

ROCA INDUSTRY HOLDINGROCK1 SA

SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

Prepared in accordance with the
Order of the Minister of Public Finance no. 1802/2014,
as subsequently amended

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ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE BALANCE SHEET

as at 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2021	31.12.2022
A. NON-CURRENT ASSETS				
I. INTANGIBLE ASSETS				
1. Set-up costs (acc. 201 - 2081)	01		-	-
2. Development costs (acc. 203 - 2803 - 2903)	02		-	-
3. Concessions, patents, licenses, trademarks and other similar rights and other intangible assets (acc. 205 + 208 - 2805 - 2808 - 2905 - 2908)	03		-	2,588
4. Goodwill (acc. 2071 - 2807)	04		-	-
5. Advances and intangible assets in progress and evaluation of mineral resources (acc. 206 - 2806 - 2906)	05		-	-
6. Advances for intangible assets (acc. 4094)	06		-	-
TOTAL (row 01 to 06)	07		-	2,588
II. TANGIBLE ASSETS				
1. Land and buildings (acc. 211 + 212 - 2811 - 2812 - 2911 - 2912)	08		-	-
2. Technical equipment & machinery (acc. 213 + 223 - 2813 - 2913)	09		-	-
3. Other equipment & furniture (acc. 214 + 224 - 2814 - 2914)	10		-	20,232
4. Investment property (acc. 215 - 2815 - 2915)	11		-	-
5. Non-current assets in progress (acc. 231 - 2931)	12		-	-
6. Investment property in progress (acc. 235 - 2935)	13		-	-
7. Intangible assets in progress and evaluation of mineral resources (acc. 216 - 2816 - 2916)	14		-	-
8. Bearer biological assets (acc. 217 + 227 - 2817 - 2917)	15		-	-
9. Advances for tangible assets (acc. 4093)	16		-	-
TOTAL (row 08 to 16)	17		-	20,232
III. FINANCIAL ASSETS				
1. Shares in related parties (acc. 261 - 2961)	18	3	71,012,300	89,897,142
2. Loans granted to related parties (acc. 2671 + 2672 - 2964)	19		-	-
3. Investments in related parties and in jointly controlled entities (acc. 262 + 263 - 2962)	20		-	-
4. Loans granted to related parties and to jointly controlled entities (acc. 2673 + 2674 - 2965)	21		-	-
5. Other long term investments (acc. 265 + 266 - 2963)	22		-	-
6. Other loans (acc. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	23		-	-
TOTAL (row 18 to 23)	24	3	71,012,300	89,897,142
NON-CURRENT ASSETS - TOTAL (row 07 + 17 + 24)	25	3	71,012,300	89,919,962
B. CURRENT ASSETS				
I. INVENTORIES				
1. Raw materials and consumables (acc. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	26		-	-
2. Work in progress (acc. 331 + 332 + 341 +/- 348* - 393 - 3941 - 3952)	27		-	-
3. Finished goods and merchandises (acc. 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 + 326 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - din ct. 4428)	28		-	-
4. Advances for inventories (acc. 4091)	29		-	-
TOTAL (row 26 to 29)	30		-	-

ROCA INDUSTRY HOLDINGROCKI SA
SEPARATE BALANCE SHEET

as at 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2021	31.12.2022
II. RECEIVABLES				
(Amounts to be collected after a period of more than one year must be presented separately for each item)				
1. Trade receivables (acc. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 4092 + 411 + 413 + 418 - 491)	31		-	780,497
2. Amounts receivable from related parties (acc. 451** - 495*)	32	4	31,594,615	79,693,686
3. Amounts receivable from related parties and jointly controlled entities (acc. 453 - 495*)	33		-	-
4. Other receivables (acc. 425 + 4282 + 431** + 437** + 4382 + 441** + 4424 + din ct. 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 4662 + 461 + 473** - 496 + 5187)	34		-	92
5. Subscribed and unpaid share capital (acc. 456 - 495*)	35		-	-
6. Receivables representing dividends distributed during the year (ct.463)	35a		-	-
TOTAL (row 31 to 35a)	36	4	31,594,615	80,474,275
III. SHORT TERM INVESTMENTS				
1. Shares in related parties (acc. 501 - 591)	37		-	-
2. Other short term investments (acc. 505 + 506 + 507 + din ct. 508 - 595 - 596 - 598 + 5113 + 5114)	38		-	-
TOTAL (row 37 + 38)	39		-	-
IV. CASH AND CASH EQUIVALENTS				
(acc. 508 + ct. 5112 + 512 + 531 + 532 + 541 + 542)	40	5	74,391,333	2,034,347
CURRENT ASSETS – TOTAL (row 30 + 36 + 39 + 40)	41		105,985,948	82,508,622
C. Deferred expense (acc. 471) (row 43+44)	42		-	34,331
Amounts to be resumed in a period of up to one year (from acc. 471*)	43		-	34,331
Amounts to be resumed in a period exceeding one year (from acc. 471*)	44		-	-
D. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LESS THAN ONE YEAR				
1. Debenture loans, presenting separately from the convertible debenture loans (acc. 161 + 1681 - 169)	45		-	-
2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	46		-	-
3. Advance payments from customers (ct. 419)	47		-	-
4. Trade payables - suppliers (acc. 401 + 404 + 408)	48	6	1,841,262	306,777
5. Bills of exchange payable (acc. 403 + 405)	49		-	-
6. Amounts owed to the entities of the group (acc. 1661 + 1685 + 2691 + 451***)	50		-	5,118,797
7. Amounts owed to associates and to jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)	51		-	-
8. Other liabilities including tax and social security debts (acc. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	52	6	5,681	1,776,082
TOTAL (row 45 to 52)	53	6	1,846,943	7,201,656
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41 + 43 - 53 - 70 - 73- 76)	54		104,139,005	75,340,212

ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE BALANCE SHEET

as at 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2021	31.12.2022
F. TOTAL ASSETS MINUS CURRENT LIABILITIES (row 25 + 44 +54)	55		175,151,305	165,260,174
G. LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LONGER THAN ONE YEAR				
1. Debenture loans presenting separately the loans from the convertible debenture loans (acc. 161 + 1681 - 169)	56		-	-
2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	57		-	-
3. Advance payments from customers (acc. 419)	58		-	-
4. Trade payables-suppliers (acc. 401 + 404 + 408)	59		-	-
5. Bills of exchange payable (acc. 403 + 405)	60		-	-
6. Amounts owed to the entities of the group (acc. 1661 + 1685 + 2691 + 451***)	61		-	-
7. Amounts owed to associates and to jointly controlled entities (acc. 1663 + 1686 + 2692 + 2693 + 453***)	62		-	-
8. Other liabilities including tax and social security debts (acc. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	63		-	-
TOTAL (row 56 to 63)	64		-	-
H. PROVISIONS				
1. Provisions for pensions and similar obligations (acc. 1515 + 1517)	65		-	-
2. Provisions for taxes (acc. 1516)	66		-	-
3. Other provisions (acc. 1511 + 1512 + 1513 + 1514 + 1518)	67		-	-
TOTAL (row 65 to 67)	68		-	-
I. DEFERRED INCOME				
1. Investment subsidies (acc. 475) (row 70 + 71):	69		-	2,487
Amounts to be resumed in a period of up to one year (from acc. 475*)	70		-	1,085
Amounts to be resumed in a period longer than one year (from acc. 475*)	71		-	1,402
2. Deferred income (acc. 472) - total (row 73 + 74), out of which:	72		-	-
Amounts to be resumed in a period of up to one year (from acc. 472*)	73		-	-
Amounts to be resumed in a period longer than one year (from. 472*)	74		-	-
3. Deferred income related to assets received by transfer from customers (acc. 478) (row 76 + 77):	75		-	-
Amounts to be resumed in a period of up to one year (from acc. 478*)	76		-	-
Amounts to be resumed in a period longer than one year (from acc. 478*)	77		-	-
Gain on bargain purchase (acc. 2075)	78		-	-
TOTAL (row 69 + 72 + 75+78)	79		-	2,487
J. CAPITAL AND RESERVES				
I. CAPITAL				
1. Subscribed and paid in share capital (acc. 1012)	80	7	176,945,730	176,945,730
2. Subscribed and not paid in share capital (acc. 1011)	81		-	-
3. Patrimony (acc. 1015)	82		-	-
4. Patrimony of national research and development institutes (acc. 1018)	83		-	-
5. Other equity items (acc. 1031)	84		-	-
Balance C				
TOTAL (row 80 + 81 + 82 + 83 + 84)	85	7	176,945,730	176,945,730

ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE BALANCE SHEET

as at 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	31.12.2021	31.12.2022
II. SHARE PREMIUM (acc. 104)	86	7	38	38
III. REVALUATION RESERVE (acc. 105)	87		-	-
IV. RESERVES				
1. Legal reserve (acc. 1061)	88		-	-
2. Statutory or contractual capital reserve (acc. 1063)	89		-	-
3. Other reserve (acc. 1068)	90		-	-
TOTAL (row 88 to 90)	91		-	-
Own shares (acc. 109)	92		-	-
Gains related to equity instruments (acc. 141)	93		-	-
Losses related to equity instruments (acc. 149)			1,619,421	1,685,451
Balance D	94			
V. RETAINED EARNINGS (acc. 117)				
	Balance C	95	-	-
	Balance D	96	-	175,042
VI. PROFIT OR LOSS FOR THE PERIOD (acc. 121)				
	Balance C	97	-	-
	Balance D	98	175,042	9,826,503
Profit distribution (acc. 129)	99		-	-
EQUITY - TOTAL (row 85+86+87+91+95-96+97-98-99)	100		175,151,305	165,258,772
Public patrimony (acc. 1016)	101		-	-
Private patrimony (acc. 1017)	102		-	-
TOTAL EQUITY - TOTAL (row 100 + 101 + 102)	103		175,151,305	165,258,772

ADMINISTRATOR,

Name and surname:
Ioan-Adrian Bindea

Signature _____

Prepared by,

Name and surname: Monocont Evidence SRL
Status: Authorised legal persons, CECCAR members

Signature _____

Name and surname: Valentin Albu
Status: CFO

Semnatura _____

ROCA INDUSTRY HOLDING ROCKI SA
SEPARATE PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	Year ended	
			2021	2022
1. Net revenue (row 02 + 03 – 04 + 05 + 06)	01		-	-
Revenue from finished goods and services (acc. 701 + 702 + 703 + 704 + 705 + 706 + 708)	02		-	-
Revenue from sale of merchandise (acc. 707)	03		-	-
Trade discounts granted (acc. 709)	04		-	-
Interest income recorded by entities removed from the General Register and which have ongoing leases (acc. 766*)	05		-	-
Income from operating grants related to net revenue (acc. 7411)	06		-	-
	Balance C	07	-	-
2. Income associated with the costs of completed production (acc. 711 + 712)	Balance D	08	-	-
3. Own work capitalised (acc. 721 + 722)	09		-	-
4. Income from revaluation of non-current assets (acc. 755)	10		-	-
5. Income from property investment production (acc. 725)	11		-	-
6. Income from subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12		-	-
7. Other operating income (acc. 751+ 758 + 7815)	13		-	771
- out of which, income from negative goodwill (acc. 7815)	14		-	-
- out of which, income from investment subsidies (acc. 7584)	15		-	-
OPERATING INCOME - TOTAL (row 01 + 07 - 08 + 09 + 10 + 11 + 12 + 13)	16		-	771
8. a) Raw materials and consumables expenses (acc. 601 + 602)	17		-	59,520
Other expenses with materials (acc. 603 + 604 + 606 + 608)	18		-	10,694
b) Other expenses (with energy and water) (acc. 605 - 7413)	19		-	8,581
c) Cost of sale of merchandise (acc. 607)	20		-	-
Trade discounts received (acc. 609)	21		-	-
9. Personnel related expenses (row 23 + 24), out of which:	22		-	1,406,269
a) Salaries and wages (acc. 641 + 642 + 643 + 644)	23		-	1,373,612
b) Social security and other related costs (acc. 645)	24		-	32,657
10. a) Impairments on non-current assets (row 26 - 27)	25		-	7,766
a.1) Expenses (acc. 6811 + 6813 + 6817)	26		-	7,766
a.2) Income (acc. 7813)	27		-	-
b) Impairments on current assets (row 29 - 30)	28		-	-
b.1) Expenses (acc. 654 + 6814)	29		-	-
b.2) Income (acc. 754 + 7814)	30		-	-
Other operating expenses (row 32 to 38)	31	8	338,716	1,867,081
11.1. Expenses with third party services (acc. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	32	8	338,716	1,863,898
11.2. Other taxes, duties or assimilated expenses; expenses representing transfers and contributions due under special regulations (acc. 635 + 6586*)	33		-	500

