0.2 million in Q1 2023 vs. RON 4.3 million in Q1 2022), as a result of the application of a policy of diminishing the inventories, i.e. selling finished products obtained at a high cost during 2022. This policy comes in the context that, after a short period of economic imbalances felt in the market during which raw materials recorded high prices, they had a downward trend that continues as of the date of this report. Thus, companies that produced during that atypical period were not able to incorporate the full cost of production into the price of the products sold. Also, the result obtained from the operating activity is influenced by the seasonality of the market in which the company operates, so according to industry statistics, quarters 1 and 4 generate lower sales.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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

This decrease was partially offset by the EBITDA recorded by Evolor (former Sarcom) and the new portfolio companies during 2022, which generated a cumulative positive result of RON 4.6 million.

Under the influence of the change in the holding structure (4 more companies were acquired during 2022), as well as the seasonality of the industry in which the portfolio companies operate, a consolidated net loss of RON 5.5 million (vs. RON 0.25 million in Q1 2022) was recorded at Group level.

Thus, the consolidated EBITDA in the first quarter of 2023, amounting to RON 3.1 million, is eroded by:

- depreciation and amortization expenses of RON 5.9 million (of which RON 1.8 million represents amortization of goodwill, brands and customer relationships identified through business combinations),
- negative financial result of RON 3.3 million, representing bank interest of RON 2.8 million and negative exchange rate differences of RON 0.5 million,
- corporate income tax of RON 0.3 million and
- reversals of provision adjustments of RON 0.9 million.

Based on the individual net results achieved by each company and Roca Industry's ownership percentages in these companies, the consolidated net loss of RON 5.5 million in the first quarter of 2023 is attributable to the parent company (loss of RON 5.1 million) and minority shareholders (loss of RON 0.4 million).

The net loss of RON 0.4 million attributable to minority shareholders represents the share that is not held by Roca Industry (i.e. 30%) of Bico's individual net loss and Terra's individual net profit in Q1 2023. A net loss of RON 5.1 million is attributable to the parent company as it owns 100% of the investment vehicles (SPVs – Doorsrock4 and Nativerock1) which, by their nature, have no operating income, these companies generating a cumulative net loss of RON 1.5 million in Q1 2023. Also, under consolidation accounting principles, the parent company is attributable 100% of the amortization expense related to goodwill, brands and customer relationships identified through business combinations, amounting to approximately RON 1.8 million in Q1 2023.

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

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## CUMULATED P&L ANALYSIS

The objective of the combined financial statements is to present financial information in a format that allows comparability with the previous year, without the percentage of ownership and acquisition date figures having any impact. In other words, the combined results show the activity of the company itself, without the influence of corporate events. Thus, the table below shows the cumulated indicators at the Group level, namely turnover, EBITDA and net result. They were obtained by summing up the individual performance of each subsidiary, regardless of the moment of its acquisition and without considering the share of Roca Industry's holding in the share capital of each company.

Cumulated profit and loss indicators	Results for Q1 2023 (th RON)			Q1 2023 EBITDA margin	Q1 2023 net profit margin
	Turnover	EBITDA	Net result		
Sarcom	17,601	2,122	(765)	12.1%	N/A
Bico	36,694	(185)	(1,671)	-0.5%	N/A
Terra	11,230	749	460	6.7%	4.1%
Europlas Lux	1,911	19	(18)	1.0%	N/A
EED	15,881	1,251	103	7.9%	0.6%
Dial	12,076	437	(112)	3.6%	N/A
<b>Companies Total</b>	<b>95,393</b>	<b>4,394</b>	<b>(2,004)</b>	<b>4.6%</b>	<b>N/A</b>
Roca Industry	-	(1,127)	1,260	N/A	N/A
Doorsrock4	-	(37)	(102)	N/A	N/A
Nativerock1	-	(82)	(497)	N/A	N/A
<b>Holding and SPVs total</b>	<b>-</b>	<b>(1,246)</b>	<b>661</b>	<b>N/A</b>	<b>N/A</b>
<b>Total cumulated</b>	<b>95,393</b>	<b>3,148</b>	<b>(1,343)</b>	<b>3.3%</b>	<b>N/A</b>

During the first 3 months of 2023, the Group companies obtained a **turnover** of RON 95.4 million at cumulated level. Considering that the activity of the productive companies is a seasonal one, with considerably lower sales in Q1 and Q4 as compared to the rest of the year, the **EBITDA margin of the four productive companies in the portfolio** (considering Terra and Europlas as part of Bico Group) was at 4.6% of turnover (cumulated EBITDA of RON 4.4 million).

It was further decreased by the operating expenses recorded at the holding and SPVs level, so that, at the combined level when considering also Roca Industry and the SPVs, **EBITDA** was in amount of RON 3.1 million, with a 3.3% margin.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Additionally, a significant impact came from higher depreciation costs (new investments made by the acquired companies), from financial expenses resulting from the new loans obtained for company acquisitions, for investments and for working capital, as well as a result of the trend of increasing bank interest rates. Thus, the cumulated net loss of the **productive companies** was RON 2.0 million. Considering also the holding and SPVs results, the cumulated net loss at Group level was RON 1.3 million.

For a clearer understanding of the financial performance of each holding company, some additional information is presented below for each company in which Roca Industry is majority shareholder, either directly or indirectly.

## **ROCA INDUSTRY**

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

Operating expenses in the first 3 months of 2023 totalled RON 1.1 million, mainly representing the operating costs of the holding company (personnel expenses, expenses related to PR and investor relations activities of the holding company, as well as expenses for other external services).

Financial income of RON 2.6 million is mainly composed of dividend income of RON 1.5 million represented by dividends distributed but not paid by Nativerock1 (dividends that were distributed during 2022 and were settled following the closing of the individual annual financial statements of Nativerock1), interest income and favourable exchange differences on loans granted by the Company to its subsidiaries.

Thus, the operational expenses of the holding company were offset by the income obtained from the relationship with its subsidiaries, at individual level Roca Industry recorded a net profit of RON 1.3 million.

## **EVOLOR (former SARCOM)**

In the first 3 months of 2023 Evolor recorded a turnover of RON 17.6 million, up 46% compared to 3L 2022, mainly due to the increased sales volume across all product categories but also to a higher selling price compared to the same period of 2022.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Raw material expenses increased by 30% in Q1 2023 compared to Q1 2022 (to RON 11.4 million) as a result of the higher volume of products sold, below the percentage increase in turnover due to the actions taken by the company in the area of production cost optimization. Although salary expenses were 52% above the level of Q1 2022 (both as a result of a higher level of salaries and a higher number of employees), the company reached an EBITDA level of RON 2.1 million, 224% above EBITDA recorded in the same period of 2022, and the EBITDA margin stood at 12% of turnover (vs. 5%).

