

ROCA INDUSTRY FINANCIAL REPORT FOR Q1 2024

Company listed on the regulated market
of the Bucharest Stock Exchange, Standard Category

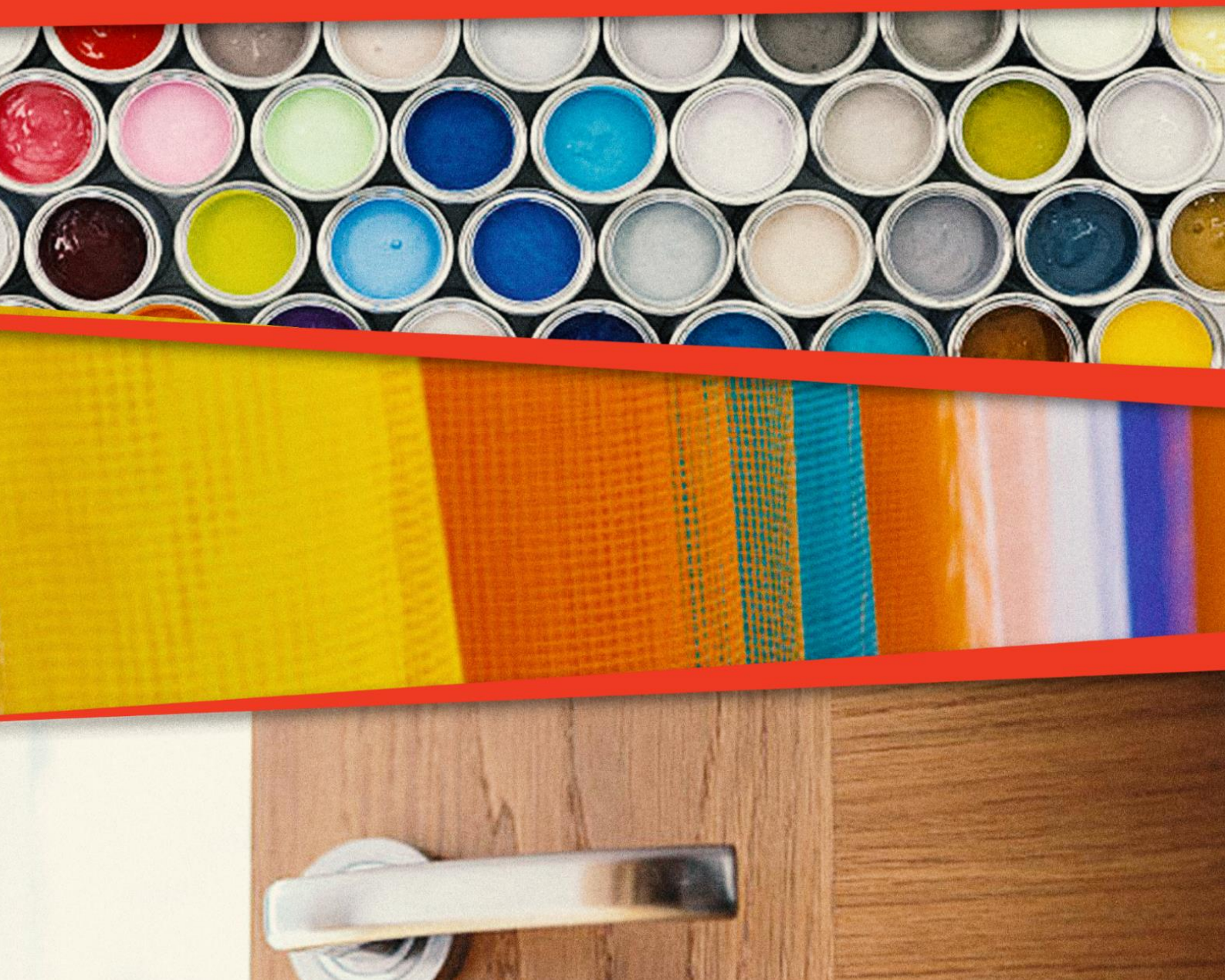


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COMPANY INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Report type Quarterly report – Q1 2024

For the financial period 01.01.2024 – 31.03.2024

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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 248,672,220

Market on which the securities are traded BSE regulated market, Standard Category

Total number of shares 24,867,222

Symbol ROC1

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The financial statements as of 31 March 2024 presented in the following pages are **unaudited**.

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

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Dear shareholders,

The document beginning with this letter is probably the most gratifying quarterly report in the history of our holding company. I invite you to discover within it both figures that finally bring us joy and confirmations.

We insisted all last year, while presenting missed budgeted targets, that we have a process, that we have a plan, that we know what we have to do and that the results will appear. It's early to claim victory, but today we can say that we are definitely on the right track. Moreover, we report very good figures at a time when the market is in decline. The volume of construction works as an adjusted series decreased in January-February 2024 compared to the same period of 2023 (data for March is published only in a few days) by 11.8%, while the volume of construction works for residential buildings went down by 36.9%. Also, the number of building permits in the first quarter was by 7.2% smaller compared to the first quarter of 2023. That's after dropping 20.6% in 2023 compared to 2022.

It probably sounds like a lot of praise at times, and I believe to some extent it is. And I assume that. We published a month ago the budgets for 2024, through which we showed that we aim to increase EBITDA by over 100% compared to 2023 and turn to profit. In a year when the market continues to decline, we have more than doubled EBITDA, and the share price has fallen. I understood from this that the market may not have taken us seriously and I can understand this after two years with unrealized budgets.

However, today we come before you and say: **in a quarter in which our market decreased by 36.9%, the cumulated EBITDA of ROCA Industry companies increased by 63.2% and turnover by 5.6%.**

How did this happen? You will find most of the answers in the report. In short, it's about many small things, done well last year, that are beginning to bear fruit. I say start, because there is still a long way to go, and our ambition is on a whole new level. Also, this is something we call the house specialty: lots of little things done right. However, if I were to select the most important things I did at the beginning of this year, I would choose the following:

- ROCA Industry
 - We have completed the transition operations to the main market of BVB. Since March, ROC1 shares are listed on the regulated market.
 - We completed the acquisition of Workshop Doors in February and the results are already visible and beyond expectations, as I will detail below.

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- We have completed and submitted the management incentive program to shareholders for approval. As promised, this Stock Options Plan is designed on the win-win principle. That means someone (management) can't win when the team (company and shareholders) loses. With us there are no stars, individual awards, we do not award top scorers but only the victory of the team. Thus, management can receive a maximum of 3% of shares if it delivers, among other things, a 4-fold increase in EBITDA compared to last year. Or to put it another way, if it generates about 400% growth for shareholders, management gets 3%.
- We signed the market maker contract on ROC1 shares. As a result, the liquidity of shares (as the median of daily traded volumes) has increased 9 times since listing on the main market, which coincided with the market maker contracting, versus the same period of 2023.
- BICO Industries
 - The efforts of the commercial department in H2 2023 are now visible. Although we have the third largest production capacity in the EU, although we operate in 4 shifts on most lines (and 3 shifts on the rest), we have managed to constantly have orders above production capacity. And the most gratifying aspect is that we did this in the context of significant increase in profitability.
 - A new Karl Meyer equipment for knitted mesh was put into operation at the factory in Vulcanesti, following an investment of 1 mil. EUR.
 - We managed to transform the cost-generating waste into a saleable, profit-generating product. As of Q1 2024, BICO Industries is also a supplier of materials for reinforcing screeds.
- EVOLOR
 - EVOLOR is the first holding company where marketing reached the TV commercials stage. It has been a great effort in these over 2 years, to reach the level at which TV spots justify themselves. And confirmation came from the numbers: during the TV campaign, sales of products in the campaign were 94% higher than in the same period of 2023. As I've written before, this result is due to a large number of little things done correctly, besides this TV campaign.
 - We started relocating to the new factory. In the first quarter we completed the relocation of the decorative plasters department, together with a series of new equipment that will increase production capacity by approximately 20%. This capacity expansion is necessary and has been pushed forward as EVOLOR, exceeding its strategic plan drawn up in 2022, reached maximum capacity faster than expected.
- Eco Euro Doors & Workshop Doors
 - The process of integration and know-how transfer is in full swing. So far, the results in terms of purchases and sales are encouraging.
 - We want the merger process of the 2 companies to start in Q2, hopefully by the end of Q3.
 - The feedback on this transaction, the integration process and the expected merger received from the main customers is favorable. Also, discussions have already started with them to reposition the product portfolio.

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- We launched a new range of products for Do-It-Yourself networks, respectively decorative wood wall panels. So far, the response from the market is very good, with orders from OBI Hungary exceeding expectations.
- DIAL
 - The number of customers increased significantly as a result of the commercial strategy implemented in Q3 2023.
 - Following participation in fairs in Warsaw, Chisinau and Budapest, there are real premises for increasing the volume of exports.
- Electroplast
 - We approved an extremely ambitious investment project, totaling over 9 mil. EUR until 2026. This involves the almost complete refurbishment of the factory, together with a series of investments to increase the surface of the halls. As a result of this project, Electroplast's production capacity will triple.
 - We have completed the implementation of the Industry 4.0 project. Today, most Electroplast equipment is connected directly to the server, automatically transmitting real-time data on operating parameters, which allows us to make production decisions with much more efficiency.

I mentioned some more important elements. All these are backed by hundreds or thousands of hours of work, from the first idea to implementation. They all have our 1,100 colleagues behind them. All are measured in sales increases, margin improvements, cost reductions, in a word profitability for shareholders.

Another relevant aspect and especially during this period is cash flows, on which we have a special focus. Thus, all holding companies have positive flows, and will generate cash in 2024. This means, among other things, that we will be able to recover loans granted to subsidiaries. All loans granted to BICO Industries, which at one point exceeded EUR 2.5 million, will be repaid by the end of this year. The loans granted to Electroplast, contributed by ROCA Investments to the share capital in the increase at the beginning of the year, will be repaid starting with the next quarter, and will be fully recovered in 2025. All this is a sign of the financial health of the companies that we enjoy. I think you too.

In the previous report I wrote that "*2024 cannot be just a year of trial. 2024 must also be a year of results. In 2024 we must begin to see the fruits of the labor of these first 2 years of construction of the holding.*" I am convinced that after the first quarter we show exactly that. That we continue to keep our promises. That if we promised results, we deliver them. That to those of you who have stayed with us in a very difficult 2023, we will thank you through numbers, through results, through yield.

Ioan-Adrian Bindea

Chief Executive Officer



MESSAGE FROM THE CHIEF COMMERCIAL OFFICER

Dear shareholders,

It is said that the beginning of each year is marked by hope and spectacular resolutions that often remain at the stage of resolutions. We believe that, in our case, we learn more and more to replace hope with multiple plans, supported simultaneously, and resolutions at the beginning of the year with the preparation of agile responses to unpredictability, answers that bring us into plan.



From a commercial point of view, as Ionuț Bindea, CEO of ROCA Industry mentioned in previous messages, ROCA Industry's budgets are ambitious, not following the market practice of communicating a cautious plan, and then the results are beyond expectations. We believe that the road to regional champions passes through ambitious targets, which then impart a different rhythm to the commercial teams, but also to the production teams.

At the end of the first quarter we draw the line and look at the plans concluded as if yesterday. Compared to last year's fluctuations, we have brought with us the lessons learned, and we can talk about more tightly-knit commercial teams, closer to optimal formulas, and a commercial policy still in development. Obviously, the situation is not uniform, given the timing of companies entering the Holding, but also the different markets for companies with a high export share.

We are glad to see the first results of constant efforts made in 2023 – BICO expanded its international distribution network to 26 countries, and for the first quarter of this year we already see exports increase to 60% (from 53% last year) as a share of turnover. The focus on export is an important element of the company's strategy, which operates in a field with low margins at national level, but higher export considerations.

Encouraging are also the results of our colleagues from EVOLOR, where the synergy of the efforts of the commercial teams with the marketing ones determines a sustained growth, in a competitive category with very strong local and international players. The year 2024 started for EVOLOR with intense marketing activities, which thus put the commercial brands CORAL and Sticky among the relevant brands of the category.

We also see the first good signs of entering the upward curve of the business model for DIAL Hârșova, our colleagues managing to stabilize commercial relations and constantly expand the distribution of our products to reach national coverage.

The synergies of the commercial and marketing teams are seen not only internally, but also in the intensified efforts to participate in the main events and trade fairs that strengthen

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partnership relationships with our customers and suppliers, both locally and abroad. The results of these participations will materialize in the near future in new partnerships and new export areas for portfolio companies.

After 30 years of existence, Electroplast redefines itself as an agile competitor and intensifies efforts to open export markets, but also has a strategic orientation on areas with growth potential, not only in terms of volume and turnover, but also profitability, pursuing a relevant positioning in the field of solar cables.

I left at the end one of the most complex and challenging projects of ROCA Industry Holding and myself, personally. The integration of the two companies producing doors – Eco Euro Doors and Workshop Doors, is a long-lasting, intense project, which involves a transformational process at the end of which our ambition is to bring added value. The challenges of the moment, beyond the integration of teams, cultures, product portfolios and distribution networks, come from the need to lay the foundations of a strategic plan in a context in which we also deliver the figures of the present. I trust our teams, our people and the vision for the future we build together. It's going to be tough, but it's going to be beautiful, and at the other end, we're going to bring value to the market, consumers, and our shareholders alike.

I know it is important for our shareholders to be able to have the overview from these reports, I think it is equally important to be able to feel with us how the construction of the new industrial Romania is laid brick upon brick.

Your trust honors us.

Alexandru Fogarași

Chief Commercial Officer



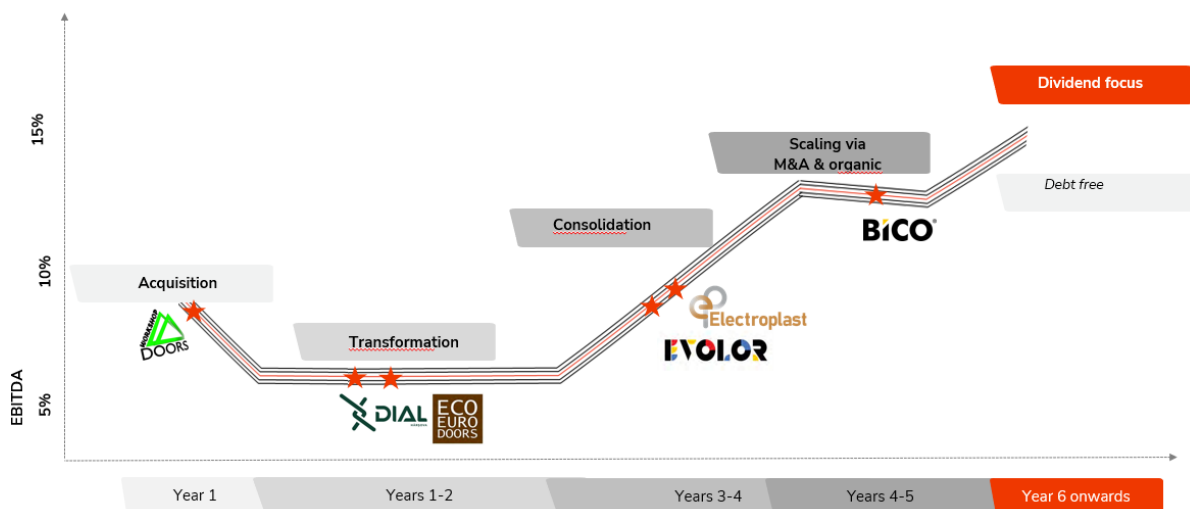
MISSION, OBJECTIVES, BUSINESS MODEL

ROCA Industry's mission is to contribute to Romania's reindustrialization by bringing under the umbrella of the holding company medium-sized companies that do not have access to the capital market or institutional investors to finance development. Through a structured transformational process, benefiting from the experience in the field of ROCA Investments, its majority shareholder, ROCA Industry contributes to streamlining and improving their performance, aiming for regional leadership positions for portfolio companies.

ROCA Industry 's vision is to form a Holding of 8-10 companies producing construction materials whose value it aims to increase over time by correctly and coherently applying the right business strategies for each one.

ROCA Industry's business model is to invest as majority shareholder in medium-sized companies which, through a medium-term growth and efficiency process, will integrate into a high-performance holding structure that has all the premises to be in the attention of institutional investors in terms of capital attraction and to produce added value for shareholders, and for the economy as a whole.

The main stages of the transformational process are:



Transformation phase (approximate duration: two years) – the company's performance after the acquisition decreases, as a result of all costs necessary for a future efficiency of the activity (integration within the company of an experienced management team, digitization of operations, rebranding, identification of new products and markets, investments in state-of-the-art technology, etc.).

Consolidation phase (approximate duration: two years) – the company becomes stronger, with a stable management team, with a clear medium-term strategy, develops new distribution channels, diversifies its product portfolio, or invests and uses new technologies.

At this stage, the positive impact of operational efficiency processes and newly created synergies also becomes visible.

Scaling phase (approximate duration: one and a half – two years) – through organic development (investments in state-of-the-art technologies, development of new products, accessing new markets, including export, etc.) and inorganic (through acquisitions of new national or regional companies in order to create significant players at European level, etc.). During this period, as a result of all investments made in the first two stages, the company's performance is expected to decrease slightly until the integration of all processes or subsidiaries newly entered into the holding is completed.

Distribution of dividends (approximate duration: five to six years), the company achieves a level of integration into the holding and development that allows significant reduction of financial liabilities (necessary both for their acquisition by the holding company and for investments for operational efficiency). At the same time, a level of profitability sufficient to ensure a high level of dividends distributed to shareholders is achieved (over 50% of the net distributable profit, the difference being kept in the company for further investment).

Unlike the business model of a Private Equity fund, ROCA Industry does not aim to exit the companies it owns after they are operationally transformed, but to build a solid portfolio of companies that will bring a positive impact on the economy and contribute to Romania's modernization, while also generating value for its shareholders.

