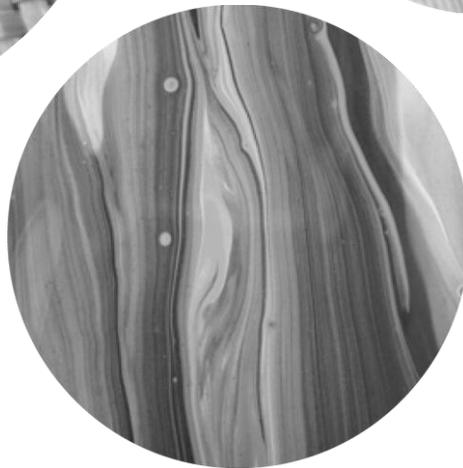
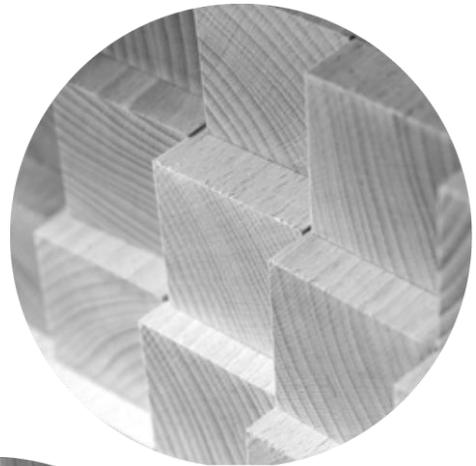
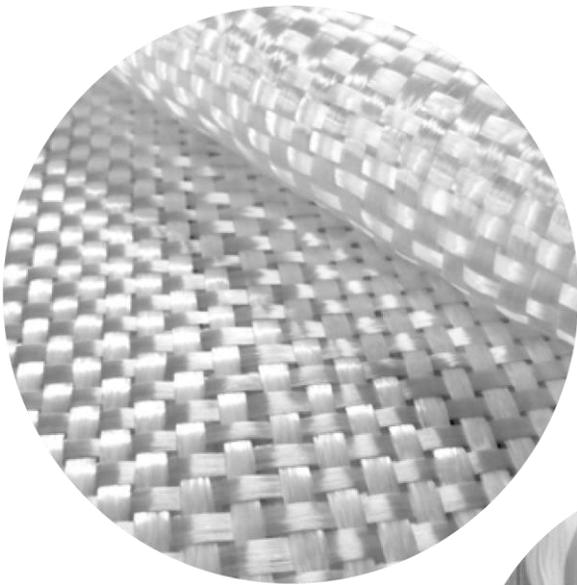


FINANCIAL REPORT

FOR Q3 2023



Company listed on AeRO market
of the Bucharest Stock Exchange

SYMBOL: ROC1

TABLE OF CONTENTS

COMPANY INFORMATION	3
MESSAGE FROM THE CEO	4
MESSAGE FROM THE CFO	9
EXECUTIVE SUMMARY	14
ROCA INDUSTRY ON THE CAPITAL MARKET	19
ABOUT ROCA INDUSTRY HOLDINGROCK1.....	21
KEY EVENTS IN Q3 2023 AND BEYOND	35
ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS	38
CONSOLIDATED P&L ANALYSIS	39
CONSOLIDATED BALANCE SHEET ANALYSIS	50
MAIN FINANCIAL INDICATORS AT CONSOLIDATED LEVEL	57
ANNEXES.....	58
DECLARATION OF THE MANAGEMENT	78

COMPANY INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Report type	Quarterly report – Q3 2023
According to	Annex 13 to the FSA Regulation no. 5/2018
For the financial period	01.01.2023 – 30.09.2023
Date of publication of the report	16.11.2023

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, Floor 3, District 2 Bucharest

INFORMATION ABOUT FINANCIAL INSTRUMENTS

Subscribed and paid-up share capital	RON 176.945.730
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 30 September 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 CEO*Ioan-Adrian Bindea*

Dear Shareholders,

I am looking back at the quarter we have just finished. One eye laugh, while the other one cries. On the one hand, sales performance continued strong, with turnover outpacing last year's by 9.3%. On the other hand, we are operating in a slowing market, where volumes are shrinking, and customers are putting a lot of pressure on margins. The fact that we face a disinflationary environment, with prices on average falling or stagnating, makes our volume growth even more impressive.

If at the end of June, the EBITDA of our productive companies was 50% below that of 2022, this difference has been reduced to 41% after the 9 months of the year, and to 19% if we look only at the third quarter performance, and the trend is encouraging. We also see a significant improvement in gross margin, from 16% in H1 2023 to 17% for 9M 2023, while for Q3 2023 alone it was 19%. These are some important elements that speak to the effects of the transformational process we have initiated in all our companies. But it is a process that takes time, and I am aware that time has no patience with us in these times.

That is why, like every other quarter at Roca Industry, this one was about development. We signed the transaction to acquire Workshop Doors, Eco Euro Doors' main competitor, and we are waiting for the approval of the Competition Council to add it to our portfolio.



Message

FROM THE CEO

We also acquired, through Bico Industries, the remaining 40% of the shares of Europlas Lux, the Moldovan fiberglass mesh producer, in whose shareholding we had joined 1 year ago. Evolor purchased the land and the hall for the new location of the production facility, thus giving the real start to the process of relocation, refurbishment, and expansion of production capacity.

I am writing these in mid-November, a time when, entering the winter season with extremely limited relevance to our industry, we have a pretty good view of the end of the year. However, I have chosen to leave the year's conclusions for the next letter, when they will not only be drawn, but internalised and analysed.

So, I decided that this post would be about lessons learned this year, about what we have learned over the last 10 months.

I am leaving a list of the most relevant ones, as I see them now. You may find them more nuanced in the letter in the annual report, but in the spirit of transparency that I always invoke, I sincerely believe it is important to share them with you.

The lesson of "changing mindsets is a long-term process"

The transformational process we are going through is taking longer than we initially estimated and, due to the times we are going through, it has also shown its negative elements. Or, to rephrase, we have been reminded that there are things that may not go according to plan. In his message, Stefan talks about some of the operational improvements we are implementing. And this is a long-term process. First, we do not believe in "one size fits all". We believe in best practices, that everywhere things need to be done well, correctly, but the recipe needs to be adjusted from company to company.

Message

FROM THE CEO

The lesson of the "right person in the right place versus the best person"

This year we have focused particularly on building high-performing teams both in the holding and portfolio companies.

If at Roca Industry level we consider that all the pieces form a complete puzzle, at company level the process is still ongoing. The year 2023 was extremely full in terms of new colleague recruitment and integration, we passed 10 closed C-Level positions, and each came with its own challenges. Finding the "right person in the right place" and not the "best" in the market, that person who can contribute to the culture of the organisation, in the management team, resonate with our values and be a long-term builder, is difficult. While in most cases we are happy with our new colleagues, we have also had failures. At Dial we are in the process of recruiting our third CEO, and at Eco Euro Doors - with our third commercial director since taking over the company.

The "importance of strategy" lesson

We had a particular focus on developing commercial strategies. As I said before, Romanian entrepreneurial companies are based on the technical competence of the entrepreneur, and growth is done with a small number of customers, usually 1-2 DIY players. Our main opportunity is to identify new sales channels, new markets and implement commercial strategies. Although the strategies thought up at the end of last year were based on different premises than the reality of 2023, which is why they had to be adjusted to the new market reality, the fact that we managed to pivot quickly enough was a big plus.



Message

FROM THE CEO

Returning to the present, two relevant targets are now ahead of us: 

ROCA Industry listing on the main BVB market

Five months ago, our shareholders showed their confidence in us and approved our initiative to increase the share capital of the company and list us on the main market of the BVB. Since then, we have taken all the necessary steps to finalize both plans, so we are currently in the final stages. The first stage of the increase, the exercise of pre-emptive rights, will take place in the next period, followed by a private placement, and in the first month of next year we expect to list on the main market of the BVB.

Budgeting process in all holding companies

The recently published NSI GDP figures do not surprise us but confirm the messages we have been sending for a long time: the shape of the economy is far from what it should be for 2-3% growth, which means expansion, and industry is suffering first. The coming period will be primarily about resilience, and those who have prepared early will do best. We expect the market to continue to suffer until Q2 or Q3 next year, but for our part we expect to continue to outperform the market average. We are preparing for a tough year, but we expect it to be better for us than the current one.



Message

FROM THE CEO

As this is the last message of the year, thank you for being with us, for following us, for criticizing us when we deserved it, for giving us your trust. Now I reiterate something I say as often as I can: even if the results are not always the ones we want, the promise to make every effort and to be 100% transparent remains. Because first and foremost, Roca Industry is about a fair way of doing things, a transparent way of telling them and respect for everyone involved in our story.



May we find ourselves and each other well in 2024!

Ioan-Adrian Bindea
Chief Executive Officer



Message **OF THE COO**

Ștefan Szitas



Dear shareholders,



I appreciate the opportunity to address this message to you personally as COO of Roca Industry where, in the 6 months since I joined this team of professionals, I have found a very good compatibility between my experience in different industries and the need for transformation of the portfolio companies, which translates into concrete directions and actions to which we all contribute, both holding and corporate colleagues.

I am taking a close look at the results of the first 3 quarters of this year, and I am writing this letter to give you an insight into the current challenges and details of our transformation plans in terms of operational structure.

The Operations Department represents the largest team in each of our portfolio companies and is the main contributor to the cost of products (with raw material prices and employee costs accounting for the majority).

We encourage our management teams to focus on the processes that are critical to delivering results. However, it is well known that the operational department is responsible for the majority of missed opportunities (from a financial point of view) when it does not identify improvement measures as part of a continuous process.

2023 is undoubtedly a difficult year, marked by results below the budget projections set earlier this year. Several factors, including market dynamics, external challenges, but also internal improvement measures identified and not yet implemented, have contributed to this situation.



Message

OF THE COO

Ștefan Szitas

I want to assure you that, together with the teams in the companies, we are taking decisive steps to set the right direction, with the stated goal of strengthening and building regional champions. Despite the challenges we face, I am optimistic about the future and would like to share our priorities with you:

1. Team, Culture, ESG:

A strong leadership team is essential for implementing strategic initiatives and navigating the challenges ahead. We bring people with experience not only in operational issues, but also in organisational transformation and change management.

In the third quarter of the year, two colleagues were recruited for Chief Operations Officer positions in two of the portfolio companies (BICO and Evolor), thus contributing to the completion of the management positions of the Operations departments. We are confident that the new colleagues will actively contribute to setting solid and challenging plans in line with Roca Industry's Strategy, which will include both the financial side - focus on costs - and continuous improvement measures to increase efficiency, including evaluation and development of directly productive teams.

As part of the cultural transformation, in the process of integrating companies into the Holding, several actions are designed to promote a more agile, innovative, and collaborative environment. These initiatives are based on the inclusion of 4 levels of focus, integrated in our ESG directions:

- **People and Community Pillar:** Focus on Health and Safety based on the premise that the well-being of our employees is our priority. I am determined that "Zero Accidents" is not just a slogan or a fluke, but part of the mindset of colleagues at all levels in our organisations.

Message

OF THE COO

Ștefan Szitas

-
- 
- **Resources, Energy and Climate Pillar:** Quality improvement measures in production to reduce the need for reprocessing and to eliminate process-related waste, equipment or raw materials. In this respect we are implementing monitoring systems and related improvement measures - implementation of intermediate quality control points in production to facilitate the detection and identification of the causes of possible non-conformities. These measures contribute to the consolidation of performance indicators at group level and the setting of measurable improvement targets.
 - **Product and Market Pillar:** I want the entire operations team to be aware of how customers use the finished product, whether it's applying a washable paint in the renovated living room or using the doors in the new residence daily. To this end, in addition to proactive measures to check and ensure the quality of the finished product, we have initiated the updating of the current procedures for recording and handling complaints received from customers with the aim to keep directly productive staff informed and involved in remedial action.
 - **Sustainable Business Pillar:** Our commitment to responsible business practices will be reflected in transparent reporting, environmentally friendly operational processes, and community engagement initiatives. We understand that these issues are integral to our long-term success and shareholder value. Operationally, improvement and efficiency measures overlap mostly with ESG plans and teams consider sustainability assessment in all decisions, whether we are discussing the selection of a new electricity supplier or the contracting of service cars.



Message

OF THE COO

Ștefan Szitas

2. Investments:



Recognizing the importance of scalability and efficiency, we are developing an investment strategy designed to improve our response to market demand, increase operational effectiveness and move us in a direction of cost leadership. In most companies we are due to complete ongoing investments, even in the weeks remaining to the end of the year, and these are part of medium-term development plans at the individual company level. The estimated value of investments made during 2023 is RON 5 million.

Regarding investments in digitisation, we have passed the first tests of an OEE (Overall Equipment Effectiveness) monitoring and reporting system. The first results show us the performance of both machines and operators, and are a starting point for process improvement measures and will form the basis for changes to the evaluation system for employees and team leaders. In the short term we will present the facilities and potential of this new system to colleagues in other companies to serve as a basis for local implementation decisions.

We have already taken important steps in modernising our ERP (Enterprise Resource Planning) systems, we are in the process of implementing a state-of-the-art solution from Microsoft in one of our companies, and we will make the decision in 2024 for the last company left without such a system. This initiative aims to create an integrated and uniform platform for consolidating data across all portfolio companies and a standard for future companies to be acquired. Efficient resource management, optimization of operational processes and increased efficiency will be achieved by building on ERP systems, WMS (warehouse management) systems, production planning systems and implementation of robotics in production processes.

Modernisation and standardisation of ERP systems is a solid foundation for operational efficiency, internal cohesion, and adaptability to market changes.



Message
OF THE COO

Ștefan Szitas

We are confident that the strategic initiatives listed above will deliver improvements that will contribute to the companies' and the holding company's results consistently in the years ahead. ”

Thank you for your trust in Roca Industry and its team!

Ștefan Szitas
Chief Operations Officer



“

EXECUTIVE SUMMARY

The Q3 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 shares' evolution on the capital market and explains the consolidated financial results at holding level, referring also to its subsidiaries.