In contrast to 2022, Evolor also incorporates in its performance certain elements taken over from Colorock13 following the merger completed in December. Thus, the comparability of Evolor's other items than the purely operational ones is impacted by:

- Goodwill related to the transaction, representing the difference between the acquisition cost of Evolor and the fair value of the portion of the net assets acquired at transaction date. It is amortised over a period of 10 years;
- Colorock13's bank debt needed to finance the acquisition of Evolor which was taken over by the company;
- Debts owed to shareholders, i.e. loans granted by Roca Industry to Colorock13 to secure the resources needed to complete the acquisition of Evolor.

Thus, EBITDA was eroded by higher amortization expenses (RON 1.7 million in Q1 2023 vs. RON 49 thousand in Q1 2022, as a result of goodwill and investments made during 2022 and the first three months of 2023), as well as by financial expenses totalling RON 1.1 million generated by interest payable on loans taken out (including those taken over from Colorock13).

As a result of these developments, at the end of the first 3 months of this year, the company recorded a net loss of RON 0.8 million, compared to a net profit of RON 0.5 million for Q1 2022. Comparability between the two periods is affected by the impact of the merger between Evolor and Nativerock13.

Given the seasonality of the market in which the company operates, we note that quarters 1 and 4 generate lower sales.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## BICO

For the total 3 months of 2023, Bico's turnover increased by 17% compared to 3L 2022, to a level of RON 36.7 million. In the first quarter of this year the increase in sales was mainly due to the company's policy of decreasing the inventories, i.e. selling finished products obtained at a high cost during 2022. This policy comes in the context that, after a short period of economic imbalances felt in the market during which raw materials recorded high prices, they had a downward trend that is still maintained at the date of this report. Thus, companies that produced during that atypical period were not able to incorporate the full cost of production into the price of the products sold.

Operating expenses were slightly optimized, increasing by 12% in Q1 2023 vs. Q1 2022 (from RON 28.7 million to RON 32.2 million), less than sales growth.

As sales volumes contracted, the company slowed down the production process, so that the production in inventories decreased by RON 5.2 million, leading to total operating income 2% lower than in Q1 2022 (RON 31.7 million). This decrease in inventories impacted the company's EBITDA (RON - 0.2 million in Q1 2023 vs. RON 4.3 million in Q1 2022). In addition, financial expenses totalling RON 1.1 million, the increase of which was mainly generated by interest on credit facilities and intra-group loans, led to a net loss of RON 1.7 million (vs. RON 2.7 million profit in Q1 2022).

Given the seasonality of the market in which the company operates, we note that quarters 1 and 4 generate lower sales. An additional element relates to the fact that the first quarter of 2022 was atypical, with above normal sales and high margins, elements that influence comparability with this period.

## TERRA

In the first 3 months of the year, Terra's turnover contracted by 7% to RON 11.2 million. At the same time, operating expenses could not be adjusted similarly to the decrease in sales, they were only 1% below the level of the same period of 2022.

As a result of these developments, Terra achieved an EBITDA of RON 0.7 million, 44% lower than Q1 2022, representing an EBITDA margin of 7% and a net profit of RON 0.5 million, -55% vs. Q1 2022 (March 2022: RON 1.0 million).

As with Bico, the seasonality of the market means that quarters 1 and 4 generate lower sales. Additionally, the first quarter of 2022 was atypical for Terra, with sales volume and margins above normal for this period.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## EED

The company's turnover in the first 3 months of 2023 reached RON 15.9 million, 2% below that of Q1 2022. This evolution was generated by the decrease in sales volume on two of the three product categories, a trend observed in the market.

On the operating expenses side, the most significant are those for the purchase of raw materials and necessary consumables, which increased by 17% compared to Q1 2022, up to RON 10.0 million. This increase was due to the evolution of raw material prices in the second half of 2022.

As a result, EED achieved an EBITDA of RON 1.3 million, compared to RON 2.8 million in Q1 2022, and the EBITDA margin was 8%. Depreciation and financial expenses, especially interest expenses, impacted EBITDA, so net profit was RON 0.1 million vs. RON 1.6 million at the end of March 2022.

Given the seasonality of the market in which the company operates, we note that quarters 1 and 4 generate lower sales.

## DIAL

The turnover recorded during the first 3 months of 2023 was RON 12.1 million, 43% below the level of Q1 2022 (RON 21.3 million). The main reason for this decrease is the low demand for the company's products during this period, with the quantities sold decreasing in various proportions, depending on the product, in line with the demand in the building materials market. The company's business has a high dependence on weather conditions, so this aspect has put its mark on the first quarter results.

Operating expenses have also been adjusted to reflect the demand for Dial products, although not to the same extent as the decrease in turnover (RON 15.1 million, -16% vs. Q1 2022). Thus, Dial achieved an EBITDA of RON 0.4 million, with an EBITDA margin of 4%, and a net loss of RON 0.1 million.

Given the seasonality of the market in which the company operates, we note that quarters 1 and 4 generate lower sales.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## **DOORSROCK4**

Doorsrock4 is the company created to structure the financing of the EED acquisition transaction, which acquired 70% of the company's share capital in May 2022 and the remaining 30% of the share capital in December 2022. The SPV recorded an individual net loss of RON 0.1 million in Q1 2023 generated entirely by interest expenses related to the financing required to complete the transaction and those arising from unfavourable exchange rate differences (totalling RON 0.7 million) higher than financial income (from interest and from dividends distributed/paid by EED to pay debt service in relation to bank loans - LBO, totalling RON 0.6 million).

## **NATIVEROCK1**

The purpose of the SPV was to secure the financing structure necessary for the acquisition of Dial, a transaction completed on 23 September 2022. Nativerock1 recorded a net loss of RON 0.5 million mainly as a result of financial expenses consisting of interest expenses and unfavourable exchange rate differences (totalling RON 0.8 million), while financial income (from dividends distributed/paid by Dial to pay debt service in relation to bank loans - LBO) amounted to RON 0.4 million.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## CONSOLIDATED BALANCE SHEET ANALYSIS

### Fixed assets

Non-current assets at consolidated level decreased by 3% compared to the end of 2022, reaching RON 273.9 million. These are mainly made up of **intangible fixed assets** (RON 135.2 million, -7% compared to year-end 2022) and **tangible fixed assets** (RON 136.3 million, +1% compared to year-end 2022).

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

**Tangible fixed assets** at consolidated level of RON 135.2 million mainly comprise land and buildings, equipment, assets under construction and advances for fixed assets. Compared to 31 December 2022 there are no significant changes as no significant acquisitions were recorded during the first quarter.

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

### Current assets

**Inventories**, amounting to RON 98.9 million as of 31 March 2023, are mainly made up of raw materials, finished products and goods, work in progress and advances for the purchase of inventories of companies in the consolidation perimeter. Compared to 31 December 2022 there is a slight decrease of 2%.