EXECUTIVE SUMMARY

The **Q1 2024 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 Q1 2024 until the date of this report, the evolution of ROC1 shares on the capital market and explains the consolidated and individual financial results of the Company.

Key events during Q1 2024 and up to the date of the report:

- **Completion of the process of increasing the share capital of ROCA Industry, together with the admission to trading on the main market of the Bucharest Stock Exchange (BSE)**
 - The **share capital increase process** took place in two stages between November 2023 and January 2024 (stage 1 - exercise of existing shareholders' pre-emptive rights to maintain their share in the total share capital and stage 2 - private placement, intended for existing shareholders and other investors). A total of 7.2 million shares were subscribed at the price of RON 10/share, the share capital being increased from RON 176.9 mn to RON 248.7 mn.
 - On 11 March 2024, ROCA Industry shares were **admitted to trading on BSE's main market**, Standard category, approximately two years after the listing of the holding on the AeRO market, in line with the promises made by the majority shareholder.
- **The liquidity of the shares (as the median of daily traded volumes) has increased 9 times** since listing on the main market versus the same period of 2023, an event that coincided with the contracting of a market maker.
- **Completion of** the acquisition of 70% of the share capital of Workshop Doors S.R.L., the second largest Romanian producer of doors for residential use.

Q1 2024 – key financial figures (OMFP no. 1802/2014 - cumulated and IFRS - consolidated):

For an accurate presentation of the evolution of the companies owned by ROCA Industry holding and for comparability with previous periods, this chapter presents the IFRS consolidated results, but also a summary of the individual financial statements of the productive companies in accordance with OMFP no. 1802/2014, as amended.

In a quarter in which the market continued its decline, the cumulated turnover of the productive companies increased by 5.6% and their cumulated EBITDA was 63.2% above that of the first 3 months of 2023.

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P&L Indicators OMFP 1802	Results for Q1 2024 (RON th)			EBITDA margin Q1 2024	Net margin Q1 2024	Variation Q1 2024 vs Q1 2023		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
EVOLOR	18,711	1,688	(1,888)	9.0%	-10.1%	6.3%	-20.5%	146.8%
BICO Group	41,661	4,515	939	10.8%	2.3%	2.6%	298.9%	N/A
DIAL	18,780	2,389	314	12.7%	1.7%	55.5%	573.0%	N/A
Electroplast	37,634	2,041	(139)	5.4%	-0.4%	5.2%	61.9%	-68.9%
EED & Workshop	24,729	4,590	527	18.6%	2.1%	-11.4%	2.9%	-77.8%
<i>EED</i>	13,847	1,773	(1,478)	12.8%	-10.7%	-12.8%	46.0%	N/A
<i>Workshop</i>	10,882	2,817	2,005	25.9%	18.4%	-9.4%	-13.2%	-15.3%
<i>Total companies</i>	<i>141,515</i>	<i>15,223</i>	<i>(248)</i>	10.8%	-0.2%	5.6%	63.2%	-70.0%
ROCA Industry	-	(2,237)	(1,121)	N/A	N/A	N/A	98.5%	N/A
<i>Total cumulated</i>	<i>141,515</i>	<i>12,986</i>	<i>(1,369)</i>	9.2%	-1.0%	5.6%	58.3%	N/A

P&L Indicators IFRS	Results for Q1 2024 (RON th)			EBITDA margin Q1 2024	Net margin Q1 2024	Variation Q1 2024 vs Q1 2023		
	Turnover	EBITDA	Net result			Turnover	EBITDA	Net result
EVOLOR	18,711	1,816	(269)	9.7%	-1.4%	6.3%	-22.9%	N/A
BICO Group	41,737	4,132	327	9.9%	0.8%	13.7%	302.2%	N/A
DIAL	18,780	2,467	1,030	13.1%	5.5%	55.5%	847.5%	N/A
Electroplast	37,634	2,122	(411)	5.6%	-1.1%	N/A	N/A	N/A
EED & Workshop	23,078	4,449	1,347	19.3%	5.8%	45.3%	151.8%	N/A
<i>EED</i>	13,797	1,923	(487)	13.9%	-3.5%	-13.1%	8.8%	-39.5%
<i>Workshop</i>	9,281	2,526	1,834	27.2%	19.8%	N/A	N/A	N/A
<i>Total companies</i>	<i>139,940</i>	<i>14,986</i>	<i>2,025</i>	10.7%	1.4%	70.1%	177.0%	N/A
ROCA Industry	-	(1,956)	(2,369)	N/A	N/A	N/A	87.2%	84.6%
<i>Total cumulated</i>	<i>139,940</i>	<i>13,031</i>	<i>(344)</i>	9.3%	-0.2%	70.1%	198.5%	-92.2%

In addition to the different recognition principles under the two standards, the differences in financial disclosure between the two methods are as follows:

- **Share of the financial performance of newly acquired companies** – this depends on the acquired percentage of the share capital of each company, as well as on the consolidation principles applied (depending on this percentage);
- **The period of time for which the financial indicators of the acquired companies were included in the consolidation perimeter** – depending on the moment of completion of the acquisition of a new company;

Further details on these two principles are presented below.

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Subsidiaries (consolidation %)	31 March 2024	2023		
BICO	60%	70% (Jan-Jul)	60% (Aug-Dec)	
<i>Terra</i>	60%	70% (Jan-Jul)	60% (Aug-Dec)	
<i>Europlas</i>	60%	35% (Jan-Aug)	33% (Aug-Sep)	60% (Oct-Dec)
<i>Iranga</i>	60%	70% (May-Jul)		60% (Aug-Dec)
EVOLOR	100%	100%		
Doorsrock4*	-	100% (Jan-Jul, until merger with EED)		
Eco Euro Doors	100%	100%		
Nativerock1*	-	100% (Jan-Jul, until merger with DIAL)		
DIAL	100%	100%		
Electroplast	100%	100% (starting July)		
Workshop	70% (Jan-Feb)	-		

Q1 2024 – key financial figures at consolidated level (IFRS):

- **Q1 was a very good one for the Group, with revenue up 70%** compared to Q1 2023, both as a result of sales evolution in certain segments and as a result of the impact that acquisitions (direct and indirect) had in the two periods.
- Higher sales on all segments, both in terms of quantity and value, but also the new companies entered under the umbrella of the holding and the operational efficiency initiated, produced visible results. The Group obtaining a **consolidated EBITDA of RON 13.0 mn** (EBITDA margin of 9.3% of turnover), compared to RON 4.4 mn in Q1 2023 (EBITDA margin of 5.3% of turnover). **EBITDA at the level of productive companies was RON 15.0 mn**, compared to RON 5.4 mn in Q1 2023.
- All efforts made to improve the operational activity in the second half of 2023 had impact both at the level of the operating result, **the profit obtained being in amount of RON 5.8 mn (vs RON 1.2 mn loss in Q1 2023)**, as well as on the net result, where the Group managed to reduce the **loss at consolidated level from RON 4.4 mn in Q1 2023 to RON 0.3 mn in Q1 2024**. All these superior results came despite the increase in depreciation and amortization expenses by 41.9% (new investments to expand production capacity and for operational efficiency and company acquisitions) and double financial expenses (interest on credit facilities to finance company acquisitions, and additional credit facilities to finance investments and current activity of companies).
- **Details by operational segments:**
 - **BICO Group:** Revenue +14%, EBITDA +302%, Net profit RON 0.3 mn vs net loss of RON 2.2 mn in Q1 2023, based on operational optimizations and increased sales of products with the highest margin in the portfolio
 - **EVOLOR:** Revenue +6%, EBITDA -23%, Net loss RON 0.3 mn, compared to net profit of RON 0.8 mn for Q1 2023, considering that 2023 was an exceptional year for the company. Additional impact came from the increase in marketing expenses, with

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estimated effect on next period sales, and salary expenses (as a result of higher levels of salaries and number of employees)

- **EED and WORKSHOP:** Revenue +45%, EBITDA +152%, Net profit RON 1.35 mn, compared to net loss of RON 0.8 mn in Q1 2023, the WORKSHOP contribution being included for 2 months of 2024. 5% increase in raw materials and consumables expenses (including as a result of EED's cost optimization efforts), and 53% higher salary expenses necessary to build the management team, but also as a result of tax changes for the construction sector
- **DIAL:** Revenue +56%, EBITDA +850%, Net profit RON 1.03 mn, compared to a net loss of RON 1.03 mn in Q1 2023, as a result of implementing the commercial strategy by launching new products, maximizing existing channels and identifying new sales channels (implicitly by developing the export area), correlating production with the needs identified in the sales area, and optimizations brought by the acquisition department
- **ELECTROPLAST:** Revenue +5%, EBITDA margin 6%, Net loss RON 0.41 mn, compared to a net loss of RON 0.4 mn in Q1 2023, mainly due to increased sales volume across most product categories. The company was acquired at the end of H1 2023

Q1 2024 – individual key financial figures (IFRS):

- By its nature of holding company, ROCA Industry does not carry out its own operational activities. Thus **its revenue of RON 1.3 mn** were composed entirely of interest income on intra-group loans granted. The decrease by 50.4% compared to Q1 2023 comes because ROCA Industry did not register **dividend income** (amounting to RON 1.5 mn in Q1 2023).
- At the same time, the holding encounters **operating expenses which amounted to RON 2.4 mn**, double compared to Q1 2023, mainly consisting of operational costs, subsidiaries' management costs, financial expenses and audit and financial advisory expenses necessary to meet the stricter criteria applicable to companies listed on the BSE regulated market.
- **A loss from operating activity of RON 1.1 mn and an overall loss at the same level.**

ROCA INDUSTRY ON THE CAPITAL MARKET

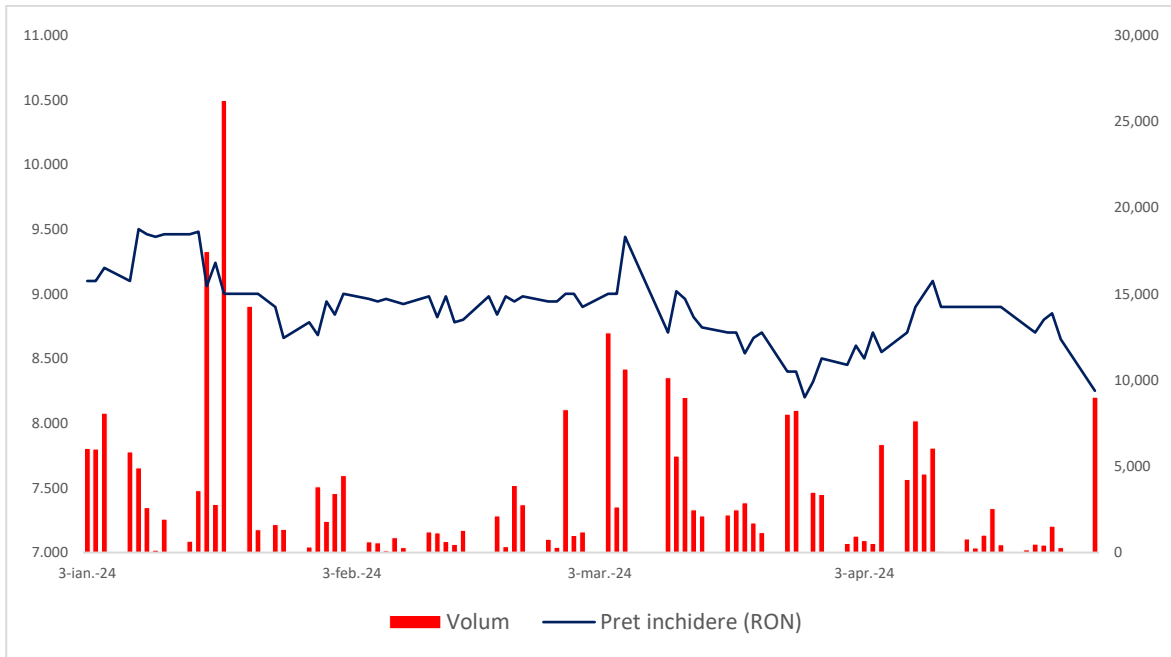
On 11 March 2024, ROCA Industry shares were admitted to trading on the BSE regulated market, Standard category. The Company's experience on the Romanian capital market dates, however, back to 27 January 2022 when, 3 months after incorporation, ROCA Industry shares were listed on the AeRO market, the segment of the Bucharest Stock Exchange Multilateral Trading System, under ROC1 symbol. At the same time with the listing on the regulated market, the company started its collaboration with BRK Financial Group, a company providing market making services.

At the beginning of 2024, the process of the Company's share capital increasing, carried out in two stages between November 2023 and January 2024, was also completed. The first stage was intended for existing shareholders who were able to exercise their pre-emptive rights to maintain their share of the total share capital (stage completed on 10 January 2024), and the second stage was intended for existing shareholders, but also for other investors. 7.2 million shares were subscribed, and the share capital was increased from RON 176.9 mn to RON 248.7 mn.

Shareholding structure at 18 April 2024			
	Number of shares	Value (RON)	% of total
ROCA Investments SA	16,398,834	163,988,340	65.95%
Other shareholders	8,468,388	84,683,880	34.05%
Total	24,867,222	248,672,220	100%

From the beginning of the year to the end of April, ROC1 shares recorded a minimum price of RON 8.20 (27 March 2024) and a maximum price of RON 9.50 (9 January 2024). During this period, the weighted average price (excluding deal transactions) was RON 8.91, on a total volume of over 280 thousand traded shares. Thus, at the end of April 2024, the ROC1 share price was 9% below the level at the end of 2023.

Daily volume and closing price of ROC1 shares from 3 January 2024 to 30 April 2024 (excluding deal transactions)



In terms of liquidity, with the listing on the regulated market and the signed contract with BRK as market maker, the daily volumes traded increased. Their median between 11 March and 30 April 2024 was 2,153 shares, 9 times higher than in the same period of 2023.

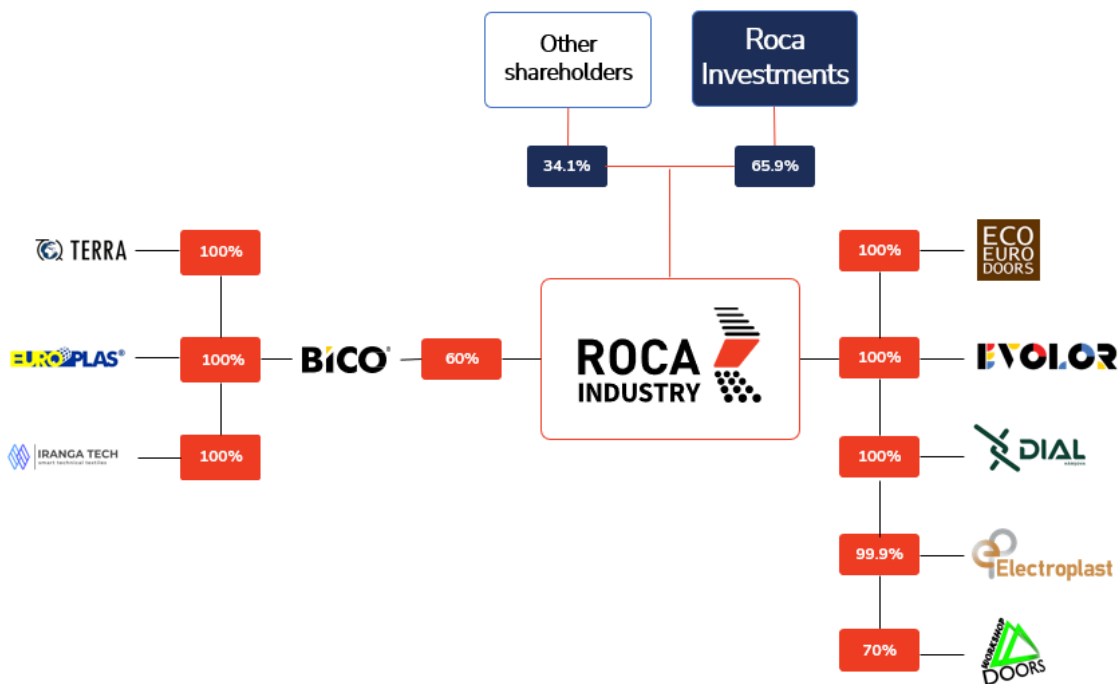
ABOUT ROCA INDUSTRY HOLDINGROCK1

ROCA INDUSTRY HOLDINGROCK1 S.A. ("**ROCA Industry**", "**Company**" or "**ROC1**") is a Romanian company, established in September 2021, listed in January 2022 on the AeRO Premium market of the Bucharest Stock Exchange ("BVB"), and as of March 11, 2024 was admitted to trading on the main market of BVB, Standard category.

ROCA Industry is the first strategic project of ROCA Investments, which groups under the umbrella of a specialized holding Romanian companies producing construction materials. Benefiting from the experience gained over time by its majority shareholder, ROCA Investments, the Company aims to develop and scale strong and sustainable local brands both based on a common strategy and through synergies generated from their activity. In a fragmented world economy, ROCA Industry builds a structure capable of quickly adapting to multiple and unpredictable changes, bringing value to its shareholders in the medium and long term.

By its nature, as a holding, so far 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.R.L.**, **ECO EURO DOORS S.R.L.**, **DIAL S.R.L.**, **ELECTROPLAST S.A.** and **WORKSHOP DOORS S.R.L.** as well as those owned indirectly, through BICO INDUSTRIES – **TERRA IMPEX S.R.L.**, **EUROPLAS LUX S.R.L.** and **IRANGA TECHNOLOGIJOS, UAB**. These subsidiaries are active in the field of building materials, namely the production of fiberglass and fiberglass reinforcement (BICO, TERRA, EUROPLAS and IRANGA), the production of varnishes, paints and decorative plasters (EVOLOR), the production of doors for residential construction (ECO EURO DOORS and WORKSHOP DOORS), the production of clapboard panels and fence mesh (DIAL), respectively the production of copper and low-voltage aluminium electrical cables (ELECTROPLAST).

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



BICO INDUSTRIES S.A.