ROCA INDUSTRY HOLDINGROCKI SA
SEPARATE INTERIM PROFIT AND LOSS ACCOUNT

For the six month period ended 30 June 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	Year ended	
			2021	2022
11.3. Expenses with environmental protection (acc. 652)	34		-	-
11.4. Expenses from revaluation of tangible assets (acc. 655)	35		-	-
11.5. Expenses regarding calamities and other similar events (acc. 6587)	36		-	-
11.6. Other expenses (acc. 651 + 6581+ 6582 + 6583 + 6588)	37		-	2,683
Expenses with refinancing interests recorded by the General register of removed entities that have ongoing leasing agreements (acc. 666*)	38		-	-
Adjustments related to provisions (row 40 - 41)	39		-	-
- Expenses (acc. 6812)	40		-	-
- Income (acc. 7812)	41		-	-
OPERATING EXPENSES – TOTAL (row 17 la 20 - 21 + 22 + 25 + 28 + 31 + 39)	42		338,716	3,359,911
OPERATING PROFIT/LOSS:				
- Profit (row 16 - 42)	43		-	-
- Loss (row 42 - 16)	44		338,716	3,359,140
12. Income from controlling interests (acc. 7611 + 7612 + 7613)	45		-	3,177,019
- out of which income obtained from related parties	46		-	3,177,019
13. Interest income (acc. 766*)	47	9	172,468	2,882,136
- out of which income obtained from related parties	48	9	172,468	2,880,470
14. Income from subsidies for interest due (acc. 7418)	49		-	-
15. Other financial income (acc. 7615 + 762 + 764 + 765 + 767 + 768)	50	9	-	880,618
- out of which, income from other financial assets (acc. 7615)	51		-	-
FINANCIAL INCOME - TOTAL (row 45 + 47 + 49 + 50)	52	9	172,468	6,939,773
16. Impairment on financial assets and financial investments held as current assets (row 54 - 55)	53		-	12,385,542
- Expenses (acc. 686)	54		-	12,385,542
- Revenues (acc. 786)	55		-	-
17. Interest expenses (acc. 666*)	56		-	171,396
- of which, expenses in relation with affiliated entities	57		-	171,396
Other financial expenses (acc. 663 + 664 + 665 + 667 + 668)	58	9	3,723	821,363
FINANCIAL EXPENSES - TOTAL (row 53 + 56 + 58)	59	9	3,723	13,378,301
FINANCIAL RESULT PROFIT OR LOSS:				
- Profit (row 52 - 59)	60	9	168,745	-
- Loss (row 59 - 52)	61		-	6,438,528
TOTAL INCOME (row 16 + 52)	62		172,468	6,940,544
TOTAL EXPENSES (row 42 + 59)	63		342,439	16,738,212
18. GROSS PROFIT OR LOSS:				
- Profit (row 62 - 63)	64		-	-
- Loss (row 63 - 62)	65		169,971	9,797,668

ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE INTERIM PROFIT AND LOSS ACCOUNT

For the six month period ended 30 June 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Row no.	Note	Year ended	
			2021	2022
19. Income tax expense (acc. 691)	66		-	-
20. Other taxes not presented among the above items (acc. 698)	67		5,071	28,835
21. NET PROFIT OR LOSS FOR THE YEAR:				
- Profit (row 64 - 66 - 67)	68		-	-
- Loss (row 65 + 66 + 67); (row 66 + 67 - 64)	69		175,042	9,826,503

ADMINISTRATOR,

Name and surname:
Ioan-Adrian Bindea

Signature _____

Prepared by,

Name and surname: Monocont Evidence SRL
Status: Authorised legal persons, CECCAR members

Signature _____

Name and surname: Valentin Albu
Status: CFO

Semnatura _____

ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Balance as at 31 December 2021	Increase		Decrease		Balance as at 31 December 2022
		Total, out of which	By transfer	Total, out of which	By transfer	
	1	2	3	4	5	6
Subscribed share capital	176,945,730	-	-	-	-	176,945,730
Share premium	38	-	-	-	-	38
Losses related to equity instruments (Debit Balance)	(1,619,421)	(66,030)	-	-	-	(1,685,451)
Retained earnings						
Credit Balance	-	-	-	-	-	-
Debit Balance	-	(175,042)	(175,042)	-	-	(175,042)
Profit/(loss) for the period						
Credit Balance	-	-	-	-	-	-
Debit Balance	(175,042)	(9,826,503)	-	(175,042)	(175,042)	(9,826,503)
Total equity	175,151,305	(10,067,575)	(175,042)	(175,042)	(175,042)	165,258,772

Losses related to equity instruments

Losses related to equity instruments represent the costs of intermediaries for the private placement from December 2021, when the Company attracted RON 45 million from individual and professional investors.

The entries during the year also represents costs of intermediaries for the private placement and the listing on the AERO market from January 2022

ADMINISTRATOR,

Name and surname:
Ioan-Adrian Bindea

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Prepared by,

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Status: CFO

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ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022
(all amounts are in lei ("RON"), if not otherwise stated)

Item description	Balance as at 31 December 2020	Increase		Decrease		Balance as at 31 December 2021
		Total, out of which	By transfer	Total, out of which	By transfer	
	1	2	3	4	5	6
Subscribed share capital	-	176,945,730	-	-	-	176,945,730
Share premium	-	38	-	-	-	38
Revaluation reserve	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-
Other reserve	-	-	-	-	-	-
Losses related to equity instruments (Debit Balance)	-	(1,619,421)	-	-	-	(1,619,421)
Retained earnings	Credit Balance	-	-	-	-	-
	Debit Balance	-	-	-	-	-
Loss for the period	Credit Balance	-	-	-	-	-
	Debit Balance	-	(175,042)	-	-	(175,042)
Total equity	-	175,151,305	-	-	-	175,151,305

Changes in subscribed share capital

The subscribed share capital as at 31 December 2021 consists of: RON 105.9 million, representing subscribed paid share capital and RON 71 million, representing the contribution in kind of 70% of the shares of Bico Industries SA.

Losses related to equity instruments

Losses related to equity instruments represent the costs of intermediaries for the private placement from December 2021, when the Company attracted RON 45 million from individual and professional investors.

ADMINISTRATOR,

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Ioan-Adrian Bindea

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Prepared by,

Name and surname: Monocont Evidence SRL
Status: Authorised legal persons, CECCAR members

Signature _____

Name and surname: Valentin Albu
Status: CFO

Semnatura _____

ROCA INDUSTRY HOLDINGROCK1 SA
SEPARATE STATEMENT OF CASH FLOWS
for the year ended 31 December 2022
(all amounts are in lei ("RON"), of not otherwise stated)

Item description	Year ended	
	2021	2022
A	1	2
Cash flows from operating activities		
Net result for the year	(175,042)	(9,826,503)
Adjustments for:		
Net financial result	(168,745)	6,438,528
Amortisation and depreciation	-	7,766
Impairment of equity interests in subsidiaries	-	12,385,542
Income tax expense	5,071	28,835
Cash before working capital changes	(338,716)	9,034,168
Changes in working capital:		
Increase of trade receivables and prepayments	-	(14,887,952)
Increase of liabilities and deferred income	218,769	419,699
Income tax paid	-	(22,734)
Net cash generated used in operating activities	(119,947)	(5,456,819)
Cash flows from investing activities		
Payments for loans granted in subsidiaries	(31,422,150)	(30,287,710)
Proceeds for loans granted in subsidiaries	-	17,176,514
Payments for purchase of tangible and intangible assets	-	(30,586)
Payments for acquisition of subsidiaries	-	(59,183,490)
Dividends received	-	559,735
Net cash generated used in investing activities	(31,422,150)	(71,765,537)
Cash flows from financing activities		
Proceeds from the subscribed share capital	105,933,430	-
Losses related to equity instruments	-	(66,030)
Proceeds from loans received from related parties	-	12,231,400
Reimbursements from loans received from related parties	-	(7,300,000)
Net cash generated from financing activities	105,933,430	4,865,370
Net increase/(decrease) in cash and cash equivalents	74,391,333	(72,356,986)
Cash and cash equivalents at the beginning of the year	-	74,391,333
Cash and cash equivalents at the end of the year	74,391,333	2,034,347