At the level of **trade receivables** as of 31 March 2023, there was a significant increase of 156% compared to the end of 2022 (mostly trade receivables at the level of the 4 directly productive subsidiaries - Bico, Evolor (formerly Sarcom), EED and Dial, but also VAT to be recovered and other receivables from the state budget), which reached a level of RON 66.9 million at consolidated level, compared to RON 26.1 million as at 31 December 2022.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

**Receivables from affiliated companies** of RON 98.4 million, show a slight increase of 5% compared to 31.12.2022, mainly representing amounts receivable from transactions between Terra and Bico affiliated entities. All these items are eliminated in the consolidated balance sheet.

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

**Cash and cash equivalents** as of 31 March 2023 amounted to RON 15.9 million, down RON 26.3 million compared to 31 December 2022 (-62%), mainly due to the increase in the financing needs of the companies' current activity, as well as payments made for the repayment of loans and interest payments on loans.

## Trade payables

The increase in trade payables as of 31 March 2023 compared to 31 December 2022 is mainly due to the increase in payables of directly productive companies, a normal fluctuation depending on the operational needs of the companies, but also due to the preparation of stocks for the seasonal sales phase.

## Bank loans

Bank loans on 31 March 2023 are 13% higher than on 31 December 2022, due to the increase in the need to finance operating activities and investments made by portfolio companies.

These are presented on a short or long-term basis, depending on the terms of the loan agreements.

## Other liabilities

Compared to 31 December 2022, other liabilities show a decrease of 30%, mainly due to the payment of the amounts owed by Doorsrock to former EED shareholders (RON 12.8 million).

## Provisions

Provisions outstanding were mainly established for various expenses related to tax liabilities, representing probable liabilities arising from past events of the companies. There were no other adjustments to provisions in Q1 2023.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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

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

**Revaluation reserves** in the amount of RON 2.8 million represent the unrealized surplus from the revaluation of tangible fixed assets, land and buildings carried out on 31.12.2022 by Evolor.

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

## ROCA INDUSTRY

Total assets of RON 172.3 million remained at the same level as at the end of 2022. With a share of 52% in total assets, fixed assets at the end of March amounted to RON 89.9 million, mostly made up of financial fixed assets that did not change in the first months of 2023 as Roca Industry did not directly acquire new companies.

Total liabilities, amounting to RON 5.8 million at the end of March 2023, decreased by 19% compared to the end of 2022 on the back of the recording of the distribution of dividends from Nativerock1 following the distributions made, as required by law, during the 2022 financial year, and which have been regularised on the basis of the annual financial statements.

## EVOLOR (formerly SARCOM)

Evolor's balance sheet structure did not change in the first 3 months of the year compared to FY 2022. The largest part of the company's total assets (RON 114.3 million, +1% compared to end FY 2022) is represented by fixed assets (66.7% of total assets), consisting mainly of goodwill recognized at the time of the merger by absorption of Colorock13.

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Current assets, 4% higher than FY 2022, amounted to RON 37.4 million in Q1 2023. The main changes relate to:

- Doubling of trade receivables (RON 19.9 million vs. RON 9.1 million at December 2023), due to increased sales;
- Significant decrease in cash and cash equivalents (from RON 10.5 million as at 31 December 2022 to RON 0.4 million as at Q1 2023), cash being used both for the purchase of raw materials and for new investments (advance payment for the new hall where the factory is to be relocated and new equipment required in the production process) made during the first quarter.

The main change on the total debts side (RON 106.8 million in Q1 2023, +2% vs. FY 2022) refers to the 22% increase in trade payables (RON 12.6 million in March 2023 vs. RON 10.3 million in December 2022), due to the increase in turnover and the preparation of raw material requirements for the season.

## **BICO**

The 11% increase in total assets at the end of March 2023 vs. FY 2022, from RON 110.9 million to RON 122.8 million, was generated by the change in the structure of current assets. As a result of the inventories decrease process carried out by the company, these went down by 14% to RON 34.7 million. At the same time, trade receivables increased from RON 4.3 million to RON 19.8 million on the back of significantly higher sales in March.

Mirroring this, the 21% increase in current liabilities (RON 82.2 million in Q1 2023 vs. RON 68.0 million in FY 2022) comes from:

- Increase in trade payables by 84% (from RON 8.9 million to RON 16.4 million), due to higher sales and securing raw materials for the coming period
- 30% increase in short-term bank loans (RON 43.2 million as of March 2023 vs. RON 33.2 million as of December 2022), following the use of bank credit lines necessary to finance current activity
- Repayment of some of the loans granted by Roca Industry which resulted in a 39% decrease in debt to shareholders (RON 7.6 million in Q1 2023 vs. RON 12.6 million in FY 2022).

## **TERRA**

The company's total assets increased by 10% to RON 26.0 million, mainly due to:

- increase in receivables from related parties from RON 2.0 million at December 2022 to RON 7.8 million at the end of Q1 2023 as a result of the Bico Group's strategy to sell products made in the Republic of Moldova through Bico
- decrease in inventories (-26%, from RON 12.2 million in FY 2022 to RON 9.0 million as of 31 March 2023), an action taken by the company in response to reduced market demand

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

# ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

## EED

With total assets of RON 75.1 million at the end of March 2023, +1% compared to FY 2022, the main changes occurred in the current asset structure. Trade receivables increased from RON 2.9 million to RON 14.0 million mainly on the back of higher sales in March this year, while cash and cash equivalents decreased by 78% (to RON 3.0 million as of March 2023) due to the preparation of raw material inventory needed for the season and the repayment of bank loans and dividend payments to Doorsrock4 for debt service payments.

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

## DIAL

While the company's fixed assets remained unchanged (RON 24.9 million as of March 2023), the structure of current assets (amounting to RON 30.4 million, 7% above the level recorded in FY 2022) underwent some changes. Inventories, amounting to RON 16.1 million, increased by 54% in the first 3 months of FY 2023 on the back of the decrease in sales in this period, coupled with the continuation of the production process to ensure the availability of finished products in the seasonal period of Q2 and Q3. Trade receivables also doubled from RON 5.0 million in FY 2022 to RON 9.8 million at the end of Q1 2023. At the same time, cash and cash equivalents amount to RON 1.7 mil, down from RON 11.3 mil, which is mainly used to prepare the stock of raw materials needed for the seasonal period and to distribute dividends to Nativerock1 to cover debt service.

In terms of total liabilities (RON 17.7 million as of 31 March 2023, +20% vs FY 2022), the main changes refer to the doubling of trade payables (up to RON 1.3 million) mainly due to the purchase of raw materials to ensure the necessary inventories during the season.