The largest producer of fiberglass mesh in Eastern Europe and the third largest producer in the European Union

BICO, is a company founded in 2006, focused on the production of fiberglass mesh for ETICS (External Thermal Insulation Compositate System) systems, fiberglass mesh for other industrial materials and corners with fiberglass reinforcement mesh. Until July 2023 ROCA Industry held 70% of the company's share capital, while its founder held 30%. After a capital increase by the founder, he increased his holding to 40% and ROCA Industry is the majority shareholder with 60% of the share capital.

BICO Group has an installed capacity of 120 million square meters and operates on the market under two brands: BICO and Terra, both in national and regional distributor networks and in DIY store networks nationwide. It operates in **five production centers. Two of them are in Romania**, in **Piatra Neamt** where fiberglass or polyester mesh and reinforcements are produced for reinforcing industrial products, as well as PVC/ALUMINUM corners with fiberglass mesh, and in **Vaslui** where the production of fiberglass mesh for thermal systems takes place.

Two factories are located in the **Republic of Moldova** where fiberglass mesh for thermal systems is produced through:

- **Terra**, a company wholly owned since March 2022, one of the largest producers of fiberglass mesh in Eastern Europe, with a production capacity of over 30 million sqm / year established in the Vulcanesti Free Economic Zone, Republic of Moldova. Terra

products benefit from the necessary accreditations from the institutes for quality verification of construction materials in Romania, Czech Republic and Germany.

- **Europlas**, wholly owned by BICO since November 2023, with a production capacity of 7 million square meters of reinforcing mesh per year installed in the Free Economic Zone in Ialoveni

The fifth plant is that of Iranga, wholly owned by BICO since May 2023, based in **Lithuania**, where fiberglass mesh and reinforcements are produced to reinforce industrial products with two months of high-performance production.

The start of the year for BICO has been challenging, with the geopolitical conflict in the Red Sea affecting the raw material supply chain. Deliveries were delayed and the price of transport increased significantly. However, this context has opened new opportunities to procure raw materials from other areas. Another challenge faced lately by players in this sector is given by products coming from China, whose prices put additional pressure on the margins of European producers. One measure to mitigate the impact is the application of a countervailing duty on products coming from China, which has been extended by the EU authorities to protect local producers. Additionally, a noted change that positively impacts BICO activity is generated by climate change, which diminishes seasonality, thereby ensuring greater stability in sales throughout the year.

Thus, the company faces a complex environment, characterized by opportunities and threats. An adaptable strategy focused on innovation, efficiency and customer satisfaction is needed to remain competitive and maintain its position on the market, especially as two new competitors have entered neighboring markets (Bulgaria and Serbia). In this context, in order to support the commercial plan to expand and diversify the product portfolio, BICO has identified solutions to capitalize on 12% of the total technological waste generated by creating a new product dedicated to the reinforcement of various materials: fibreglass needles for screeds reinforcement.

Exports reached a share of 60% of total sales for the first quarter of 2024, up from 2023, opening new markets such as: Poland, Germany, Greece, Lithuania, Finland, Portugal and UK. Consequently, during the initial months of the year, BICO Group experienced high order volumes exceeding forecasts. This surge in demand prompted increased production. The results of efforts made in the latter half of 2023 exceeded expectations. Notably, the Turbotex line in Piatra Neamt recorded its best quarter since its establishment.

On the Romanian market, BICO retains its market share in the context in which the sales volume has increased. The estimated market share by extrapolating data on volumes used in the thermal system was 70% for the Romanian market at the end of 2023, on the fiberglass mesh segment.

As a top manufacturer on the European market, BICO Industries is a member of the European Association of Technical Textile Manufacturers, an association that follows and ensures compliance with the European Green Deal. All products marketed under the company's brands are technically approved and all products marketed under the BICO brand benefit from European quality certificates.

For 2024, BICO Industries aims to maintain and increase the market share gained in 2023, trying to be the first option in the program to support energy efficiency processes, which is supported by all European governments.

EVOLOR S.R.L.

One of the largest players in the paint and varnish manufacturing industry

EVOLOR is a company wholly owned by ROCA Industry since 2021, with a market share of approximately 10% on the varnishes, paints and decorative plasters market in Romania. The company is focused on the production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes. It has seven main production sections for portfolio products, products mainly intended for the national market. Through the two product ranges, EVOLOR addresses the needs of consumers in a balanced way, offering both products with affordable prices (STICKY) and products for the premium area (CORAL), at the level of the national market being distributed predominantly through DIY chains and specialized distributors. The company is in an accelerated development process, started in 2021 when it entered the ROCA Industry portfolio, so it has successfully overcome the transformation stage and **is in full consolidation**.

In the first months of the year, customers turned to economic product ranges, thus forcing players on the varnish and paint market not to apply price increases, but aggressive promotional actions. EVOLOR aims this year to be in the top 4 players of the market in terms of volume and value by diversifying sales channels, relevant product portfolio, through a coherent brand construction, consumer segmentation and price. In this context, the company allocated RON 4.5 million (4% of estimated turnover for 2024) for marketing actions and follows constant actions for both brands in the portfolio: Sticky and Coral. Among them:

- implementation of new brand images at packaging level in stores and improvement of communication materials at points of sale – ongoing action,
- brand awareness campaigns for both Sticky and Coral products, promoted through TV & radio spots, online, street billboarding, Social Media networks and instore materials, which resulted after the first weeks of broadcasting in the company's advancement to the top of players on the market of decorative varnishes and paints – action in progress.
- Diversifying the product portfolio with innovative products from a technological and image point of view, which will allow opening new distribution channels and targeting new customers – future action.

From a commercial point of view, export activities to Moldova continued at the beginning of 2024, where relations were strengthened. However, due to the geopolitical conflict in Israel (EVOLOR's second export country), the shipment of products was stopped indefinitely. The main market of EVOLOR remains the Romanian market of decorative varnishes and paints, which are mainly intended for the residential sector. One of the key objectives started in 2023 was to expand the presence of products, so that products marketed under the two own brands are now present both in DIY store networks (Dedeman, Leroy Merlin, Brico Depot) and in the network of traditional stores, thus increasing their accessibility for

consumers. Distribution was expanded through a network of over 1,300 traditional stores, by establishing close partnerships with local distributors. As a result of these actions, corroborated with marketing actions, the sales evolution in the first quarter of 2024 was exceptional, increasing in volume by 20% compared to Q1 2023.

In parallel, the company continues the process of sustainable business growth by moving at the end of March the decorative plasters section to the new factory located on the Oltchim platform located in Ramnicu Valcea, acquired in the second half of 2023. Other activities are to be moved, consolidated and developed at this site in the second half of 2024, as fitting out work progresses. The multi-annual ESG plan started in 2023 continues, with EVOLOR applying for financing through European funds to continue investing in its own photovoltaic panels park that allows the use of renewable energy sources, thus reducing the carbon footprint of operations.

ECO EURO DOORS S.R.L.

The largest Romanian manufacturer of doors for residential buildings

EED, a company in **the transformation stage**, has 27 years of experience on the market. The company has been part of the holding since May 2022 (majority shareholder, with 70% of EED's share capital), ROCA Industry becoming the sole shareholder at the end of 2022. With a factory of 10,000 sqm, storage capacity of over 8,000 sqm and additional land of 36,000 sqm, the company offers a wide range of products produced (foiled doors, painted doors and doors ready to be painted), addressing both the need of customers for standard products as well as those requesting products of non-standard sizes. EED products are distributed nationwide, through the Dedeman chain of stores, DIY type, as well as other specialized retailers and distributors.

In Q1 2024, Eco Euro Doors debuted with a new management team, which, in addition to the operational objectives, aims to evaluate and capitalize on the synergies discovered following the acquisition of Workshop Doors by ROCA Industry. Simultaneously, a plan was developed and implemented to optimize the logistics activity by partially outsourcing the owned fleet, a change that led to cost reduction from the first month of implementation.

In the field of information technology, the company has entered into a contract with a new service provider. Together with it, innovative solutions have been implemented that ensure a high level of security for data. This change came in tandem with the migration to the Microsoft platform, which brought more efficiency and safety. In addition, work is underway to implement a new ERP system. This project is in full swing and the first tests are expected to take place in the third quarter of this year. The system will significantly improve operational efficiency and allow better management of company resources.

DIAL S.R.L.

One of the largest manufacturers of fence panels and fence mesh

DIAL is a company specialized in **the production of fence panels, fence braided mesh, Rabitz mesh, gimbed wire, rectangular poles** and more, with 30 years of experience in this market. The company is in **the transformation stage**, being acquired by ROCA Industry in September 2022. IAL's portfolio includes over 200 products, in different sizes, which are distributed especially nationwide, through DIY chain stores and other specialized retailers and distributors.

The first quarter of 2024 generated a 53% increase in DIAL sales compared to Q1 2023. These results come because of several actions taken by the company's new management team, such as expanding the sales team and distribution in the eastern and center-west areas of Romania (production centers of competitors), previously uncovered areas. The figures indicate also increased efficiency in operations and increased adaptability to market requirements. The prompt and efficient response to market demand came as a result of a strategy started at the end of 2023 to create a stock of finished products in line with the level of sales recorded, a strategy that proved effective in maintaining the volume of orders in the first months of the 2024 season. Also, customer segmentation and maintaining product quality helped achieve these results. Moreover, DIAL stands out as the only manufacturer on the market that uses the fluidized plasticizing process with polyethylene powder for dyeing its products. This method gives products increased resistance to adverse weather conditions and ultraviolet radiation. These features are an integral part of the strategy of promoting products on the Romanian market and in other international markets.

From an operational standpoint, DIAL managed to maintain constant raw material purchase prices in the first two months of the year through a strategy tailored to the estimated volume of orders. This flexible approach has allowed the company to manage procurement efficiently, ensuring that it responds appropriately to changes in the market. Monitoring market developments and adjusting purchasing strategies accordingly ensures the management of risks and opportunities that may arise in the context of a constantly changing trading environment.

In addition to increasing exports, in countries where partnerships already exist (such as France and Sweden), one of the main priorities in the next period is the development of distribution areas in Republic of Moldova. A first step in this endeavor was the participation in the Moldo Construct fair, in Chisinau, in March, where important discussions were started with 2 large local distributors who also own DIY chains.

In 2024, the multiannual ESG plan continues by installing photovoltaic panels with a capacity of approx. 0.7 MWh, which could cover approximately 70% of the plant's current annual energy consumption. This initiative would represent a significant step towards the use of renewable energy and could bring benefits both economically, by reducing energy costs, and from a sustainability perspective, helping to reduce the impact on the environment.

ELECTROPLAST S.A.

One of the largest manufacturers of low-voltage copper and aluminum electrical cables

Electroplast, a company owned by ROCA Industry since the end of June, has 30 years of experience in the production of low voltage copper and aluminum electrical cables. The company is in **the consolidation stage**, having at the time of this report a complete management team with proven know-how. In the railway cables sector, it is a market leader and pays special attention to existing trends at European level that impose increased safety standards in the construction sector, but also aspects related to energy efficiency, sustainability and other aspects of public interest. The factory in Bistrita has a capacity of 5,500 tons of cables / year, with a production area of approximately 13,000 square meters, located on a plot of 23,500 square meters. The company is equipped with over 30 equipment and production lines specific to its activity and has in its portfolio approximately 3,600 cable sizes necessary for various fields, such as railway, civil and industrial construction, energy, installations, telecommunications, mining, industry, etc.

In this industry too, the first quarter was marked by delays in the execution of infrastructure projects (eg railways), the company accelerating the process of prospecting export markets in parallel with local contracting - 3.1% of turnover at the end of Q1 2024 is represented by export. At the same time, after a period of stability in the first two months of the year, the price of copper on the stock exchange increased rapidly during March, to almost USD 9,000 / ton, subsequently approaching the maximum reached 2 years ago.

In Q1 2024, in the operational area, Electroplast continued the investment project started in 2022, by introducing into the manufacturing flow an equipment with a major impact on increasing production capacity (shielding-reinforcement line). The total value of the project is over 2.9 mil. EUR, comprising investments over a period of three years, broken down as follows: 20% in 2022, 44% in 2023 and 36% in 2024. This step is one that supports the future development of the company, being part of a multi-year investment plan, which extends until 2027. Thus, the integration into the manufacturing flow of this line leads to an increase of approximately 20% of the entire production capacity and ensures availability for future volume increases.

In parallel with the refurbishment process, ELP has completed its investment in the digitization area by implementing an Industry 4.0 solution. This aims to monitor the operating parameters of two-thirds of the production equipment in real-time. Through the new solution, team members have consolidated information, statistics and reports based on which they can make medium and long-term operational decisions. The company's goal is to implement the solution for all production equipment next year. Also in this direction, a specialized software for production programming was implemented, based on Delmia – Dassault solution that optimizes the degree of use of equipment by grouping semi-finished products and finished products to streamline raw material consumption and reduce preparation times.

The procurement was also complemented by the implementation of an energy consumption monitoring system, the financing being provided through the de minimis aid scheme on energy efficiency at the level of SMEs and large enterprises, within the Large Infrastructure Operational Program 2014-2, as well as by the commissioning of a granulator for copper and aluminum conductive waste, which helps to separate metal and plastic components and creates the premises for superior recovery of waste resulting from the production process. All these investments contribute to energy efficiency, increasing productivity and production capacity and optimizing processing costs, including by eliminating bottlenecks in production, with a direct impact on improving margins and profitability.

Commercially, the company continued its strategy of specializing its products while balancing distribution channels. Most of the production is addressed nationwide, where the company is present through distributors, installers in infrastructure projects (including solar cables) and rail cablers. Although overall, at sector level, pressures from market contraction have also led to price decreases in this segment, Electroplast, an agile competitor, managed to increase sales by 5% compared to the first quarter of 2023.

During 2024, Electroplast will launch an anniversary campaign through which it tells its story and starts direct communication with customers. The purpose of the marketing campaign, promoted through Social Media networks throughout the year, is to highlight both the company's expertise and its products.

WORKSHOP DOORS S.R.L.

The second largest Romanian manufacturer of interior doors for residential buildings

Workshop Doors came under the umbrella of the holding in February 2024, when ROCA Industry completed the acquisition of 70% of its share capital. In accordance with the terms and conditions of the transaction, ROCA Industry has the possibility to purchase an additional package of 30% of the shares issued by the company. Workshop Doors is an active company since 2009 on the interior doors market in the region, with two production facilities, in Reghin and Petelea. The company exports a considerable percentage of its own production, namely 34.4%.

Workshop Doors has a vast portfolio of cellular and modular MDF doors, painted, foiled and ready to be painted. Most doors are manufactured with reversible opening, meaning that the direction of opening of the door leaf will be decided at the time of installation. Constantly investing in woodworking machinery, technology, the company uses raw materials and materials purchased from certified suppliers to produce FSC certified items. In a constant desire to expand its portfolio, Workshop Doors launched a new product line: MDF decorative wood wall panels. They offer a modern design of interior spaces.

In the first quarter of 2024, the company started exporting riffles to Hungary's DIY Obi network and began negotiations with two other major networks in Western Europe. This product was presented at the Construma fair in Budapest, where it aroused significant

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interest from visitors. This was a milestone, being the first participation of Workshop Doors in an event together with the other companies in the ROCA Industry group.

In the first three months of the year, the company generated an EBITDA that exceeded the budgeted level, due to operational excellence measures and capitalizing on synergies resulting from belonging to ROCA Industry group. For the second quarter, it is estimated that Workshop Doors will contribute at least at the budgeted level to the group's financial results, thus strengthening the company's position within the holding.

KEY EVENTS IN Q1 2024 AND BEYOND

SHARE CAPITAL INCREASE AND LISTING ON THE MAIN MARKET OF THE BUCHAREST STOCK EXCHANGE

On **31 January 2024**, the process of increasing the share capital of ROCA Industry was completed, carried out in two stages, between November 2023 and January 2024. The process was approved in June 2023 by the shareholders of the holding company, which involved the increase of the share capital by an amount of up to MDL 150 million. RON (nominal value) by cash contribution and by conversion of ROCA Industry debt towards ROCA Investments arising from the acquisition of Electroplast. The first phase of the increase was intended for shareholders existing at the registration date who could exercise their right of preference to maintain their share in the total share capital and was completed on January 10, 2024. The second phase of the increase was intended for existing shareholders, but also for other investors, until the end of January 2024. In the process of increasing the share capital, 7.2 million shares were subscribed, the share capital being increased from RON 176.9 mn to RON 248.7 mn.

In the same meeting, the shareholders also approved the listing of the Company on the BVB regulated market, so that, starting with **11 March 2024**, ROCA Industry shares were admitted to trading on the main market of BVB, Standard category.

GENERAL MEETINGS OF SHAREHOLDERS

The first Ordinary General Meeting of Shareholders (OGMS) of 2024 took place on **29 January 2024**, when the shareholders elected Mr. Sorin Man as member of the Audit and Risk Committee of ROCA Industry. On the same day, the EGM took place, which had on its agenda the amendment of the constitutive act of ROCA Industry necessary to prepare the listing of the Company on the main market of BVB and the approval of the acquisition of Workshop Doors by ROCA Industry. The transaction was completed in February 2024, with more details available in the next section.

On **29 April 2024**, the Annual OGMS took place. Key items on the agenda of the OGMS included the approval of the company's income and expenditure budget for 2024, the individual and consolidated financial statements of the holding, the distribution of net profit, the remuneration policy for the members of the Board of Directors and for the executive directors, as well as the approval of the initiation and implementation of a "Stock Option Plan".

On the same date, the Extraordinary General Meeting of Shareholders (EGMS) took place, through which the shareholders approved the extension of two loans granted by ROCA Industry to EED, amounting to EUR 1.3 million and RON 2 million.

ACQUISITION OF 70% OF WORKSHOP DOORS' SHARE CAPITAL

On **25 July 2023**, the Company's management announced its intention to acquire a majority stake in the share capital of Workshop Doors S.R.L., the second largest Romanian manufacturer of interior doors for the residential sector. The transaction was subject to an internal evaluation process and approvals by the Competition Council and was completed on **8 February 2024**.