The main events during Q3 2023 and up to the date of this report

- **Two acquisitions to be finalized**
 - **Signing the sale and purchase agreement for the acquisition of 70% of the share capital of Workshop Doors S.R.L.**, company active since 2009 on the interior door market in the region, with two production facilities in Reghin and Petelea; through this acquisition, EED would achieve increased production capacity and diversification with new and competitive products, covering all price segments and ensuring a varied offer of products available on the Romanian market and on foreign markets;
 - **Acquisition of an additional 45% stake in Europlas** by Bico, a transaction through which Bico wholly owns the company.
- **Completion of the mergers between EED and Doorsrock4 and between Dial and Nativerock1** (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;
- **Continuing the process of increasing ROCA Industry's share capital, together with the listing of the company on the main market of the BSE**, based on the approval received from the Company's shareholders; the process is expected to be completed in January 2024;
- **Evolor completed the acquisition of a former paints factory**, located on the Oltchim platform, which will increase production capacity and enable the launch of new products from 2024.

Q3 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 September 2023, the Holding held stakes in eight productive companies, Bico, Evolor (former Sarcom), Eco Euro Doors (EED), Dial Hărșova (Dial) and Electroplast (ELP) directly, as well as in Terra, Europlas Lux and Iranga - indirectly, through Bico. The complete picture of the entire group of companies is presented on page 22.

EXECUTIVE SUMMARY

Four of the eight companies were acquired during 2022 (Terra in March, EED in May, Dial in September and Europlas in October) and two acquisitions were finalized during 2023 (Iranga in May, Electroplast in June). Additionally, Roca Industry's ownership in Bico changed in July 2023 when Mihai Bîrliba, the founder of the company, increased the share capital along with his ownership (from 30% to 40% of the company).

Therefore, the direct or indirect holdings of ROCA Industry in these companies were distinct at the end of September 2023 (Evolor – 100%, Bico – 60%, Terra – 60% (in which Bico holds 100% of the share capital), EED – 100%, Dial – 100%, Europlas – 33% (in which Bico held 55% of the share capital at September 2023), Iranga – 60% (in which Bico holds 100% of the share capital) and Electroplast – 99.99997%. For a more accurate picture of reality, the company's management presents the group's results in two forms: consolidated results and cumulated results.

RON mn	Q3 '23 cumulated results	Q3 '23 consolidated results
Turnover	439.2	320.3
EBITDA	25.7	22.1
Net profit	(2.3)	(12.5)
Profit related to the parent company		(10.8)
Profit related to non-controlling interests		(1.7)

Amounts presented in RON million

- **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 (9M 2023 vs. 9M 2022), we would like to note that:**
 - **9M 2023 financial results include all the companies acquired in 2022 (Terra, EED, Dial and Europlas), Iranga's results for May-September 2023 and Electroplast's results for July-September 2023,**
 - **9M 2022 financial results include only the performance of Terra for April-September 2022 and that of EED for June-September 2022.**

Thus, part of the transactions finalized in 2022 had no impact on the 9M 2022 consolidated results. At the same time, consolidation is based on the holding company's stake in each company.

EXECUTIVE SUMMARY

Consolidated EBITDA in the amount of RON 22.1 mn is reduced by the impact of amortization of goodwill, licenses, brands and customer relations, expenses amounting to RON 11.6 mn for the first nine months of 2023 (without being reflected and having impact on individual or combined financials).

- **The cumulated results have the objective to present financial information in a format that allows comparability with the previous year, without figures being affected by the percentage of ownership and acquisition date. 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 11.6 mn with the amortization of goodwill, licenses, brands and customer relations, nor the impact of the adjustments imposed by the consolidation principles.

Cumulated financial performance

- At a cumulated level, in the first nine months of 2023, the Group recorded a turnover of RON 439.2 mn, 7.9% up compared to 9M 2022.

Cumulated profit and loss indicators	Results for 9M 2023 (RON th)			9M 2023 EBITDA margin	9M 2023 net profit margin	Change in 9M 2023 vs 9M 2022		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
Evolor	79,943	13,892	3,144	17.4%	3.9%	23.7%	50.6%	-57.4%
Bico	111,389	1,295	(2,522)	1.2%	-2.3%	33.8%	-87.2%	N/A
Terra	33,417	2,161	977	6.5%	2.9%	-4.2%	-43.1%	-63.5%
Europlas Lux	3,598	(453)	(565)	-12.6%	-15.7%	-56.2%	N/A	N/A
Iranga	6,785	1,183	592	17.4%	8.7%	-22.7%	N/A	N/A
EED	44,578	3,185	(2,163)	7.1%	-4.9%	-14.1%	-70.9%	N/A
Dial	41,058	3,387	(115)	8.2%	-0.3%	-23.0%	-58.8%	N/A
Electroplast	118,415	5,630	(188)	4.8%	-0.2%	16.2%	-31.6%	N/A
Total companies	439,184	30,278	(839)	6.9%	-0.2%	7.9%	-41.0%	N/A
ROCA Industry	-	(4,384)	443	N/A	N/A	N/A	103.0%	N/A
Doorsrock4	-	(84)	(834)	N/A	N/A	N/A	127.8%	-8.2%
Nativerock1	-	(133)	(1,061)	N/A	N/A	N/A	N/A	N/A
Colorock13	-	-	-	N/A	N/A	N/A	N/A	N/A
Total holding and SPV-uri	-	(4,601)	(1,452)	N/A	N/A	N/A	109.4%	N/A
Total cumulated	439,184	25,677	(2,291)	5.8%	-0.5%	7.9%	-47.7%	N/A

EXECUTIVE SUMMARY

- Despite the difficult market conditions, all the productive companies, except for Europlas where ROCA Industry indirectly holds a minority stake, recorded **positive EBITDA**. At cumulative level, they recorded an **EBITDA in amount of RON 30.3 mn** (compared to RON 17.9 mn in H1 2023 and RON 51.3 mn at the end of September 2022) and an **EBITDA margin of 6.9%** (compared to 6.2% at H1 2023 and 12.6% at 9M 2022). As compared to 2022, with an atypical first semester, with higher sales than in a normal period and with larger margins, 2023 is considered to be a difficult year in terms of performance, on the one hand due to macroeconomic conditions (high inflation and interest rates and lower demand), but also due to fluctuating raw material prices with a strong and rapid impact on the financial performance of productive companies that need inventories of raw materials purchased in time for seasonal periods. For these reasons, the comparability of the nine months period ended September 2023 with the similar period of 2022 is affected.
- At the level of the entire holding, EBITDA (in amount of RON 25.7 mn versus RON 14.8 mn in H1 2023 and RON 49.1 mn at 9M 2022), was influenced by additional operating expenses of the holding and its investment vehicles. Thus, at a cumulated level, the **EBITDA margin** represents 5.8% of the turnover (compared to 5.1% at the end of June 2023 and 12.1% versus 9M 2023).
- The increase in bank interest combined with higher indebtedness for investments, new companies' acquisition and working capital financing, as well as the additional expenses with amortization following the investments made, generated for the directly productive companies a **cumulated loss of RON 0.8 mn**. At Group level, the cumulated net loss is in total amount of RON 2.3 mn.
- Analysing the three months of Q3 2023 separately, despite the unfavorable market environment, turnover increased by 12.5% vs Q3 2022 and EBITDA margin increased up to 8.2% of turnover (compared to 6.9% for the 9M 2023 period), with most of the holding's productive companies improving their results from operating activities. While at the end of H1 2023 the EBITDA of the productive companies was 50% below that of H1 2022, the gap was reduced to 41% in 9M 2023 and to 19% looking strictly at Q3 2023.

Consolidated financial performance

Taking into account the moment of each acquisition finalized during 2022 and 2023 as mentioned above, together with the favorable context of the building materials industry in H1 2022 regarding the materials costs and the margins obtained, conditions deteriorated thereafter with effects that continued during the entire year 2023, the comparability between the consolidated results of 9M 2022 and 9M 2023 does not present a complete picture of reality.

EXECUTIVE SUMMARY

Even though the consolidated turnover increased by 64% in the first 9 months of 2023 vs the similar period of 2022, the higher operating expenses caused the **EBITDA at consolidated level** to be in total amount of RON 22.1 mn (-18.1% compared to 9M 2022), with a **margin** of 7.0% of turnover. The depreciation and amortization expenses following the recognition of the goodwill from the acquisitions, as well as financial expenses recorded 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 12.5 mn.

ROCA Industry's individual performance:

ROCA Industry recorded **financial revenues** in the amount of RON 5.3 mn (mainly composed of interest due to intragroup loans granted to subsidiaries in amount of RON 3.6 mn, as well as of revenues in amount of RON 1.5 m from dividends distributed but not paid by Dial - taken over from Nativerock1 as a result of the merger). From these, the holding's **operating expenses** and **financial expenses** were deducted. As a result, ROCA Industry reported a **net profit** of RON 0.4 mn.

ROCA INDUSTRY ON THE CAPITAL MARKET

SHARE PRICE AND LIQUIDITY DEVELOPMENTS

On 27 January 2022, ROCA Industry shares were listed on the AeRO market, the equity segment of the Multilateral Trading System of the Bucharest Stock Exchange, under the symbol ROC1. Prior to this, in December 2021, the company successfully completed the private placement during which 4,500,000 shares were issued at a price of RON 10/share to 120 shareholders.

The shareholding structure of ROC1 at the end of September 2023 is as follows:

Shareholder structure at 30 September 2023			
	Number of shares	Value (RON)	% in total
ROCA Investments SA	10,757,557	107,575,570	60.80%
Other shareholders	6,937,016	6,937,016	39.20%
Total	17,694,573	176,945,730	100%

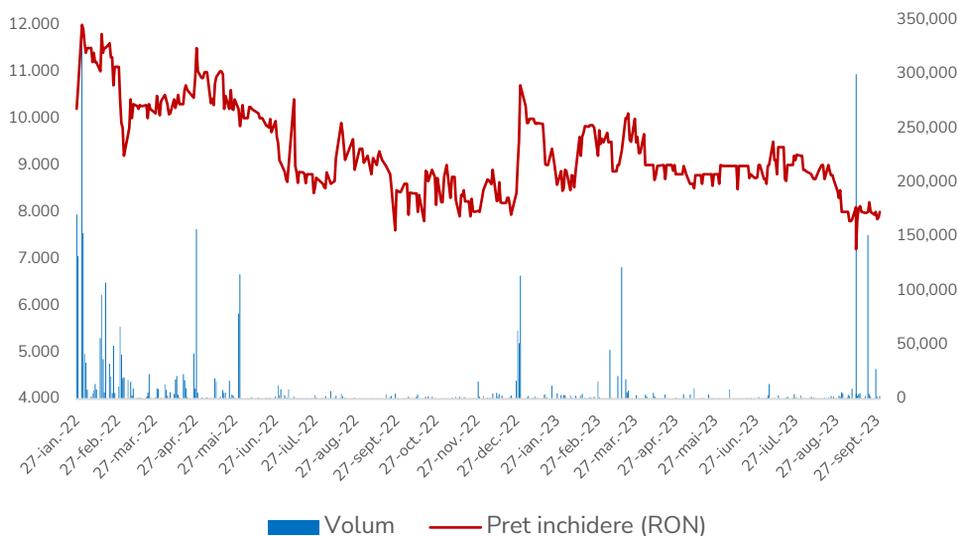
ROC1 shares are included in the composition of the BVB index, BET AeRO (benchmark index of the AeRO market managed by the BVB).

From the beginning of the year to the end of June, ROC1 shares recorded a minimum price of RON 7.80 (7 September 2023) and a maximum price of RON 10.26 (3 January 2023). During this period, the weighted average price was RON 8.85.

In the first nine months of 2023, ROC1 shares attracted liquidity of RON 6.0 million on the AeRO market of the BVB (676.9 thousand shares, approximately 3.8% of the total number of the company's shares excluding DEAL transactions), with a daily average of RON 32.0 thousand, and an average daily turnover of over 3.6 thousand shares. During the last 12 months, ROC1 shares had been in top 7 most liquid shares of all the companies included in BET AeRO index.

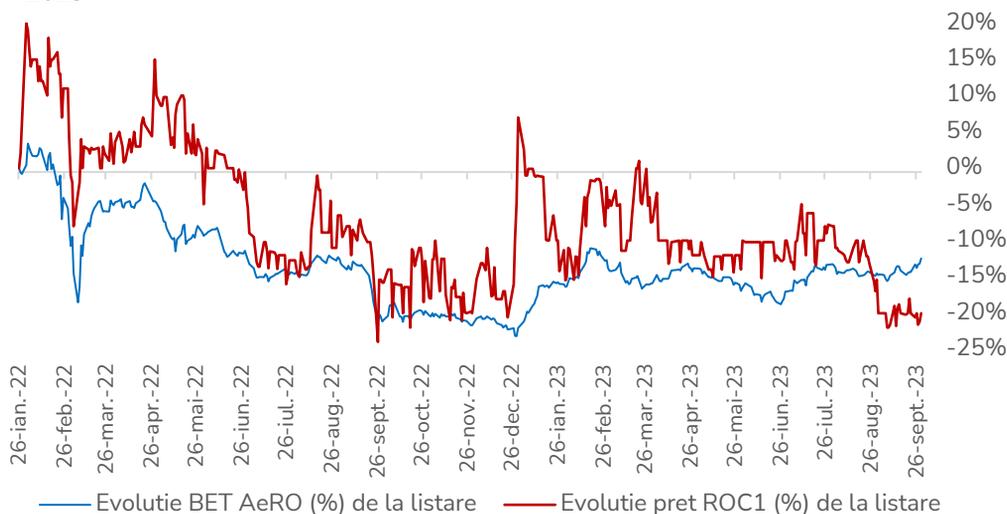
ROCA INDUSTRY ON THE CAPITAL MARKET

Daily volume and closing price of ROC1 shares since listing until 30 September 2023



Comparing the evolution of the ROC1 share price versus the evolution of the BET AeRO index, over the entire period from the listing to the end of September 2023, the ROC1 share price decreased by 20.0% (to RON 8.0), while the BET AeRO index decreased by -12.5%. The total liquidity recorded was RON 38.3 million (3.8 million shares, approximately 21.5% of the total number of the company's shares, including Deal transactions).

Closing price evolution ROC1 vs BET AeRO from listing to 30 September 2023



ABOUT ROCA INDUSTRY HOLDINGROCK1

GENERAL PRESENTATION OF HOLDING'S COMPANIES

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.