## DOORSROCK4

This company has a balance sheet structure typical of an investment vehicle, with financial fixed assets represented by shares held in EED and receivables from related parties representing loans from Doorsrock4 to EED. The majority of the liabilities are represented by the loans necessary for the acquisition of EED. There were no significant changes during Q1 2023.

## NATIVEROCK1

Nativerock1's assets are mostly made up of financial fixed assets (RON 57.5 million) represented by the stake held in Dial, which have not changed since FY 2022. Current assets consist entirely of receivables with affiliated parties representing dividends receivable from Dial (RON 2.5 m.). Compared to December 2022, interim dividends distributed during FY 2022 were settled after the approval of the annual financial statements (RON 1.6 m.) so that current assets decreased by this amount.

Liabilities mainly consist of bank loans required for the Dial acquisition, with no significant changes during the 3 months of 2023.

# MAIN FINANCIAL INDICATORS AT CONSOLIDATED LEVEL

## Current ratio as of 31.03.2023

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{182,767,571}{139,987,323} = 1.31$$

## Debt to equity ratio as of 31.03.2023

$$\frac{\text{Interest bearing debt}}{\text{Equity}} \times 100 = \frac{145,729,549}{153,842,106} \times 100 = 94.73\%$$

$$\frac{\text{Interest bearing debt}}{\text{Employed capital}} \times 100 = \frac{145,729,549}{299,571,655} \times 100 = 48.64\%$$

*Interest bearing debt = Loans over 1 year*

*Employed capital = Borrowed capital + Equity*

## Fixed asset turnover as of 31.03.2023

$$\frac{\text{Annualized turnover}}{\text{Fixed assets}} = \frac{498,448,337}{273,887,768} = 1.82$$

# CONSOLIDATED PROFIT AND LOSS ACCOUNT ROCA INDUSTRY HOLDINGROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
<b>Operating income</b>	<b>81,929,844</b>	<b>44,555,612</b>	<b>84%</b>
Turnover	82,263,042	43,424,622	89%
Inventory variation	(1,388,595)	959,219	-245%
Other operating income	1,055,397	171,771	514%
<b>Operating expenses, of which:</b>	<b>83,869,153</b>	<b>42,960,567</b>	<b>95%</b>
Material expenses, of which:	56,933,045	31,175,488	83%
<i>Expenses with raw materials and consumables</i>	52,950,463	25,354,321	109%
<i>Expenses on goods</i>	2,156,396	4,352,849	-50%
<i>Other expenses</i>	1,826,186	1,468,319	24%
Personnel expenses	12,771,652	5,652,365	126%
Depreciation, amortization and value adjustments	5,054,253	2,396,200	111%
Other operating expenses	9,096,316	3,736,513	143%
<b>Operating result</b>	<b>(1,925,422)</b>	<b>1,595,046</b>	<b>N/A</b>
Financial income	127,499	151,329	-16%
Financial expenses	3,441,380	867,722	297%
<b>Financial result</b>	<b>(3,313,881)</b>	<b>(716,393)</b>	<b>363%</b>
Total income	82,057,343	44,706,941	84%
Total expenses	87,296,646	43,828,289	99%
<b>Gross loss/profit</b>	<b>(5,239,303)</b>	<b>878,653</b>	<b>N/A</b>
Income tax	250,211	628,017	-60%
<b>Net loss/profit, of which:</b>	<b>(5,489,514)</b>	<b>250,636</b>	<b>N/A</b>
<i>related to the parent company</i>	<i>(5,123,909)</i>	<i>(551,079)</i>	
<i>related to non-controlling interests</i>	<i>(365,605)</i>	<i>801,715</i>	

# STANDALONE PROFIT AND LOSS ACCOUNT ROCA INDUSTRY HOLDINGROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
<b>Operating income</b>	272	-	-
Other operating income	272	-	-
<b>Operating expenses, of which:</b>	<b>1,129,702</b>	<b>456,228</b>	<b>148%</b>
Material expenses, of which:	20,980	7,108	195%
<i>Expenses with raw materials and consumables</i>	14,559	7,108	105%
<i>Other expenses</i>	6,421	-	-
Personnel expenses	655,103	129,691	405%
Depreciation, amortization and value adjustments	2,782	466	497%
Other operating expenses	450,837	318,963	41%
<b>Operating result</b>	<b>(1,129,430)</b>	<b>(456,228)</b>	<b>148%</b>
Financial income	2,568,608	455,819	464%
Financial expenses	74,742	8,660	763%
<b>Financial result</b>	<b>2,493,866</b>	<b>447,159</b>	<b>458%</b>
Total income	2,568,880	455,819	464%
Total expenses	1,204,444	464,888	159%
<b>Gross loss/profit</b>	<b>1,364,436</b>	<b>(9,069)</b>	<b>-15145%</b>
Income tax	104,879	4,540	2210%
<b>Net loss/profit</b>	<b>1,259,557</b>	<b>(13,609)</b>	<b>-9355%</b>

# PROFIT AND LOSS ACCOUNT

## BICO INDUSTRIES

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
<b>Operating income</b>	<b>31,708,865</b>	<b>32,482,456</b>	<b>-2%</b>
Turnover	36,693,849	31,334,566	17%
Inventory variation	(5,162,402)	1,012,127	-610%
Other operating income	177,418	135,763	31%
<b>Operating expenses, of which:</b>	<b>32,227,162</b>	<b>28,708,164</b>	<b>12%</b>
Material expenses, of which:	25,929,405	22,497,987	15%
<i>Expenses with raw materials and consumables</i>	13,371,156	17,137,890	-22%
<i>Expenses on goods</i>	11,993,152	4,166,930	188%
<i>Other expenses</i>	565,097	1,193,166	-53%
Personnel expenses	3,795,864	3,718,741	2%
Depreciation, amortization and value adjustments	333,782	563,976	-41%
Other operating expenses	2,168,111	1,927,461	12%
<b>Operating result</b>	<b>(518,297)</b>	<b>3,774,292</b>	<b>-114%</b>
Financial income	13	101,739	-100%
Financial expenses	1,152,906	645,421	79%
<b>Financial result</b>	<b>(1,152,893)</b>	<b>(543,682)</b>	<b>112%</b>
Total income	31,708,878	32,584,195	-3%
Total expenses	33,380,068	29,353,585	14%
<b>Gross loss/profit</b>	<b>(1,671,190)</b>	<b>3,230,610</b>	<b>-152%</b>
Income tax	-	558,228	-100%
<b>Net loss/profit</b>	<b>(1,671,190)</b>	<b>2,672,382</b>	<b>-163%</b>