LOAN AGREEMENTS BETWEEN ROCA INDUSTRY AND ITS RELATED PARTIES

On **27 March 2024**, ROCA Industry granted a short-term loan to BICO, under market conditions, in the amount of EUR 0.5 million, to finance current activity. Of this amount, EUR 100 thousand are due on 30 April 2024, EUR 100 thousand on 31 May 2024 and EUR 300 thousand on 30 June 2024.

SIGNIFICANT SHAREHOLDERS

Following the capital increase completed at the beginning of 2024, Prebet S.A. Aiud fell below the 10% threshold of the voting rights of ROCA Industry, while Impetum Investments S.A., together with two other shareholders with whom it acts in concert, exceeded the 5% threshold.

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

The financial information included in this chapter has been extracted from unaudited and unrevised interim consolidated financial statements, (except for those prepared for the year ended 31 December 2023), prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as amended.

In the consolidated financial statements, in accordance with current legislation, the performance of each company included in the holding company is considered from the time of the acquisition, without including previous achievements. Consolidation is conducted considering the shares held by the holding company in each company. Thus, in the interim consolidated financial statements prepared for the 3-month period ended 31 March 2024, the performance of all subsidiaries in the portfolio at this date was taken into account, depending on the Company's holding in each, and in the case of Workshop depending on the time of acquisition, respectively starting February 2024. In comparison, in the consolidated financial statements of ROCA Industry for 2023, the performances of all companies acquired during 2022 were fully included (Terra, EED, DIAL). In the case of Europlas, for the period January-September 2023, a share of the net result achieved was recognized, given that it was a minority indirect shareholding of ROCA Industry (BICO held 55% at that time). Since October 2023, when BICO took over Europlas entirely, the company's performance has been included in the consolidation perimeter. Regarding ELP, the company's performance is incorporated into the 2023 financial statements as of July, and in Q1 2024 it was fully considered. Additionally, following the share capital increase in BICO at the end of July 2023, ROCA Industry decreased its holding from 70% to 60% of this company.

Subsidiaries (consolidation %)	31 March 2024	2023		
BICO	60%	70% (Jan-Jul)	60% (Aug-Dec)	
<i>Terra</i>	60%	70% (Jan-Jul)	60% (Aug-Dec)	
<i>Europlas</i>	60%	35% (Jan-Aug)	33% (Aug-Sep)	60% (Oct-Dec)
<i>Iranga</i>	60%	70% (May-Jul)		60% (Aug-Dec)
EVOLOR	100%	100%		
Doorsrock4*	-	100% (Jan-Jul, until merger with EED)		
Eco Euro Doors	100%	100%		
Nativerock1*	-	100% (Jan-Jul, until merger with DIAL)		
DIAL	100%	100%		
Electroplast	100%	100% (starting July)		
Workshop	70% (Jan-Feb)	-		

* The Doorsrock4 and Nativerock1 investment vehicles (SPVs) were dissolved during 2023 as a result of the merger by absorption by Eco Euro Doors and DIAL respectively, companies acquired by ROCA Industry through these vehicles

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The Company's management points out that the financial report for Q1 2024 of ROCA Industry was prepared in accordance with the Order of the Minister of Public Finance No. 1802/2014 as amended, different accounting regulations from those on which the preparation of the interim financial statements for the 3-month period ended 31 March 2024 was based. Thus, the figures presented in the previous reports are not comparable with the information presented in this report, as the recognition principles under International Financial Reporting Standards give rise to differences in the recognition and interpretation of financial information.

CONSOLIDATED PROFIT AND LOSS ACCOUNT ANALYSIS

	Three month period ended	
	31 March 2023 <i>(unaudited and not reviewed)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
Revenue from contracts with customers	82,251,222	139,940,254
Other operating income	999,117	412,952
Changes in inventories of finished goods and work in progress	(2,721,369)	(4,238,531)
Raw materials, consumables used and merchandise costs	(53,655,775)	(87,118,861)
Depreciation and amortisation	(5,168,753)	(7,334,986)
Employee benefits expenses	(13,753,728)	(21,458,536)
Marketing and advertising costs	(994,621)	(1,541,559)
Services and utilities expenses	(8,391,240)	(12,903,940)
Other gains/(losses) – net	277,741	35,976
Operating result – profit/(loss)	(1,157,406)	5,792,769
Financial income	112,767	114,324
Financial costs	(3,239,416)	(5,960,467)
Net finance result	(3,126,649)	(5,846,143)
Share of net loss of associates accounted for using the equity method	(6,466)	-
Result before income tax	(4,290,521)	(53,374)
Income tax expense	(142,871)	(290,704)
Loss for the period from continuing operations	(4,433,392)	(344,078)
<i>Other comprehensive income:</i>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	446,537	249,491
Other comprehensive income, net of tax	446,537	249,491
Total comprehensive income for the period	(3,986,855)	(94,587)
Loss is attributable to:		

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	Three month period ended	
	31 March 2023 <i>(unaudited and not reviewed)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
- Owners of the Company	(4,480,239)	(1,076,879)
- Non-controlling interests	46,847	732,801
	(4,433,392)	(344,078)
<i>Total comprehensive income is attributable to:</i>		
- Owners of the Company	(4,167,663)	(927,184)
- Non-controlling interests	180,808	832,597
	(3,986,855)	(94,587)
Earnings per share (RON)		
Basic, the loss attributable to Company's shareholders of ordinary shares	(0.25)	(0.05)

Revenue increased by 70% in Q1 2024 compared to Q1 2023, not fully comparable due to the different impact that acquisitions (direct and indirect) had in the two periods. Q1 2024 revenue was 29.8% generated by BICO Group activity (production of glass fibre and glass fibre reinforcement), while EVOLOR (production of varnishes, paints and decorative plasters) contributed 13.4% to total revenue, Eco Euro Doors and Workshop (production of doors for residential buildings) with 16.5%, DIAL (production of edged panels and mesh fencing) with 13.4% of total revenue, and Electroplast (production of electric cables, company acquired at the end of June 2023) with the remaining 26.9% of the total.

Split of revenues

	Three month period ended	
	31 March 2023 <i>(unaudited and not reviewed)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
Revenue by segments		
Fiberglass and fiberglass reinforcement	36,693,849	41,736,782
Varnishes, paints and decorative plasters	17,600,633	18,710,764
Doors for residential buildings	15,880,984	23,078,358
Edged panels and fencing mesh	12,075,756	18,779,934
Electric cables	-	37,634,416
	82,251,222	139,940,254

Of the total revenue of RON 139.9 mn registered in Q1 2024, a share of 76.8% (RON 107.5 mn) come from sales to customers in Romania, the rest of the sales being generated mainly by BICO Group with external partners (mainly Italy, Germany, Bulgaria, Greece, Poland, Hungary and Croatia).

ROCA Industry is a holding company with no operating income of its own, recording income mainly from dividends distributed by the portfolio companies and other financial income, so the entire amount of income comes from the consolidation of its portfolio companies.

Other operating income, totaling RON 0.4 mn as at 31 March 2024 (compared to RON 1.0 mn RON as of 31 March 2023), is mostly made up of revenues from government grants accessed by group companies through European programmes, for investments.

The changes in inventories of finished goods and work in progress, amounting to RON -4,2 mn as at 31 March 2024 (compared to RON -2.7 mn at Q1 2023) was generated mainly by BICO Group (RON -4.1 mn), DIAL (RON -1.7 mn) and EVOLOR (RON -0.3 mn), the result being partially offset by positive changes recorded by the other companies owned by the holding.

Operating expenses

Raw materials, consumables used and merchandise costs at consolidated level reached a level of RON 87.1 mn in Q1 2024 compared to RON 53.7 mn in Q1 2023, up 62.4%. The high share of this category of expenses in total operating expenses is a normal aspect considering the core activity of Group companies and is directly impacted by the volume of sales made during the analyzed period. At consolidated level, another factor that influenced the variation in expenses was the moment when companies entered under the umbrella of ROCA Industry, so the values presented represent the cost of consumption of raw materials and materials recorded only during the consolidation period.

Employee benefits expenses increased by 56.0% in Q1 2024 versus Q1 2023, both as a result of the acquisitions of new companies included in the consolidation perimeter, as well as based on the increase in wages in the construction sector and the initiation of the implementation process of ROCA Industry's operational transformation strategy.

The operational transformation strategy appears as a need when a new company is acquired. It usually has a reduced structure of employees, specific to an entrepreneurial business model not particularly oriented towards innovation, growth and development. As a first step to improve the operational activity, after completing the acquisition process, ROCA Industry pays special attention to completing and strengthening the management team made up of seniors with experience and expertise in the field.

Expenses with rendered services and utilities reached a level of RON 12.9 mn in Q1 2024, 53.8% above the level recorded in Q1 2023 and mainly include expenses with utilities, transport, maintenance, repairs and insurance.

The operating result also influenced by the market context at the beginning of 2024 led to a consolidated **EBITDA** of RON 13.0 mn in the first quarter (**EBITDA margin** of 9.3% of revenue), compared to RON 4.4 mn at Q1 2023 (**EBITDA margin** of 5.3% of revenue). Each company's contribution to EBITDA is as follows:

Q1 2024 FINANCIAL REPORT

EBITDA Split	Three month period ended	
	31 March 2023	31 martie 2024
	<i>(unaudited and not reviewed)</i>	<i>(unaudited and not reviewed)</i>
EBITDA by segments		
Fiberglass and fiberglass reinforcement (BICO Group)	1,027,310	4,132,274
Varnishes, paints and decorative plasters (EVOLOR)	2,355,730	1,816,323
Doors for residential buildings (EED&WS)	1,766,792	4,448,745
Edged panels and fencing mesh (DIAL)	260,395	2,467,168
Electric cables (ELP)	-	2,121,758
EBITDA productive companies	5,410,226	14,986,268
ROCA Industry – standalone	(1,044,559)	(1,955,673)
EBITDA consolidated	4,365,666	13,030,595

During Q1 2024, the productive Group companies (considering Terra, Iranga and Europlas within BICO Group) achieved EBITDA margins between 6% (ELP) and 19% (EED and Workshop). The first quarter of the year was characterized by higher sales in all segments, both in terms of quantity and value. At consolidated level, the positive impact is also due to the new companies entering the consolidation perimeter (ELP, Workshop and Iranga), so if we did not take into account their impact, the EBITDA of the directly productive companies existing in Q1 2023 would be RON 10.3 mn, up 89% compared to the previous year. This aspect is due to the implementation of the operational, commercial and financial development strategy that involves both growth through investments (CAPEX), M&A operations to ensure a solid long-term foundation, as well as launching new products, maximizing current distribution channels, but also identifying new sales channels, in an economic context that will not be without challenges and influences beyond the Group's control. These actions has been started since 2023.

Consolidated EBITDA for Q1 2024 was eroded by impairment and amortization expenses totaling RON 7.3 mn, 41.9% higher compared to Q1 2023, amid the depreciation of assets of new companies entering the consolidation perimeter, but also as a result of investments made by holding companies to expand production capacity and operational efficiency. Thus, in Q1 2024, as a result of the efforts made in the operating activity, a profit of RON 5.8 mn is registered, compared to the loss of RON 1.2 mn obtained in Q1 2023.

The financial loss in the first quarter of 2024, in the amount of RON 5.9 mn, up 87.0% compared to the result obtained in Q1 2023, was generated by financial expenses of RON 6.0 mn, representing mainly interest expenses related to LBO credit facilities contracted to finance company acquisitions, as well as interest on credit facilities contracted by ROCA Industry portfolio companies to finance investments and current activity. At the same time, financial income amounting to RON 0.1 mn at Q1 2024 represents mostly interest income on short-term deposits.

Taking into account all these elements, a consolidated loss from the operational activity, before taxes of RON 0.05 mn is recorded in Q1 2024 (compared to a loss of RON 4.4 mn obtained in Q1 2023). The breakdown of the net result by business lines is presented below:

	Three month period ended	
	31 March 2023 <i>(unaudited and not reviewed)</i>	31 March 2023 <i>(unaudited and not reviewed)</i>
Operating result by segments		
ROCA Industry	(1,283,086)	(2,369,072)
Fiberglass and fiberglass reinforcement (BICO Group)	(2,161,842)	326,958
Varnishes, paints and decorative plasters (EVOLOR)	812,824	(268,758)
Doors for residential buildings (EED&WS)	(804,638)	1,347,220
Edged panels and fencing mesh (DIAL)	(996,651)	1,030,395
Electric cables (ELP)	-	(410,821)
	(4,433,393)	(344,078)

As can be seen in the data presented above, the direct productive companies obtained superior results as compared to Q1 2023, and at consolidated level, ROCA Industry recorded a net loss of RON 0.3 mn during 2024, of which a result of RON -1.0 mn is allocated to the parent company and the difference of RON 0.7 mn being allocated to non-controlling interests.

Evolution of business segments:

a) Fiberglass and fiberglass reinforcement (BICO Group)

In the 3 months of 2024, BICO Group's revenue increased by 14% compared to Q1 2023, up to RON 41.7 mn, in quantitative terms the increase being similar (14%). Also, compared to the same period of the previous year, the gross margin increased by 9.5 percentage points as a result of operational optimization, but also due to the increase in the sale of products with the highest margin in the BICO Group portfolio. In Q1 2024, the company continued to gain market share, following the steps started in 2023.

One of the challenges of the first quarter was in the supply chain, which was strongly affected by the geopolitical crisis in the Red Sea. The Group, however, managed to identify new suppliers, thus bribing this aspect. As a result of these developments, EBITDA recorded in Q1 2024 increased by 302% compared to Q1 2023, to the level of RON 4.1 mn. At the same time, BICO Group registered a net profit of RON 0.3 mn, compared to a net loss of RON 2.2 mn for Q1 2023. Further, the management of the holding does not expect deviations from the budget in the next period.

b) Varnishes, paints and decorative plasters (EVOLOR)

In the first 3 months of 2024, EVOLOR recorded a revenue of RON 18.7 mn, up 6% compared to 3M 2023, mainly due to increased sales volume across all product categories. The increase in marketing costs (+130% versus Q1 2023 – an impact that will be seen in sales in the next period), but also in salary expenses above the level of Q1 2023 (both as a result of a higher level of wages and a higher number of employees) had an impact on EBITDA, which registered from Q1 2024 a decrease of 23% compared to the same period of 2023.

As a result of these developments, at the end of the first 3 months of 2024, the company recorded a net loss of RON 0.3 mn, compared to the net profit of RON 0.8 mn for Q1 2023. Given the seasonality of the market in which the company operates, we mention that Q1 and Q4 generate lower sales, and the company maintains its budget estimates approved by shareholders.

c) Doors for residential buildings (EED & WS)

The revenue of this segment in the first 3 months of 2024 reached the level of RON 23.1 mn, 45% above that of Q1 2023. This evolution is due to the addition to the consolidation perimeter of Workshop, which contributes with RON 9.3 mn to this increase, respectively has a share of 40% of the total revenue.

On the operating expenditure side, the most significant are those for the purchase of raw materials and necessary consumables, which increased by 5% compared to Q1 2023, up to RON 11.1 mn. Another component with an impact on operating expenses was employee benefits, increasing by 53%, to RON 5.2 mn, both due to tax changes for the construction sector, but also as a result of the holding's policy to complete the management team of the new companies entering the group with key experienced people.

As a result of the mentioned developments, the continuation of cost optimization efforts in EED, but also the positive impact due to the consolidation of Workshop, the residential doors segment achieved an EBITDA of RON 4.48 mn, compared to RON 1.76 mn at 3M 2023, and the EBITDA margin stood at 19%. Depreciation and financial costs, especially interest, eroded the results of the segment, so that it registered a net profit of RON 1.35 mn in the 3 months of 2024, compared to a net loss of RON 0.8 mn at the end of March 2023.

d) Edged panels and fencing mesh (DIAL)

The revenue registered during the first 3 months of 2024 was RON 18.8 mn, 56% above Q1 2023 level (RON 12.1 mn), mainly due to the increased volume of sales in most product categories. This aspect comes because of implementing the commercial strategy by launching new products, maximizing existing channels and identifying new sales channels, implicitly by developing the export area.

DIAL managed in the first part of the year to sell from the stock produced in 2023, the impact being observed at the level of changes in inventories of finished products and ongoing production (negative impact of RON -1.7 mn vs RON 2.4 mn in the first 3 months of 2023). Also, production during the year was correlated with the needs identified in the sales area, and together with the optimizations brought by the acquisition department, caused the costs with raw materials, consumables and goods register a decrease of 2% in Q1 2024 compared to Q1 2023. All these developments contributed to achieving the 2024 objective, namely improving operating profitability as a result of operational optimization and product mix development.

In the operating expenses category, the most significant are those related to employee benefits, which increased by 13% compared to Q1 2023, to the level of RON 1.8 mn. Thus, the fencing segment achieved an EBITDA of RON 2.5 mn, compared to RON 0.26 mn at 3M

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2023, and the EBITDA margin stood at 13%. At the same time, the company registered a net profit of RON 1.03 mn, compared to a net loss of RON 1.0 mn for the first 3 months of 2023.

e) Electrical cables (ELP)

Electroplast was not in the structure of the group at the end of March 2023 as it was included in the consolidation perimeter starting July. However, in order to present the evolution of the company, ROCA Industry management mentions that the revenue registered in Q1 2024, amounting to RON 37.6 mn, is 5% above the level of Q1 2023 (RON 35.8 mn), mainly due to the increased volume of sales in most product categories. In the first 3 months of the year, ELP recorded an EBITDA of RON 2.1 mn, with an EBITDA margin of 6%, up 1 percentage point compared to 2023.

