



**ADMINISTRATORS' REPORT
ON THE CHIMCOMPLEX SA GROUP ACTIVITY
IN 2022**

CHIMCOMPLEX S.A. BORZEȘTI
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Reg. Com. J04/493/1991, Unique Code 960322
Subscribed and paid-up share capital: RON 304907851
Account: RO60BUCU1111215962132
ALPHA BANK BUCHAREST
RO2021.055.061Q RO2021.055.061E RO2018.055.061





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THE MANAGEMENT REPORT ON THE ECONOMIC AND FINANCIAL ACTIVITY OF THE CHIMCOMPLEX SA BORZEȘTI GROUP IN 2022, is drawn up according to the provisions of art.63 of law 24/2017, annex 15 to the ASF Regulation no.5/2018

The consolidated financial statements prepared by Chimcomplex SA Borzesti for the financial year 2022 are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union.

The consolidated financial statements of CHIMCOMPLEX SA concluded on December 31, 2022, refer to the Company and its subsidiaries: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%) (together being defined as the "Group") and to the Group's interests in the associated companies: A6 Impex SA (49.4497%). The consolidated financial statements mainly include the activity of Chimcomplex Borzesti S.A., which is predominant within the Group, its activity in detail being presented in the Report to the Individual Financial Statements. This report shall only contain additional data as a result of the consolidation of the financial statements at Group level.

The preparation of the consolidated financial statements is made by summing up the financial statements of the following companies: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%). - constituting "Chimcomplex Group SA", and at the associated companies only the profit calculated according to the contribution to the share capital is considered.

1. IDENTIFICATION DATA FOR SC CHIMCOMPLEX SA BORZEȘTI

Denumirea societății	CHIMCOMPLEX SA Borzesti
Sediul social	Str. Industriilor, nr.3, Onesti, județ Bacău, România
Număr de telefon/fax	0234/302100; 0234/302102
Website	http://www.chimcomplex.com
E-mail	ir@chimcomplex.com
Codul unic de înregistrare la ORC	RO960322
Nr. de ordine în Reg. Comerțului	J04/493/1991
Capital social subscris și vărsat	304.907.851 lei
Principalele caracteristici ale valorilor mobiliare	<ul style="list-style-type: none">• Acțiuni nominative, dematerializate, a căror evidență este ținută de Depozitarul Central SA București• Valoarea nominală, lei/acțiune: 1 leu/acțiune• Număr de acțiuni: 304.907.851
Piața reglementată pe care se tranzacționează valorile mobiliare emise	BVB, categoria standard, simbol CRC

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2. PRESENTATION AND HISTORY OF THE GROUP

CHIMCOMPLEX SA BORZESTI was founded in 1990, based on the Government Decision no.1200 of 12.11.1990, by splitting from the Borzesti Petrochemical Plant and taking over the entire patrimony of the Borzesti Chemical Plant.

The commercial company CHIMCOMPLEX, on March 15, 1991, was organized as a company with full state capital and registered with the Trade Register Office under no. J04/493/1991.

The company was privatized in 2003 by signing the share sale-purchase agreement on June 9, the company A2 IMPEX SRL Ploiesti taking over from APAPS (AAAS) a number of 63,240,247 shares, at a nominal value of 2.5 lei (ron), representing 94.7465% of the company's share capital at that time.

On December 7, 2018, Chimcomplex SA Borzesti acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable property, ongoing investments) related to chlorosodic installations, propenoxide, polyols-polyethers, oxo-alcohols, monomer, PVC I, utilities, wagon fleet, on the industrial platform Rm. Vâlcea. The value of the transaction was 589,328,986 lei, without VAT.

For the activity in Rm. Vâlcea, the Rm. Valcea Branch was established, without legal personality.

The company CHIMCOMPLEX SA Borzesti is organized and functions according to the statute and on the basis of Law no. 31/1991 republished, in compliance with the Law on capital market no.297/2004 and the Law of issuers no. 24/2017.

As of 31.12.2022, the share capital of Chimcomplex SA Borzesti is 304,907,851 lei, divided into 304,907,851 shares with a nominal value of 1 RON / share, according to the records from the Trade Register attached to the Bacau Tribunal.

C.R.C. Holding Alchemy B.V. Amsterdam NLD is the main shareholder. Nominal subscribed share capital and paid up on December 31, 2022, is 259,760,272 lei divided into 259,760,272 shares, each with a nominal value of 1leu. Each action entitles its holder to a single vote.