ADMINISTRATOR,

Name and surname:
Ioan-Adrian Bindea

Signature _____

Prepared by,

Name and surname: Monocont Evidence SRL
Status: Authorised legal persons, CECCAR members

Signature _____

Name and surname: Valentin Albu
Status: CFO

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ROCA INDUSTRY HOLDINGROCK1 SA
EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2022

(all amounts are in lei ("RON"), if not otherwise stated)

NOTE 1: ACTIVITY DESCRIPTION

Roca Industry Holdingrock1 SA (the "Company", the "Parent-Company" or "Roca Industry") is a Romanian company, established in September 2021, the registered office being at 4 Gara Herastrau Street, building A, floor 3, district 2, Bucharest. The company is registered with the Trade Register under number J40 / 16918/2021 and has Unique Registration Code (CUI) 44987869.

Roca Industry is the first strategic project of ROCA Investments, which groups under the umbrella of a specialized holding Romanian companies producing construction materials. The aim of the project is to develop and scale strong and sustainable local brands both on the basis of a common strategy and through the synergies generated by their activity. In a fragmented global economy, Roca Industry is building a structure capable of adapting fast to multiple and unpredictable changes.

Roca Industry operates and implements the business strategy through its subsidiaries: BICO Industries SA, SARCOM SRL (in December 2022, the company has absorbed Colorock13 – the SPV through which the purchase of Sarcom was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) ECO EURO DOORS SRL, DIAL SRL, two special purpose vehicles (SPVs Doorsrock4 SRL and Nativerock1 SRL). Also, as at 31 December 2022 BICO Industries SA owned Terra (70%) and EUROPLAS LUX SRL (50%), both acquired during the year 2022.

The Company's subsidiaries activate in the field of construction materials, i.e. in the production of fiberglass and fiberglass reinforcement (BICO, Terra, Europlas), and production of varnishes, paints, and decorative plasters (SARCOM), production of doors for residential buildings (ECO EURO DOORS), as well as the production of edged panels and fencing mesh (DIAL).

BICO Industries SA is a company established in 2006, identified on the market under the BICO brand, being the first and largest national producer of fiberglass mesh and the only domestic manufacturer of fiberglass reinforcement. It operates in the production facilities in Piatra Neamț and Vaslui, and two in the Republic of Moldova, through TERRA IMPEX S.R.L. ("Terra"), company fully acquired in March 2022, and through EUROPLAS LUX S.R.L. ("Europlas"). On October 2022, Bico initiated the process of acquiring 55% of the share capital of Europlas, thus signing two deals, whereby the purchase of the 50% package was already completed, while the purchase of the 5% package of the share capital will be completed in the first part of 2023.

SARCOM SRL ("SARCOM") is a company incorporated in 1993, focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes. SARCOM sells its own products under the Sticky and Coral brands, addressing both the low-priced and premium products markets, offering a range of 380 products both in the Dedeman and Leroy Merlin chains, and in an extensive network of local distributors, covering over 31 counties.

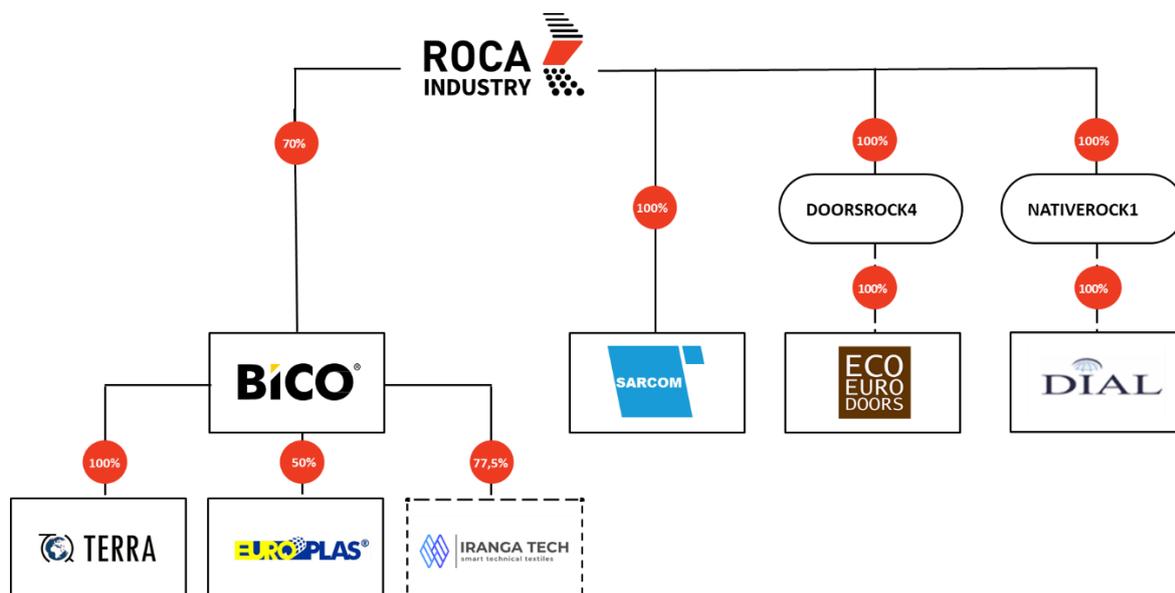
On December 2022 the merger between Sarcom and Colorock13 (SPV through which the purchase of Sarcom was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) took place, being one of the key conditions agreed upon with the creditor to obtain the loan facility and further financing for Sarcom.

ECO EURO DOORS SRL ("EED") is the largest Romanian manufacturer of doors intended for residential buildings, with an experience of 27 years on the market. The Company offers a wide range of products, addressing both the clients' needs for standard products and the needs of those seeking non-standard sizes. At the end of 2022, Roca Industry holds 100% of the share capital of EED, the purchase being carried out through a SPV held by Roca Industry, DOORSROCK4 S.R.L – the SPV established in 2021, with the purpose of ensuring the financing structure necessary to purchase 70% from the shares of the company ECO EURO DOORS SRL, deal completed in May 2022 (through a deal such as LBO (Leveraged Buy Out)).

DIAL S.R.L. ("Dial") is a company with an experience of more than 20 years, specialising in the production of fence edged panels, fencing mesh, Rabitz mesh, rectangular pillars and many more. The company's activity is carried out in its factory in Hârșova. For the full purchase of Dial through a deal such as LBO (Leveraged Buy Out), Roca Industry established in 2022 an additional SPV, NATIVEROCK1 S.R.L ("Nativerock1") with the purpose of ensuring the financing structure necessary for the purchase deal of DIAL SRL, deal completed in September 2022.