CONSOLIDATED BALANCE SHEET ANALYSIS

	31-Dec-2023 <i>(audited)</i>	31-Mar-2024 <i>(unaudited and not reviewed)</i>
	<hr/>	<hr/>
ASSETS		
Non-current assets		
Goodwill	84,923,483	109,079,357
Other intangible assets	110,840,590	109,252,321
Property, plant and equipment	206,439,728	220,821,414
Right-of-use assets	14,654,827	14,585,460
Non-current financial assets	34,800	38,579
Total non-current assets	416,893,428	453,777,131
Current assets		
Inventories	89,411,631	94,172,815
Trade receivables	75,517,971	111,380,736
Other current financial assets	4,157,089	9,815,479
Prepayments	1,291,575	2,503,721
Cash and cash equivalents	38,501,727	25,438,807
Total current assets	208,879,993	243,311,558
TOTAL ASSETS	625,773,421	697,088,689
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	176,945,730	248,672,220
Share premium	38	44
Revaluation reserve	16,452,299	16,452,299
Conversion reserves	403,721	553,417
Retained earnings	(32,782,295)	(34,062,668)
Total equity attributable to owners of the Company	161,019,493	231,615,312
Non-controlling interests	22,579,427	25,916,648
Total equity	183,598,920	257,531,960

Q1 2024 FINANCIAL REPORT

	31-Dec-2023 <i>(audited)</i>	31-Mar-2024 <i>(unaudited and not reviewed)</i>
Non-current liabilities		
Borrowings	158,599,061	169,256,157
Lease liability	8,577,857	7,830,168
Government grants	2,699,312	3,323,401
Deferred tax liabilities	20,159,077	19,912,432
Total non-current liabilities	190,035,307	200,322,158
Current liabilities		
Borrowings	109,550,643	129,047,239
Lease liability	2,902,105	3,787,748
Liabilities related to acquisitions of subsidiaries	68,758,901	7,488,849
Trade and other payables	62,051,101	88,099,474
Employee benefits - current	5,582,265	6,718,593
Current tax liabilities	804,398	1,439,893
Government grants	2,489,781	2,652,775
Total current liabilities	252,139,194	239,234,571
Total liabilities	442,174,501	439,556,729
TOTAL EQUITY AND LIABILITIES	625,773,421	697,088,689

As of 31 March 2024, **total assets** at consolidated level reached a total amount of RON 697.1 mn, up 11.4% compared to 31 December 2023. The increase represents the effect of including in the consolidation perimeter of the company acquired during Q1 2024, namely Workshop Doors, its financial position not being reflected in the financial statements of 2023. The structure, split by operational segments (eliminating the impact of ROCA Industry), is presented in the following table:

	31-Dec-23 <i>(audited)</i>	31-Mar-24 <i>(unaudited and not reviewed)</i>
Varnishes, paints and decorative plasters (EVOLOR)	129,176,056	131,650,247
Fiberglass and fiberglass reinforcement (BICO Group)	168,960,347	174,282,788
Doors for residential buildings (EED&WS)	113,505,645	169,217,058
Edged panels and fencing mesh (DIAL)	82,603,158	84,801,572
Electric cables (ELP)	130,375,345	135,146,060
	624,620,551	695,097,725

Non-current assets

Non-current assets at consolidated level increased by 8.8% compared to 31 December 2023, reaching RON 453.8 mn. The effect of the acquisition of Workshop Doors in Q1 2024 was felt mainly on **property, plant and equipment** (+7.0% compared to the financial year ended 31 December 2023), consisting mainly of land and construction, equipment, assets under construction and advances on fixed assets. Additionally, **goodwill** advanced by 28.4%, up to RON 109.1 mn at the end of Q1 2024 following the acquisition of Workshop Doors in January 2024. Its structure is shown in the following table.

Q1 2024 FINANCIAL REPORT

	31-Dec-23 <i>(audited)</i>	31-Mar-24 <i>(unaudited and not reviewed)</i>
Varnishes, paints and decorative plasters (EVOLOR)	35,389,467	35,389,467
Fiberglass and fiberglass reinforcement (BICO Group)	18,846,947	18,846,947
Doors for residential buildings (EED)	10,730,885	34,886,759
Edged panels and fencing mesh (DIAL)	6,134,741	6,134,741
Electric cables (ELP)	13,821,443	13,821,443
	84,923,483	109,079,357

Other intangible assets (-1.4% versus 31 December 2023) mainly include trademarks, customer relationship and licenses and other intangibles.

Current assets

Total **current assets** as of 31 March 2024 amounted to RON 243.3 mn, up 16.5% compared to 31 December 2023. Of these, the most important component was represented by **trade receivables**, which amounted to RON 111.4 mn at consolidated level on 31 March 2024, up 47.5% compared to the end of 2023, evolution generated by the consolidation of Workshop and the seasonality of group companies.

Inventories, in amount of RON 94.2 mn as of 31 March 2024, registered an increase of 5.3% between the two periods. The main components are raw materials, finished products and merchandise, ongoing production and advances for the acquisition of inventories of companies in the consolidation perimeter.

Cash and cash equivalents totaled RON 25.5 mn, registering a decrease of 33.9% below the level recorded on 31 December 2023, mainly due to the needs to finance the current activity of companies, as well as payments made for loan repayment and interest payments on loans.

Equity and liabilities

Equity underwent significant changes in the first quarter of 2024, reaching a level of RON 257.5 mn as of 31 March 2024, compared to RON 183.6 mn at the end of 2023 as a result, mainly, of the completion of the process of increasing the share capital of the Company. Thus, as a result of this process, 7.2 mn shares were subscribed and the share capital was increased from RON 176.9 mn to RON 248.7 mn.

Total liabilities at consolidated were 0.6% below the level as of 31 December 2023, reaching the total amount of RON 439.6 mn. Their breakdown by operational segments (eliminating the influence of ROCA Industry) is as follows:

Q1 2024 FINANCIAL REPORT

	31-Dec-23	31-Mar-24
	<i>(audited)</i>	<i>(unaudited and not reviewed)</i>
Varnishes, paints and decorative plasters (EVOLOR)	84,539,437	87,446,508
Fiberglass and fiberglass reinforcement (BICO Group)	83,348,483	89,095,336
Doors for residential buildings (EED)	77,836,883	99,775,984
Edged panels and fencing mesh (DIAL)	52,763,242	54,199,971
Electric cables (ELP)	73,184,179	79,184,435
	371,672,224	409,702,235

Non-current liabilities at consolidated level as of 31 March 2024, with a share of 45.6% in total liabilities, amounted to RON 200.3 mn, 5.4% above the level recorded at the end of 2023. The increase was determined by the impact of new credit facilities contracted by companies to finance investments or current activity,

Non-current borrowings are the major component of non-current liabilities, amounting to RON 169.3 mn, +6.7% compared to the end of 2023. The changes compared to the value as of 31 December 2023 come from the long-term portion of the new credit facilities contracted by the Group companies or from the credit facilities taken over in the consolidation perimeter through the acquisition of Workshop (RON 8.3 mn). Details of all long-term borrowings of Group companies are disclosed in Note 17 to the interim consolidated financial statements.

Another element with an impact on the share of long-term liabilities is represented by the long-term portion of **lease liabilities**, which at the end of Q1 2024 reached a level of RON 7.8 mn, compared to RON 8.6 mn at the end of 2023. These liabilities represent leasing facilities contracted primarily for the purchase of equipment necessary for carrying out current business.

Deferred income tax liabilities in the amount of RON 19.9 mn is determined based on the corporate tax rate specific to each subsidiary (RO – 16%, MD – 12% and Lithuania 15%).

Current liabilities at consolidated level as at 31 March 2024 amounted to RON 229.9 mn, down 8.8% compared to the level recorded at the end of 2023. The most important elements in their structure are borrowings (RON 119.9 mn), trade and other payables (RON 87.9 mn), liabilities related to acquisitions of subsidiaries (RON 7.5 mn) and employee benefits (RON 6.7 mn).

Short-term borrowings (RON 129.1 mn) as of 31 March 2024, +17.8% compared to 31 December 2023 increased mainly as a result of Workshop being included in the consolidation perimeter (short-term borrowings in amount of RON 5.2 mn necessary for carrying out the current activity and financing the working capital, including through a factoring line), as well as some loans contracted by ROCA Industry from its majority shareholder necessary for the current activity. Details of all short-term loans of Group companies are disclosed in Note 17 to the interim consolidated financial statements.

Liabilities related to acquisitions of subsidiaries, in total amount of RON 7.5 mn, were reduced from the balance of RON 68.8 mn registered on 31 December 2023 following the completion of the share capital increase of ROCA Industry, on which occasion ELP-related liabilities were converted into capital, while the debt to former EVOLOR shareholders was completely extinguished at the beginning of 2024 according to the detailed information in the table below.

	31 December 2023 <i>(audited)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
EVOLOR – towards former shareholders	12,346,125	-
DIAL	-	-
Eco Euro Doors	-	-
ROCA Investments following ELP acquisition	56,412,776	-
ROCA Industry - WS		(7,488,849)
Total	68,758,901	(7,488,849)

Trade and other payables reached a level of RON 88.1 mn at 31 March 2023, compared to RON 62.1 mn at the end of 2023. A significant part of the entire increase, namely RON 21.4 mn comes mainly from the increase in liabilities of the direct productive companies, normal fluctuation depending on the operational needs of companies, amid inventories preparation for the seasonal sales stage, but also as a result of Workshop entering the consolidation perimeter.

ANALYSIS OF STANDALONE FINANCIAL RESULTS ROCA INDUSTRY

STANDALONE PROFIT AND LOSS ACCOUNT ANALYSIS

	31 March 2023 <i>(unaudited and not reviewed)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
Other operating income	272	272
Finance income	2,557,718	1,268,165
Depreciation and amortisation	(85,871)	(41,345)
Employee benefit expenses	(655,103)	(757,111)
Finance costs	(70,998)	(407,506)
Advertising costs	(18,137)	(132,979)
Other operating expenses	(360,697)	(1,049,658)
Profit / (Loss) before income tax	1,367,184	(1,120,162)
Income tax expense	(105,319)	(97)
Profit / (Loss) for the period from continuing operations	1,261,865	(1,120,259)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	1,261,865	(1,120,259)

ROCA Industry is a holding company with no operating income of its own, recording income mainly from dividends distributed by the companies held in the portfolio and other financial income.

The **finance income** of RON 1.3 mn is entirely composed of **interest income** for intra-group loans granted by ROCA Industry to the Group companies. The amount is half compared to Q1 2023 revenue as in 2023 ROCA Industry had **dividend income** of RON 1.5 mn represented by dividends distributed but not paid by DIAL – taken over by merger from Nativerock1.

The **operating expenses** for the first 3 months of 2024 (RON 2.4 mn versus RON 1.2 mn in Q1 2023), are mainly composed of operating costs of the holding, respectively personnel expenses, expenses related to portfolio company management activities and interest expenses. The doubling of operating expenses compared to Q1 2023 was generated both by the new companies acquired, with an impact on the costs of managing their activity, as well as the audit and financial consultancy expenses necessary to meet the stricter criteria applicable to companies listed on the BSE regulated market. In addition, interest expenses related to intra-group loans granted by the majority shareholder, ROCA Investments, necessary to finance portfolio companies but also to the current activity of the holding,

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increased 5 times due to a higher loans' balance (balance at Q1 2024 of RON 20.2 mn versus RON 4.9 mn at the end of Q1 2023).

As a result of these developments, the Company recorded a **loss from operational activity** of RON 1.1 mn and an **overall loss** at the same level.

BALANCE SHEET ANALYSIS

	31 December 2023 <i>(audited)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
ASSETS		
Non-current assets		
Other intangible assets	6,394	5,752
Property, plant and equipment	22,020	24,304
Right-of-use assets	392,399	354,677
Investments in subsidiaries	151,292,631	181,292,631
Deferred tax assets	769	672
Total non-current assets	151,714,213	181,678,036
Current assets		
Other current financial assets	86,440,767	85,350,203
Prepayments	71,185	115,208
Cash and cash equivalents	620,198	1,467,936
Total current assets	87,132,150	86,933,347
TOTAL ASSETS	238,846,363	268,611,383
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	176,945,730	248,672,220
Share premium	38	44
Retained earnings	(8,608,064)	(9,931,818)
Total equity attributable to owners of the Company	168,337,704	238,740,446
Total equity	168,337,704	238,740,446
Non-current liabilities		
Lease liability	243,602	204,191
Government grants	1,402	1,130
Total non-current liabilities	245,004	205,321
Current liabilities		
Trade and other payables	57,958,008	9,137,786
Current tax liabilities	(120,337)	(120,337)
Lease liability	153,606	154,686
Borrowings	11,944,120	20,217,057
Employee benefits - current	328,258	276,424
Total current liabilities	70,263,655	29,665,616
Total liabilities	70,508,659	29,870,937
TOTAL EQUITY AND LIABILITIES	238,846,363	268,611,383

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At the end of Q1 2024, **total assets** at individual level were 12.5% above the level of 31 December 2023, totaling RON 268.6 mn. As part of these, **non-current assets**, in the total amount of RON 181.7 mn, have a share of 67.6% and consist almost entirely of **financial assets**, respectively participations held by ROCA Industry in its subsidiaries. The increase by RON 30 mn (+19.8%) as compared to Q1 2023 was generated as a result of the registration of the company's stake in the Workshop (following the transaction that took place in February 2024).

INDICATOR (RON)	Q1 2024	FY 2023	Δ %
<i>BICO</i>	71,022,300	71,022,300	0%
<i>Value adjustment for the stake in BICO</i>	<i>(8,720,542)</i>	<i>(8,720,542)</i>	0%
<i>EVOLOR</i>	100	100	0%
<i>EED</i>	36,239,684	36,239,684	0%
<i>DIAL</i>	7,000,100	7,000,100	0%
<i>ELP</i>	45,750,989	45,750,989	0%
<i>WORKSHOP</i>	30,000,000	-	N/A
Total	181,292,631	151,292,631	+19.8%

Current Assets

Current assets, in the total amount of RON 86.9 mn as of 31 March 2024, remained at a similar level to that of the end of 2023 (RON 87.1 mn), **other current financial assets** being the most important component (in total amount of RON 85.4 mn). These current financial assets are mainly composed of loans granted to owned companies (RON 75.0 mn), interest on these loans (RON 8.8 mn) and dividends receivable from DIAL (RON 1.5 mn).

Equity and liabilities

Equity reached a level of RON 238.7 mn as of 31 March 2024, compared to RON 168.3 mn at the end of 2023. The main change was registered in the **share capital**, which, following the completion of the capital increase at the end of January, went up by RON 71.2 mn, to RON 248.7 mn. It consists of paid-up subscribed share capital in the amount of RON 177.6 mn and of the contribution in kind of 70% of the shares of BICO of RON 71.0 mn.

Total liabilities at ROCA Industry decreased by 57.6%, to RON 29.9 mn and are 99.3% made up of **short-term liabilities** (RON 29.7 mn). Their main components are:

- Intra-group loans (RON 20.2 mn), up from the end of 2023 as a result of an additional loan from ROCA Investments obtained to finance its current activity,
- Trade and other payables (RON 9.1 mn), down 84.2% compared to the end of 2023 (RON 58.0 mn) because of extinguishing the liability towards ROCA Investments representing the purchase price of Electroplast. It was converted into share capital at the beginning of 2024, after completing the share capital increase process.

MAIN FINANCIAL INDICATORS AT CONSOLIDATED LEVEL

Current ratio as of 31.03.2024

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{183,720,929}{140,211,215} = 1.31$$

Debt to equity ratio as of 31.03.2024

$$\frac{\text{Interest bearing debt}}{\text{Equity}} \times 100 = \frac{153,076,047}{174,664,118} \times 100 = 87.64\%$$

$$\frac{\text{Interest bearing debt}}{\text{Employed capital}} \times 100 = \frac{153,076,047}{327,740,165} \times 100 = 47.61\%$$

Interest bearing debt = Loans over 1 year

Employed capital = Borrowed capital + Equity

Fixed asset turnover as of 31.03.2024

$$\frac{\text{Annualized turnover}}{\text{Fixed assets}} = \frac{655,424,856}{305,190,326} = 2.15$$

DECLARATION OF THE MANAGEMENT

Bucharest, 15 May 2024

"I confirm, according to the best available information, that the individual and consolidated financial results for the period between 01.01.2024 and 31.03.2024 give a correct and consistent picture of the assets, liabilities, financial position and profit and loss account of ROCA Industry Holdingrock1 S.A. and that this Report, prepared in accordance with art. 69 of Law 24/2017 on issuers of financial instruments and market operations and Annex no. 13 of ASF Regulation no. 5/2018 for the period ended 31 March 2024 provides an accurate and consistent picture of the important events that occurred in 2024 and their impact on the company's financial statements."

Ioan Adrian Bindea

Chairman of the Board of Directors

ROCA INDUSTRY HOLDINGROCK1 SA

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTH PERIOD ENDED

31 MARCH 2024

**prepared in accordance with the
INTERNATIONAL ACCOUNTING STANDARD 34 – “INTERIM FINANCIAL REPORTING”,
as adopted by the European Union**

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ROCA INDUSTRY HOLDINGROCK1 SA
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH
(all amounts are expressed as 'RON' unless otherwise specified)

	Notes	Three month period ended	
		31 March 2024 <i>(unaudited and not reviewed)</i>	31 March 2023 <i>(unaudited and not reviewed)</i>
Revenue from contracts with customers	5	139,940,254	82,251,222
Other operating income		412,952	999,117
Changes in inventories of finished goods and work in progress		(4,238,531)	(2,721,369)
Raw materials, consumables used and merchandise costs		(87,118,861)	(53,655,775)
Depreciation and amortisation		(7,334,986)	(5,168,753)
Employee benefits expenses		(21,458,536)	(13,753,728)
Marketing and advertising costs		(1,541,559)	(994,621)
Services and utilities expenses		(12,903,940)	(8,391,240)
Other gains/(losses) – net		35,976	277,741
Operating result – profit/(loss)		5,792,769	(1,157,406)
Financial income		114,324	112,767
Financial costs		(5,960,467)	(3,239,416)
Net finance result		(5,846,143)	(3,126,649)
Share of net loss of associates accounted for using the equity method	12	-	(6,466)
Result before income tax		(53,374)	(4,290,521)
Income tax expense	6	(290,704)	(142,871)
Loss for the period from continuing operations		(344,078)	(4,433,392)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		249,491	446,537
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		-	-
Deferred tax on revaluations of property, plant and equipment		-	-
Other comprehensive income, net of tax		249,491	446,537
Total comprehensive income for the period		(94,587)	(3,986,855)
Loss is attributable to:			
- Owners of the Company		(1,076,879)	(4,480,239)
- Non-controlling interests		732,801	46,847
		(344,078)	(4,433,392)
Total comprehensive income is attributable to:			
- Owners of the Company		(927,184)	(4,167,663)
- Non-controlling interests		832,597	180,808
		(94,587)	(3,986,855)
Basic and diluted earnings per share (RON) (Note 7)		(0.05)	(0.25)

These condensed consolidated financial statements were approved and signed today, 15 May 2024.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **CEO**

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature _____

Signature _____

The Explanatory Notes attached form an integral part of these condensed consolidated financial statements.