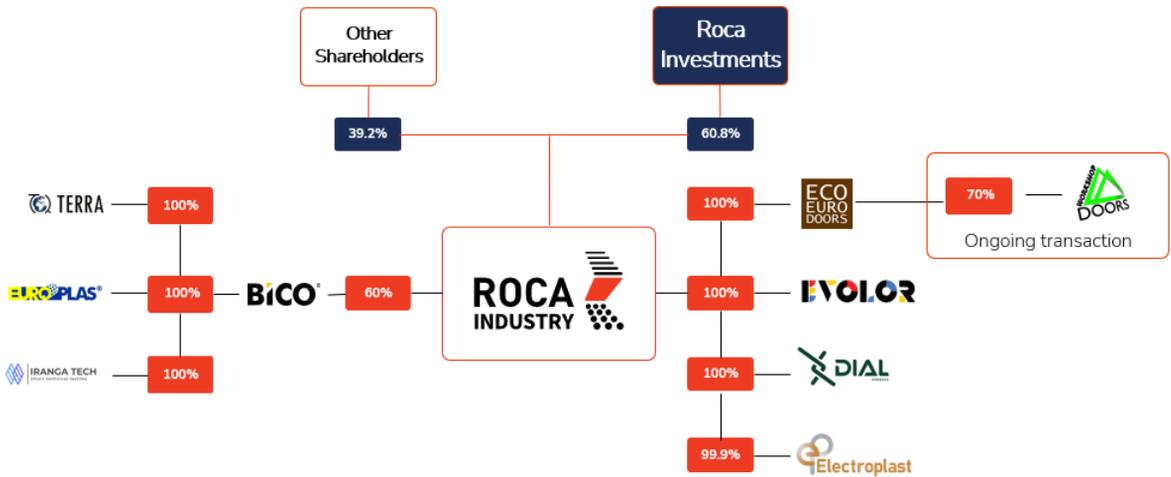
Since the beginning of 2022, the Company is admitted to trading on the AeRO market managed by the Bucharest Stock Exchange.

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.**, **ECO EURO DOORS S.R.L.**, **DIAL S.R.L.** and **ELECTROPLAST S.A.**, as well as through those indirectly owned, through BICO INDUSTRIES - **TERRA IMPEX S.R.L.**, **EUROPLAS LUX S.R.L.** and **IRANGA TECHNOLOGIJOS, UAB**. 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), the production of doors for residential constructions (ECO EURO DOORS), the production of edged panels and fence mesh (DIAL), respectively the production of electrical low-voltage copper and aluminum cables (ELECTROPLAST).

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.

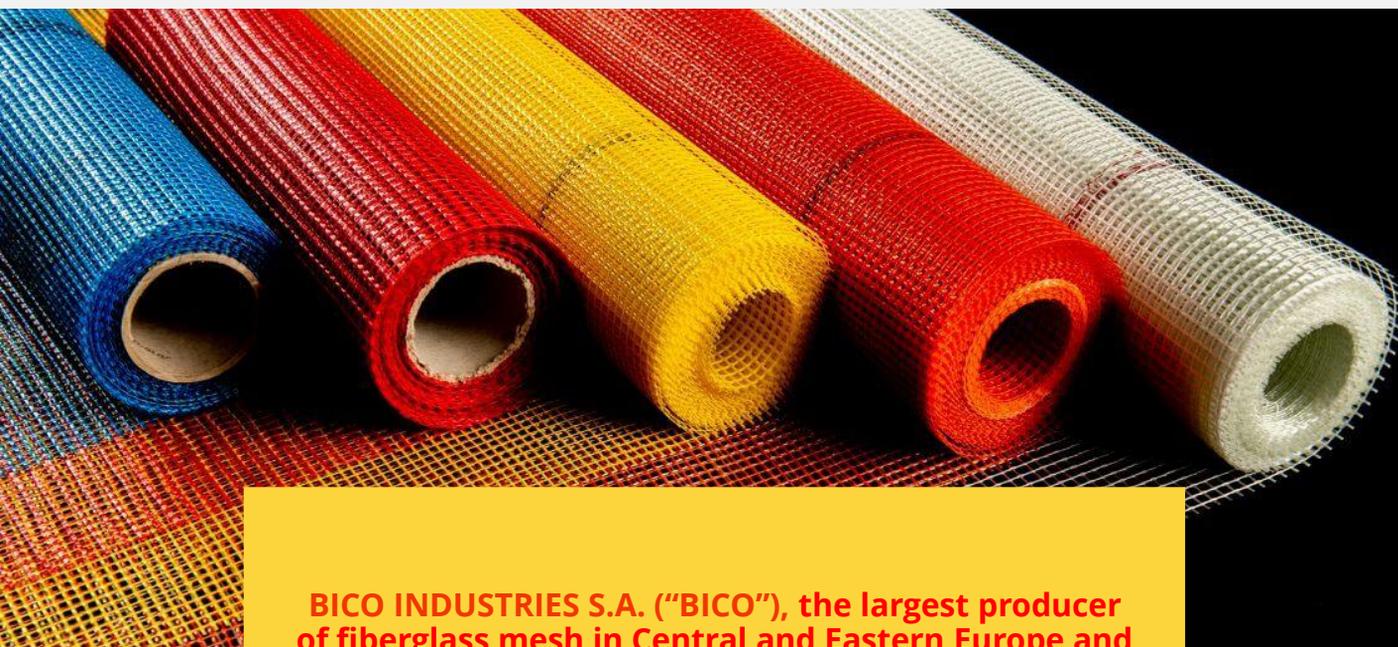
ABOUT ROCA INDUSTRY HOLDINGROCK1

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



The way of structuring the acquisitions of new companies is part of ROCA Industry business model. For most of the direct acquisition, the Company sets 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.

BICO Industries



BICO INDUSTRIES S.A. ("BICO"), the largest producer of fiberglass mesh in Central and Eastern Europe and third largest producer in the European Union

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". Bico's shareholding structure changed at the end of July 2023 when a capital increase of RON 10.55 mn (composed of RON 1.8 mn share capital increase and RON 8.75 mn share premium) took place, so that Mihai Birliba increased his holding from 30% to 40%, while ROCA Industry owns 60% of the company.

Following the acquisitions finalized during 2022 and in 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

At the moment of this report, Bico also holds 100% of the share capital of **Europlas**, the first transaction being finalized in October 2022, and the acquisition of the additional 45% stake being realized in October 2023. 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 acquisition 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 line from Piatra Neamt. Through this transaction, BICO was able to triple its production capacity in the business line designed for the development of reinforcement for other industrial applications.

The company operates in several production centers, two of which are in Romania, in Piatra Neamt, 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, where the company operates a production capacity of over 50 million square metres. Additionally, the two production centers in the Republic of Moldova contributes to the production of fiberglass mesh.

Bico products are intended for the domestic market as well as for the European markets (Italy, Germany, Greece, Bulgaria, Poland and others), and the export has a share of approximately 50% out of the total sales of 2022, respectively 55% in the first six months of 2023. 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 and UK.

EVOLOR

EVOLOR S.A., 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.

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 7th place in 2022 depending on the 2022 turnover and on the 4th place 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, super-concentrated pigments and complementary products.

EVOLOR

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. 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, with recurrent orders thereafter.

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.

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, ROCA Industry being its sole shareholder starting end of 2022. 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 company is FSC accredited, accreditation that validates the traceability of raw material sources and the sustainable exploitation of wood, thus having 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.

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, Rabitz 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 DYI store chains and other retailers and specialised distributors, while in the first nine months of 2023 exports represented approximately 6.5% of total 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 4th in size in terms of 2022 turnover and number of employees.

ELECTROPLAST

ELECTROPLAST S.A., one of the largest manufacturers of electrical low-voltage copper and aluminum cables

Incorporated in 1993, with its registered office in Bistrita, Bistrita-Nasaud County, ELP has an experience of over 30 years in the manufacturing of electrical low-voltage copper and aluminum cables. Following the approval of the Extraordinary General Meeting of Shareholders, at the end of June 2023 ROCA Industry completed the transaction, so that at the date of this report the Company holds 99.99997% of the share capital of ELP, while ROCA Investments holds one share.

ELP holds a series of significant certifications, such as: certified integrated management system, railway supplier authorization issued by AFER, supplier of Transelectrica and Electrica. Furthermore, the Company holds a modern testing laboratory, accredited by RENAR (the national accreditation organism in the industry).



ELP is the leader on the railway cable market (a very regulated market in terms of certifications/quality, the products being complex and of high quality). At the same time, the company is actively oriented towards existing European trends that require increased safety standards in the construction sector, but also energy efficiency, sustainability and other issues of public interest. For example, in compliance with the requirements of Regulation (EU) No 305/2011, Electroplast holds "Certificates of constancy of product performance" for certain families of cables (e.g. N2XH / NA2XH type).

ELECTROPLAST

The newest products are the photovoltaic cables for which the market demand is extremely high. As part of its growing strategy, ELP has responded to the political, economic, and successive crises of the past three years (health, political, economic, and natural resources) and, as a result, to the market demand for renewable energy by certifying solar cables for photovoltaic systems (parks and photovoltaic panels) - H1Z2Z2-K type, Eca class. The demand for such systems has increased significantly recently, given the numerous subsidized programs implemented by national and European entities.

At national level, the company is present through distributors, installers in infrastructural projects (including solar cables) and railway cable layers. At the level of the first 9 months of 2023, approx. 4.5% of the turnover was generated by exports, the company exceeding the level budgeted at the beginning of the year (4.3%).

At the moment, Electroplast holds more than 30 production lines and machines specific to its activity, producing about 3,600 cable types and sizes required for various fields such as: railways, commercial, civil, and industrial construction, energy, installations, telecommunications, mining, industry etc.

ELP has contracts with numerous partners with a strong presence in the market, such as NK Smart, VLG RO, Alstom Transport, IMSAT, Siemens Mobility etc.

ABOUT ROCA INDUSTRY HOLDINGROCK1

FIRST NINE MONTHS OF 2023 FOR HOLDING COMPANIES

In June 2023, **ROCA Industry** shareholders approved at the Extraordinary General Meeting of Shareholders **the increase of the Company's share capital** by an amount of up to RON 150 million (nominal value) through cash contribution and/or through the conversion of claims against the Company, by issuing up to 15 million new shares with a nominal value of RON 10/share. At the same time, in parallel with the capital increase, the shareholders also approved **the listing of the Company on the regulated market of the BSE**. The two processes will run in the next period, as the Company is currently in the process of finalizing all the necessary documents for the capital increase and listing on the main market of the BSE.

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

In October, the Group completed the acquisition of a further 45% of Europlas, Republic of Moldova, bringing the company fully within the Group.

Although the Group has managed to balance its inventory ratio through de-stocking actions to remain competitive in the face of raw material cost variations, these actions have eroded profitability. Maintaining sales volumes in the Romanian market, in the context of falling demand, means for the company capturing market share and gaining a lead over its main competitors.

On the other hand, in the area of exports, in the first part of the year, the company experienced delays in the marketing of products on the fibreglass mesh line, delays caused by the latency of foreign markets, especially Italy, which accounts for a significant share of total exports for the company. Starting from the second quarter of 2023, the company has intensified its efforts to expand its geographical sales base, managing to open trade relations with Poland, UK, France, Slovakia, Portugal, the Baltic countries, and the Nordic countries. However, the share of exports in total sales remained in the third quarter below the previous year's level, partly due to the contraction of the Western European markets, partly due to the process of taking over the Lithuanian plant, which included the takeover of trade relations with its customers. Thus, the Group gained market share throughout the EEA and succeeded in activating new sales channels on the domestic and export markets. In 2023, the Bico Group increased its EEA-wide market share by 30% in a context where the market contracted in the EEA.

The Group has implemented a recovery plan since the second quarter, targeting concrete cost reduction measures, identifying specific areas of work and related projects. This plan has been partially implemented and will continue until the end of the year.

ABOUT ROCA INDUSTRY HOLDINGROCK1

To support the business plan. In August-September, the Group ran its first communication campaign in Romania under the slogan "Caution NO Falling Plaster!", which aimed to raise awareness of the importance of the product and its quality in construction. The campaign received positive feedback from both consumers and trade partners and was awarded a Bronze at the Golden Drum international advertising festival in Slovenia.

To mitigate market risks the company has also started a process of analysis on the diversification of the product portfolio, both by products with use in other industries and by formats suitable to the demand, managing to list new products in all business lines owned. This process will lead to new product launches in 2024.

In early 2023, **Evolor** began a rebranding process, one of the steps being a name change from Sarcom to Evolor.

In the first nine months 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 last position required for the structure set out in the annual plan being completed in September 2023 - Chief Operations Officer.

The evolution of sales in the first nine months of the year has been exceptional in the industry, as official reports confirm the downturn in the industry, the fall in the consumer price index for paints and varnishes, and the de-stocking pressure on sales channels has also increased. The company managed to come close to the budgeted level in 2023, as the budgeting included a lower-than-market inflation rate as an assumption.

In addition, the company made its first sales abroad, in the Republic of Moldova and Israel. This created the conditions for the development of the export distribution channel.

In parallel, the company has put in place a process of cost efficiency, both in the short and medium term, by reviewing and completing the supplier portfolio and obtaining POIM funding for additional energy efficiency.

Evolor also completed in the third quarter the acquisition of a former paints factory, located on the Oltchim platform, which will increase production capacity and enable the launch of new products from 2024.

As part of the marketing plan, the company completed the repositioning of its two commercial brands, Coral, and Sticky, improved their online presence, and initiated the first communication campaigns towards end consumers, campaigns conducted in OOH and radio environments as well as online.

ABOUT ROCA INDUSTRY HOLDINGROCK1

In the case of **EED**, ROCA Industry has initiated a recruitment process to fill management roles in the company's team, with a focus on roles with commercial impact. This process is being conducted for all companies that have come under the umbrella of the holding company, for their transition to the desired business model also involves the formation of responsible, committed management teams that can build strategic plans and implement them successfully.

The new management team started its work in the second quarter and has 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, with market mapping activity as well as residential project channel mapping.

In the second half of the year, the company reinvigorated its product portfolio by introducing antibacterial films, new designs and accessories that meet market requirements.

EED maintained a moderate sales performance in the first nine months of the year, influenced by the distribution profile with a customer with a significant share of the company's turnover.

Dial has signed the final acceptance for the new 5,000 m² production and storage hall in the second quarter of 2023. Thus, at the time of this report, the company has a total constructed production and storage area of approx. 11,000 m². Also in the second quarter of 2023, the installation of photovoltaic panels (120 KW) through the Electric Up programme was completed.

The company continued to strengthen its sales team by hiring sales agents to expand its geographical distribution.

We still believe that the company's development may need a longer growth recovery curve. The current product portfolio does not cover the industrial areas that are receiving EU funding in this period - e.g., infrastructure, and the residential category offers little scope for segmentation and premiumisation.