# PROFIT AND LOSS ACCOUNT

## TERRA IMPEX

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
<b>Operating income</b>	<b>11,229,946</b>	<b>12,020,338</b>	<b>-7%</b>
Turnover	11,229,946	12,020,338	-7%
<b>Operating expenses, of which:</b>	<b>10,723,575</b>	<b>10,850,447</b>	<b>-1%</b>
Material expenses, of which:	7,968,101	7,696,203	4%
<i>Expenses with raw materials and consumables</i>	7,725,876	7,696,203	0%
<i>Expenses on goods</i>	242,225	-	-
Personnel expenses	1,365,504	1,440,849	-5%
Depreciation, amortization and value adjustments	242,671	133,013	82%
Other operating expenses	1,147,299	1,580,382	-27%
<b>Operating result</b>	<b>506,371</b>	<b>1,169,891</b>	<b>-57%</b>
Financial expenses	46,366	102,017	-55%
<b>Financial result</b>	<b>(46,366)</b>	<b>(102,017)</b>	<b>-55%</b>
Total income	11,229,946	12,020,338	-7%
Total expenses	10,769,941	10,952,464	-2%
<b>Gross loss/profit</b>	<b>460,005</b>	<b>1,067,874</b>	<b>-57%</b>
Income tax	-	78,453	-100%
<b>Net loss/profit</b>	<b>460,005</b>	<b>989,421</b>	<b>-54%</b>

# PROFIT AND LOSS ACCOUNT

## EVOLOR (former SARCOM)

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
<b>Operating income</b>	<b>17,937,780</b>	<b>12,073,157</b>	<b>49%</b>
Turnover	17,600,633	12,090,056	46%
Inventory variation	283,530	(52,908)	-636%
Other operating income	53,617	36,009	49%
<b>Operating expenses, of which:</b>	<b>17,525,682</b>	<b>11,467,403</b>	<b>53%</b>
Material expenses, of which:	11,277,134	8,670,183	30%
<i>Expenses with raw materials and consumables</i>	10,688,133	8,209,112	30%
<i>Expenses on goods</i>	409,715	185,919	120%
<i>Other expenses</i>	179,286	275,152	-35%
Personnel expenses	2,742,134	1,803,933	52%
Depreciation, amortization and value adjustments	1,709,517	49,002	3389%
Other operating expenses	1,796,897	944,285	90%
<b>Operating result</b>	<b>412,098</b>	<b>605,754</b>	<b>-32%</b>
Financial income	43,990	761	5678%
Financial expenses	1,075,841	7,727	13822%
<b>Financial result</b>	<b>(1,031,851)</b>	<b>(6,966)</b>	<b>14713%</b>
Total income	17,981,770	12,073,918	49%
Total expenses	18,601,523	11,475,130	62%
<b>Gross loss/profit</b>	<b>(619,753)</b>	<b>598,788</b>	<b>-204%</b>
Income tax	145,332	65,249	123%
<b>Net loss/profit</b>	<b>(765,085)</b>	<b>533,539</b>	<b>-243%</b>

# PROFIT AND LOSS ACCOUNT

## ECO EURO DOORS

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
<b>Operating income</b>	<b>17,141,512</b>	<b>16,500,071</b>	<b>4%</b>
Turnover	15,880,984	16,162,902	-2%
Inventory variation	1,100,841	(103,402)	-1165%
Other operating income	159,687	440,571	-64%
<b>Operating expenses, of which:</b>	<b>16,476,656</b>	<b>14,511,611</b>	<b>14%</b>
Material expenses, of which:	11,237,981	10,035,648	12%
<i>Expenses with raw materials and consumables</i>	9,981,225	8,498,180	17%
<i>Expenses on goods</i>	568,311	1,067,779	-47%
<i>Other expenses</i>	688,445	469,689	47%
Personnel expenses	2,383,659	1,317,076	81%
Depreciation, amortization and value adjustments	586,359	844,757	-31%
Other operating expenses	2,268,657	2,314,130	-2%
<b>Operating result</b>	<b>664,856</b>	<b>1,988,460</b>	<b>-67%</b>
Financial income	44,803	581	7611%
Financial expenses	606,489	93,995	545%
<b>Financial result</b>	<b>(561,686)</b>	<b>(93,414)</b>	<b>501%</b>
Total income	17,186,315	16,500,652	4%
Total expenses	17,083,145	14,605,606	17%
<b>Gross loss/profit</b>	<b>103,170</b>	<b>1,895,046</b>	<b>-95%</b>
Income tax	-	289,631	-100%
<b>Net loss/profit</b>	<b>103,170</b>	<b>1,605,415</b>	<b>-94%</b>

# PROFIT AND LOSS ACCOUNT

## DOORSROCK4

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022	Q1 23 vs Q1 22 (%)
Operating income	-	-	-
Operating expenses, of which:	37,364	352	10514%
Material expenses, of which:	-	211	-100%
Expenses with raw materials and consumables	-	211	-100%
Other operating expenses	37,364	141	26337%
<b>Operating result</b>	<b>(37,364)</b>	<b>(352)</b>	<b>10514%</b>
Financial income	589,425	-	-
Financial expenses	654,308	0	-
<b>Financial result</b>	<b>(64,883)</b>	<b>(0)</b>	<b>-</b>
Total income	589,425	-	-
Total expenses	691,672	352	196353%
<b>Gross loss/profit</b>	<b>(102,247)</b>	<b>(352)</b>	<b>28941%</b>
<b>Net loss/profit</b>	<b>(102,247)</b>	<b>(352)</b>	<b>28941%</b>

# PROFIT AND LOSS ACCOUNT

## NATIVEROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	3M 2023	3M 2022
Operating income	-	-
Operating expenses, of which:	81,675	-
Other operating expenses	81,675	-
<b>Operating result</b>	<b>(81,675)</b>	-
Financial income	415,838	-
Financial expenses	830,951	-
<b>Financial result</b>	<b>(415,113)</b>	-
Total income	415,838	-
Total expenses	912,626	-
<b>Gross loss/profit</b>	<b>(496,788)</b>	-
<b>Net loss/profit</b>	<b>(496,788)</b>	-