ROCA INDUSTRY HOLDINGROCK1 SA
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

(all amounts are expressed as 'RON' unless otherwise specified)

	Notes	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
ASSETS			
Non-current assets			
Goodwill	9	109,079,357	84,923,483
Other intangible assets	10	109,252,321	110,840,590
Property, plant and equipment	11	220,821,414	206,439,728
Right-of-use assets		14,585,460	14,654,827
Non-current financial assets		38,579	34,800
Total non-current assets		453,777,131	416,893,428
Current assets			
Inventories	13	94,172,815	89,411,631
Trade receivables	14	111,380,736	75,517,971
Other current financial assets		9,815,479	4,157,089
Prepayments		2,503,721	1,291,575
Cash and cash equivalents	15	25,438,807	38,501,727
Total current assets		243,311,558	208,879,993
TOTAL ASSETS		697,088,689	625,773,421
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	248,672,220	176,945,730
Share premium		44	38
Revaluation reserve		16,452,299	16,452,299
Other reserves		553,417	403,721
Retained earnings		(34,062,668)	(32,782,295)
Total equity attributable to owners of the Company		231,615,312	161,019,493
Non-controlling interests	8	25,916,648	22,579,427
Total equity		257,531,960	183,598,920
Non-current liabilities			
Borrowings	17	169,256,157	158,599,061
Lease liability		7,830,168	8,577,857
Government grants		3,323,401	2,699,312
Deferred tax liabilities		19,912,432	20,159,077
Total non-current liabilities		200,322,158	190,035,307
Current liabilities			
Borrowings	17	129,047,239	109,550,643
Lease liability		3,787,748	2,902,105
Liabilities related to acquisitions of subsidiaries	8	7,488,849	68,758,901
Trade and other payables		88,099,474	62,051,101
Employee benefits - current		6,718,593	5,582,265
Current tax liabilities		1,439,893	804,398
Government grants		2,652,775	2,489,781
Total current liabilities		239,234,571	252,139,194
Total liabilities		439,556,729	442,174,501
TOTAL EQUITY AND LIABILITIES		697,088,689	625,773,421

These condensed consolidated financial statements were approved and signed today, 15 May 2024.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **CEO**

Signature _____

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature _____

The Explanatory Notes attached form an integral part of these condensed consolidated financial statements.

ROCA INDUSTRY HOLDINGROCK1 SA
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024
(all amounts are expressed as 'RON' unless otherwise specified)

	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2023 <i>(audited)</i>	176,945,730	38	2,348,223	(128,537)	(18,246,667)	160,918,787	17,732,186	178,650,973
Result for the period	-	-	-	-	(4,480,239)	(4,480,239)	46,847	(4,433,392)
Other comprehensive income	-	-	-	312,576	-	312,576	133,961	446,537
Total comprehensive result for the period	-	-	-	312,576	(4,480,239)	(4,167,663)	180,808	(3,986,855)
Transactions with owners in their capacity as owners:								
Dividends	-	-	-	-	-	-	-	-
Transaction costs on issuance of shares	-	-	-	-	-	-	-	-
Balance as at 31 March 2023 <i>(unaudited and not reviewed)</i>	176,945,730	38	2,348,223	184,039	(22,726,906)	156,751,124	17,912,994	174,664,118
Balance as at 1 January 2024 <i>(audited)</i>	176,945,730	38	16,452,299	403,721	(32,782,295)	161,019,493	22,579,427	183,598,920
Result for the period	-	-	-	-	(1,076,879)	(1,076,879)	732,801	(344,078)
Other comprehensive income	-	-	-	149,696	-	149,696	99,795	249,491
Total comprehensive result for the period	-	-	-	149,696	(1,076,879)	(927,183)	832,596	(94,587)
Transactions with owners in their capacity as owners:								
Share capital increase	71,726,490	6	-	-	-	71,726,496	-	71,726,496
Transaction costs on issuance of shares	-	-	-	-	(203,494)	(203,494)	-	(203,494)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	2,504,625	2,504,625
Balance as at 31 March 2024 <i>(unaudited and not reviewed)</i>	248,672,220	44	16,452,299	553,417	(34,062,668)	231,615,312	25,916,648	257,531,960

These condensed consolidated financial statements were approved and signed today, 15 May 2024.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **CEO**

Signature _____

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature _____

The Explanatory Notes attached form an integral part of these condensed consolidated financial statements.

ROCA INDUSTRY HOLDINGROCK1 SA
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(all amounts are expressed as 'RON' unless otherwise specified)

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 March 2023 <i>(unaudited and not reviewed)</i>
Result before tax	(53,374)	(4,290,521)
Adjustments for:		
Depreciation and amortisation expenses	7,334,986	5,168,753
Amortisation of government grants	(252,843)	(247,955)
Movements in allowance for expected credit losses	-	35,564
Reversal of impairment/(Impairment) of current assets	(20,804)	636,081
Share of result of associate (note 12)	-	6,466
Interest income	(108,349)	(112,306)
Interest expenses	5,327,115	3,000,157
Unrealized foreign exchange loss	161,183	-
Net (gain)/loss on sale of non-current assets	(4,372)	41,809
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
Increase of trade and other receivables	(38,126,272)	(40,530,401)
Decrease of inventories	3,330,166	1,537,741
Increase of trade and other payables	68,964,601	6,534,664
Increase of non-current financial assets	(3,779)	(580,684)
Cash flows from operating activities	46,548,258	(28,800,632)
Income tax	58,653	(802,497)
Net cash generated from/(used in) operating activities	46,606,911	(29,603,129)
Cash flows from investing activities:		
Payment for the acquisition of a subsidiary, net of cash (note 8)	(89,631,170)	(15,300,999)
Payments for acquisition of property, plant and equipment	(5,177,164)	(4,574,746)
Payments for acquisition of intangible assets	(27,362)	(17,218)
Receipt of government grants	576,330	-
Interest received	108,349	112,306
Proceeds from the sale of property, plant and equipment	4,372	45,918
Net cash used in investing activities	(94,146,645)	(19,734,739)
Cash flows from financing activities:		
Proceeds from borrowings	49,480,066	46,712,191
Repayment of borrowings	(24,712,689)	(20,664,233)
Interest paid	(4,639,271)	(2,639,807)
Transaction costs related to loans and borrowings	(139,540)	-
Repayments of lease liabilities	(871,469)	(554,035)
Proceeds from shares issued (note 16)	15,313,720	-
Transaction costs related to shares issuance	(203,494)	-
Net cash generated from financing activities	34,227,323	22,854,116
Net decrease in cash and cash equivalents	(13,312,411)	(26,483,752)
Cash and cash equivalents at 1 January	38,501,727	42,434,560
Effects of exchange rate changes on cash and cash equivalents	249,491	446,537
Cash and cash equivalents at 31 March	25,438,807	16,397,345

These condensed consolidated financial statements were approved and signed today, 15 May 2024.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
Function: **CEO**

Signature _____

Surname and given name(s): **Valentin Albu**
Function: **CFO**

Signature _____

ROCA INDUSTRY HOLDINGROCK1 SA
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH
(all amounts are expressed as 'RON' unless otherwise specified)

1. GENERAL INFORMATION

Roca Industry Holdingrock1 SA (the "Company", the "Parent-Company" or "Roca Industry") is a limited company, incorporated in Romania, whose shares are publicly traded. The registered office is located 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 *SOCIETATEA DE INVESTITII ALTERNATIVE CU CAPITAL PRIVAT ROCA INVESTMENTS SA ("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.

The Company's subsidiaries activate in the field of construction materials, i.e. in the production of fiberglass and fiberglass reinforcement (BICO, TERRA, EUROPLAS, IRANGA), production of varnishes, paints, and decorative plasters (EVOLOR), production of doors for residential buildings (ECO EURO DOORS and WORKSHOP DOORS), production of edged panels and fencing mesh (DIAL), and as well as production of low-voltage copper and aluminium electrical cables (ELECTROPLAST).

Further information on the structure of the Group is provided in *Note 1 Subsidiaries* and information on other related party relationships of the Group is provided in *Note 19 - Related parties*.

The condensed consolidated interim financial statements ("interim financial statements") of the Company and its subsidiaries (together the 'Group') for the three months ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 15 May 2024.

Subsidiaries

The consolidated financial statements of the Group include:

Name of subsidiary	Principal activities	Place of incorporation and operation	Ownership held by the Group		Ownership held by non-controlling interests	
			31.03.2024	31.12.2023	31.03.2024	31.12.2023
Evolor S.R.L. ('Evolor')	Varnishes, paints and decorative plasters	Romania	100%	100%	-	-
Bico Industries S.A. ('Bico')	Fiberglass and fiberglass reinforcement	Romania	60%	60%	40%	40%
<i>Terra Impex Termoizolare S.R.L.*</i>	<i>Fiberglass and fiberglass reinforcement</i>	<i>Romania</i>	<i>60%</i>	<i>60%</i>	<i>40%</i>	<i>40%</i>
<i>Terra Impex S.R.L. ('TI', 'Terra')</i>	<i>Fiberglass and fiberglass reinforcement</i>	<i>Republic of Moldova</i>	<i>60%</i>	<i>60%</i>	<i>40%</i>	<i>40%</i>
<i>Investitii Real Estate S.R.L. ('II', 'Terra')</i>	<i>Fiberglass and fiberglass reinforcement</i>	<i>Republic of Moldova</i>	<i>60%</i>	<i>60%</i>	<i>40%</i>	<i>40%</i>
<i>Iranga Technologijos UAB ('Iranga')</i>	<i>Fiberglass and fiberglass reinforcement</i>	<i>Lithuania</i>	<i>60%</i>	<i>60%</i>	<i>40%</i>	<i>40%</i>
<i>Europlas Lux S.R.L. ('Europlas')</i>	<i>Fiberglass and fiberglass reinforcement</i>	<i>Republic of Moldova</i>	<i>60%</i>	<i>60%</i>	<i>40%</i>	<i>40%</i>
Eco Euro Doors S.R.L. ('EED')	Doors for residential buildings	Romania	100%	100%	-	-
Doorsrock4 S.R.L.**	Holding company	Romania	-*	-*	-	-
Dial S.R.L. ('Dial')	Edged panels and fencing mesh	Romania	100%	100%	-	-
Nativerock1 S.R.L.***	Holding company	Romania	-**	-**	-	-
Electroplast S.A. ('ELP')	Copper and aluminium electric cables	Romania	99.999975%	99.999975%	0.000025%	0.000025%
Workshop S.R.L.****	Doors for residential buildings	Romania	70%	-	30%	-

* *Terra Impex Termoizolare was liquidated on 15 February 2024*

** *In 2023, Doorsrock4 and Eco Euro Doors merged - Doorsrock4 was absorbed by Eco Euro Doors*

*** *In 2023, Nativerock1 and Dial merged - Nativerock1 was absorbed by Dial*

**** *On 8 February 2024, ROCA Industry completed the acquisition of 70% of the share capital of Workshop Doors S.R.L.*

As at 31 March 2024, the Group owns directly 60% of Bico Industries (31 December 2023: 60%) and indirectly owns 60% from Terra, Iranga and Europlas, through by Bico Industries which fully owns these subsidiaries.

ROCA INDUSTRY HOLDINGROCK1 SA
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH
(all amounts are expressed as 'RON' unless otherwise specified)

Majority shareholder

The majority shareholder of the holding company is Roca Investments SA, an investment fund, which holds 65.95% (2023: 61%) of its ordinary shares.

On March 11, 2024 ROCA Industry shares were admitted to trading on the main market of the BVB, Standard category. However, the Company's experience on the Romanian capital market dates back to 27 January 2022 when, 3 months after its establishment, Roca Industry's shares were listed on the AeRO market, the equity segment of the Multilateral Trading System of the Bucharest Stock Exchange, under the symbol ROC1.

At the beginning of 2024, the process of increasing the Company's share capital, carried out in two stages between November 2023 and January 2024, was also completed. The first stage was for existing shareholders who were able to exercise their pre-emptive rights to maintain their share of the total share capital (stage completed on 10 January 2024), and the second stage was for existing shareholders and other investors. As part of the capital increase process, 7.2 million shares were subscribed and the share capital was increased from RON 176.9 million to RON 248.7 million.

Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by an increase in revenue from the doors for residential buildings segment following the business combination that occurred in the current financial period.

For a detailed discussion about the Group's performance and financial position please refer to our review of operations on pages 12 to 14.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis for preparation

These condensed consolidated interim financial statements have been prepared in accordance with the OMFP 2844 /2016 and IAS 34 *Interim Financial Reporting as adopted* by the European Union.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The Company also issues an original version of the condensed consolidated interim financial statements prepared in accordance with OMFP 2844 /2016 and IFRS-EU in Romanian language, that will be used for submitting to the Bucharest Stock Exchange.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim financial statements of the Group.

These condensed consolidated interim financial statements are presented in RON.

ROCA INDUSTRY HOLDINGROCK1 SA
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH
(all amounts are expressed as 'RON' unless otherwise specified)

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New and amended standards adopted by the Group

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to *IAS 7 Statement of Cash Flows* and *IFRS 7 Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these interim consolidated financial statements, Group's management has made some judgments and estimates about the future that affect the application of accounting policies, as well as the reported value of assets and liabilities, income and expenses. Actual results may differ from estimated values.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

ROCA INDUSTRY HOLDINGROCK1 SA
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH
(all amounts are expressed as 'RON' unless otherwise specified)

4. SEGMENT REPORTING

a) Information about reportable segment

31 March 2024 <i>(unaudited and not reviewed)</i>	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Electric cables	Total reportable segments
Revenue						
External customers	41,736,782	18,710,764	23,078,358	18,779,934	37,634,416	139,940,254
Other operating income	160,684	81,566	132,862	22,125	15,445	412,682
Changes in inventories of finished goods and work in progress	(4,115,282)	(264,922)	462,830	(1,678,637)	1,357,480	(4,238,531)
Raw materials, consumables used and merchandise costs	(21,922,680)	(10,873,359)	(11,108,911)	(11,083,892)	(32,107,086)	(87,095,928)
Depreciation and amortisation	(2,626,398)	(955,829)	(1,839,254)	(687,638)	(1,184,521)	(7,293,640)
Employee benefits expenses	(7,420,937)	(3,424,905)	(5,161,519)	(1,796,068)	(2,897,996)	(20,701,425)
Advertising costs	(266,428)	(859,261)	(118,506)	(69,875)	(47,161)	(1,361,231)
Services and utilities expenses	(3,885,611)	(1,557,883)	(3,016,089)	(1,707,607)	(1,757,377)	(11,924,567)
Other gains/(losses) – net	(173,545)	58,122	329,721	28,302	(190,426)	52,174
<i>Net foreign exchange gains/(losses)</i>	(21,692)	50,351	150,001	27,114	(112,986)	92,788
<i>Gain/(loss) on disposal of property, plant and equipment</i>	2,401	3,448	-	-	(1,477)	4,372
<i>Reversal of impairment/(impairment) of current assets</i>	(156,480)	-	177,284	-	-	20,804
<i>Other</i>	2,226	4,323	2,436	1,188	(75,963)	(65,790)
Adjusted EBITDA*	4,132,274	1,816,323	4,448,745	2,467,168	2,121,758	14,986,268
Financial income	(30)	7,491	10,380	60,930	2	78,773
Financial costs	(1,248,348)	(1,118,165)	(1,250,557)	(804,659)	(1,131,233)	(5,552,962)
Segment profit/(loss) before tax	238,207	(196,381)	1,519,315	1,062,915	(308,457)	2,315,599
Total assets	174,282,788	131,650,247	169,217,058	84,801,572	135,146,060	695,097,725
Total liabilities	89,095,336	87,446,508	99,775,984	54,199,971	79,184,435	409,702,234
Other disclosures:						
Capital expenditure	109,312	2,512,476	104,632	3,740	1,514,390	4,244,550

*Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) for operating segments is defined and calculated as segment profit/(loss) before tax of a given operating segment adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets in the operating segment and ii) net finance result in the operating segment. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

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4. SEGMENT REPORTING (continued)

a) Information about reportable segments (continued)

31 March 2023 <i>(unaudited and not reviewed)</i>	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Total reportable segments
Revenue					
External Customers	36,693,849	17,600,633	15,880,984	12,075,756	82,251,222
Other operating income	131,500	47,365	159,686	660,294	998,845
Changes in inventories of finished goods and work in progress	(6,495,176)	283,530	1,100,841	2,389,436	(2,721,369)
Raw materials, consumables used and merchandise costs	(20,686,657)	(11,097,846)	(10,549,536)	(11,307,176)	(53,641,215)
Depreciation and amortisation	(2,052,463)	(868,149)	(1,541,328)	(620,943)	(5,082,883)
Employee benefits expenses	(5,511,955)	(2,621,285)	(3,373,699)	(1,591,686)	(13,098,625)
Advertising costs	(305,330)	(308,679)	(164,239)	(124,043)	(902,291)
Services and utilities expenses	(3,257,267)	(1,554,850)	(1,464,982)	(1,842,187)	(8,119,286)
Other gains/(losses) – net	289,446	(19,130)	70,185	(51,878)	288,623
<i>Net foreign exchange gains/(losses)</i>	(210,707)	(25,992)	(107,552)	(51,878)	(396,129)
<i>Gain on disposal of property, plant and equipment</i>	41,809	-	-	-	41,809
<i>Expected credit loss on trade receivables</i>	-	610	-	-	610
<i>Impairment of current assets</i>	458,344	-	177,737	-	636,081
<i>Other</i>	-	6,252	-	-	6,252
Share of loss of an associate	(6,466)	-	-	-	(6,466)
EBITDA adjusted*	1,027,309	2,355,730	1,766,792	260,395	5,410,226
Financial income	13	43,990	44,803	306	89,112
Financial costs	(967,339)	(609,479)	(974,489)	(617,110)	(3,168,417)
Segment profit/(loss) before tax	(2,167,845)	896,100	(811,774)	(1,029,231)	(3,112,750)
Other disclosures:					
Investment in an associate	1,064,143	-	-	-	1,064,143
Capital expenditure	703,378	2,639,171	217,684	738,309	4,298,542

	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Electric cables	Total reportable segments
Total assets as at 31 December 2023 (audited)	168,960,347	129,176,056	113,505,645	82,603,158	130,375,345	624,620,551
Total liabilities as at 31 December 2023 (audited)	83,348,483	84,539,437	77,836,883	52,763,242	73,184,179	371,672,224

*Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) for operating segments is defined and calculated as segment profit/(loss) before tax of a given operating segment adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets in the operating segment and ii) net finance result in the operating segment. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

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4. SEGMENT REPORTING (continued)

b) Basis for segmentation

The following summary describes the operations of each reportable segment:

<u>Reportable segments</u>	<u>Operations</u>
Fiberglass and fiberglass reinforcement	Fiberglass mesh production through facilities in Piatra Neamt, Vaslui and Republic of Moldova
Varnishes, paints and decorative plasters	Production of paints, primers, varnishes, thinners, washables, adhesives, decorative plasters and dyes
Doors for residential buildings	Production of doors intended for residential buildings
Edged panels and fencing mesh	Production of fence edged panels, fencing mesh, Rabitz mesh, rectangular pillars and other related products
Copper and aluminium electric cables	Production of electrical low-voltage copper and aluminium cables

The Board of Directors are separately monitoring the operational results of the operating segments for the purpose of taking decisions on resource allocation and performance evaluation. Segment earnings before interest, tax, depreciation and amortisation ("EBITDA") is used to measure performance because management believes that such information is one of the most relevant in evaluating the results of the segments.