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. In addition to export growth, one of the main priorities in the coming period will be the extensive national development of the customer network and the enlargement of the sales team (recruitment process underway, with two new members joining the sales team in September).

ABOUT ROCA INDUSTRY HOLDINGROCK1

To better understand consumer needs, and anticipating the need to diversify its product portfolio, the company completed market research in the second half of the second semester on what products mean to consumers. The company's rebranding process was initiated by adopting a new logo and finalising a new product catalogue.

Electroplast has initiated the process of equipment refurbishment, and the commissioning process for the equipment in the first part of the project is currently underway. The total value of the project is more than €2.9 million, comprising investments over a three-year period, broken down as follows: 20% in 2022, 44% in 2023 and 36% in 2024. This refurbishment contributes to energy efficiency, increased productivity, and production capacity, including by removing bottlenecks in production, with a direct impact on improving margins and profitability levels. The process of retrofitting will continue with a €2.2 million project currently being approved by the Ministry of Energy, which will replace two key pieces of equipment in the manufacturing flow with modern, energy-efficient equipment with higher productivity and variety in execution.

Also in this industry, the first semester was marked by delays in the execution of some infrastructure projects (e.g., railways), contractions in some industries, as the company accelerated the process of prospecting export markets in parallel with local contracting.

Also, pressures from the shrinking market led to price decreases in this segment as well, Electroplast being a small but agile competitor responded to the opportunity to capture market share, which affected profitability, but, led in the third quarter to exceeding the budget in terms of turnover, and to volumes very close to the 2023 budget (-1%).

KEY EVENTS IN Q3 2023 AND BEYOND

GENERAL MEETINGS OF SHAREHOLDERS

Given that the mandates of Mr. Ioan-Adrian Bindea and Mr. Alexandru Savin as members of the Board of Directors of ROCA Industry expired on 17 September 2023, the Board of Directors submitted to the shareholders' vote the proposal to re-elect the two members. Thus, on **18 September 2023**, the Ordinary General Meeting of Shareholders (OGMS) was held and the shareholders re-elected the two Board members for a period of two years, until 17 September 2025.

On **17 October 2023**, the Board of Directors convened the OGMS to approve the termination of the agreement for financial audit services concluded with BDO Audit S.R.L. and to appoint KPMG AUDIT S.R.L. as financial auditor, as well as to set the duration of the agreement for financial audit services at a minimum of 1 year, with the possibility of annual extension with the agreement of the parties, for a maximum period of 4 years. The AGM will take place on 20 November 2023.

MERGERS AND ACQUISITIONS

MERGERS BETWEEN INVESTMENT VEHICLES AND ROCA INDUSTRY SUBSIDIARIES

On **20 July 2023** the merger between Doorsrock4 (the SPV set up for the purpose of obtaining a credit facility to provide the necessary financing structure for EED acquisition) and EED was completed. The process was initiated on 3 May 2023 with the approval of the BoD.

On **31 July 2023** the merger between Nativerock1 (the SPV set up for the purpose of obtaining a credit facility to provide the necessary financing structure for Dial acquisition) and Dial was completed. The process was initiated on 9 May 2023 with the approval of the BoD.

These mergers were a key condition agreed with lenders in order to obtain the credit facilities needed for the Dial and EED acquisitions and subsequently financing the companies.

SIGNING THE SALE AND PURCHASE AGREEMENT FOR THE ACQUISITION OF WORKSHOP DOORS

On **25 July 2023**, the Company's management announced that Group is in advanced negotiations for the acquisition of a majority stake in the share capital of Workshop Doors S.R.L. ("Workshop Doors"), a company incorporated and organized under the laws of Romania. Subsequently, on **18 August 2023**, the SPA for the acquisition of 70% of share capital of the company was signed. The transaction is in the process of obtaining the necessary approvals.

Workshop Doors is a company active since 2009 on the interior doors market in the region, with two production facilities, in Reghin and Petelea. With 184 employees and a turnover of EUR 10.5 mn in 2022, the company exports a considerable percentage of its own production.

KEY EVENTS IN S1 2023 AND BEYOND

ACQUISITION OF AN ADDITIONAL 45% STAKE IN THE SHARE CAPITAL OF EUROPLAS LUX

On **2 October 2023**, Bico signed a sale and purchase agreement to acquire an additional 45% stake in the share capital of Europlas. Thus, on the basis of the signing of this contract, but after completion of the transaction, Bico will hold 100% of the share capital of Europlas. The value of the transaction is in the amount of EUR 120 thousand, to be paid in three tranches during 2024.

CHANGE IN BICO SHAREHOLDING STRUCTURE

The shareholding structure of Bico changed at the end of July when a share capital increase took place in total amount of RON 10.5 mn. Therefore, Mihai Bîrliba increased his holding up to 40% of the share capital, while ROCA Industry ownership had been reduced from 70% to 60%.

REELECTION OF THE CHAIR OF THE BOARD OF DIRECTORS

During the meeting held on **19 September 2023**, the Board of Directors reelected Ioan-Adrian Bindea as Chairman of the Board of Directors until 17 September 2027.

LOAN AGREEMENTS BETWEEN ROCA INDUSTRY AND ITS RELATED PARTIES

On **27 July 2023**, the Board of Directors approved the granting of a RON 2 mn intragroup credit facility to EED. It has a repayment term of 12 months, was granted at market conditions, and is used by EED for the purpose of financing its current activity.

An additional intra-group facility was approved by the Company's Board of Directors on **29 August 2023**. In the amount of EUR 1.2 mn, it was granted to Dial to be used to guarantee the obligations under the credit facility contracted by Nativerock1 for the acquisition of Dial's shares in 2022 and to refinance loans previously contracted by Dial (credit facility taken over by Dial after the completion of the merger by absorption with Nativerock1).

In order to grant the loan to Dial, the Board of Directors of the Company also approved the conclusion of a loan agreement by ROCA Industry, as borrower, with ROCA INVESTMENTS S.A. (shareholder of ROCA Industry, holding 60.7958% of the share capital), as lender, for the same amount.

The two loans, were granted in EUR, at market conditions, with a repayment term of 12 months.

KEY EVENTS IN S1 2023 AND BEYOND

TRANSACTIONS OF THE MANAGEMENT

On **21 August 2023**, Mr. Rudolf-Paul Vizental, permanent representative of ROCA Management, member of the Board of Directors, purchased 1,437 shares at a price of RON 8.9777 per share.

Also, during the third quarter of 2023, Mr. Mihai Bîrliba, member of the Board of Directors, sold ROC1 shares in two tranches. The first transaction was carried out on **11 September 2023** (300,000 shares at a price of RON 7.2 per share) and the second sale was carried out on **10 October 2023** (300,000 shares at a price of RON 8.3 per share).

Following the two transactions, Mr. Mihai Bîrliba's holding fell below the 5% threshold of the Company's voting rights, while Prebet S.A. Aiud increased its holding and exceeded this 5% threshold.

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 at the reporting date. The performance of each company included in the holding company is considered from the moment control is acquired, without recognizing previous achievements. The consolidation of the results achieved during the reporting period is conducted according to the holdings held by the holding company in each company.

Therefore, in ROCA Industry's consolidated financial statements for the first 9 months of 2023, the performance of all companies acquired during 2022 has been included (Terra, EED, Dial), while for the 9M of 2022, Terra's performance is only incorporated from May, EED's performance is incorporated from June and Dial's results have not been taken into account. For the results of Europlas, in which Bico held 55% of the share capital until October 2023 and in which ROCA Industry has an indirect minority stake, a share of the net result achieved in 9M 2023 has been recognized. Regarding ELP, the company's performance is incorporated at September 2023 just for the months starting July 2023, while it was not included in the performance of 9M 2022.

In addition to the presentation of the consolidated performance information following the above principles, the **Cumulative P&L Analysis** chapter gives a picture of the cumulative indicators at Group level by summing up the individual performance of each subsidiary for the whole of 9M of 2022 and 9M of 2023, even if these companies were not part of the ROCA Industry Group and without considering the shareholding of ROCA Industry in the share capital of each company. The objective of the Combined Financial Statements is to present financial information in a format that allows comparability with the previous year, without affecting the figures by ownership percentage and acquisition date. In other words, the combined results present the company's activity itself, without the influence of corporate events.

As noted in the annual report, the 2023 outlook considers the contextual elements we are tracking and incorporating into near-term actions in ROCA Industry's strategy are:

- **Construction wage growth and the impact on construction prices;**
- **Evolution (slowdown) of consumption;**
- **Developments in bank lending activities, with high interest rates;**
- **Market changes in the sectors in which we operate (bankruptcies, M&As, local market exits, etc);**
- **Change in the number of employees in industry and construction;**
- **The evolution of raw material prices 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)	9M 2023	9M 2022	9M'23 vs 9M'22 (%)
Operating income	306,339,925	208,244,936	47%
Turnover	320,369,750	194,970,683	64%
Inventory variation	(16,699,729)	12,478,717	N/A
Other operating income	2,669,904	795,536	236%
Operating expenses, other than amortization, prov and value adjust,	(284,203,285)	(183,370,417)	55%
EBITDA	22,136,640	24,874,519	-26%
Depreciation of goodwill, relationship and contracts with customers	(11,616,033)	(6,669,320)	74%
Depreciation of fixed assets, other than goodwill, relationship and contracts with customers	(7,320,785)	(4,010,283)	83%
Operating Result	3,199,822	14,194,916	-77%
Financial revenues	912,211	3,819,660	-76%
Financial expenses	14,941,992	8,878,135	68%
Financial result	(14,029,781)	(5,058,475)	177%
Gross result	(10,829,959)	9,136,441	N/A
Income tax	1,633,674	2,619,023	-38%
Net result, of which:	(12,463,633)	6,517,418	N/A
<i>related to the associates of the parent company</i>	<i>(10,767,428)</i>	<i>3,655,094</i>	<i>N/A</i>
<i>related to non-controlling interests</i>	<i>(1,696,205)</i>	<i>2,862,324</i>	<i>N/A</i>

In the first nine months of 2023, ROCA Industry achieved a consolidated EBITDA of RON 22.1 million, mainly generated from the activity conducted by the companies Evolor, formerly Sarcom (EBITDA RON 13.9 million), EED (EBITDA RON 3.2 million), Bico Group (EBITDA RON 3.9 million), Dial (EBITDA RON 3.4 million) and ELP (EBITDA RON 2.6 million, included in the consolidated results starting June).

The holding company and the investment vehicles (SPVs) set up for the purpose of financing the equity acquisition transactions (Doorsrock4 and Nativerock1) generated a cumulative negative EBITDA of RON 4.9 million, mainly representing the operating costs of the holding company as well as other expenses from the current activity conducted by the companies.

Consolidated EBITDA in January-September 2023 of RON 22.1 million was 11% lower compared to the first 9 months of 2022, mainly due to the decrease in EBITDA achieved by Bico in the first 9 months of 2023 (RON 3.9 million in 9M 2023 vs. RON 12.6 million in 9M 2022), as a result of the application of a policy of destocking, 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.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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. This decrease was partially offset by EBITDA recorded by Evolor (increase of 51% compared to 9M 2022).

Under the influence of the change in the holding structure (4 more companies were acquired during 2022 and 2 companies during 2023), as well as the seasonality of the industry in which the portfolio companies operate, a consolidated net loss of RON 12.5 million (vs. net profit of RON 6.6 million in 9M 2022) was recorded at Group level.

Thus, the consolidated EBITDA in January-September 2023, amounting to RON 22.1 million, is eroded by:

- depreciation and amortization expenses of RON 20.2 million (of which RON 11.6 million represents amortization of goodwill, brands and customer relationships identified through business combinations),
- negative financial result of RON 13.8 million, representing bank interest of RON 11.0 million and negative exchange rate differences of RON 2.8 million,
- the current result from equivalent securities of RON 0.2 million (share of the loss recorded by Europlas in 9M 2023),
- corporate income tax of RON 1.6 million and
- reversals of provision adjustments of RON 1.2 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 12.5 million in the first nine months of 2023 is attributable to the parent company (loss of RON 10.8 million) and minority shareholders (loss of RON 1.7 million).

The net loss of RON 1.7 million attributable to minority shareholders represents the share not held by ROCA Industry of the individual net loss obtained by Bico. of the individual net profit obtained by Terra and of the profit recorded by Iranga (period May - September). Since August, following the capital increase of Bico, ROC1 has reduced its stake in Bico so that for the calculation of non-controlling interests the following percentages have been considered: 30% for the period January-July for Bico and companies directly owned by Bico (Terra and Iranga) and 40% for the period August-September for Bico and companies directly owned by Bico.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

A net loss of RON 10.8 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 1.9 million in the first 7 months of 2023 as in July the merger process was completed, i.e. their absorption by the companies acquired by ROC1 through them. In addition, 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 11.6 million in 9M 2023. Also, the losses incurred during the reporting period by EED (RON 2.2 million) and Dial (RON 0.11 million) contributed to the negative result recorded at the end of the period.

The net loss reported at the end of Q3 was partially offset by the positive results recorded by Evolor (RON 3.1 million) and ELP (RON 0.45 million - result for the period July-September 2023, included in the scope of consolidation for the income statement).

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 financial statements (the mergers completed at the moment of this report are between Evolor and Colorock13, EED and Doorsrock1, Dial and Nativerock).

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.

