

## STANDALONE REVENUE AND EXPENSE BUDGET FOR 2023

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

Standalone revenue and expense budget for 2023	Amount (Ron)
Operating income	0
Operating expenses	7,736,316
Financial income	5,935,858
Financial expenses	859,722
Gross result	(2,675,180)
Net result	(2,774,695)

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

- ❖ Financial income includes dividend income as well as interest income on loans. As part of its strategy as a holding, Roca Industry acquired during 2022 two companies directly (EED and Dial) and two others indirectly (Terra and Europlas, through Bico). The direct acquisitions were made through investment vehicles set up to provide the necessary financing structure (Leveraged Buyouts - credit facility and Roca Industry's own resources). In order to receive these facilities, the investment vehicles have agreed with the banks certain conditions, including the limitation of the dividends to be distributed in the coming period. In the case of the loans already contracted, this limitation will be removed as from the financial year 2024.
- ❖ Financial expenses consist of interest on loans received from the majority shareholder.
- ❖ In 2023, Roca Industry will invest in several growth directions, so significant amounts of operating expenses include:
  - a) **Salary costs & compensation of Board of Director members generated also by the development of a high performing management team in the Romanian industry** - during 2023 Roca Industry intends to build a management team of 7 members (currently the team has 5 members), who will have direct involvement in the development and implementation of the growth strategies of the holding companies. The Board of Directors will continue to consist of 5 members.
  - b) **Investor Relations (IR) costs aiming also to increase the business transparency and the implementation of best practice principles in communicating with investors** - These costs are to be allocated both for the fulfilment of the holding's legal obligations (in relation to shareholders and capital market regulators) and for the organisation of specific investor events (conferences, meetings, Investors Day).

- c) **Marketing & PR expenses for significant investments in business marketing** – The marketing activities of the holding company are aimed at understanding and maintaining a solid knowledge base about each industry, market, its evolution and the main players; for building positioning and communicating the Holding's evolution; to generate new business contacts and establish strategic partnerships that subsequently involve the companies in the group. Given the public nature of the company, beyond the reporting required by a good governance, maintaining transparency and ongoing communication with the broad groups of retail investors contributes to the understanding of the company's performance and a stable share price behavior.
  
- d) **ESG costs for significant investments in the sustainability pillar** - from the moment Roca Industry was founded, the management team has been committed to developing a sustainable business model, which is why the main objective for 2023 is to finalize the sustainability strategy, more specifically, to implement a set of actions and objectives based on the data provided by the holding companies. This methodical approach will allow Roca Industry to adhere to international sustainability standards while tracking progress in real time. Also, in 2023 Roca Industry will launch the holding's first Sustainability Report, a summary of all the actions carried out during 2022 and the impact Roca Industry has on local communities and on the environment.