All assets and liabilities are allocated to reportable segments.

Reconciliation of profit/(loss) account

	<u>Three month period ended</u>	
	<u>31 March 2024</u> <i>(unaudited and not reviewed)</i>	<u>31 March 2023</u> <i>(unaudited and not reviewed)</i>
Segment profit/(loss) before tax	2,315,599	(3,112,750)
Income tax	(290,606)	(37,992)
Segment result after tax	2,024,993	(3,150,742)
Unallocated:		
Parent Company operating expenses	(2,369,071)	(1,282,650)
Result after tax	(344,078)	(4,433,392)

Reconciliation of assets

	<u>31 March 2024</u> <i>(unaudited and not reviewed)</i>		<u>31 March 2023</u> <i>(unaudited and not reviewed)</i>	
	Segment operating assets	695,097,725		624,620,551
Unallocated:				
Parent Company assets (mainly cash & right-of-use assets)	1,990,964		1,152,870	
Total assets	697,088,689		625,773,421	

Reconciliation of liabilities

Segment operating liabilities	409,702,234	371,672,224
Unallocated:		
Parent Company liabilities	29,854,495	70,502,277
Total liabilities	439,556,729	442,174,501

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5. REVENUE (continued)

Geographical information

		31 March 2024 - Revenue from both external & internal customers				
Country	Total	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Electric cables
Romania	107,451,370	13,852,970	18,645,214	20,179,259	18,321,753	36,452,174
Italy	13,958,763	13,455,149	-	-	-	503,614
Germany	4,195,708	4,195,708	-	-	-	-
Hungary	3,646,601	643,148	-	2,771,471	-	231,982
Greece	2,292,742	2,292,742	-	-	-	-
Poland	2,173,610	2,173,610	-	-	-	-
Bulgaria	1,883,037	1,883,037	-	-	-	-
Croatia	848,515	848,515	-	-	-	-
Portugal	847,651	847,651	-	-	-	-
France	61,601	22,262	-	-	-	39,339
Other	2,580,656	1,521,991	65,550	127,627	458,181	407,307
	139,940,254	41,736,783	18,710,764	23,078,357	18,779,934	37,634,416

		31 March 2023 - Revenue from both external & internal customers				
Country	Total	Fiberglass and fiberglass reinforcement	Varnishes, paints and decorative plasters	Doors for residential buildings	Edged panels and fencing mesh	Electric cables
Romania	63,410,113	18,671,572	17,471,801	15,753,600	11,513,140	-
Italy	10,082,568	10,082,568	-	-	-	-
Germany	1,176,808	1,176,808	-	-	-	-
Bulgaria	1,396,990	1,396,990	-	-	-	-
Croatia	1,282,878	1,282,878	-	-	-	-
Portugal	980,797	980,797	-	-	-	-
Greece	968,555	968,555	-	-	-	-
Hungary	706,702	579,318	-	127,384	-	-
France	562,616	-	-	-	562,616	-
Other	1,683,195	1,554,363	128,832	-	-	-
	82,251,222	36,693,849	17,600,633	15,880,984	12,075,756	-

6. INCOME TAX

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three month period ended	
	31 March 2024 (unaudited and not reviewed)	31 March 2023 (unaudited and not reviewed)
Current tax	(576,842)	(250,211)
Deferred tax	286,138	107,340
Income tax expense	(290,704)	(142,871)

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7. EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. There are no dilutive financial instruments and diluted EPS equals EPS.

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 March 2023 <i>(unaudited and not reviewed)</i>
Loss after tax attributable to ordinary equity holders of the parent:	(1,076,879)	(4,480,239)
Weighted average number of ordinary shares for basic EPS	22,476,339	17,694,573
<i>Loss after tax attributable to ordinary equity holders of the parent</i>	<i>(0.05)</i>	<i>(0.25)</i>

8. BUSINESS COMBINATIONS

The Group's strategy is to develop and scale strong domestic brands active in the field of building materials, both under a joint strategy, and through the synergies generated by their activity. Thus, in order to implement this strategy, the Groups aims to achieve its objectives, both through organic growth - by increasing and developing the companies inside the holding - and through M&A consolidations with other complementary companies in the same activity sector, which should allow the generation of synergies.

Acquisitions in 2024

Acquisition of Workshop Doors SRL ("Workshop")

On February 8, 2024, ROCA Industry completed the acquisition of 70% of the share capital of Workshop Doors S.R.L. ("Workshop Doors"), a company active since 2009 on the interior doors market in the region, with two production facilities, in Reghin and Petelea. With a turnover of RON 48.7 million, EBITDA of RON 12.2 million and a net profit of RON 9.0 million, the company exports a considerable percentage of its own production.

As a step in the completion of the acquisition of Workshop Doors, a process initiated through Eco Euro Doors ("EED", a subsidiary of ROCA Industry), the sale and purchase agreement was signed on 18 August 2023. An addendum thereto was also signed, whereby EED assigned the sale and purchase agreement to ROCA Industry, together with all related rights and obligations.

The price for the acquisition of the shares is RON 30.0 million, payable in two instalments. The first instalment, in the amount of RON 22.5 million, was paid upon completion of the transaction, the difference of RON 7.5 million (which may be adjusted depending on the fulfilment of the performance indicators established by the sale-purchase agreement) will be paid within a maximum period of 6 months.

From the date of acquisition, Workshop contributed with RON 9,281,468 to revenue and RON 2,074,370 to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been RON 12,097,346 higher and profit before tax from continuing operations for the Group would have been RON 2,004,934 greater.

Assets and liabilities taken over

The net assets recognised in the 31 March 2024 condensed consolidated financial statements were based on a provisional assessment of their fair value while the Group sought an independent valuation for the assets and liabilities acquired. The valuation has not been completed by the date of the Board of Directors' approval of the publication of the present condensed consolidated financial statements.

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8. BUSINESS COMBINATIONS (continued)

Acquisitions in 2024 (continued)

	Total
Property, plant and equipment	13,984,926
Inventories	8,070,546
Trade and other receivables	4,149,389
Cash and cash equivalents	1,638,882
Total assets	27,843,743
Borrowings	(5,370,628)
Trade payables	(2,810,752)
Other payables	(11,274,119)
Deferred tax liabilities	(39,493)
Total liabilities	(19,494,992)
Total identifiable net assets at fair value	8,348,751
Non-controlling interest	(2,504,625)
Goodwill arising on acquisition (provisional)	24,155,874
Purchase consideration transferred	30,000,000
Acquisition consideration — Cash out	
Consideration of the acquisition transferred	30,000,000
Contingent consideration	
Less: Cash balances acquired	(1,638,882)
Less: Liabilities – March 31, 2024	(7,488,849)
Net cash outflows — investment activities	20,872,269

At the date of acquisition, included in *Other payables* are 10.8 mil. RON which represents distribution payable to the previous shareholder. Out of which, as at 31 March 2024, there are 4.4 mil. RON still to be paid, which are included in trade and other payables in the condensed consolidated statement of financial position.

Contingent consideration

As part of the purchase agreement with the previous owner of Workshop Doors SRL, a contingent consideration has been agreed. There will be changes to the cash payments if:

- a) the EBITDA 2023 is above RON 12,300,000, the difference between EBITDA 2023 and RON 12,300,000 will be added to the purchase price,
- Or
- b) the EBITDA 2023 is below RON 12,300,000, the difference between EBITDA 2023 and RON 12,300,000 will be deducted from the purchase price.

As at the acquisition date, the fair value of the contingent consideration was estimated to be nil. As at 31 March 2024, the assessment of the achievement of the key performance indicators of Workshop Doors SRL are still under evaluation.

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8. BUSINESS COMBINATIONS (continued)

Acquisitions in 2023

Acquisition of IRANGA Technologijos UAB ('Iranga')

On 2 May 2023, the Group, acquired Iranga, a non-listed company based in Lithuania and specialised in the production of fiber glass and composite fibre glass materials. The value of the transaction amounted to EUR 1.6 million, EUR 0.45 million for the acquisition of the shares and EUR 1.1 million for the acquisition of a shareholder loan. The acquisition of Iranga is in line with the development strategy of the Group, the new acquired company will support the diversification of the markets in which the Group is present, contributing to the creation of added value through synergies within the fiber glass segment of the Group.

Acquisition-related costs amounting to RON 891,372 are included in operating expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

From the date of acquisition, Iranga contributed RON 4,660,057 of revenue and RON 205,461 to loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been RON 3,910,540 higher and loss before tax from continuing operations for the Group would have been RON 406,859 bigger.

Acquisition of ELECTROPLAST SA ('Electroplast')

In June 2023, the Group acquired 99,99997 % of the share capital of Electroplast, a company held by the Group's main shareholder, Roca Investments S.A. ('Roca Investments') for a consideration equal to RON 45,750,988. The value of the consideration was established on the basis of a valuation report prepared by an independent valuer authorized by ANEVAR.

From the date of the acquisition of control, Electroplast contributed RON 78,515,277 to revenue and RON 638,965 to gain before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been RON 77,450,117 higher and loss before tax from continuing operations for the Group would have been RON 639,488 lower.

Acquisition of EUROPLAS Lux SRL ('Europlas')

In October 2022, Bico initiated the process of acquiring 55% of the share capital of Europlas, thus signing two transactions. The acquisition of the 50% stake has already been completed in 2022, while the acquisition of the 5% stake in the share capital was expected to be completed in the first part of 2023. Bico had substantially no control over Europlas as of year ended as at 31 December 2022 and therefore this was considered an associate for Roca Industry and not consolidated, as half of the shares were still controlled by the former shareholder.

However, in October 2023 Bico acquired the remaining shares and became the sole shareholder of Europlas. The purchase price paid by Bico for the remaining 45% amounted to EUR 120,000. Acquisition-related costs amounting to RON 19,317 are included in operating expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

From the date of the acquisition of control, Europlas had no contribution to revenue, however contributed with RON 1,016,948 to loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, the loss before tax from continuing operations for the Group would have been RON 1,535,481 bigger.

Liabilities related to acquisitions of shareholdings:

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Workshop	7,488,849	-
Evolor	-	12,346,125
Electroplast	-	56,412,776
Total liabilities related to acquisitions of participations	7,488,849	68,758,901

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8. BUSINESS COMBINATIONS (continued)

Acquisitions in 2023 (continued)

Assets and liabilities taken over

The fair values of the identifiable assets and liabilities at the date of acquisition are shown in the table below. Fair value measurements were carried out by an independent valuer ANEVAR.

	IRANGA	ELECTROPLAST	EUROPLAS	Total
Trademarks	-	14,423,620	-	14,423,620
Customer contracts	-	5,774,352	-	5,774,352
Licenses and other intangible assets	-	942,830	5,954	948,784
Property, plant and equipment	6,988,583	37,069,074	959,908	45,017,565
Right-of-use assets	1,679,845	2,230,840	1,576,120	5,486,805
Investments	-	17,400	-	17,400
Inventories	1,453,545	10,747,450	1,113,924	13,314,919
Trade and other receivables	1,079,313	44,683,907	41,473	45,804,693
Cash and cash equivalents	274,916	1,796,484	625,833	2,697,233
Total assets	11,476,202	117,685,957	4,323,212	133,485,371
Borrowings	(3,127,658)	(51,046,858)	(955,119)	(55,129,635)
Lease liabilities	(1,679,845)	(2,023,697)	(1,576,120)	(5,279,662)
Trade payables	(4,398,418)	(31,309,570)	(161,836)	(35,869,824)
Other payables	(370,906)	(1,065,999)	(1,114,851)	(2,551,756)
Deferred tax liabilities	(1,350,982)	(310,290)	(31,873)	(1,693,145)
Total liabilities	(10,927,809)	(85,756,414)	(3,839,799)	(100,524,022)
Total identifiable net assets at fair value	548,393	31,929,543	483,413	32,961,349
Non-controlling interest	500,897	3	45,070	545,970
Fair value of previously held equity interest	-	-	(159,526)	(159,526)
Goodwill arising on acquisition	1,168,760	13,821,443	227,131	15,217,334
Purchase consideration transferred	2,218,050	45,750,989	596,088	48,565,127
Acquisition consideration — Cash out				
Consideration of the acquisition transferred	2,218,050	45,750,989	596,088	48,565,127
Shareholder debt acquired	3,127,658	11,574,797	1,218,506	15,920,961
Contingent consideration	-	-	-	-
Less: Cash balances acquired	(274,916)	(1,796,484)	(625,833)	(2,697,233)
Less: Liabilities – December 31, 2023	-	(56,412,776)	-	(56,412,776)
Net cash outflows — investment activities	5,070,792	(883,474)	1,188,761	5,376,079

The cash flows resulting from the acquisition of subsidiaries have been presented in the consolidated statement of cash flows, taking into account also the changes in liabilities related to acquisition of subsidiaries.

In case of Electroplast, at the date of acquisition, loans consisting of debts to credit institutions and approx. RON 11 million loan from former shareholders, which after the takeover were transferred to the new shareholder, Roca Industry.

In respect of goodwill for Electroplast, the most significant contributors to Electroplast goodwill were considered the synergies the entity will generate in the Group. Goodwill for Iranga and Europlas considered not significant.

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8. BUSINESS COMBINATIONS (continued)

Acquisitions in 2023 (continued)

Reconciliation of cash flows related to subsidiaries acquisition:

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Payments for acquisition of subsidiaries (net of cash acquired), statement of cash flow:	<u>(89,631,170)</u>	<u>(23,087,863)</u>
<i>Net cash outflows — for current year acquisitions</i>	20,872,269	5,376,079
<i>Settlement of liabilities related to acquisitions in prior periods</i>	68,758,901	17,711,784

The cash flows resulting from the acquisition of subsidiaries have been presented in the condensed consolidated statement of cash flows, taking into account also the changes in liabilities related to acquisition of subsidiaries.

9. GOODWILL

Goodwill is monitored by management at the level of the four operational segments identified in Note 4. A segment-level summary of the goodwill allocation is presented below:

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Varnishes, paints and decorative plasters	35,389,467	35,389,467
Fiberglass and fiberglass reinforcement	18,846,947	18,846,947
Doors for residential buildings	34,886,759	10,730,885
Edged panels and fencing mesh	6,134,741	6,134,741
Electric cables	<u>13,821,443</u>	<u>13,821,443</u>
	<u>109,079,357</u>	<u>84,923,483</u>

	RON
Cost	
At 1 January 2023 (audited)	<u>79,561,286</u>
Recognized at the acquisition of subsidiaries	<u>15,217,334</u>
At 31 December 2023 (audited)	<u>94,778,620</u>
Recognized at the acquisition of subsidiaries	<u>24,155,874</u>
At 31 March 2024 (unaudited and not reviewed)	<u>118,934,494</u>
Accumulated impairment	
At 1 January 2023 (audited)	<u>(9,855,137)</u>
Impairment losses for the year	<u>-</u>
At 31 December 2023 (audited)	<u>(9,855,137)</u>
Impairment losses for the period	<u>-</u>
31 March 2024 (unaudited and not reviewed)	<u>(9,855,137)</u>
Carrying amount	
At 31 March 2024 (unaudited and not reviewed)	<u>109,079,357</u>
At 31 December 2023 (audited)	<u>84,923,483</u>

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9. GOODWILL (continued)

Impairment testing for CGUs containing goodwill

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

10. OTHER INTANGIBLE ASSETS

There have been no significant acquisitions of intangible assets made during the period.

11. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the three month period ended 31 March 2024, the Group acquired assets with a cost of RON 4,244,550 (31 March 2023: RON 4,298,542), excluding property, plant and equipment acquired through a business combination (see Note 7).