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



Russia – Ukraine conflict

The invasion of Ukraine by the Russian Federation and the development of the conflict with global impact could have a significant impact on companies with physical operations in Ukraine, Russia and Belarus, as well as on entities with indirect interests (e.g. those with clients and suppliers, investments and creditors with operations in these countries). Also, the sanctions imposed on the Russian government, Russian entities and Russian individuals in many jurisdictions could affect companies, such as by losing access to financial resources and trade, but also by the side effects of sanctions on global prices (e.g. oil, natural gas and other petroleum products). The effects of the conflict are widespread and rapidly evolving. Companies that do not have operations in Russia and Ukraine could still be affected by the conflict, the effects including, but not limited to:

- Destruction, confiscation or abandonment of tangible and intangible property / assets;
- Sanctions imposed on a company that may impact its ability to operate (eg access to funds, banking systems, etc.);
- Sanctions imposed on the clients of a company, which can impact its ability to sell goods and services and collect receivables;
- Sanctions imposed on a company's suppliers, which may impact its ability to obtain raw materials, goods and services, or which may indirectly increase its costs of obtaining these elements from alternative sources;
- Sanctions imposed on creditors and / or banks of an entity, which may limit its capacity to access financing;
- Changes in the approach of customers and consumers on companies connected with Russia, Belarus or other jurisdictions related to the Russian Federation, which could reduce the demand for products of those companies;
- Changes in risk appetite that may lead to the situation in which creditors and investors withdraw their financial support for companies with ties to Russia, resulting in an increased liquidity risk and / or doubts about the continuity of the activity of those companies;
- Volatility in the prices of financial instruments and commodities, including oil, natural gas, other petroleum products and minerals, but also volatility in foreign exchange rates.

However, based on the information available at the time of preparation of this report, the Company's management has not identified any concrete potential risks related to the Russia- Ukraine conflict, so no significant impact on the current course of operations is estimated. The Company's direct exposure to business partners affected by the sanctions imposed since the conflict began (customers, suppliers, banking institutions with which the Company collaborates, who have been directly affected by the sanctions, as well as risks related to the future volatility of commodity prices

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or exchange rates) it is difficult to quantify. At the date of approval of these financial statements, the Company's management has no indication of any significant impact on the Company's business.

NOTE 2: ACCOUNTING PRINCIPLES, POLICIES AND METHODS

2.1 Basis of preparing the separate financial statements

These are the separate financial statements of Roca Industry Holdingrock1 SA, as at and for the year ended as at 31 December 2022, prepared voluntarily by the Company in accordance with:

- Accounting Law 82/1991 (republished in 2015), amended by Law 259/2007;
- The Order of the Minister of Public Finance no. 1802/2014 as subsequently amended ("OMFP 1802/2014").

These separate financial statements are translated from Romanian, in case of discrepancy between the two versions, the Romanian version prevails.

These separate financial statements comprise:

- Separate balance sheet;
- Separate profit and loss account;
- Separate statement of changes in equity;
- Separate statement of cash flows;
- Explanatory notes to the separate financial statements.

The separate financial statements only refer to Roca Industry Holdingrock1 SA.

The accounting entries on the basis of which these financial statements have been prepared are made in lei ("RON"). These financial statements are presented in lei ("RON"), unless otherwise indicated.

These financial statements are not intended to present the financial position, the result of operations, cash flows and a complete set of notes to the financial statements in accordance with accounting regulations and principles accepted in countries and jurisdictions other than Romania. Therefore, the financial statements are not prepared for the use of persons who do not know the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no. 1802/2014 as subsequently amended.

2.2 Significant accounting principles

The separate financial statements have been prepared in accordance with the following accounting principles:

The going concern principle

For the foreseeable future the Company will normally continue to operate without being unable to continue its activity or significantly reducing it.

The consistency (of preparation) principle

Application of the same rules, methods, standards for the valuation, recording and presentation of assets and liabilities, ensuring the comparability of accounting information over time

The principle of prudence

When preparing the annual financial statements, the recognition and evaluation were performed on a prudent basis and, in particular:

- a) only the profit achieved at the balance sheet date was included in the profit and loss account;
- b) debts incurred during the current financial year or the previous year have been recognized even if they become apparent only between the balance sheet date and the date of its preparation;
- c) impairments were recognized, regardless of whether the result for the financial year is a loss or a profit.

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The accrual principle

The effects of transactions and other events were recognized when the transactions and events occurred (and not as cash or cash equivalents were received or paid) and were recorded in the accountancy and reported in the financial statements for the periods in question.

All the income and expenses for the year were taken into account, regardless of the date of collection or payment.

The income and expenses that resulted directly and simultaneously from the same transaction were recognized simultaneously in the accounting, by the direct association between the expenses and the related revenues, with the distinct highlighting of these income and expenses.

The opening balance principle

The opening balance sheet of the financial year corresponds to the closing balance sheet of the previous financial year.

The matching principle

All income and expenses for the financial year have been taken into account, regardless of the date of receipt or payment.

The principle of separate valuation of assets and liability items

In order to determine the value of a balance sheet item, the value of each component of assets and liabilities elements was determined separately.

The principle of non-compensation

The values of the elements representing assets were not offset by the values of the elements representing debts, respectively the income with expenses.

The principle of substance over form

The information presented in the financial statements reflect the economic reality of the events and the transactions, not only their legal form.

The principle of significance threshold

The Company may deviate from the requirements contained in the applicable accounting regulations regarding information presentations and publication, when the effects of their compliance are insignificant.

The evaluation principle

The items presented in the financial statements were valued based on the principle of purchase or production cost, less the lands and buildings, which are valued at fair value based on the revaluation method.

2.3 Reporting currency

The accounting is kept in Romanian and in the national currency ("RON"). The accounting of the operations performed in foreign currency is kept both in the national currency and in foreign currency. The elements included in these financial statements are presented in Romanian lei.

2.4 Comparative statements

If the values for the previous period are not comparable with those for the current period, this aspect is disclosed and explained in the explanatory notes, without changing the comparative figures for the previous year.

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2.5 Use of accounting estimates

The preparation of financial statements in accordance with OMFP 1802/2014, as subsequently amended, involves management making estimates and assumptions that influence the reported values of assets and liabilities and the presentation of contingent assets and liabilities at the date of the financial statements, as well as values of income and expenses of the reporting period. The effective results may be different from the foreseen ones. These estimates are periodically reviewed and, if adjustments are required, they are recorded in the profit and loss account as they become known.

2.6 Going concern

The separate financial statements were prepared according to the going concern principle. In making this judgement, the management takes into account the fact that the financial year ended on 31 December 2022 ended in line with the Company's expectation, the current performance, but also the access to financial resources. Thus, as of 31 December 2022, the Company's management does not consider that there would be any aspect that would affect the continuity of the activity.

2.7 Foreign currency translation

Transactions made in foreign currency are translated in lei at the exchange rate from the date of the transaction.

The exchange rates used for the settlement of the amounts expressed in foreign currency on 31 December 2022 was RON 4.9474 for EUR 1 (31 December 2021 – EUR 1 = RON 4.9481).