# CONSOLIDATED BALANCE SHEET

## ROCA INDUSTRY HOLDINGROCK1

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>272,059,344</b>	<b>282,665,278</b>	<b>-4%</b>
Intangible assets	135,197,086	145,326,616	-7%
Tangible assets	122,256,694	123,246,467	-1%
Financial assets	2,416,666	1,812,475	33%
Fixed assets under investment	12,188,898	12,279,720	-1%
<b>Current assets, of which:</b>	<b>182,767,571</b>	<b>170,223,844</b>	<b>7%</b>
Inventories	98,852,656	101,026,478	-2%
Receivables	66,886,745	26,081,604	156%
Trade receivables	63,557,544	23,066,782	176%
Other assets	3,329,201	3,014,822	10%
Short term investments	1,125,683	881,206	28%
Cash and cash equivalents	15,902,487	42,234,556	-62%
<b>Deferred expenses</b>	<b>2,610,984</b>	<b>2,203,462</b>	<b>18%</b>
<b>Total assets</b>	<b>457,437,899</b>	<b>455,092,584</b>	<b>1%</b>
<b>Current liabilities, of which:</b>	<b>138,625,743</b>	<b>131,083,262</b>	<b>6%</b>
Third-party providers	34,266,861	29,299,629	17%
Bank debts	71,825,514	57,710,905	24%
Debts to affiliated companies	5,184,672	5,118,797	1%
Other current liabilities	27,348,696	38,953,931	-30%
<b>Non-current liabilities, of which:</b>	<b>147,687,304</b>	<b>137,480,912</b>	<b>7%</b>
Bank debts	145,729,549	135,318,611	8%
Other non-current liabilities	1,957,755	2,162,301	-9%
<b>Provisions</b>	<b>1,972,194</b>	<b>2,197,788</b>	<b>-10%</b>
<b>Deferred income</b>	<b>5,350,179</b>	<b>5,589,963</b>	<b>-4%</b>
<b>Total debts</b>	<b>293,635,420</b>	<b>276,351,925</b>	<b>6%</b>
<b>Equity, of which:</b>	<b>152,013,682</b>	<b>159,187,296</b>	<b>-5%</b>
Subscribed and paid-up capital	176,945,730	176,945,730	0%
Share premium	38	38	0%
Other reserves	2,795,503	4,693,364	-40%
Reserves from conversion	262,912	(185,330)	-242%
Carried forward profit or loss	(21,181,141)	(961,910)	-
Loss for the financial year	(5,123,909)	(19,619,145)	-74%
Losses related to equity instruments	(1,685,451)	(1,685,451)	0%
Minority interests	<b>11,788,797</b>	<b>19,553,363</b>	<b>-40%</b>
<b>Total equity and liabilities</b>	<b>457,437,899</b>	<b>455,092,584</b>	<b>1%</b>

# STANDALONE BALANCE SHEET

## ROCA INDUSTRY HOLDINGROCK1

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>89,917,180</b>	<b>89,919,962</b>	<b>0%</b>
Intangible assets	2,353	2,588	-9%
Tangible assets	17,685	20,232	-13%
Financial assets	89,897,142	89,897,142	0%
<b>Current assets, of which:</b>	<b>82,365,626</b>	<b>82,508,623</b>	<b>0%</b>
Receivables	77,699,438	80,474,276	-3%
<i>Trade receivables</i>	868,771	780,498	11%
<i>Receivables with related parties</i>	76,830,667	79,693,686	-4%
<i>Other assets</i>	-	92	-100%
Cash and cash equivalents	4,666,188	2,034,347	129%
<b>Deferred expenses</b>	<b>49,385</b>	<b>34,331</b>	<b>44%</b>
<b>Total assets</b>	<b>172,332,191</b>	<b>172,462,916</b>	<b>0%</b>
<b>Current liabilities, of which:</b>	<b>5,811,647</b>	<b>7,201,656</b>	<b>-19%</b>
Third-party providers	289,407	306,777	-6%
Debts to affiliated companies	5,184,672	5,118,797	1%
Other current liabilities	337,568	1,776,082	-81%
<b>Deferred income</b>	<b>2,216</b>	<b>2,488</b>	<b>-11%</b>
<b>Total debts</b>	<b>5,813,863</b>	<b>7,204,144</b>	<b>-19%</b>
<b>Equity, of which:</b>	<b>166,518,328</b>	<b>165,258,772</b>	<b>1%</b>
Subscribed and paid-up capital	176,945,730	176,945,730	0%
Share premium	38	38	0%
Carried forward profit or loss	(10,001,546)	(175,042)	5614%
Profit or loss for the financial year	1,259,557	(9,826,502)	-113%
Losses related to equity instruments	(1,685,451)	(1,685,451)	0%
<b>Total equity and liabilities</b>	<b>172,332,191</b>	<b>172,462,916</b>	<b>0%</b>

# BALANCE SHEET

## BICO INDUSTRIES

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>61,318,962</b>	<b>61,206,657</b>	<b>0%</b>
Intangible assets	21,999	26,398	-17%
Tangible assets	40,311,449	40,934,959	-2%
Financial assets	20,560,309	19,851,352	4%
Fixed assets under investment	425,205	393,948	8%
<b>Current assets, of which:</b>	<b>61,367,894</b>	<b>49,649,913</b>	<b>24%</b>
Inventories	34,672,083	40,253,421	-14%
Receivables	20,603,127	5,247,863	293%
<i>Trade receivables</i>	19,811,632	4,285,311	362%
<i>Other assets</i>	791,495	962,552	-18%
Short term investments	494,850	494,740	0%
Cash and cash equivalents	5,597,834	3,653,889	53%
<b>Deferred expenses</b>	<b>96,517</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>122,783,373</b>	<b>110,856,570</b>	<b>11%</b>
<b>Current liabilities, of which:</b>	<b>82,169,056</b>	<b>68,016,363</b>	<b>21%</b>
Third-party providers	16,400,605	8,935,747	84%
Debts to affiliated companies	4,688,175	5,191,832	-10%
Bank debts	43,150,670	33,163,855	30%
Debts to shareholders	7,615,234	12,562,005	-39%
Other current liabilities	10,314,372	8,162,924	26%
<b>Non-current liabilities, of which:</b>	<b>6,603,776</b>	<b>7,003,131</b>	<b>-6%</b>
Bank debts	6,603,776	7,003,131	-6%
<b>Provisions</b>	<b>13,443</b>	<b>37,830</b>	<b>-64%</b>
<b>Deferred income</b>	<b>2,866,227</b>	<b>2,997,185</b>	<b>-4%</b>
<b>Total debts</b>	<b>91,652,502</b>	<b>78,054,509</b>	<b>17%</b>
<b>Equity, of which:</b>	<b>31,130,871</b>	<b>32,802,061</b>	<b>-5%</b>
Subscribed and paid-up capital	10,700,000	10,700,000	0%
Share premium	16,749,484	16,749,484	0%
Legal reserves	2,117,703	2,117,703	0%
Other reserves	1,814,091	1,814,091	0%
Carried forward profit or loss	1,420,783	170,064	735%
Profit or loss for the financial year	(1,671,190)	1,336,876	-225%
Profit allocation	-	(86,157)	-100%
<b>Total equity and liabilities</b>	<b>122,783,373</b>	<b>110,856,570</b>	<b>11%</b>