The new companies joining ROCA Industry Group during the first 9 months of 2023 are Iranga (acquisition completed in early May) and Electroplast (transaction signed at the end of June). Also, Colorock13, the SPV through which ROCA Industry acquired Evolor, merged at the end of 2022 with Evolor, Doorsrock4 (SPV through which Roca Industry acquired EED) merged with EED in July 2023, and Nativerock1 (the SPV through which Roca Industry acquired Dial) merged with Dial in July 2023, so the 3 SPVs ceased to exist.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Cumulated profit and loss indicators	Results for 9M 2023 (RON th)			9M 2023 EBITDA margin	9M 2023 net profit margin	Change in 9M 2023 vs 9M 2022		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
Evolor	79,943	13,892	3,144	17.4%	3.9%	23.7%	50.6%	-57.4%
Bico	111,389	1,295	(2,522)	1.2%	-2.3%	33.8%	-87.2%	N/A
Terra	33,417	2,161	977	6.5%	2.9%	-4.2%	-43.1%	-63.5%
Europlas Lux	3,598	(453)	(565)	-12.6%	-15.7%	-56.2%	N/A	N/A
Iranga	6,785	1,183	592	17.4%	8.7%	-22.7%	N/A	N/A
EED	44,578	3,185	(2,163)	7.1%	-4.9%	-14.1%	-70.9%	N/A
Dial	41,058	3,387	(115)	8.2%	-0.3%	-23.0%	-58.8%	N/A
Electroplast	118,415	5,630	(188)	4.8%	-0.2%	16.2%	-31.6%	N/A
Total companies	439,184	30,278	(839)	6.9%	-0.2%	7.9%	-41.0%	N/A
ROCA Industry	-	(4,384)	443	N/A	N/A	N/A	103.0%	N/A
Doorsrock4	-	(84)	(834)	N/A	N/A	N/A	127.8%	-8.2%
Nativerock1	-	(133)	(1,061)	N/A	N/A	N/A	N/A	N/A
Colorock13	-	-	-	N/A	N/A	N/A	N/A	N/A
Total holding and SPV-uri	-	(4,601)	(1,452)	N/A	N/A	N/A	109.4%	N/A
Total cumulated	439,184	25,677	(2,291)	5.8%	-0.5%	7.9%	-47.7%	N/A

* Terra's sales are entirely realized through Bico

During the first 9 months of 2023 the **productive companies** of the group achieved a **turnover** of 439.2 million RON cumulatively, 7.9% higher than in 9M 2022. **The EBITDA margin of the five productive companies** in the portfolio (considering Terra, Iranga and Europlas within the Bico Group) was 6.9% (cumulative EBITDA in the total amount of RON 30.3 million).

This was eroded by the operating expenses recorded at the **holding level and those of its investment vehicles**, so that at the cumulative level incorporating ROCA Industry and its SPVs, **EBITDA** was RON 25.7 million, with a margin of 5.8%.

In addition, higher depreciation costs (new investments made by holding companies), as well as financial expenses as a result of loans taken out for investments and working capital, but also for companies acquisition (bank loans were taken over by the companies after the merger with the investment vehicles through which the transactions were made), and the high bank interest rates, also had a significant impact. As a result of all cost items, the **cumulative net loss of the productive companies** was RON 0.8 million. Also considering the results of the holding and SPVs (in this case financial expenses were recorded as a result of taking out loans necessary for the acquisition of companies), **the cumulative net loss at the level of the entire holding** was RON 2.3 million.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Referring to the three months of Q3 2023, there is a 12.5% increase in turnover as well as an improvement in EBITDA margin up to 8.2% of turnover (compared to 6.9% for the 9L 2023 period). Thus, although market conditions continued to be less than favourable (falling consumption, disinflationary context, with prices on average falling or stagnating), the majority of the holding's productive companies improved their results from operating activities.

If at the end of June 2023 the EBITDA of the productive companies was 50% below that of 2022, this difference was reduced to 41% after the 9 months of the year and to 19% analysing strictly Q3 2023.

Cumulated profit and loss indicators	Results for Q3 2023 (RON th)			Q3 2023 EBITDA margin	Q3 2023 net profit margin	Change in Q3 2023 vs Q3 2022		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
Evolor	30.389	5.543	1.669	18.2%	5.5%	11.6%	19.2%	-54.8%
Bico	38.041	910	(929)	2.4%	-2.4%	66.9%	-49.7%	589.5%
Terra	10.350	893	295	8.6%	2.8%	1.8%	8.9%	-29.8%
Europlas Lux	1.151	(224)	(236)	-19.5%	-20.5%	-68.0%	N/A	N/A
Iranga	1.378	272	32	19.7%	2.3%	-56.4%	37.4%	-79.5%
EED	14.934	1.631	(1.125)	10.9%	-7.5%	-18.5%	-55.6%	N/A
Dial	12.458	706	(1.338)	5.7%	-10.7%	1.9%	2.2%	N/A
Electroplast	40.965	2.614	452	6.4%	1.1%	15.4%	-20.8%	-67.0%
Total companies	149.665	12.345	(1.182)	8.2%	-2.9%	12.5%	-18.7%	N/A
ROCA Industry	-	(1.499)	(172)	N/A	N/A	N/A	40.9%	-44.0%
Doorsrock4	-	(9)	(13)	N/A	N/A	N/A	-65.0%	-97.8%
Nativerock1	-	(9)	23	N/A	N/A	N/A	N/A	-98.9%
Colorock13	-	-	-	N/A	N/A	N/A	-100.0%	-100.0%
Total holding and SPV-uri	-	(1.516)	(162)	N/A	N/A	N/A	53.8%	N/A
Total cumulated	149.665	10.829	(1.344)	7.2%	-0.9%	12.5%	-23.8%	N/A

* Terra's sales are entirely realized through Bico

To provide a clearer understanding of the financial performance of each company owned by ROCA Industry, below is some additional information on the companies majority owned by ROCA Industry, both directly and indirectly.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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 9 months of 2023 totalled RON 4.4 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 for the capital increase and listing on the main market of the BSE envisaged for the next period).

Financial income of RON 5.3 million is mainly composed of interest income of RON 3.6 million (for intragroup loans granted), as well as of dividend income of RON 1.5 million represented by dividends distributed but not paid by Dial – taken over from Nativerock1 following their merger (dividends that were distributed during 2022 and were settled following the closing of the individual annual financial statements of Nativerock1). At the same time, the Company records also financial expenses in amount of RON 0.4 million, representing interest expenses on loans granted by ROCA Investments to finance the Company's subsidiaries.

As a result of the items described above, at standalone level Roca Industry recorded a net profit of RON 0.4 million in the first 9 months of 2023 (vs. a loss of RON 0.4 million in 9L 2022).

EVOLOR (former SARCOM)

In the first 9 months of 2023 Evolor recorded a turnover of RON 79.9 million, up 24% compared to 9M 2022, on the back of increased sales volume across most of the product categories, in some cases up to 47% higher than in 9M 2022, but also of a higher selling price compared to the same period of 2022. The only segment that saw decreases was plastering, which was in line with specific market trends.

Operating expenses increased slightly more than turnover (RON 71.3 million, +25% compared to 9M 2023), due to higher depreciation and value adjustments expenses (increase from RON 0.5 million to RON 5.4 million, mainly due to the impact of the merger with Colorock13 from the end of 2022 when Evolor took over also the goodwill related to the transaction, representing the difference between the acquisition cost of Evolor and the fair value, at the transaction date, of the part of the net assets acquired).

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Other significant changes refer to the increase in salary expenses (+84%, up to RON 1.9 million, following the completion of the management team and the increase in the number of employees) and raw material expenses by 8% (from RON 44.9 million to RON 47.3 million), due to the higher volume of products sold. At the same time, other operating expenses necessary for current activity, in the amount of RON 7.3 million, increased by 53% versus 9M 2022 (impacted by both economic conditions and production volume).

Thus, eliminating the impact of depreciation and amortization, the company reached a level of **EBITDA** with 51% higher than the one recorded in 9M 2022 (amounting to RON 13.9 million vs. RON 9.2 million), **EBITDA margin** standing at 17% of turnover (vs. 14%).

EBITDA was eroded by **higher depreciation and amortization expenses and value adjustments**, but also from **financial expenses** totaling RON 3.9 million (vs. RON 0.3 million in 9M 2022) generated by interest payable on loans taken out, including those taken over from Colorock13.

As a result of these developments, at the end of Q3 2023, the company recorded a net profit of RON 3.1 million, compared to a net profit of RON 7.4 million for 9M 2022. Comparability between the two periods is affected by the impact of the merger between Evolor and Nativerock13, as mentioned above.

BICO

For the 9 months of 2023, Bico's turnover increased by 34% compared to 9M 2022, to a level of RON 111.4 million. Q3 2023 was a period in which the company continued to gain market share, with sales increasing in the three months by 67% compared to Q3 2022, partly as a result of increased quantities sold across all product categories.

Part of sales was mainly due to the company's policy of destocking started in October 2022, process continued also during Q3 2023 (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 have been on 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. As a result, the company slowed down the production process, with effect showed also at inventory variation level which during 2023 amounted to RON -13.6 million and which, despite the 34% increase in turnover, impacted total operating income (only 2% increase compared to 9M 2022, i.e. 15% increase considering only Q3 2023 activity).

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

At the same time, operating expenses were optimized (13% increase vs. 9M 2022, compared to 34% increase in sales), but destocking and low market demand impacted the company at EBITDA level (-87%, RON 1.2 million at the end of Q3 2023 vs. RON 10.1 million at 9L 2022). This EBITDA decrease was decreased during Q3 2023 (-50% vs. Q3 2022).

In addition, the impact of financial expenses (no significant changes, totaling RON 3.6 million), slightly reduced by the increase in financial income (+40% to RON 1.8 million, due to interest on intra-group loans granted), resulted in a net loss of RON 2.5 million (compared to a net profit of RON 4.8 million in the first 9 months of 2022).

An additional element influencing the comparability of 9M 2023 with 9M 2022 relates to the fact that the first half of 2022 was a totally atypical one, with above normal sales and high margins, in line with market conditions at that time.

TERRA

As with Bico, Terra results were also affected by market conditions in the first 9 months of 2023 (decrease in market demand), and by a first half of 2022 above normal in terms of both quantities sold and margins.

Thus, in the first 9 months of the year, Terra's turnover contracted by 4% to RON 33.4 million, while the production process slowed down, and the company sold products in stock, resulting in a 15% lower total operating income in 9M 2023 versus 9M 2022. The noted decrease was diminished during Q3 2023 when sales experienced a positive trend (+2% vs Q3 2022). Note that Terra's entire production is sold through Bico.

During Q3 2023, the company managed to optimize operating expenses (6% decrease compared to Q3 2022), down by 12% at full year level compared to the same period of 2022 (RON 27.7 million at 9M 2023 versus RON 31.5 million at 9M 2022).

As a result of these developments, Terra achieved an EBITDA of RON 2.2 million, 43% lower than the one recorded in 9M 2022, with an EBITDA margin of 6%. Q3 2023 had a positive impact on EBITDA, with EBITDA increasing by 9% in the three months of the period. Net profit was RON 1.0 million, -64% vs 9M 2022 (RON 2.7 million), with Q3 2022 alone contributing a net profit of RON 0.3 million (-34% y/y).

IRANGA

The Iranga acquisition was completed in early May. With a turnover of RON 7.9 million in 9M 2023, 11% below 9M 2022, Terra adds a significant component to the Bico Group through its production of Turbotex. At the same time, raw materials and materials expenditure continued to be optimized, decreasing by 34% compared to 9M 2022.

Following these developments, Iranga achieved an EBITDA of RON 1.2 million (versus RON -0.1 million in 9M 2022), EBITDA margin of 17%, and a net profit of RON 0.6 million, compared to a loss of RON 0.5 million in 2022.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

EED

The company's turnover in the first 9 months of 2023 reached RON 44.6 million, 14% below that of 9M 2022. This evolution was generated by the decrease in sales volume on two of the three product categories, a trend observed in the market.

Operating expenses could not be adjusted quickly (RON 45.8 million in 9L 2023, +6% y/y). The most significant are those for the purchase of raw materials and consumables necessary for the activity which increased by 1% compared to 9M 2022, to RON 25.4 mil. They were optimized in Q3 2023, when the decrease in these costs was 18%, in line with the sales trend for the period.

Another component impacting operating expenses was personnel costs, which increased by 127% in 9M 2023 vs. 9M 2022, to RON 9.6 million, both on the back of tax changes for the construction sector and as a result of the holding company's policy to complete the management team of the new companies joining the group with experienced key people. In 2022, the company has used a personnel leasing provider and the related costs for that period have been recorded as part of other operating expenses. At the beginning of 2023, the leasing contract was terminated, at which point the need for personnel was addressed by hiring qualified staff.

As a result, EED achieved an EBITDA of RON 3.2 million, compared to RON 10.9 million in 9M 2022, and the EBITDA margin stood at 7%. As a result of continued cost optimisation efforts, the decrease in EBITDA was mitigated during Q3 2023. Depreciation and financial expenses, especially interest expenses (partly affected by the takeover of Doorsrock4 debts once the two companies merged), further influenced the company's results, so that in the 9 months of 2023 EED recorded a net loss of RON 2.2 million vs. a net profit of RON 6.7 million at the end of September 2022.

DIAL

During 9M 2023 Dial was impacted by low demand for the Company's products across most product categories, with quantities sold decreasing to varying degrees by product in line with demand in the building materials market. As a result of this development, the turnover recorded during the first 9 months of 2023 was RON 41.1 million, 23% below the level of 9M 2022 (RON 53.3 million). The largest decreases were recorded in Q1 2023 (the company's activity has a high dependence on weather conditions which were not favorable in that period), the company managing to recover in Q2 and Q3 2023 part of these decreases (in Q3 2023 sales increased by 2% compared to the same period of 2022).

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

While raw material expenses (the largest category of operating expenses) were optimized (RON 27.3 million, -36% at 9L 2023 vs. 9L 2022), some of the other expenses remained at a relatively high level, so that Dial achieved an EBITDA of RON 3.4 million (vs. RON 8.2 million at 9L 2022), with an EBITDA margin of 8%, and a net loss of RON 0.1 million. Strictly analyzing the Q3 2023 performance, EBITDA increased by 2% compared to Q3 2022, to RON 0.7 million, but financial expenses well above the level recorded in 2022 (partly as a result of the assumption of Nativerock1 debt once the two companies merged) generated a net loss of RON 1.3 million.

ELECTROPLAST

Electroplast is the newest company in the holding company, the acquisition of which was completed in the last days of June. The company continued to generate revenue above the 2022 level, with 2023 being the best year in ELP's history in terms of sales. Turnover increased by 16% compared to 9M 2022 to RON 118.4 million. Q3 2023 generated a turnover of RON 41.0 million, up 15% compared to Q3 2022. This increase came as a result of both increased quantities sold across major product categories, but with pressure on margins.

At the same time, however, the increase in operating expenses outpaced the upward trend in turnover, reaching a level of RON 115.1 million, +19% in 9M 2023 versus 9M 2022 (and RON 34.2 million in Q3 2023, +28% y/y). The largest part of these expenses is represented by raw materials and consumables expenses (RON 95.7 million, +22% y/y). EBITDA thus eroded by 32% in the first nine months of the year compared to the same period of 2022, from RON 8.2 million to RON 5.6 million, the company recording an EBITDA margin of 5%. Q3 2023 was a period of cost optimization so that the EBITDA achieved was RON 2.6 million, a smaller decrease compared to Q3 2022 (-21%).