Monetary assets and liabilities denominated in foreign currency (and cash equivalents, such as bank deposits, receivables and debts in foreign currency) shall be revalued and reported using the exchange rate communicated by the National Bank of Romania at the end of the financial year. Gains and losses from exchange rate differences, between the exchange rate from the date of registration of receivables or liabilities in foreign currency or the exchange rate at which they have been recorded in the previous financial statements and the exchange rate from the date of the end of the financial year, are recorded as financial income or financial expenses, as case may be.

2.8 Significant accounting policies

a) Cash and cash equivalents

Cash and cash equivalents consist of petty cash and bank accounts.

b) Loans

Short-term and long-term loans are recorded at the amount received. Borrowing costs are recorded as prepayments and amortized over the loan period when they are significant.

The short-term portion of long-term loans is classified under "*Liabilities: Amounts payable within one year*" and included together with the preliminary interest at the balance sheet date in "*Amounts owed to credit institutions*" within *Current liabilities*.

c) Trade payables

Trade payables are recorded at cost, which represents the fair value of the obligation to be paid in the future for goods and services received, whether or not invoiced to the Company.

d) Provisions

Provisions are recognized when the Company has a present obligation (legal or implied) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the liability can be estimated reliably.

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Provisions for the termination of the employment contract are recognized when there is certainty that they will be settled within a foreseeable period of time.

Provisions for termination of employment are established for the Company's obligations towards employees for termination of employment.

Provisions for taxes are established for amounts due to the state budget, provided that these amounts are not reflected as a debt to the state.

Provisions for annual leave or bonuses granted to employees are established when their amount is not accounted for in the payroll or in other explanatory documents.

Provisions for warranty costs are recognized when the product is sold or the service is rendered to the customer. Initial recognition is based on historical experience. The initial estimate of warranty costs is reviewed annually.

Provisions are reviewed at each balance sheet date and adjusted to reflect management's best current estimate in this regard. If an outflow of resources is no longer probable for the settlement of an obligation, the provision must be reversed to income.

e) Pensions and post-employment benefits

As part of current activity, the Company makes payments to the Romanian State for the benefit of its employees. All employees of the company are included in the pension plan of the Romanian State. The Company does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no pension obligations. In addition, the Company has no obligation to provide additional benefits to former or current employees.

f) Operating lease agreements

Payments under an operating lease agreement are recognized as expenses in the *Profit and loss account* on a straight-line basis over the lease term.

When negotiating or renegotiating an operating lease, the Company may receive certain incentives to conclude the agreement. Examples of such incentives may be the payment of a cash advance to the Company or the reimbursement or lessor's ownership of the Company's costs (such as relocation costs, leasehold improvements and costs related to a previous lease commitment of the Company).

g) Share capital

The share capital contain common shares is registered at the value established in the incorporation documents and addendum.

h) Legal reserves

According to the Romanian legislation, the companies must distribute to the legal reserve a value equal to at least 5% of the gross profit, until they reach 20% of the share capital. Once this level has been reached, companies can make additional allocations according to their own needs.

i) Dividends

Dividends are recognized as a liability in the period in which their distribution is approved. Dividends' distribution is made after the approval of the financial statements.

j) Retained earnings

The accounting profit remaining after distribution of the legal reserve is included in the category of retained earnings at the beginning of the financial year following that for which the annual financial statements are prepared. From here it is to be allocated to the other legal purposes.

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The bookkeeping of the accounting profit allocation shall be carried out in the following year after the General Meeting of Shareholders that approved the profit distribution, by recording the amounts representing dividends due to shareholders, reserves and other allocations, according to the law.

k) Financial instruments

The financial instruments used by the Company consist mainly of petty cash, debts and loans granted to subsidiaries. Instruments of this type are valued at cost, representing the value received or granted, as the case may be.

l) Revenues

Revenues are recognized when the significant risks and rewards of ownership of the assets are transferred to the customer. Revenue amounts do not include sales taxes (VAT), but include commercial discounts granted. Financial discounts granted to customers are recorded as financial expenses of the period without altering the Company's income.

Revenue from services rendered is recognized in the period in which they are rendered and in line with the stage of completion.

Dividends distributed to shareholders, proposed or declared after the balance sheet date, are recognized as dividend income when the shareholder's right to receive them is established.

m) Taxes and duties

Companies record current income tax in accordance with the Romanian legislation in force at the date of the financial statements.

The rate applied in 2022 was 1% of the tax base.

n) Financial income and expenses

Financial income is composed of interest income and income from exchange rate differences. Financial income is recognized on an accruals basis. Thus, interest income is recognized periodically, pro rata, as the income is earned.

Financial expenses comprise interest expense on loans and expenses from exchange rate differences. All borrowing costs are recognized in the profit and loss account periodically on an accruals basis.

o) Correction of accounting errors

The correction of significant errors related to the previous financial years does not determine the modification of the financial statements of those years. In case of errors related to previous financial years, their correction does not involve any adjustment to the comparative information presented in the financial statements. Any impact on the comparative information regarding the financial position and financial performance, respectively the change of financial position, is disclosed in the explanatory notes to the financial statements and adjusted in the result carried forward during the year.

The effects of changes in accounting policies for the current financial year are accounted for in the income and expenses accounts for the period.

The effects of changes in accounting policies for previous financial years are recorded in retained earnings. If the effect of the change in accounting policy cannot be determined for past periods, the change in accounting policies shall be made for future periods, beginning with the current financial year and the financial years following the financial year in which the decision to change accounting policy was made.

p) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements, referred to as reporting entity.

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A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies:

- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person or a close member of that person's family who has control or joint control of the reporting entity, has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or the parent company of the reporting entity
- (vii) a person or a close member of that person's family who has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

A person's close family members are those family members who can be expected to influence or be influenced by that person in their relationship with the entity and include:

- (a) that person's children and spouse or life partner;
- (b) the children of that person's spouse or life partner; and
- (c) dependents of that person or that person's spouse or life partner.

According to OMPF 1802/2014, related parties means two or more entities within the same group.

q) Subsequent events

Events that occurred after the reporting date that provide additional information about the conditions that existed at the reporting date (events that result in adjustments to the financial statements) are reflected in the financial statements. Events that occurred after the reporting date that provide information about conditions appearing after the reporting date (events that do not result in adjustments to the financial statements) are disclosed in the notes to the financial statements when significant. When the going concern assumption is no longer appropriate during or after the reporting period, the financial statements are not prepared on a going concern basis.

r) Losses related to equity instruments

Gains or losses in respect of issuance, redemption, sale, free transfer or cancellation of the entity's own equity instruments (shares) shall not be recognized in the profit or loss account. The consideration received or paid as a result of such transactions is recognized directly in equity and presented separately in the balance sheet, respectively in the statement of changes in equity, as follows:

- gains are reflected in account 141 "Gains in respect of sales or cancellation of own equity instruments";
- losses are reflected in account 149 "Losses in respect of issuance, redemption, sale, free transfer or cancellation of own equity instruments".