During the three month period ended 31 March 2024, the Group entered into several new lease agreements. The Group makes fixed payments during the contract period. On lease commencement, the Group recognized RON 941,991 of right-of-use assets and lease liabilities.

Assets with a net book value of RON 47,050 were disposed by the Group during the three month period ended 31 March 2024 (31 March 2023: RON 108,819), resulting in a net gain on disposal of RON 4,372 (31 March 2023: RON 41,809).

12. INVESTING IN ASSOCIATE

In October 2022, the Group acquired an effective ownership interest of 35% stake in Europlas Lux SRL ('Europlas'), which is involved in the production of fiberglass and fiberglass reinforcement in the Republic of Moldova. In 2022, the Group's interest in Europlas was recognised using the equity method in the consolidated financial statements.

In October 2023, the Group acquired the control of Europlas by purchasing an additional 25% stake, increasing its ownership to 60% (indirect effective ownership via its subsidiary Bico). For details related to purchase price and fair values of the identifiable assets and liabilities at the date of acquisition please refer to Note 7.

Loss on derecognition of investment in associate:

RON

Carrying amount of associate at 1 January 2023 (<i>audited</i>)	1,070,610
Share of result during 2023 until acquisition of control	(206,065)
Carrying amount of associate before acquisition of control	864,545
Fair value at date control obtained	159,526
Carrying amount of associate before acquisition of control	(864,545)
Loss on derecognition of investment in associate:	(705,019)

13. INVENTORIES

During the three months ended 31 March 2024, the Group reversed wrote down of inventories of RON 20,804 (31 March 2023: nil), which have been recognised in the statement of profit or loss.

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14. TRADE RECEIVABLES

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Trade receivables from contracts with customers	112,694,577	76,831,812
Loss allowance trade receivables	(1,313,841)	(1,313,841)
	111,380,736	75,517,971
	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
<i>Movement in loss allowance:</i>		
Opening loss allowance at 1 January <i>(audited)</i>	(1,313,841)	(1,301,696)
Write-offs	-	114,441
Increase in loss allowance recognised in profit or loss during the period	-	(207,950)
Loss allowance reversed	-	172,399
Acquisition of subsidiary	-	23,406
Closing loss allowance at the end of period	(1,313,841)	(1,313,841)
Receivables written off during the year as uncollectible	-	-
Movements during the period	-	(35,551)
Net effect in profit or loss during the period	-	(35,551)

15. CASH AND CASH EQUIVALENTS

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Cash at bank and in hand	25,323,030	30,335,976
Deposits at call	115,777	8,165,751
Total unrestricted cash	25,438,807	38,501,727

16. SHARE CAPITAL

In June 2023, ROCA Industry shareholders approved at the Extraordinary General Meeting of Shareholders the increase of the Company's share capital by up to RON 150 million (nominal value) through cash contribution and the conversion of some receivables against ROCA Industry from the acquisition of Electroplast, by issuing up to 15 million new shares with a nominal value of RON 10/share. At the same time, the shareholders also approved the listing of the Company on the regulated market of the BVB.

The share capital increase process was carried out in two stages, respectively between November 2023 and January 2024. The first stage was for existing shareholders at the date of registration who could exercise their pre-emptive rights to maintain their share of the total share capital (stage completed on 10 January 2024), and the second stage was for existing shareholders and other investors. At the end of the share capital increase process, a total of 7.2 million shares were subscribed, the share capital being increased from RON 176,945,730 to RON 248,672,220.

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
	<i>Number</i>	<i>Number</i>	<i>RON</i>	<i>RON</i>
Share capital				
Authorized ordinary shares	24,867,222	17,694,573	248,672,220	176,945,730

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16. SHARE CAPITAL (continued)

The nominal value of the shares is RON 10.

The paid-in subscribed capital consists of: RON 105.9 million, representing the paid-up subscribed capital, and RON 71 million, representing the contribution in-kind of 70% of the shares of Bico Industries.

Ownership structure:	Balance as at 31 March 2024 <i>(unaudited and not reviewed)</i>			Balance as at 31 December 2023 <i>(audited)</i>		
	No. of shares	Amount in RON	% total	No. of shares	Amount in RON	% total
Roca Investments SA	16,398,834	163,988,340	66%	10,757,557	107,575,570	61%
Other	8,468,388	84,683,880	34%	6,937,016	69,370,160	39%
Total	24,867,222	248,672,220	100%	17,694,573	176,945,730	100%

17. BORROWINGS

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
<i>Secured borrowing at amortised cost</i>		
Bank loans	241,483,420	218,573,690
Bank overdrafts	34,118,168	34,647,132
<i>Unsecured borrowings at amortized cost</i>		
Loans from related parties	22,701,808	14,928,882
	298,303,396	268,149,704
Non-current (> 1 year)	169,256,157	158,599,061
Current (<1 year)	129,047,239	109,550,643

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17. BORROWINGS (continued)

CURRENT BORROWINGS

Subsidiary	Counterparty	Interest rate	Maturity	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Evolor S.R.L	Banca Transilvania	2.75% + 3M EURIBOR	26.05.2029	6,878,268	5,202,870
Evolor S.R.L.	Banca Transilvania	2% + 3M ROBOR	26.05.2029	1,181,662	1,177,500
Evolor S.R.L.	Banca Transilvania	1.75% + 3M ROBOR	26.11.2024	5,455,941	-
Bico Industries S.A.	Banca Transilvania	2.2% + 6M ROBOR	02.08.2024	198,334	317,334
Bico Industries S.A.	Banca Transilvania	2% + 6M ROBOR	10.08.2026	504,000	504,000
Bico Industries S.A.	Banca Transilvania	2.5% + ROBOR 3M	17.08.2026	666,393	1,098,243
Bico Industries S.A.	Banca Transilvania	2% + 3M ROBOR	10.08.2027	356,129	356,129
Bico Industries S.A.	Unicredit Bank	2.5% + 3M ROBOR	05.07.2024	1,820,524	1,820,524
Bico Industries S.A.	Unicredit Bank	2.5% + 3M EURIBOR	05.07.2024	16,150,875	16,167,450
Bico Industries S.A.	Unicredit Bank	1.8% + 3M ROBOR	26.10.2027	453,094	453,094
Bico Industries S.A.	Unicredit Bank	2.2% + 1M EURIBOR	05.07.2024	7,887,461	9,934,598
Bico Industries S.A.	Credit Europe Bank	2% + 3M ROBOR	12.06.2024	2,200,000	2,360,144
Bico Industries S.A.	Credit Europe Bank	2.25% + 3M ROBOR	15.09.2026	301,487	293,543
Bico Industries S.A.	First Bank	2.65% + 3M EURIBOR	02.11.2028	1,277,440	1,277,440
Bico Industries S.A.	BRD	2% + 3M ROBOR	18.10.2024	3,462,867	3,002,271
Bico Industries S.A.	Mihai Birliba	3.5% + 1M EURIBOR	31.10.2024	2,484,750	2,984,760
Terra Impex S.R.L.	Moldova-Agroindbank	6.25%	08.02.2030	394,489	438,929
Terra Impex S.R.L.	Moldova-Agroindbank	6.93%	20.11.2024	1,580,521	2,175,890
Terra Impex S.R.L.	Moldova-Agroindbank	6.68%	19.09.2025	1,489,567	1,706,288
Terra Impex S.R.L.	Moldova-Agroindbank	6.68%	20.12.2025	1,112,702	-
ECO Euro Doors S.R.L.	RAIFFEISEN BANK	2.2% + 3M EURIBOR	31.07.2029	6,816,075	6,807,800
ECO Euro Doors S.R.L.	RAIFFEISEN BANK	1.9% + 3M EURIBOR	27.07.2024	1,257,912	-
ECO Euro Doors S.R.L.	RAIFFEISEN BANK	2.2% + 3M EURIBOR	31.07.2029	645,257	-
Dial SRL	Banca Transilvania	3% + 3M EURIBOR	20.09.2030	3,325,001	3,432,474
Dial SRL	Banca Transilvania	2.75% + 3M EURIBOR	20.09.2030	1,195,774	1,259,145
Roca Industry Holding Rock1 SA	ROCA Investments S.A.	3% + 1M EURIBOR	14.12.2024	8,284,157	-
Roca Industry Holding Rock1 SA	ROCA Investments S.A.	3.2% + 1M EURIBOR	03.04.2024	4,969,500	4,974,600
Roca Industry Holding Rock1 SA	ROCA Investments S.A.	3.2% + 1M EURIBOR	30.08.2024	5,963,400	5,969,520
Roca Industry Holding Rock1 SA	ROCA Investments S.A.	3.2% + 1M EURIBOR	31.01.2025	1,000,000	1,000,000
Electroplast S.A.	CEC BANK	1.35 % + 1M ROBOR	11.07.2024	30,514,839	32,061,420
Electroplast S.A.	CEC BANK	3.0% + 3M EURIBOR	12.07.2025	777,570	1,362,145
Electroplast S.A.	CEC BANK	3.0% + 3M EURIBOR	12.07.2028	797,106	755,604
Electroplast S.A.	CEC BANK	3.0% + 6M EURIBOR	13.09.2030	536,652	523,858
Electroplast S.A.	BRD	3.0% + 3M EURIBOR	28.11.2028	1,818,871	-
Electroplast S.A.	HP	11%	01.04.2026	121,695	133,070
Workshop Doors S.R.L.	CEC Bank	2.10% + 3M ROBOR	16.06.2029	201,479	-
Workshop Doors S.R.L.	CEC Bank	2.10% + 3M ROBOR	16.07.2024	494,658	-

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Subsidiary	Counterparty	Interest rate	Maturity	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Workshop Doors S.R.L.	OTP Bank	3.5% + 3M ROBOR	11.03.2025	152,082	-
Workshop Doors S.R.L.	OTP Bank	3.5% + 3M ROBOR	30.06.2027	198,800	-
Workshop Doors S.R.L.	Libra Bank	3.6% + 3M ROBOR	15.03.2027	1,808,405	-
Workshop Doors S.R.L.	Libra Bank	3.6% + 3M ROBOR	15.03.2027	381,502	-
Workshop Doors S.R.L.	OTP Bank	3.4% + 3M ROBOR	20.12.2024	730,000	-
Workshop Doors S.R.L.	OTP Bank	2.5% + 3M ROBOR	30.05.2024	1,200,000	-
Total				129,047,239	109,550,643

BORROWINGS NON - CURRENT

Subsidiary	Counterparty	Interest rate	Maturity	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Evolor S.R.L.	Banca Transilvania	2.75% + 3M EURIBOR	26.05.2029	43,214,180	36,988,512
Evolor S.R.L.	Banca Transilvania	2% + 3M ROBOR	26.05.2029	7,077,765	7,054,637
Bico Industries S.A.	Banca Transilvania	2% + 6M ROBOR	10.08.2026	714,000	840,000
Bico Industries S.A.	Banca Transilvania	2% + 3M ROBOR	10.08.2027	860,645	949,677
Bico Industries S.A.	Unicredit Bank	1.8% + 3M ROBOR	26.10.2027	1,170,501	1,283,774
Bico Industries S.A.	Credit Europe Bank	2.25% + 3M ROBOR	15.09.2026	510,059	589,966
Bico Industries S.A.	First Bank	2,65% + 3M EURIBOR	02.11.2028	4,665,549	4,983,923
Terra Impex S.R.L.	Moldova-Agroindbank	6.25%	08.02.2030	2,707,383	4,438,936
Terra Impex S.R.L.	Moldova-Agroindbank	6.25%	19.09.2025	2,057,162	-
Terra Impex S.R.L.	Moldova-Agroindbank	6.25%	20.12.2025	1,234,596	-
Eco Euro Doors S.R.L.	RAIFFEISEN BANK	2.2% + 3M EURIBOR	31.07.2029	45,110,371	46,850,076
Eco Euro Doors S.R.L.	RAIFFEISEN BANK	2.3% + 3M EURIBOR	31.07.2029	1,935,771	2,552,437
Dial SRL	Banca Transilvania	3% + 3M EURIBOR	20.09.2030	28,576,615	30,034,148
Dial SRL	Banca Transilvania	2.75% + 3M EURIBOR	20.09.2030	7,971,603	7,730,860
Electroplast S.A.	CEC BANK	2,75% + 3M ROBOR	12.07.2025	5,631,583	8,186,711
Electroplast S.A.	CEC BANK	3.0% + 3M EURIBOR	12.07.2028	2,657,365	2,859,513
Electroplast S.A.	CEC BANK	3,0% + 6M EURIBOR	13.09.2030	3,815,997	3,094,929
Electroplast S.A.	HP	11%	04.01.2026	48,245	160,962
Europlas	Moldova-Agroindbank	6%	20.01.2026	257,153	-
Europlas	Moldova-Agroindbank	6%	20.01.2026	699,686	-
Workshop Doors	CEC Bank	2.10% + 3M ROBOR	16.06.2029	1,103,758	-
Workshop Doors	OTP Bank	3.5% + 3M ROBOR	30.06.2027	447,299	-
Workshop Doors	Libra Bank	3.6% + 3M ROBOR	15.03.2027	4,061,595	-
Workshop Doors	Libra Bank	3.6% + 3M ROBOR	15.03.2027	1,996,686	-
Workshop Doors	OTP Bank	3.5% + 3M ROBOR	07.02.2025	730,590	-
Total				169,256,157	158,599,061

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18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is an overview of financial assets and financial liabilities held by the Group as at 31 March 2024 and 31 December 2023:

Assets	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Non-current financial assets	38,579	34,800
Cash and cash equivalents	25,438,807	38,501,727
Trade receivables	111,380,736	75,517,971
Other current financial assets	9,815,479	4,157,089
	146,673,601	118,211,587
Liabilities	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Borrowings	298,303,396	268,149,704
Liabilities from acquisition of subsidiaries	7,488,849	68,758,901
Lease liabilities	11,617,916	11,479,962
Trade and other payables	94,818,067	67,633,366
	412,228,228	416,021,933

Contingent consideration

As part of the purchase agreement with the previous owners of Workshop Doors SRL, (see Note 7), a portion of the consideration was determined to be contingent, based on the performance of the acquired entity.

As at the acquisition date, the fair value of the contingent consideration was estimated to be nil. As at 31 March 2024, the assessment of the achievement of the key performance indicators of Workshop Doors SRL are still under evaluation.

Risk management activities

The Parent's Board of Directors has overall responsibility for establishing and overseeing the risk management framework at each Group company level. The Group's risk management policies are defined in such a way as to ensure the identification and analysis of the risks faced by the Group, the establishment of appropriate limits and controls, and the monitoring of risks and compliance with established limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities.

The board continued to review during the period specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Fair values

All financial assets and liabilities are measured at amortized cost.

Due to the short-term nature, the carrying amount of cash and cash equivalents, trade receivables and other receivables as well as commercial and other liabilities, is close to their fair value.

The company's management estimated that the carrying amount of the borrowing is close to the fair value, as 90% of the bank loans were obtained at a variable interest rate.

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19. RELATED PARTIES

Parent entity:

The Group is controlled by:

Name	Type	Place of incorporation	Ownership interest	
			31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Roca Investments SA	Immediate parent entity	Romania	66%	61%

Key management personnel compensation:

	Three month period ended	
	31 March 2024 <i>(unaudited and not reviewed)</i>	31 March 2023 <i>(unaudited and not reviewed)</i>
Short-term employee benefits	3,353,358	1,912,042

No other types of compensation are granted to key management personnel.

Loans from related parties:

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
Loans from parent entity		
Beginning of the year	11,944,120	4,947,400
Loans received	8,290,991	11,879,980
Loan repayments	-	(4,938,200)
Foreign exchange impact	(18,055)	54,940
End of period	20,217,057	11,944,120
Loans from other related parties (Mihai Birliba – former majority shareholder of Bico)		
Beginning of the year	2,984,760	4,947,400
Loans received	-	5,824,060
Repayments of loans	(500,010)	(7,786,700)
End of period	2,484,750	2,984,760
Interest payable		
Beginning of the year	740,471	171,397
Interest expense	302,163	566,914
Foreign exchange impact	(928)	2,160
Interest paid	-	-
End of period	1,041,706	740,471

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19. RELATED PARTIES (continued)

Other balances with related parties

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 December 2023 <i>(audited)</i>
BP Support Services - CFO services subsidiary	30,337	25,523

Other transactions with related parties

	31 March 2024 <i>(unaudited and not reviewed)</i>	31 March 2024 <i>(unaudited and not reviewed)</i>
BP Support Services - CFO services subsidiary	77,159	-

20. COMMITMENTS AND CONTINGENCIES

Commitments

Most of the commitments are at the level of Roca Industry subsidiaries:

- Dial, EED and Evolor to comply with financial covenants such as leverage and DSCR;
- On 31.12.2023 Dial and EED obtained bank exemptions for failing to meet banking indicators.

As at 31 December 2023, Roca Industry has issued a corporate guarantee to First Bank for the loan granted to its subsidiary, Bico Industries, in the amount of RON 1,280,000.

Litigations

The management of the Group considers that the litigations in which the Group companies are involved will not have a significant impact on the operations and the financial position of the Group.

Commitments

For the subsidies received, the Group entities were obliged to keep the fixed assets for a average period of 3 years, which was respected for all the fixed assets purchased.

Environmental related matters

The Group has not recorded any liabilities as at 31 March 2024 and 31 December 2023 for any anticipated costs, including legal fees and consulting fees or costs for design and implementation of remediation plans, related to environmental matters.

The management of the Group does not consider that there are significant costs associated with environmental matters related to its business activities.

21. EVENTS AFTER THE REPORTING PERIOD

At the date of signing these condensed consolidated financial statements, the Company has not identified any events after 31 March 2024 that could have a material impact and are of a nature to be disclosed.

These condensed consolidated financial statements were approved and signed today, 15 May 2024.

Approved,

Surname and given name(s): **Ioan-Adrian Bindea**
 Function: **CEO**

Surname and given name(s): **Valentin Albu**
 Function: **CFO**

Signature _____

Signature _____