# BALANCE SHEET TERRA IMPEX

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>6,809,802</b>	<b>6,428,007</b>	<b>6%</b>
Intangible assets	283	945	-70%
Tangible assets	6,227,319	5,671,289	10%
Financial assets	582,200	682,200	-15%
Fixed assets under investment	-	73,573	-100%
<b>Current assets, of which:</b>	<b>19,230,597</b>	<b>17,133,529</b>	<b>12%</b>
Inventories	9,018,779	12,160,786	-26%
Receivables	9,988,865	4,166,063	140%
<i>Trade receivables</i>	1,987,814	1,841,522	8%
<i>Receivables with related parties</i>	7,825,698	2,014,813	288%
<i>Other assets</i>	175,353	309,728	-43%
Cash and cash equivalents	222,953	806,680	-72%
<b>Deferred expenses</b>	<b>655</b>	<b>12,297</b>	<b>-95%</b>
<b>Total assets</b>	<b>26,041,054</b>	<b>23,573,833</b>	<b>10%</b>
<b>Current liabilities, of which:</b>	<b>5,850,868</b>	<b>3,333,431</b>	<b>76%</b>
Third-party providers	2,165,525	76,411	2734%
Bank debts	2,975,532	2,595,978	15%
Other current liabilities	709,811	661,042	7%
<b>Non-current liabilities, of which:</b>	<b>4,447,215</b>	<b>4,826,126</b>	<b>-8%</b>
Bank debts	4,447,215	4,826,126	-8%
<b>Provisions</b>	<b>141,433</b>	<b>157,528</b>	<b>-10%</b>
<b>Total debts</b>	<b>10,439,516</b>	<b>8,317,085</b>	<b>26%</b>
<b>Equity, of which:</b>	<b>15,601,539</b>	<b>15,256,748</b>	<b>2%</b>
Subscribed and paid-up capital	13,757,071	13,757,071	0%
Legal reserves	8,000	8,000	0%
Reserves from conversion	262,912	(185,330)	-242%
Carried forward profit or loss	1,121,049	(1,150,885)	-197%
Profit or loss for the financial year	452,507	2,827,892	-84%
<b>Total equity and liabilities</b>	<b>26,041,055</b>	<b>23,573,833</b>	<b>10%</b>

# BALANCE SHEET

## EVOLOR (former SARCOM)

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>76,192,649</b>	<b>76,695,178</b>	<b>-1%</b>
Intangible assets	59,536,043	61,079,464	-3%
Tangible assets	15,679,928	13,796,395	14%
Fixed assets under investment	976,678	1,819,319	-46%
<b>Current assets, of which:</b>	<b>37,406,488</b>	<b>36,109,190</b>	<b>4%</b>
Inventories	17,065,323	16,088,317	6%
Receivables	19,958,060	9,554,850	109%
Trade receivables	19,935,226	9,067,094	120%
Other assets	22,834	487,756	-95%
Cash and cash equivalents	383,105	10,466,023	-96%
<b>Deferred expenses</b>	<b>688,613</b>	<b>505,862</b>	<b>36%</b>
<b>Total assets</b>	<b>114,287,750</b>	<b>113,310,230</b>	<b>1%</b>
<b>Current liabilities, of which:</b>	<b>65,451,631</b>	<b>62,275,420</b>	<b>5%</b>
Third-party providers	12,655,489	10,345,868	22%
Bank debts	5,863,937	5,720,800	3%
Debts to shareholders	31,235,852	30,762,450	2%
Other current liabilities	15,696,353	15,446,302	2%
<b>Non-current liabilities, of which:</b>	<b>41,156,506</b>	<b>42,469,264</b>	<b>-3%</b>
Bank debts	41,156,506	42,469,264	-3%
<b>Provisions</b>	<b>145,344</b>	<b>266,193</b>	<b>-45%</b>
<b>Total debts</b>	<b>106,753,481</b>	<b>105,010,877</b>	<b>2%</b>
<b>Equity, of which:</b>	<b>7,534,269</b>	<b>8,299,353</b>	<b>-9%</b>
Subscribed and paid-up capital	119,590	119,590	0%
Share premium	8,356,940	8,356,940	0%
Legal reserves	23,918	23,918	0%
Other reserves	9,203,085	9,044,042	2%
Carried forward profit or loss	(9,404,179)	(15,324,321)	-39%
Profit or loss for the financial year	(765,085)	6,915,078	-111%
Profit allocation	-	(835,894)	-100%
<b>Total equity and liabilities</b>	<b>114,287,750</b>	<b>113,310,230</b>	<b>1%</b>

# BALANCE SHEET

## ECO EURO DOORS

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>35,490,794</b>	<b>35,448,649</b>	<b>0%</b>
Intangible assets	12,646	6,851	85%
Tangible assets	34,578,144	34,701,428	0%
Financial assets	1,700	-	-
Fixed assets under investment	898,304	740,370	21%
<b>Current assets, of which:</b>	<b>39,294,821</b>	<b>38,872,758</b>	<b>1%</b>
Inventories	22,135,280	22,187,559	0%
Receivables	14,109,748	2,888,278	389%
<i>Trade receivables</i>	13,988,630	2,875,902	386%
<i>Other assets</i>	121,118	12,376	879%
Cash and cash equivalents	3,049,793	13,796,921	-78%
<b>Deferred expenses</b>	<b>337,324</b>	<b>180,617</b>	<b>87%</b>
<b>Total assets</b>	<b>75,122,939</b>	<b>74,502,024</b>	<b>1%</b>
<b>Current liabilities, of which:</b>	<b>28,411,224</b>	<b>26,539,967</b>	<b>7%</b>
Third-party providers	9,463,056	8,536,554	11%
Debts to affiliated companies	9,313,934	9,178,268	1%
Bank debts	8,444,467	8,572,422	-1%
Other current liabilities	1,189,767	252,723	371%
<b>Non-current liabilities, of which:</b>	<b>16,995,625</b>	<b>17,691,368</b>	<b>-4%</b>
Bank debts	15,037,867	15,529,064	-3%
Other non-current liabilities	1,957,758	2,162,304	-9%
<b>Provisions</b>	<b>1,692,230</b>	<b>1,756,493</b>	<b>-4%</b>
<b>Deferred income</b>	<b>2,294,496</b>	<b>2,391,099</b>	<b>-4%</b>
<b>Total debts</b>	<b>49,393,575</b>	<b>48,378,927</b>	<b>2%</b>
<b>Equity, of which:</b>	<b>25,729,364</b>	<b>26,123,097</b>	<b>-2%</b>
Subscribed and paid-up capital	5,643,500	5,643,500	0%
Share premium	5,189,785	5,189,785	0%
Legal reserves	8,975,317	8,975,317	0%
Carried forward profit or loss	5,817,592	4,267,187	36%
Profit or loss for the financial year	103,170	5,255,951	-98%
Profit allocation	-	(3,208,643)	-100%
<b>Total equity and liabilities</b>	<b>75,122,939</b>	<b>74,502,024</b>	<b>1%</b>