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NOTE 3: FINANCIAL ASSETS

Financial assets represent the participations held by the Company in its subsidiaries:

Subsidiary	31 December 2021		31 December 2022	
	Gross value	Impairment	Gross value	Impairment
Bico Industries SA	71,012,300	-	71,012,300	(12,385,542)
Colorock13 SRL/Sarcom SRL	100	-	100	-
Colorock13 SRL/Sarcom SRL – varsamant neefectuat	(100)	-	-	-
Doorsrock4 SRL	-	-	31,270,184	-
Doorsrock4 SRL – varsamant neefectuat	(100)	-	-	-
Nativerock1 SRL	-	-	100	-
Total	71,012,300	-	102,282,684	(12,385,542)

Subsidiary	Investments in subsidiaries, net value	
	31 December 2021	31 December 2022
Bico Industries SA	71,012,300	58,626,758
Colorock13 SRL/Sarcom SRL	100	100
Colorock13 SRL/Sarcom SRL – unpaid	(100)	-
DOORSROCK4	-	31,270,184
DOORSROCK4 – unpaid	(100)	-
NATIVEROCK1	-	100
Total	71,012,300	89,897,142

In the second half of 2021, Roca Investments SA together with Mihai Bîrliba contributed to 70% of the Bico’s share capital, representing 71 million RON. Bico Industries SA was established in 2006 and is a company focused on the production of fiberglass mesh for ETICS systems (External Thermal Insulation Composite System), fiberglass mesh for other industrial materials and corners with fiberglass reinforcement mesh glass.

COLOROCK13 SRL was incorporated in 2021 and is the SPV that owns 100% Sarcom, in order to ensure the financing structure necessary for the acquisition transaction. SARCOM is a company established in 1993, focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes. Sarcom owns the brands STICKY and CORAL. On December 2022 the merger between Sarcom and Colorock13 (SPV through which the purchase of Sarcom was conducted, with the purpose of obtaining a loan facility enabling the necessary financing structure) took place, being one of the key conditions agreed upon with the creditor to obtain the loan facility and further financing for Sarcom.

On May 2022 it was signed the closing of the transaction of Eco Euro Doors (“EED”), with Roca Industry purchasing through the SPV Doorsrock4 a package of 70% of the company’s share capital. Additional, on December 2022, following the exercise of put option by the former shareholders, Roca Industry increased its participation to 100% from the share capital of EED.

Dial was fully acquired by Roca Industry on September, through the SPV – Nativerock1.

As at 31 December 2022, the Group's management reassessed the situation of recovering the net book value of its investments in subsidiaries, taking into account a list of internal and external impairment indicators and decided to adopt a cautions approach regarding the value of the shares held in Bico Industries. Thus, as at 31 December 2022, an impairment was presented in amount of RON 12.4 million.

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NOTE 4: RECEIVABLES

The trade receivables in amount of RON 780,497 as at 31 December 2022 mainly represent re-invoicing of costs with consultants for the purchase of shares by Nativerock1, but also other re-invoicings to the group companies (Bico, Dial, EED and Sarcom).

The amount to be collected from affiliated entities represent the loans granted by the Company to its subsidiaries and are detailed in *Note 10 – Related parties*.

NOTE 5: CASH AND CASH EQUIVALENTS

	Balance as at 31 December 2021	Balance as at 31 December 2022
Bank accounts in RON	74,391,333	2,034,347
Total	74,391,333	2,034,347

NOTE 6: TRADE PAYABLES

As at 31 December 2022, respectively 31 December 2021 trade payables represent amounts due for the following types of services:

Type of services	31 December 2021	31 December 2022
Sustainability consultancy	-	140,587
HR consultancy	-	29,144
Marketing and communication consultancy	-	25,224
Consultancy in the field of investor relations	17,665	17,662
Financial services	1,613,593	-
Others (re-invoicing, rent, telecommunications, accounting services)	210,004	94,160
Total	1,841,262	306,777

A part of the trade payables related to the consultancy services were re-invoiced to the Group companies.

NOTE 7: SHARE CAPITAL AND RESERVES

The paid-in subscribed share capital of the Company as of 31 December 2022, respectively 31 December 2021 is RON 176,945,730, the equivalent of 17,694,573 shares. The nominal value of a share is RON 10. On 31 December 2022, respectively 31 December 2021, the share capital of the Company is fully paid in.

The shareholders' structure is the following:

	Balance as at 31 December 2021			Balance as at 31 December 2022		
	No of shares	Amount in RON	% in total	No of shares	Amount in RON	% in total
Roca Investments SA	10,595,767	105,957,670	60%	10,757,557	107,575,570	60%
Mihai Birliba	1,014,461	10,144,614	6%	1,014,461	10,144,610	6%
Other	6,084,345	60,843,446	34%	5,922,555	59,225,550	34%
Total	17,694,573	176,945,730	100%	17,694,573	176,945,730	100%

NOTE 8: PERSONNEL RELATED EXPENSES

Item description	2021	2022
Wages	-	1,373,612
Social security and other related costs	-	32,657
Personnel related expenses - total	-	1,406,269

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As at 31 December 2022, the Company had 4 employees (December 31, 2021: no employees).

Remuneration of the Board of Directors

Roca Industry has adopted a unitary management system (one-tier), being administered by a Board of Directors ("BoD") consisting of 5 members.

The president and the members of the Board of Directors have a monthly net salary of EUR 3,000.

NOTE 9: OTHER OPERATING EXPENSES

Item description	2021	2022
Costs of third party services	265,322	1,135,282
Rent expenses	13,841	380,047
Marketing and protocol expenses	58,894	309,678
Transportation and travel expenses	397	30,405
Other operating expenses	262	11,669
Other operating expenses - total	338,716	1,867,081

NOTE 10: NET FINANCE RESULT

Item description	Year ended	
	2021	2022
Interest income – related entities	172,468	2,880,470
Interest income – credit institutions	-	1,666
Dividends income	-	3,177,019
Income from exchange rate differences	-	880,618
Total finance income	172,468	6,939,773

Item description	2021	2022
Interest income – related entities	-	171,396
Expenses from exchange rate differences	3,723	821,363
Impairment on financial assets and financial investments held as current assets	-	12,385,542
Total finance costs	3,723	13,378,301

Net finance result – profit/(loss)	168,745	(6,438,528)
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As at 31 December 2022, the Group's management reassessed the situation of recovering the net book value of its investments in subsidiaries, taking into account a list of internal and external impairment indicators and decided to adopt a cautions approach regarding the value of the shares held in Bico Industries. Thus, as at 31 December 2022, an impairment was presented in amount of RON 12.4 million.