In addition, depreciation expenses (RON 1.5 million, maintained at approximately the same level as in 9M 2022), but especially financial expenses (RON 4.3 million, up 16% in 9M 2023 compared to 9M 2022 on the back of an increase in financial debt but also in interest rates) led to a net loss of RON 0.2 million at the end of the nine months of 2023, compared to a net profit of RON 3.4 million in 9M 2022.

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. In July 2023 the merger process between EED and Doorsrock4 was completed, so at the time of this report the SPV is dissolved. Until the moment of the merger, the SPV recorded an individual net loss of RON 0.8 million generated by interest expenses related to the financing required to complete the transaction and those arising from unfavourable exchange rate differences (in the total amount of RON 1.5 million) higher than financial income (from interest and from dividends distributed/paid by EED to pay debt service in relation to bank loans - LBO, in the amount of RON 0.7 million).

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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. In July 2023 the merger process between Dial and Nativerock1 was completed, so at the time of this report the SPV is dissolved. Nativerock1 recorded a net loss of RON 1.1 million mainly as a result of financial expenses consisting of interest expenses and unfavourable exchange rate differences (totaling RON 2.0 million), while financial income (from dividends distributed/paid by Dial to pay debt service in relation to bank loans - LBO) amounted to RON 1.1 million.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

CONSOLIDATED BALANCE SHEET ANALYSIS

Fixed assets

Non-current assets at consolidated level increased by 27% compared to the end of 2022, reaching RON 360.3 million. These are mainly made up of intangible fixed assets (RON 167.5 million, +15% compared to year-end 2022) and tangible fixed assets (RON 192.3 million, +42% compared to year-end 2022).

Intangible assets are represented by trademarks, licences, customer relationships and goodwill resulting from business combinations. Note that goodwill, licenses, trademarks and customer relationships are items that appear only in the consolidated financial statements, with the exception of companies that have completed the merger process with the investment vehicles through which the holding company made the acquisition, in which case these items also appear in the individual statements. 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. At the end of Q3, all SPVs within the holding were absorbed, following the merger process, by the companies acquired through them.

Tangible assets of RON 192.2 million are mainly composed of land and buildings, equipment, assets under construction and advances for fixed assets. The increase compared to the end of 2022 is mainly due to the acquisition of new companies (Iranga in May and Electropast in June).

Financial 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 90.7 million as of 30 September 2023 (-10% as compared to FY 2022), mainly consist of raw materials, finished products and goods, work in progress and advances for the purchase of inventories of companies in the consolidation perimeter.

The receivables recorded a significant increase at 30 September 2023, of 319% compared to the end of 2022, reaching a consolidated level of RON 109.2 million compared to RON 26.1 million at the end of the previous year. A major impact in the mentioned increase is the acquisition of Electropast, which closed the 3rd quarter with a balance of trade receivables of RON 46.4 million (of which approx. 50% represents amounts to be recovered as at 30 September through factoring service), as well as trade receivables recorded at the level of the 4 directly productive owned subsidiaries - Bico (includes Terra and Iranga), Evolor, EED and Dial or VAT to be recovered or other amounts to be recovered from the state budget.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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, promissory notes used in commercial dealings between the Company and its customers have been recorded with Dial and Electroplast since 2022. These instruments represent a guarantee for the collection of the price of the products sold.

Consolidated cash and cash equivalents as of 30 September 2023 amount to RON 27.8 million, down 34% compared to 31 December 2022, mainly due to allocation of additional financial resources for the optimal conduct of operational activities, but also for various investments made to improve the performance of companies.

Trade payables

The increase in trade payables as of 30 September 2023 compared to 31 December 2022 (+131%) is mainly due to the assumption of trade payables of newly acquired companies (ELP RON 26.7 million), but also to the increase in payables of Bico and Evolor, a normal fluctuation depending on the operational needs of the companies.

Bank debts

Bank debts as at 30 September 2023 come from Evolor (RON 46.6 million - loan taken over by merger from Colorock), Bico (RON 43.5 million - for operational activity and investments made), Terra (RON 8.9 million - for operational activity), EED (RON 59.4 million - for operational activity) and EED (RON 7.4 million - for current activity, investments made and repayment of debts to former shareholders, but also from the takeover of Doorsrock1 following the completion of the merger process in July 2023), Dial (RON 44.7 million - for operational activity and investments made, but also from the takeover of Nativerock following the completion of the merger process in July 2023), Electroplast (RON 46.1 million - for operational activity - factoring and investments made). These are presented on short or long term, depending on the terms of the loan contracts.

Other liabilities

At the end of Q3 2023, other liabilities increased by 98% as compared to the level recorded at 31 December 2022 (RON 41.0 million), following the recognition of a debt for the acquisition of Electroplast, transaction completed at the end of June 2023.

Provisions

Provisions were mainly established for various expenses related to tax liabilities, representing probable liabilities arising from past events of the companies. During January-September 2023, at consolidated level, part of the provision at year-end 2022 was reversed.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

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.

Subscribed and paid-up 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 Bico's shares of RON 71 million.

Revaluation reserves in the amount of RON 2.5 million represent the unrealised surplus from the revaluation of tangible fixed assets, land and buildings conducted on 31.12.2022 by Evolor.

Losses related to equity instruments represent the costs with intermediaries for the private placement in December 2021, following 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.

For a clearer understanding of the balance sheet structure of each company owned by ROCA Industry, below is some additional information on the companies majority owned by ROCA Industry, both directly and indirectly.

ROCA INDUSTRY

Total assets of RON 234.2 million at the end of Q3 2023 increased by 19% as compared to the level at the end of 2022, the largest weight being held by non-current assets (58%) consisting almost entirely of financial fixed assets, i.e. ROCA Industry's holdings in its subsidiaries. These totaled RON 135.7 million, +51% compared to FY 2022, on the back of the registration of the Company's stake in ELP following the transaction that took place at the end of June.

An additional change occurred in receivables from affiliated companies (+19%, totaling RON 94.5 million) as a result of the taken over, on the occasion of the acquisition of ELP, of the loans that Roca Investments had previously granted to ELP to finance ELP's current activity over the past years, in accordance with the approval of the AGEA of June 2023.

Total liabilities increased from RON 7.2 million at the end of 2022 up to RON 68.5 million at the end of September 2023, due to the acquisition of ELP from Roca Investments, as the amount of the transaction value has not yet been paid.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

EVOLOR

The company's total assets were at a level of RON 118.5 million as of 30 September 2023, 11% above the value recorded at the end of 2022. Of these, non-current assets (63% of total assets, 7% up as compared to FY 2022) suffered some changes. The goodwill recorded from the transaction through which Roca Industry acquired Evolor decreased by 8% to RON 50.4 million on the back of its depreciation, this decrease being partially offset by the new investments made by the company in the new production hall (tangible fixed assets 69% above the level as at 31 December 2022, totaling RON 23.3 million),

Current assets, 18% higher than at FY 2022, amounted to RON 42.2 million in September 2023. The main changes relate to the increase in trade receivables (RON 27.0 million vs. RON 9.1 million as at December 2022), due to the increase in sales, but also to the decrease in cash and cash equivalents to RON 0.2 million on the back of covering the cash requirements for the current activity.

The main change on the total liabilities side (RON 113.2 million at the end of Q3 2023, +8% vs FY 2022) refers to 68% higher payables to suppliers (RON 17.3 million in September 2023 vs RON 10.3 million in December 2022), due to the increase in turnover (Q2 and Q3 being the seasonal period in this sector, while Q4 of each year has lower sales).

As for equity, it increased by 142%, from RON 2.2 million at 31 December 2022 to RON 5.4 million at the end of Q3 2023, the only significant change being the profit recorded in 2023.

BICO

With a relatively constant level of total assets (+6% at the end of September 2023 vs FY 2022, from RON 110.9 million to RON 117.3 million), the main change in non-current assets was recorded in financial fixed assets (19% increase to RON 23.6 million) following the completion of the Iranga transaction.

At the same time, the structure of current assets (+8%, amounting to RON 53.5 million as at 30 September 2023 vs. RON 49.6 million at the end of 2022) has undergone some changes. As a result of the destocking process carried out by the company, inventories continued to decrease (by 37% at the end of 9M 2023 vs. 20% in H1 2023), down to RON 25.5 million. At the same time, trade receivables went up from RON 4.3 million to RON 15.7 million on the back of significantly higher sales in the last months of the half-year. At the same time, Bico recorded receivables in relation to related parties in the amount of RON 6.9 million representing mainly loans taken over from former shareholders of Iranga following the acquisition of the company, but also loans granted to Europlas.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Mirroring this, total liabilities remained at a similar level as at the end of 2022 (RON 76.5 million), the main changes being generated by:

- Increase in trade payables by 84% (from RON 8.9 million to RON 16.5 million), due to increased sales and securing raw materials for the sseason, of which RON 8.7 million represents the purchase of finished products from Terra, with sales entirely through Bico,
- 8% increase in total bank debt (RON 43.5 million at September 2023 vs. RON 40.2 million at December 2022), mainly due to additional bank credit facilities required for working capital,
- other short-term debts decrease by 77% (from RON 8.2 million to RON 1.9 million), mainly as a result of a debt of RON 5.4 million to the minority shareholder, Mihai Bîrliba, which was converted into share capital.

In July 2023, Mihai Bîrliba increased his holding in Bico from 30% to 40% of the share capital, at which time the share capital went up from RON 10.7 million to RON 12.5 million and an additional amount of RON 8.8 million was recognized as share premium.

TERRA

The total assets of the company increased by 6% as compared to the level of December 2022, up to RON 25.0 million. The main changes in the structure occurred as a result of:

- 45% increase in tangible fixed assets following the completion of investments at the Vulcanesti plant,
- a 41% decrease in inventories, from RON 12.2 million at FY 2022 to RON 7.2 million at 30 September 2023, in response to reduced market demand,
- increase in receivables from related parties from RON 2.0 million as of December 2022 to RON 8.7 million at the end of Q3 2023 as a result of Bico Group's strategy to sell products made in the Republic of Moldova through Bico.

Financial debts increased by RON 1.5 million as a result of contracting a new loan necessary for investments at the Vulcanesti plant.

IRANGA

Iranga has total assets amounting to RON 8.5 million (+17% compared to the value as of 31 December 2022), 62% of which are fixed assets (RON 5.3 million as of 30 September 2023) represented by tangible fixed assets, i.e., fixed assets necessary for the current activity.

Current assets, amounting to RON 3.3 million, doubled as compared to the level recorded at the end of 2022 mainly due to increase in inventories (+184%) as a result of ensuring the raw material requirements for the current activity.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Total liabilities of RON 15.0 million at 30 September 2023, up 5% from the end of 2022, are mostly made up of long-term debts to Bico.

Shareholders' equity is negative at RON 6.5 million at the end of Q3 2023, 8% lower than on 31 December 2022, due to losses accumulated in previous years.

EED

With total assets up 40% compared to the end of 2022 (totaling RON 104.3 million at the end of September 2023), the main significant changes were:

- an increase in intangible assets by RON 36.8 million following the merger with Doorsrock in July 2023 whereby EED acquired also the goodwill related to the transaction, representing the difference between the acquisition cost of EED and the fair value of the portion of the net assets acquired, at the transaction date,
- the tripling of trade receivables (from RON 2.9 million to RON 8.8 million) mainly on the back of higher sales in Q2 and Q3 2023,
- 97% decrease in cash on hand due to repayment of bank loans and payment of dividends to Doorsrock4 to service debt (in the first half of 2023).

Except for the increase in bank debt from RON 24.1 million at December 2022 to RON 59.4 million at 30 September 2023 (arising from the takeover of Doorsrock's bank facilities following the merger, offset by the repayment of some of the outstanding credit facilities), there were no other significant changes in debt. The evolution of the company's equity was also influenced by the merger between EED and Doorsrock.

DIAL

With total assets amounting to RON 76.1 million as of 30 September 2023 (+44% versus the level as of 31 December 2022), the main changes occurred in the category of tangible fixed assets (+61%, up to RON 39.5 million. Intangible assets increased by RON 14.6 million based on the acquisition, with the absorption of Nativerock, of the goodwill related to the transaction, representing the difference between the acquisition cost of Dial and the fair value, at the transaction date, of the portion of the net assets acquired.

Also during this period, property, plant and equipment increased by 62%, from RON 15.1 million at FY 2022 to RON 24.4 million at the end of the nine months of 2023, given that in the second quarter of 2023 the final acceptance for the new 5,000 m² production and storage hall was signed.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Trade receivables, amounting to RON 7.7 million, increased by 54%, while inventories decreased by 10% (to RON 9.5 million) compared to 31 December 2022, on the back of higher sales in Q2 and Q3 2023,

In terms of total liabilities, these significantly increased from RON 14,7 million as of 31 December 2022, up to RON 82.7 million at the end of Q3 2023, the main changes being related to:

- increase in bank debt from RON 11.0 million as at December 2022 to RON 44.7 million as at 30 September 2023, arising from the takeover of Nativerock's banking facilities following the merger,
- an increase of RON 30.6 million in other short-term liabilities as a result of financing received from ROCA Industry both to guarantee the bank loans taken over from Nativerock and to finance current activity,
- the increase in amounts due to suppliers (from RON 0.6 million to RON 3.8 million) for the purchase of raw materials to ensure the necessary stocks in the coming period.

In terms of equity, it reached a level of RON -6.5 million at 30 September 2023 (vs. RON 38.2 million as of 31 December 2022) due to the recording of a loss from reorganizations of RON 36.5 million, the impact coming from the merger with Nativerock.

ELECTROPLAST

Electroplast has total assets of RON 118.7 million at the end of Q3 2023, 17% above the level on 31 December 2022. The main changes are observed in the case of investments in progress (from RON 0.3 million at FY 2022 to RON 4.4 million as at 30 September 2023, as the company is in the process of upgrading equipment), as well as in trade receivables, which increased by 36% to RON 46.4 million on the back of seasonal sales in Q2 and Q3 2023.

Total liabilities of RON 88.1 million as at 30 September 2023, went up 24% compared to the end of 2022, mainly as a result of new credit facilities contracted to carry out the investments required for the process of equipment upgrading, but also to finance working capital requirements, with the company drawing on a factoring facility (balance as at 30 September 2023 in amount of RON 46.1 million, compared to a level of RON 38.0 million in FY 2022).

There were no significant changes in the company's equity.