# BALANCE SHEET DIAL

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>24,923,850</b>	<b>24,586,533</b>	<b>1%</b>
Intangible assets	229,768	226,571	1%
Tangible assets	14,785,586	15,087,667	-2%
Financial assets	19,785	19,785	0%
Fixed assets under investment	9,888,711	9,252,510	7%
<b>Current assets, of which:</b>	<b>30,381,091</b>	<b>28,333,874</b>	<b>7%</b>
Inventories	16,124,775	10,499,979	54%
Receivables	11,942,986	6,393,589	87%
Trade receivables	9,789,198	4,992,372	96%
Other assets	2,153,788	1,401,217	54%
Short term investments	630,833	186,466	238%
Cash and cash equivalents	1,682,497	11,253,840	-85%
<b>Deferred expenses</b>	<b>14,777</b>	<b>2,586</b>	<b>471%</b>
<b>Total assets</b>	<b>55,319,718</b>	<b>52,922,993</b>	<b>5%</b>
<b>Current liabilities, of which:</b>	<b>8,198,885</b>	<b>7,644,895</b>	<b>7%</b>
Third-party providers	1,258,019	607,928	107%
Bank debts	4,004,168	4,140,499	-3%
Other current liabilities	2,936,698	2,896,468	1%
<b>Non-current liabilities, of which:</b>	<b>9,319,415</b>	<b>6,900,926</b>	<b>35%</b>
Bank debts	9,319,415	6,900,926	35%
<b>Deferred income</b>	<b>187,240</b>	<b>199,191</b>	<b>-6%</b>
<b>Total debts</b>	<b>17,705,540</b>	<b>14,745,012</b>	<b>20%</b>
<b>Equity, of which:</b>	<b>37,614,177</b>	<b>38,177,981</b>	<b>-1%</b>
Subscribed and paid-up capital	10,600	10,600	0%
Legal reserves	2,120	2,120	0%
Other reserves	20,896,993	20,896,993	0%
Carried forward profit or loss	16,816,584	12,894,054	30%
Profit or loss for the financial year	(112,120)	4,374,214	-103%
<b>Total equity and liabilities</b>	<b>55,319,717</b>	<b>52,922,993</b>	<b>5%</b>

# BALANCE SHEET DOORSROCK4

<b>BALANCE SHEET INDICATORS (RON)</b>	<b>31.03.2023</b>	<b>31.12.2022</b>	<b>Δ %</b>
<b>Fixed assets, of which:</b>	<b>70,489,913</b>	<b>70,489,913</b>	<b>0%</b>
Financial assets	70,489,913	70,489,913	0%
<b>Current assets, of which:</b>	<b>9,624,200</b>	<b>9,511,271</b>	<b>1%</b>
Receivables	9,378,548	9,239,285	2%
Receivables with related parties	9,313,934	9,178,268	1%
Other assets	64,614	61,017	6%
Short term investments	-	200,000	-100%
Cash and cash equivalents	245,652	71,986	241%
<b>Deferred expenses</b>	<b>646,647</b>	<b>664,801</b>	<b>-3%</b>
<b>Total assets</b>	<b>80,760,760</b>	<b>80,665,985</b>	<b>0%</b>
<b>Current liabilities, of which:</b>	<b>6,062,403</b>	<b>15,957,077</b>	<b>-62%</b>
Third-party providers	551,187	551,187	0%
Bank debts	5,511,216	2,565,412	115%
Other current liabilities	-	12,840,478	-100%
<b>Non-current liabilities, of which:</b>	<b>45,261,514</b>	<b>35,169,818</b>	<b>29%</b>
Bank debts	36,723,418	26,753,581	37%
Other non-current liabilities	8,538,096	8,416,237	1%
<b>Total debts</b>	<b>51,323,917</b>	<b>51,126,895</b>	<b>0%</b>
<b>Equity, of which:</b>	<b>29,436,843</b>	<b>29,539,090</b>	<b>0%</b>
Subscribed and paid-up capital	31,270,180	31,270,180	0%
Share premium	4	4	0%
Carried forward profit or loss	(1,731,094)	-	-
Profit or loss for the financial year	(102,247)	(1,731,094)	-94%
<b>Total equity and liabilities</b>	<b>80,760,760</b>	<b>80,665,985</b>	<b>0%</b>

# BALANCE SHEET NATIVEROCK1

BALANCE SHEET INDICATORS (RON)	31.03.2023	31.12.2022	Δ %
<b>Fixed assets, of which:</b>	<b>57,536,682</b>	<b>57,540,132</b>	<b>0%</b>
Financial assets	57,536,682	57,540,132	0%
<b>Current assets, of which:</b>	<b>2,528,765</b>	<b>4,204,117</b>	<b>-40%</b>
Receivables	2,474,300	4,053,247	-39%
Trade receivables	-	-	-
Receivables with related parties	2,474,300	4,053,247	-39%
Cash and cash equivalents	54,465	150,870	-64%
<b>Deferred expenses</b>	<b>777,066</b>	<b>802,968</b>	<b>-3%</b>
<b>Total assets</b>	<b>60,842,513</b>	<b>62,547,217</b>	<b>-3%</b>
<b>Current liabilities, of which:</b>	<b>28,763,204</b>	<b>28,997,005</b>	<b>-1%</b>
Third-party providers	623,209	716,439	-13%
Bank debts	1,875,524	951,939	97%
Other current liabilities	26,264,471	27,328,627	-4%
<b>Non-current liabilities, of which:</b>	<b>32,441,351</b>	<b>31,836,519</b>	<b>2%</b>
Bank debts	32,441,351	31,836,519	2%
<b>Total debts</b>	<b>61,204,555</b>	<b>60,833,524</b>	<b>1%</b>
<b>Equity, of which:</b>	<b>(362,042)</b>	<b>1,713,693</b>	<b>-121%</b>
Subscribed and paid-up capital	100	100	0%
Legal reserves	20	-	-
Carried forward profit or loss	134,626	-	-
Profit or loss for the financial year	(496,788)	1,713,593	-129%
<b>Total equity and liabilities</b>	<b>60,842,513</b>	<b>62,547,217</b>	<b>-3%</b>

# DECLARATION OF THE MANAGEMENT



**Bucharest, 16 May 2023**

"I confirm, according to the best available information, that the unaudited consolidated financial results for the period between 01.01.2023 and 31.03.2023 give a correct and consistent picture of the assets, liabilities, financial position profit and loss account of Roca Industry Holdingrock1 SA and that the management report provides a correct and realistic picture of the important events that took place in the first three months of 2023 and their impact on the company's financial statements."

**Ioan Adrian Bindea**

**Chairman of the Board of Directors**



Q1 2023 – Financial Report

**Thank you!**