NOTE 11: RELATED PARTIES

Related parties	Registered office	Nature of relationship
Societatea de Investitii Alternative cu Capital Privat Roca Investments S.A	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Parent Company (major shareholder)
Bico Industries SA	31 Petru Movila Street, Piatra Neamt, Neamt county	Subsidiary
Terra Impex SRL	Vulcanesti Free Economic Zone, Republic of Moldova	Subsidiary (indirect ownership through Bico)
Sarcom SRL	5 Depozitelor Street, Mihaesti commune, Buleta village, Valcea county	Subsidiary (indirect ownership through Colorock)
Colorock13 SRL	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Subsidiary

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Related parties	Registered office	Nature of relationship
Doorsrock SRL	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Subsidiary
Eco Euro Doors SRL	11C Carpati Street, Reghin, Mures county	Subsidiary (indirect ownership through Doorsrock)
Nativerock1 SRL	4 Gara Herăstrau Street, 3rd Floor, Bucharest, District 2	Subsidiary
DIAL SRL	17 Soseaua Constantei, Harsova, Constanta county	Subsidiary (indirect ownership through Doorsrock)

Loans granted to related parties

The loans granted by the Company during 2022 are the following :

a) Bico Industries SA

On March 2022, the Company granted a loan to its subsidiary, Bico, for financing the working capital.

b) Doorsrock4 SRL

On May 2022, the Company also granted a loan to its subsidiary, Doorsrock4 SRL, for the partial payment of the price for the acquisition of Eco Euro Doors to the former shareholders. Also, on December, the Company granted another loan to its subsidiary to increase the participation up to 100% of the share capital of Eco Euro Doors SRL.

c) Nativerock1 SRL

On September 2022 granted a loan to Nativerock1 for the fully takeover of the company Dial.

d) Sarcom SRL (through Colorock SRL – the SPV absorbed by Sarcom SRL)

On November 2022 granted a loan for the payment of tranche 2 to the Sarcom's former shareholders.

Therefore, as at 31 December 2022, the loans granted by the Company to its subsidiaries are presented as follows:

Subsidiary	Contract date	Due date	Interest rate	Loan granted	Interest to be collected	Balance of loan granted
Sarcom	25.11.2021	25.11.2023	Fixed 6%	24,000,000	1,608,000	25,608,000
Sarcom	18.11.2022	18.11.2023	ROBOR 1M +2.5%	5,099,691	54,759	5,154,450
Bico Industries	20.11.2021	30.06.2023	Fixed 4%	7,421,100	93,535	7,514,635
Bico Industries	14.03.2022	13.03.2023	Fixed 4%	4,947,400	99,970	5,047,370
Doorsrock4	13.05.2022	16.05.2023	Fixed 6%	6,431,620	249,761	6,681,381
Doorsrock4	16.12.2022	16.12.2023	EURIBOR 1M + 3%	1,731,590	3,266	1,734,856
Nativerock1	20.09.2022	19.09.2023	Fixed 6%	22,886,959	389,016	23,275,975
Total				72,518,360	2,497,307	75,016,667

As at 31 December 2022, the company recorded receivables representing dividends to be collected from Nativerock and Bico in the amount of RON 4,677,019.

As at 31 December 2021 the loans granted by the Company to its subsidiaries were as follows:

Subsidiary	Contract date	Due date	Interest rate	Loan granted	Interest to be collected	Balance of loan granted
Colorock13	15.11.2021	15.11.2022	Fixed 6%	24,000,000	148,000	24,148,000
Bico Industries	20.11.2021	31.12.2022	Fixed 4%	7,422,150	24,466	7,446,616
Total				31,422,150	172,466	31,594,616

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The purpose of the loan granted to Colorock is for the partial payment of the price for the acquisition of Sarcom to the former shareholders.

The purpose of the loan granted to Bico Industries is for the development and expansion of the company's activity.

Loans received from related parties

As at 31 December 2022, the loans received from related parties were as follows:

Description	Contract date	Due date	Interest rate	Loan received	Interest to be paid	Balance of loan received
Societatea de Investitii Alternative cu Capital Privat Roca Investments S.A.	14.12.2022	14.12.2023	EURIBOR 1M + 3%	4,947,400	171,397	5,118,797
Total				4,947,400	171,397	5,118,797

The purpose of the loan received was partially for the increase of the capital of Doorsrock4 (acquisition of 30% of the social shares of Eco Euro Doors SRL) and partially for the operational expenses of the holding.

NOTE 12: CONTINGENCIES

12.1 Fiscal environment

The legislative and fiscal framework in Romania and its implementation in practice change frequently and is subject to different interpretations by various Ministries of the Government. The Romanian Government has a number of agencies that are authorized to carry out controls on Romanian companies as well as on foreign companies operating in Romania. These inspections are similar in nature to tax audits performed by tax authorities in many countries, but they can focus not only on fiscal issues but also on other legal or regulatory items of interest for the agency. Moreover, the agencies conducting these inspections appear to be much less regulated and the company subject to control appear to have fewer practical ways of protection than in many other countries.

Fiscal controls consist in thorough controls of taxpayers accounting records. Such controls sometimes occur after months or even years from the payment obligations have been established. Consequently, companies may be due taxes and fines. In addition, fiscal legislation is subject to frequent changes and authorities often manifest inconsistency in the interpretation of laws.

Management believes it has adequately recorded the fiscal obligations from the attached financial statements; however, there is a risk that the tax authorities will take different views on the interpretation of certain tax issues.

12.2 Transfer prices

According to the fiscal legislation, the fiscal assessment for a transaction with affiliates is based on the market price concept for that transaction. Based on this concept, the transfer prices must be adjusted in order to reflect the market prices that would have been used between entities having no affiliation relation and acting independently, based on “normal market conditions”.

It is likely that verifications of the transfer prices may be performed in the future by the fiscal authorities, in order to establish if these prices are complying with the principle of “normal market conditions” and that the tax base for the Romanian taxpayer is not distorted. Management cannot quantify the result of such a verification.

NOTE 13. FINANCIAL RISKS

13.1 Interest rate risk

The Company's exposure to the risk of interest rate changes refers mainly to long term bank loans with variable interest rates that its subsidiaries have. Its subsidiaries policy is to monitor and renegotiate interest rates.

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13.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company seeks to maintain monetary assets in foreign currency at the level of monetary liabilities in foreign currency, in order not to be significantly exposed to foreign exchange risk.

13.3 Liquidity risk

Liquidity risk, also called financing risk, is the risk that a company might encounter difficulty in accumulating funds to meet its commitments associated with financial instruments. Liquidity risk may arise as a result of the inability to quickly sell a financial asset at a value close to fair value.

The Company's liquidity policy is to identify financing needs in advance and take action to meet them.

NOTE 14: SUBSEQUENT EVENTS

At the date of approval of these consolidated financial statements, there are no subsequent events that would lead to the modification of the individual financial statements.

These separate financial statements were approved and signed today, March 27, 2023.

ADMINISTRATOR,

Name and surname:
Ioan-Adrian Bindea

Signature _____

Prepared by,

Name and surname: Monocont Evidence SRL
Status: Authorised legal persons, CECCAR members

Signature _____

Name and surname: Valentin Albu
Status: CFO

Semnatura _____