

No. 736/14.05.2024

**To: The Bucharest Stock Exchange
The Financial Supervisory Authority**

Current report

Prepared in accordance with Law no. 24/2017 on issuers of financial instruments and market operations and Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations

Date of the report: 14 May 2024

Issuer Name: SIPEX COMPANY S.A.

Headquarters: Ariceștii Rahtivani, DN 72, KM 8, Prahova county

Phone number/ fax: (+40) 244.434.039 / 0244.434.038

Trade Register number: J29/1802/2007

LEI code: 787200HYX0GJQ2PE7065

Unique registration code at the Trade Registry Office: 9813422

Subscribed and paidshare capital: 39.989.348,10 lei

Symbol: SPX

The Market on which the issued securities are traded: BVB, MTS, AeRO
Premium

Important events to report: Availability of the Financial Results for Q1 2024

SIPEX COMPANY S.A. informs the shareholders and the market about the availability of the Financial Results for Q1 2024.

The report is available starting from 14.05.2024:

- In written form on paper - at the registered office of the company in Ariceștii Rahtivani, DN 72, KM8, Crângul lui Bot Industrial Park, Prahova county;
- In electronic format – on the www.sipex.ro website, in the “Investor Information” section, and on the www.bvb.ro website, under the symbol SPX.

The financial statements as of 31.03.2024 are not audited.

SIPEX Q1 2024 Results: Turnover of RON 69.3 million, an increase of 10% compared to the similar period in 2023

Ploiești, May 14th, 2024: [SIPEX](#), one of the largest distributors of construction and finishes materials from Romania, listed on the Bucharest Stock Exchange, on the AeRO market (symbol [SPX](#)), with over 27-year presence in this segment, announces the financial results for the first quarter of 2024. The company recorded a turnover of RON 69.3 million, a 10% increase compared to the same period in 2023, supported by the advance of sales in all three distribution channels.

The activity in the B2B channel brought the largest contribution, with an advance of 17% in sales. There were also registered increases of 9% in sales through the Store & Online channel and of 5% in sales through the Retail channel.

Irinel Gheorghe, CEO SIPEX:

„In 2024, we faced a series of challenges and changes that we anticipated and started preparing for. We continued to strengthen our position in the market, with a focus on the B2B segment, which represents over 40% of our total sales. In the first quarter, we increased our stocks to meet the growing demand and adapted our strategy and actions to prepare for margin growth in the following quarters.”

The net result recorded by the company in the first quarter of 2024 was negative, influenced by the increase in operational expenses, especially those related to the purchase of goods, salaries, and utilities, as well as the new minimum tax on turnover.

On May 17, 2024, starting at 10:00 AM (Romanian time), the company is organizing the second edition of the SIPEX Investors' Day event at the company's first logistic center opened in Ariceștii Rahtivani, Ploiești. The persons interested in participating in the event are kindly requested to confirm their attendance by registering at this [link](#).

SIPEX operates with an integrated business model, organized into three business lines: sales and distribution of construction and finishes materials, services (technical consultancy), and sales of finished colored products.

Distribution is carried out through three channels:

- Traditional Retail - stores of various sizes, excluding DIY (Do It Yourself) stores, with sales through dedicated agents.
- Business to Business (corporate) - construction companies, developers, state or private institutions, craftsman teams, and individuals who build or renovate their properties. Since 2019, the company has had a dedicated channel for this segment, www.sipexcomenzi.ro, aimed at simplifying the sales process to existing partners and reducing operational costs by providing self-service facilities.
- Company-Owned Online Store - with a mobile, tablet, and laptop application. The application allocates orders to the nearest work points, ensuring the delivery is made in the shortest possible time.

SIPEX's strategy is built around the following directions:

- ✓ diversification of the product portfolio;

- ✓ development and expansion of the existing locations and the opening of new distribution centers;
- ✓ adjustment of the personnel policy with a focus on employee retention.

The company is considering opening a production facility, funded by European funds, in the Ariceștii Rahtivani Commune. It has taken initial steps by acquiring land in 2023, with an area of 7.5 hectares.

The detailed report with the financial results for Q1 2024 can be found [here](#).

About SIPEX

Throughout its 27 years of activity, SIPEX has built long-term partnerships, employs approximately 300 people, owns 12 logistic centers, and operates a fleet of 191 vehicles. The company's operating and sales points are in: Brașov, Bucharest, Cluj, Craiova, Iași, Ilfov (Pantelimon), Focșani, Piatra Neamț, Prahova (Ariceștii Rahtivani), Râmnicu Vâlcea, Suceava, and Timișoara.

SIPEX was listed on the Bucharest Stock Exchange, on the AeRO market on June 3, 2022, following a private placement through which it raised RON 10.6 million from 54 investors. Starting March 20, 2023, SIPEX's shares have been included in the BETAeRO index.

More details on sipex.ro

Facebook: <https://www.facebook.com/SolutiiConstructii>

Youtube: <https://www.youtube.com/channel/UCesBfyMkFufDmRj7iCirDFw>

CEO

Constantin Irinel Gheorghe