Chimcomplex SA Borzesti as a commercial company whose shares are admitted on a regulated market (Bucharest Stock Exchange, Standard category, symbol CRC) has adopted IFRS (International Financial Reporting Standard) starting with the financial year 2022.

The financial statements for 2022 were prepared in accordance with the provisions of OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Standards of

Financial Reporting adopted by the European Union by restating the restatement of the information from the accounting organized on the basis of the Accounting Regulations on the individual and consolidated annual financial statements, approved by OMFP no. 1.802/2014, with subsequent amendments.

The company prepares consolidated financial statements as the parent company of a group of companies.

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SC Chimcomplex SA holds shares in the share capital of other companies with a total value of 73,944,491 lei (book value) as follows:

Name	Address	Activity profile	Book value	
			Lei	% in capital
SC GREENCOMPLEX SRL ONESTI	St. Industriilor 3, Onesti Bacau County	Manufacture of other basic inorganic chemicals	4.733.030	99,9998%
SC A5 INVEST SRL	St. Industriilor 3, Onesti Bacau County	General mechanics operations	6.100.000	100%
SC A6 IMPEX SA DEJ	St. Bistritei 63, Dej	Production and sale of electricity	60.895.210	49,4497%
SISTEMPLAST SA	Str Uzinei no.1 Rm Valcea	general mechanics operations	2.216.251	94,40%

Description of the subsidiaries or companies controlled during the financial year:

Greencomplex SRL Onesti, the Company was founded in 2004. The headquarters of the company is in Str. Industriilor nr.3, Onesti locality, Bacau county. The main object of activity according to the registration with the Trade Register is the manufacture of other basic inorganic chemicals.

SC A5 INVEST SRL Onesti, the Company was founded in 2012. The headquarters of the company is in Str. Industriilor nr.3, Onesti, Bacau County. The main object of activity according to the registration with the Trade Register is intermediaries in the trade with machines, industrial equipment, ships, and airplanes.

Sistemplast SA, the Company was founded on 12.02.1999. The headquarters of the company is in Ramnicu Valcea, Str.Uzinei, no.1. The main object of activity starting with 2016 consists of activity "general mechanics operations", CAEN code 2562, and the spectrum of services offered includes maintenance, design, construction, assembly, repairs and verifications of equipment, installations, and automation.

A6 Impex SA, the Company was founded in 2013. The company's headquarters is in Dej, Cluj. The main object of activity is the production and sale of electricity from renewable sources, of energy obtained with the thermoelectric power plant with a production capacity of 9.5 MWh/ hour.

3. GROUP STRUCTURE IN 2022

On December 31, 2022, the group consists of the following companies, which were introduced in the consolidation perimeter:

Company name	Registered office	% control	% interest	Consolidation by
CHIMCOMPLEX	Onesti, Bacau			Parent-society
Greencomplex SRL		100.00%	100.00%	Global Integration
A5 INVEST SRL		100.00%	100.00%	Global Integration
Systemplast		94.40%	94.40%	Global Integration
A6 IMPEX SA		49.4497%	49.4497%	Equivalency

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4. GENERAL SUMMARY OF THE GROUP'S WORK

4.1. Overview of the parent company

The main activity of the parent company according to NACE codification is 2013 – manufacture of other basic inorganic chemicals. The largest share in the income achieved by the company in 2022, according to the NACE codification, is 2014 the manufacture of other basic organic chemicals, mainly: the production of chlorosodic products, polyols-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their sale for internal and export from the Ramnicu Valcea Branch.

In the chemical field it is an integrated group, which starts from primary raw materials: salt, water, electricity and continues with advanced processing until obtaining the finished products.

The basic production of the Group is structured in two sites: the Chemical Platform - Ramnicu Valcea Branch and the Borzesti Chemical Platform.

4.2. Overview of subsidiaries

Greencomplex SRL Onesti is a limited liability company based in 3 Industries Street, Onesti, Bacau County, registration number at the Trade Register J4/ 2/2004, having as its main activity the manufacture of other basic inorganic chemicals.

Currently, the company's revenues come mostly from the activity of providing services calculating salaries.

The holding of Chimcomplex SA at Greencomplex SRL Onesti is 99.99% of the capital.

The company is managed by a sole administrator, Mr. Coman Dumitru, with a mandate of 4 years starting on 23.06.2020.

The subscribed and paid-up share capital is 4,733,040 lei, divided into 473,304 shares, with a nominal value of 10 lei / share. During 2022, the share capital was not increased or decreased.

A5 Invest SRL Onesti is a limited liability company with headquarters in Str.Industiilor nr.3, Onesti, Bacau County, registration number at the Trade Register J4 / 1096/2012, having as object of activity intermediaries in the trade of machines, industrial equipment, ships and airplanes.