MAIN FINANCIAL INDICATORS AT CONSOLIDATED LEVEL

Current ratio as of 30.09.2023

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{228,488,663}{255,543,874} = 0.89$$

Debt to equity ratio as of 30.09.2023

$$\frac{\text{Interest bearing debt}}{\text{Equity}} \times 100 = \frac{157,727,167}{148,132,286} \times 100 = 106.48\%$$

$$\frac{\text{Interest bearing debt}}{\text{Employed capital}} \times 100 = \frac{157,727,167}{305,859,453} \times 100 = 51.57\%$$

Interest bearing debt = Loans over 1 year

Employed capital = Borrowed capital + Equity

Fixed asset turnover as of 30.09.2023

$$\frac{\text{Annualized turnover}}{\text{Fixed assets}} = \frac{491,487,738}{360,311,318} = 1.36$$

CONSOLIDATED PROFIT AND LOSS ACCOUNT ROCA INDUSTRY HOLDINGROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	306,339,925	208,244,936	47%
Turnover	320,369,750	194,970,683	64%
Inventory variation	(16,699,729)	12,478,717	N/A
Other operating income	2,669,904	795,536	236%
Operating expenses, of which:	303,140,103	194,050,020	56%
Material expenses, of which:	203,445,850	143,387,671	42%
<i>Expenses with raw materials and consumables</i>	190,471,045	129,323,785	47%
<i>Expenses on goods</i>	7,177,612	10,068,576	-29%
<i>Other expenses</i>	5,797,193	3,995,310	45%
Personnel expenses	47,161,430	23,577,006	100%
Depreciation, amortization and value adjustments	18,936,818	10,679,603	77%
Other operating expenses	33,596,005	16,405,740	105%
Operating result	3,199,822	14,194,916	-77%
Financial income	912,211	3,819,660	-76%
Financial expenses	14,941,992	8,878,135	68%
Financial result	(14,029,781)	(5,058,475)	177%
Total income	307,252,136	212,064,596	45%
Total expenses	318,082,095	202,928,155	57%
Gross loss/profit	(10,829,959)	9,136,441	-219%
Income tax	1,633,674	2,619,023	-38%
Net loss/profit, of which:	(12,463,633)	6,517,418	-254%
<i>related to the parent company</i>	(10,767,428)	3,655,094	
<i>related to non-controlling interests</i>	(1,696,205)	2,862,324	

STANDALONE PROFIT AND LOSS ACCOUNT ROCA INDUSTRY HOLDINGROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9m 23 vs 9M 22 (%)
Operating income	1,052	500	110%
Other operating income	1,052	500	110%
Operating expenses, of which:	4,393,049	2,165,271	103%
Material expenses, of which:	78,617	56,822	38%
<i>Expenses with raw materials and consumables</i>	58,234	54,427	7%
Other expenses	20,383	2,395	751%
Personnel expenses	1,984,763	776,985	155%
Depreciation, amortization and value adjustments	8,297	4,984	66%
Other operating expenses	2,321,372	1,326,480	75%
Operating result	(4,391,997)	(2,164,771)	103%
Financial income	5,347,227	2,317,743	131%
Financial expenses	391,560	542,057	-28%
Financial result	4,955,667	1,775,686	179%
Total income	5,348,279	2,318,243	131%
Total expenses	4,784,609	2,707,328	77%
Gross loss/profit	563,670	(389,085)	N/A
Income tax	120,337	17,663	581%
Net loss/profit	443,333	(406,748)	N/A

PROFIT AND LOSS ACCOUNT BICO INDUSTRIES

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	98,206,850	95,963,922	2%
Turnover	111,389,326	83,241,639	34%
Inventory variation	(13,641,462)	12,310,787	N/A
Other operating income	458,986	411,496	12%
Operating expenses, of which:	98,947,999	87,919,848	13%
Material expenses, of which:	74,984,722	69,375,630	8%
<i>Expenses with raw materials and consumables</i>	35,742,432	59,043,671	-39%
<i>Expenses on goods</i>	36,536,550	7,396,508	394%
<i>Other expenses</i>	2,705,740	2,935,451	-8%
Personnel expenses	13,003,624	11,322,807	15%
Depreciation, amortization and value adjustments	2,035,833	2,034,190	1%
Other operating expenses	8,923,820	5,187,221	72%
Operating result	(741,149)	8,044,074	N/A
Financial income	1,817,383	1,294,727	40%
Financial expenses	3,598,099	3,573,670	1%
Financial result	(1,780,716)	(2,278,943)	-22%
Total income	100,024,233	97,258,649	3%
Total expenses	102,546,098	91,493,518	12%
Gross loss/profit	(2,521,865)	5,765,131	N/A
Income tax	-	1,005,723	-100%
Net loss/profit	(2,521,865)	4,759,408	N/A

PROFIT AND LOSS ACCOUNT TERRA IMPEX

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	29,166,010	34,898,351	-16%
Turnover	33,417,474	34,898,351	-4%
Inventory variation	(4,251,464)	-	N/A
Operating expenses, of which:	27,745,105	31,520,237	-12%
Material expenses, of which:	19,100,072	22,620,895	-16%
<i>Expenses with raw materials and consumables</i>	18,794,358	22,317,526	-16%
<i>Expenses on goods</i>	305,715	303,369	1%
Personnel expenses	4,375,586	3,708,650	18%
Depreciation, amortization and value adjustments	740,091	421,614	76%
Other operating expenses	3,529,355	4,769,078	-26%
Operating result	1,420,905	3,378,114	-58%
Financial expenses	443,845	455,360	-3%
Financial result	(443,845)	(455,360)	-3%
Total income	29,166,010	34,898,351	-16%
Total expenses	28,188,951	31,975,597	-12%
Gross loss/profit	977,059	2,922,755	-67%
Income tax	-	243,168	-100%
Net loss/profit	977,059	2,679,587	-64%

PROFIT AND LOSS ACCOUNT IRANGA

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	7,852,745	8,774,484	-11%
Turnover	6,785,135	8,774,484	-23%
Inventory variation	1,067,609	-	-25%
Operating expenses, of which:	6,671,565	8,944,848	-25%
Material expenses, of which:	3,703,826	5,606,209	-34%
<i>Expenses with raw materials and consumables</i>	3,703,826	5,606,209	-34%
Personnel expenses	1,491,008	1,475,371	1%
Depreciation, amortization and value adjustments	1,604	69,966	-98%
Other operating expenses	1,475,127	1,793,301	-18%
Operating result	1,181,180	(170,364)	N/A
Financial income	588,801	290,467	103%
Financial expenses	(588,801)	(290,467)	103%
Financial result	7,852,745	8,774,484	-11%
Total income	7,260,366	9,235,315	-21%
Total expenses	592,379	(460,831)	N/A
Gross loss/profit	-	-	-
Income tax	592,379	(460,831)	N/A

PROFIT AND LOSS ACCOUNT EVOLOR

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	79,816,193	65,945,290	21%
Turnover	79,942,700	64,609,068	24%
Inventory variation	(210,339)	1,118,957	N/A
Other operating income	83,832	217,265	-61%
Operating expenses, of which:	71,341,798	57,245,542	25%
Material expenses, of which:	49,658,681	45,522,757	9%
<i>Expenses with raw materials and consumables</i>	47,320,284	43,968,319	8%
<i>Expenses on goods</i>	1,913,722	1,042,576	84%
<i>Other expenses</i>	424,675	511,862	-17%
Personnel expenses	8,951,707	6,429,090	39%
Depreciation, amortization and value adjustments	5,417,751	523,386	935%
Other operating expenses	7,313,659	4,770,309	53%
Operating result	8,474,395	8,699,748	-3%
Financial income	72,774	104,172	-30%
Financial expenses	3,943,793	326,726	1107%
Financial result	(3,871,019)	(222,554)	1639%
Total income	79,888,967	66,049,462	21%
Total expenses	75,285,591	57,572,268	31%
Gross loss/profit	4,603,376	8,477,194	-46%
Income tax	1,459,167	1,100,400	33%
Net loss/profit	3,144,209	7,376,794	-57%

PROFIT AND LOSS ACCOUNT ECO EURO DOORS

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	46,436,846	51,659,382	-10%
Turnover	44,577,709	51,886,220	-14%
Inventory variation	1,364,844	(1,718,007)	N/A
Other operating income	494,293	1,491,169	-67%
Operating expenses, of which:	45,817,996	43,160,643	6%
Material expenses, of which:	28,172,164	29,417,144	-4%
<i>Expenses with raw materials and consumables</i>	25,375,813	25,145,514	1%
<i>Expenses on goods</i>	1,428,055	2,951,230	-52%
<i>Other expenses</i>	1,368,296	1,320,400	4%
Personnel expenses	9,627,523	4,234,741	127%
Depreciation, amortization and value adjustments	2,566,239	2,448,282	5%
Other operating expenses	5,452,070	7,060,476	-23%
Operating result	618,850	8,498,739	-93%
Financial income	59,417	213,411	-72%
Financial expenses	2,841,134	1,395,539	104%
Financial result	(2,781,717)	(1,182,128)	135%
Total income	46,496,263	51,872,793	-10%
Total expenses	48,659,130	44,556,182	9%
Gross loss/profit	(2,162,867)	7,316,611	N/A
Income tax	-	613,999	-100%
Net loss/profit	(2,162,867)	6,702,612	N/A

PROFIT AND LOSS ACCOUNT DIAL

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	40,878,399	58,848,228	-31%
Turnover	41,058,405	53,339,253	-23%
Inventory variation	(1,643,459)	5,454,955	N/A
Other operating income	1,463,453	54,020	2609%
Operating expenses, of which:	38,994,295	52,443,779	-26%
Material expenses, of which:	28,763,765	44,711,911	-36%
<i>Expenses with raw materials and consumables</i>	27,348,270	42,949,111	-36%
<i>Expenses on goods</i>	589,376	857,542	-31%
<i>Other expenses</i>	826,119	905,257	-9%
Personnel expenses	4,700,011	3,526,531	33%
Depreciation, amortization and value adjustments	1,502,732	1,812,102	-17%
Other operating expenses	4,027,787	2,393,235	68%
Operating result	1,884,104	6,404,450	-71%
Financial income	52	369,466	-100%
Financial expenses	1,944,771	1,135,560	71%
Financial result	(1,944,719)	(766,095)	154%
Total income	40,878,451	59,217,694	-31%
Total expenses	40,939,066	53,579,339	-24%
Gross loss/profit	(60,615)	5,638,355	N/A
Income tax	54,170	891,379	-94%
Net loss/profit	(114,785)	4,746,976	N/A

PROFIT AND LOSS ACCOUNT ELECTROPLAST

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	9M 2023	9M 2022	Change 9M 23 vs 9M 22 (%)
Operating income	119,192,842	103,289,952	15%
Turnover	118,414,703	101,910,697	16%
Inventory variation	590,774	487,085	21%
Other operating income	187,365	892,170	-79%
Operating expenses, of which:	115,080,930	96,505,726	19%
Material expenses, of which:	100,556,589	82,134,664	22%
<i>Expenses with raw materials and consumables</i>	97,482,526	79,752,292	22%
<i>Expenses on goods</i>	1,203,994	(3,652)	N/A
<i>Other expenses</i>	1,870,069	2,386,024	-22%
Personnel expenses	8,372,097	7,585,041	10%
Depreciation, amortization and value adjustments	1,517,704	1,448,696	5%
Other operating expenses	4,634,540	5,337,326	-13%
Operating result	4,111,912	6,784,225	-39%
Financial income	29	467,611	-100%
Financial expenses	4,299,873	3,715,055	16%
Financial result	(4,299,843)	(3,247,444)	32%
Total income	119,192,871	103,757,562	15%
Total expenses	119,380,803	100,220,781	19%
Gross loss/profit	(187,932)	3,536,781	N/A
Income tax	-	104,341	-
Net loss/profit	(187,932)	3,432,440	N/A

PROFIT AND LOSS ACCOUNT DOORSROCK 4

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	7M 2023*	9M 2022
Operating income	-	-
Operating expenses, of which:	83,786	36,782
Material expenses, of which:	-	211
Expenses with raw materials and consumables	-	211
Other operating expenses	83,786	36,571
Operating result	(83,786)	(36,782)
Financial income	746,081	509,163
Financial expenses	1,496,431	1,374,951
Financial result	(750,350)	(865,788)
Total income	746,081	509,163
Total expenses	1,580,217	1,411,733
Gross loss/profit	(834,136)	(902,570)
Income tax	-	6,154
Net loss/profit	(834,136)	(908,724)

Note - the presented figures relate to the period of 1 January 2023 – 20 July 2023, when the merger between Doorsrock4 (the SPV that aimed to provide the necessary financing structure for EED acquisition) and EED actually took place. The process was initiated on 3 May 2023 with the Board Members approval.

PROFIT AND LOSS ACCOUNT NATIVEROCK1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)	7M 2023*	9M 2022
Operating income	-	-
Operating expenses, of which:	133,466	233
Other operating expenses	133,466	233
Operating result	(133,466)	(233)
Financial income	1,058,450	2,497,700
Financial expenses	1,986,256	315,908
Financial result	(927,806)	2,181,792
Total income	1,058,450	2,497,700
Total expenses	2,119,722	316,141
Gross loss/profit	(1,061,272)	2,181,559
Income tax	-	-
Net loss/profit	(1,061,272)	2,181,559

Note - the presented figures relate to the period of 1 January 2023 – 31 July 2023, when the merger between Nativerock1 (the SPV that aimed to provide the necessary financing structure for Dial acquisition) and Dial actually took place. The process was initiated on 9 May 2023 with the Board Members approval.

CONSOLIDATED BALANCE SHEET

ROCA INDUSTRY HOLDINGROCK1

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	360,311,318	282,665,278	27%
Intangible assets	166,489,694	145,326,616	15%
Tangible assets	183,764,810	123,246,467	49%
Financial assets	1,566,878	1,812,475	-14%
Fixed assets under investment	8,489,936	12,279,720	-31%
Current assets, of which:	228,488,663	170,223,844	34%
Inventories	90,694,106	101,026,478	-10%
Receivables	109,261,260	26,081,604	319%
<i>Trade receivables</i>	105,233,656	23,066,782	356%
<i>Receivables with related parties</i>	597,307	-	100%
<i>Other assets</i>	3,430,297	3,014,822	14%
Short term investments	719,662	881,206	-18%
Cash and cash equivalents	27,813,635	42,234,556	-34%
Deferred expenses	4,242,364	2,203,462	93%
Total assets	593,042,345	455,092,584	30%
Current liabilities, of which:	255,543,874	131,083,262	95%
Third-party providers	67,801,679	29,299,629	131%
Bank debts	91,481,816	57,710,905	59%
Debts to affiliated companies	16,011,218	5,118,797	213%
Other current liabilities	80,249,161	38,953,931	106%
Non-current liabilities, of which:	158,838,394	137,480,912	16%
Bank debts	157,727,167	135,318,611	17%
Other non-current liabilities	1,111,227	2,162,301	-49%
Provisions	1,820,118	2,197,788	-17%
Deferred income	5,418,573	5,589,963	-3%
Total debts	421,620,959	276,351,925	53%
Equity, of which:	148,132,286	159,187,296	-7%
Subscribed and paid-up capital	176,945,730	176,945,730	-
Share premium	38	38	-
Legal reserves	145,939	-	-
Other reserves	2,476,142	4,693,364	-47%
Reserves from conversion	597,340	(185,330)	N/A
Carried forward profit or loss	(19,580,024)	(961,910)	1936%
Loss for the financial year	(10,767,428)	(19,619,145)	-45%
Losses related to equity instruments	(1,685,451)	(1,685,451)	-
Minority interests	23,289,100	19,553,363	19%
Total equity and liabilities	593,042,345	455,092,584	30%

STANDALONE BALANCE SHEET

ROCA INDUSTRY HOLDINGROCK1

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	135,679,523	89,919,962	51%
Intangible assets	1,883	2,588	-27%
Tangible assets	19,509	20,232	-4%
Financial assets	135,658,131	89,897,142	51%
Current assets, of which:	98,343,250	82,508,623	19%
Receivables	94,508,695	80,474,276	17%
<i>Trade receivables</i>	39,310	780,498	-95%
<i>Receivables with related parties</i>	94,469,385	79,693,686	19%
<i>Other assets</i>	-	92	-100%
Cash and cash equivalents	3,834,555	2,034,347	88%
Deferred expenses	133,904	34,331	290%
Total assets	234,156,677	172,462,916	36%
Current liabilities, of which:	68,452,900	7,201,656	851%
Third-party providers	309,401	306,777	1%
Debts to affiliated companies	11,484,806	5,118,797	124%
Other current liabilities	56,658,693	1,776,082	3090%
Deferred income	1,673	2,488	-33%
Total debts	68,454,573	7,204,144	850%
Equity, of which:	165,702,104	165,258,772	-
Subscribed and paid-up capital	176,945,730	176,945,730	-
Share premium	38	38	-
Carried forward profit or loss	(10,001,546)	(175,042)	N/A
Profit or loss for the financial year	443,333	(9,826,502)	N/A
Losses related to equity instruments	(1,685,451)	(1,685,451)	-
Total equity and liabilities	234,156,677	172,462,916	36%

BALANCE SHEET

BICO INDUSTRIES

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	63,737,938	61,206,657	4%
Intangible assets	13,199	26,398	-50%
Tangible assets	39,677,475	40,934,959	-3%
Financial assets	23,599,148	19,851,352	19%
Fixed assets under investment	448,116	393,948	14%
Current assets, of which:	53,516,172	49,649,913	8%
Inventories	25,517,415	40,253,421	-37%
Receivables	22,888,458	5,247,863	336%
Trade receivables	15,738,859	4,285,311	267%
Receivables with related parties	6,939,581	-	-
Other assets	210,018	962,552	-78%
Short term investments	497,460	494,740	1%
Cash and cash equivalents	4,612,839	3,653,889	26%
Deferred expenses	32,169	-	-
Total assets	117,286,279	110,856,570	6%
Current liabilities, of which:	68,091,758	68,016,363	1%
Third-party providers	16,470,613	8,935,747	84%
Debts to affiliated companies	-	5,191,832	-100%
Bank debts	37,766,797	33,163,855	14%
Debts to shareholders	12,001,803	12,562,005	-4%
Other current liabilities	1,852,545	8,162,924	-77%
Non-current liabilities, of which:	5,755,018	7,003,131	-18%
Bank debts	5,755,018	7,003,131	-18%
Provisions	3,105	37,830	-92%
Deferred income	2,604,314	2,997,185	-13%
Total debts	76,454,195	78,054,509	-2%
Equity, of which:	40,832,084	32,802,061	24%
Subscribed and paid-up capital	12,500,000	10,700,000	17%
Share premium	25,501,372	16,749,484	52%
Legal reserves	2,117,703	2,117,703	-
Other reserves	1,814,091	1,814,091	-
Carried forward profit or loss	1,420,783	170,064	735%
Profit or loss for the financial year	(2,521,865)	1,336,876	N/A
Profit allocation	-	(86,157)	-100%
Total equity and liabilities	117,286,279	110,856,570	6%

BALANCE SHEET

TERRA IMPEX

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	8,568,212	6,428,007	33%
Intangible assets	1,321	945	40%
Tangible assets	8,229,056	5,671,289	45%
Financial assets	-	682,200	-100%
Fixed assets under investment	337,835	73,573	359%
Current assets, of which:	16,447,238	17,133,529	-4%
Inventories	7,235,065	12,160,786	-41%
Receivables	9,078,749	4,166,063	118%
Trade receivables	99,649	1,841,522	-95%
Receivables with related parties	8,726,010	2,014,813	333%
Other assets	253,090	309,728	-18%
Cash and cash equivalents	133,424	806,680	-83%
Deferred expenses	-	12,297	-100%
Total assets	25,015,450	23,573,833	6%
Current liabilities, of which:	1,705,764	3,333,431	-49%
Third-party providers	218,642	76,411	186%
Bank debts	809,398	2,595,978	-69%
Other current liabilities	677,724	661,042	3%
Non-current liabilities, of which:	8,107,909	4,826,126	68%
Bank debts	8,107,909	4,826,126	68%
Provisions	128,560	157,528	-18%
Total debts	9,942,233	8,317,085	20%
Equity, of which:	15,073,217	15,256,748	-1%
Subscribed and paid-up capital	13,717,071	13,757,071	-
Legal reserves	59,762	8,000	647%
Reserves from conversion	935,019	(185,330)	N/A
Carried forward profit or loss	(788,062)	(1,150,885)	-32%
Profit or loss for the financial year	1,149,427	2,827,892	-59%
Total equity and liabilities	25,015,450	23,573,833	6%

BALANCE SHEET

IRANGA

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	5,253,347	5,662,286	-7%
tangible assets	5,253,347	5,662,286	-7%
Current assets, of which:	3,258,973	1,640,259	99%
Inventories	2,799,337	986,254	184%
Receivables	270,596	196,445	38%
Trade receivables	224,708	150,365	49%
Other assets	45,888	46,080	0%
Cash and cash equivalents	189,040	457,560	-59%
Total assets	8,512,320	7,302,545	17%
Current liabilities, of which:	1,345,386	3,685,833	-63%
Other current liabilities	1,345,386	3,685,833	-63%
Non-current liabilities, of which:	13,666,007	10,670,028	28%
Other liabilities	13,666,007	10,670,028	28%
Total debts	15,011,393	14,355,861	5%
Equity, of which:	(6,499,073)	(7,053,315)	-8%
Subscribed and paid-up capital	752,633	754,479	0%
Reserves from conversion	(56,028)	-	N/A
Carried forward profit or loss	(7,788,700)	(7,807,794)	0%
Profit or loss for the financial year	593,022	-	100%
Total equity and liabilities	8,512,320	7,302,545	17%

BALANCE SHEET EVOLOR

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	75,533,472	70,611,057	7%
Intangible assets	50,366,689	54,995,343	-8%
Tangible assets	23,293,112	13,796,395	69%
Fixed assets under investment	1,873,671	1,819,319	3%
Current assets, of which:	42,172,456	35,629,714	18%
Inventories	14,977,762	16,088,317	-7%
Receivables	27,041,956	9,075,172	198%
Trade receivables	27,040,346	9,067,094	198%
Other assets	1,610	8,078	-80%
Cash and cash equivalents	152,738	10,466,225	-99%
Deferred expenses	820,173	505,862	62%
Total assets	118,526,101	106,746,633	11%
Current liabilities, of which:	74,313,182	56,510,880	32%
Third-party providers	17,329,724	10,345,869	68%
Bank debts	7,868,854	435,736	1,706%
Debts to shareholders	32,216,091	30,762,450	5%
Other current liabilities	16,898,513	14,966,825	13%
Non-current liabilities, of which:	38,726,670	47,754,328	-19%
Bank debts	38,811,437	47,754,328	-19%
Other debts	84,767	-	100%
Provisions	47,345	266,193	-82%
Total debts	113,171,964	104,531,401	8%
Equity, of which:	5,354,136	2,215,232	142%
Subscribed and paid-up capital	119,590	119,590	-
Share premium	8,356,940	8,356,940	-
Legal reserves	23,918	23,918	-
Other reserves	9,087,606	9,203,085	-1%
Carried forward profit or loss	(15,171,114)	(21,408,442)	-29%
Profit or loss for the financial year	3,144,209	6,915,078	-55%
Profit allocation	(207,013)	(994,937)	-79%
Total equity and liabilities	118,526,100	106,746,633	12%

BALANCE SHEET

ECO EURO DOORS

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	72,202,916	35,448,649	104%
Intangible assets	36,802,088	6,851	537078%
Tangible assets	34,263,383	34,701,428	-1%
Financial assets	4,178	-	-
Fixed assets under investment	1,133,267	740,370	53%
Current assets, of which:	31,188,759	38,872,758	-20%
Inventories	20,326,682	22,187,559	-8%
Receivables	10,516,407	2,888,278	264%
Trade receivables	8,813,802	2,875,902	206%
Other assets	1,702,605	12,376	13657%
Cash and cash equivalents	345,670	13,796,921	-97%
Deferred expenses	860,861	180,617	377%
Total assets	104,252,536	74,502,024	40%
Current liabilities, of which:	31,181,859	26,539,967	17%
Third-party providers	9,167,528	8,536,554	7%
Debts to affiliated companies	10,864,450	9,178,268	18%
Bank debts	10,056,050	8,572,422	17%
Other current liabilities	1,093,831	252,723	333%
Non-current liabilities, of which:	50,200,715	17,691,368	184%
Bank debts	49,348,602	15,529,064	218%
Other non-current liabilities	852,113	2,162,304	-61%
Provisions	1,620,852	1,756,493	-8%
Deferred income	2,070,725	2,391,099	-13%
Total debts	85,074,151	48,378,927	76%
Equity, of which:	19,178,385	26,123,097	-27%
Subscribed and paid-up capital	8,132,610	5,643,500	44%
Share premium	8,906,946	5,189,785	72%
Legal reserves	8,975,317	8,975,317	0%
Carried forward profit or loss	(4,673,622)	4,267,187	N/A
Profit or loss for the financial year	(2,162,866)	5,255,951	N/A
Profit allocation	-	(3,208,643)	-100%
Total equity and liabilities	104,252,536	74,502,024	40%

BALANCE SHEET DIAL

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	39,548,832	24,586,533	61%
Intangible assets	14,848,077	226,571	6,453%
Tangible assets	24,429,611	15,087,667	62%
Financial assets	2,500	19,785	-87%
Fixed assets under investment	268,644	9,252,510	-97%
Current assets, of which:	35,828,424	28,333,874	26%
Inventories	9,484,245	10,499,979	-10%
Receivables	8,678,600	6,393,589	36%
Trade receivables	7,679,531	4,992,372	54%
Other assets	999,069	1,401,217	-29%
Short term investments	222,202	186,466	19%
Cash and cash equivalents	17,443,377	11,253,840	55%
Deferred expenses	767,643	2,586	29,585%
Total assets	76,144,899	52,922,993	44%
Current liabilities, of which:	42,414,827	7,644,895	455%
Third-party providers	3,797,723	607,928	525%
Bank debts	5,061,152	4,140,499	22%
Other current liabilities	33,555,952	2,896,468	1,059%
Non-current liabilities, of which:	39,593,689	6,900,926	474%
Bank debts	39,593,689	6,900,926	474%
Deferred income	650,987	199,191	227%
Total debts	82,659,503	14,745,012	461%
Equity, of which:	(6,514,604)	38,177,981	-117%
Subscribed and paid-up capital	10,910	10,600	3%
Legal reserves	2,140	2,120	1%
Other reserves	20,896,993	20,896,993	-
Carried forward profit or loss	9,154,754	12,894,054	-29%
Profit or loss for the financial year	(114,785)	4,374,214	N/A
Equity instruments losses	(36,464,616)	-	-100%
Total equity and liabilities	76,144,899	52,922,993	44%

BALANCE SHEET ELECTROPLAST

BALANCE SHEET INDICATORS (RON)	30.09.2023	31.12.2022	Δ %
Fixed assets, of which:	59,028,615	55,735,480	6%
Intangible assets	911,180	701,408	30%
Tangible assets	53,671,632	54,697,250	-2%
Financial assets	17,400	29,312	-41%
Fixed assets under investment	4,428,403	307,510	1340%
Current assets, of which:	58,041,951	45,110,902	29%
Inventories	10,365,600	9,684,252	7%
Receivables	46,574,359	34,146,161	36%
Trade receivables	46,356,342	34,011,236	36%
Other assets	218,017	134,925	62%
Cash and cash equivalents	1,101,992	1,280,489	-14%
Deferred expenses	1,627,614	845,677	92%
Total assets	118,698,180	101,692,059	17%
Current liabilities, of which:	71,843,860	58,058,276	24%
Third-party providers	29,270,264	20,123,875	45%
Bank debts	29,919,565	25,139,699	19%
Debts towards affiliated parties	10,784,655	11,201,790	-4%
Other current liabilities	1,869,376	1,592,912	17%
Non-current liabilities, of which:	16,195,279	12,877,683	26%
Bank debts	16,195,279	12,877,683	26%
Deferred revenue	90,874	-	100%
Total debts	88,130,013	70,935,959	24%
Equity, of which:	30,568,167	30,756,100	-1%
Subscribed and paid-up capital	3,996,000	3,996,000	0%
Legal reserves	4,296,000	4,296,000	0%
Other reserves	31,805,683	32,039,553	-1%
Carried forward profit or loss	(9,341,584)	(12,594,718)	-26%
Profit or loss for the financial year	(187,932)	3,019,265	N/A
Total equity and liabilities	118,698,180	101,692,059	17%

DECLARATION OF THE MANAGEMENT



Bucharest, 16 November 2023

"I confirm, according to the best available information, that the unaudited consolidated financial results for the period between 01.01.2023 and 30.09.2023 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 nine months of 2023 and their impact on the company's financial statements."

Ioan Adrian Bindea

Chairman of the Board of Directors



Financial Report – Q3 2023

Thank You!