Currently, the company's revenues come mostly from the activity of providing services for general mechanics works.

The holding of Chimcomplex SA at SC A5 INVEST SRL Onesti is 100% of the capital.

The company is managed by a sole administrator, Mrs. Coman Dumitru, with a mandate of 4 years starting on 13.04.2020.

The subscribed and paid-up share capital is 6,100,000 lei, divided into 610,000 shares, with a nominal value of 10 lei / share. During 2022, the share capital was not increased or decreased.

Sistemplast S.A. Ramnicu Valcea is a joint stock company based in Ramnicu Valcea, 1 Factory Street, Jud. Valcea, not being traded on B.V.B.

Sistemplast S.A. is a privately owned company and was established as a legal entity in 1999 and initially had as main object of activity "Manufacture of tube boards, foils, plastic profiles", but currently has as its object of activity "General mechanical operations", CAEN code 2562.

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Starting with 2013, the company took over 155 employees of the former Mentchim SA, a company in bankruptcy, and also, by assigning the Contracts of Mentchim SA, managed to change the object of activity and win, in 2014, the maintenance contract put up for auction by Oltchim SA.

The main shareholder of the company became Chimcomplex SA starting with 2021, after the acquisition of the shares from Uzuc SA.

The company has a sole administrator, Mr. Dan Cataranciuc.

The main client of the Company is Chimcomplex. Sistemplast SA has structured its activity around maintenance and repair activities for the equipment and installations on the Chimcomplex platform in Ramnicu Valcea.

Currently, the company's revenues come mostly from the maintenance and repair activity for the equipment and installations on the Chimcomplex platform in Ramnicu Valcea.

A6 Impex SA. The Company was founded in 2013. The company's headquarters is in Dej, Cluj. The main object of activity is the production and sale of electricity from renewable sources, of energy obtained with the thermoelectric power plant with a production capacity of 9.5 MWh/ hour.

Currently, the company's revenues come mostly from electricity production activity.

The company is managed by Mrs. Dan Cataranciuc with a mandate of 3 years starting on 22.06.2022.

5. MERGERS, REORGANIZATIONS AND LIQUIDATIONS OF SUBSIDIARIES IN 2022

The group of companies within which **Chimcomplex SA Borzesti** is a parent company consists of: Greencomplex SRL Onesti, SC A5 INVEST SRL Onesti, Sistemplast SA.

During 2022, Chimcomplex SA Borzesti increased its share held in A6 Impex SA from 33.6453% to 49.4497% following the acquisition of the shares from Iasitex, INAV, Nova Textile companies, shares held by A6 in these, as well as as a result of the increase of the share capital based on some decisions.

The shares held by UZUC SA Poiesti, at Sistemplast SA, were taken over by assignment contract.

6. TRANSACTIONS OF THE PARENT COMPANY WITH RELATED PARTIES

Sales of goods and services to subsidiaries, in total of 89,222 lei, include deliveries of various materials, rents and utilities, maintenance services. Purchases from subsidiaries, totaling 42,260,564 lei, mainly include the provision of services.

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7. CONTRIBUTION OF THE PARENT COMPANY TO THE OVERALL RESULT

In the table below you can see the low share of the other companies in the group at the consolidated results:

-Lei-

Indicator	31 December 2022			31 December 2021		
	Group	Mother Company	% Mother company	Group	Mother Company	% Mother company
Fixed assets	2.065.643.277	2.055.229.001	0.99	1.903.505.623	1.903.165.427	0.99
Current assets	794.261.722	777.632.518	0.98	611.589.263	609.912.134	0.99
Equity	1.813.292.503	1.802.599.856	0.99	1,657.086.220	1.655.615.641	0.99
Long-term debts	645.212.384	642.647.646	0.99	476,629.273	476,629.273	0.99
Current liabilities	401.400.112	387.614.010	0.97	381.379.393	380.832.647	0.99

On April 18, 2022, CHIMCOMPLEX BORZESTI S.A. acquired 94.4% of the shares of SISTEMPLAST. For the year ended 31 December 2022, the consolidated financial statements shall include this new subsidiary, balances as of 31 December 2022 and 8-month transactions in 2022.

8. DESCRIPTION OF THE ACTIVITIES OF THE GROUP AND OF THE PARENT COMPANY

The group's object of activity mainly includes: the production of chlorosodic products, polyols-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their marketing internally and exporting, in accordance with the provisions of the Constitutive Act of the company.

In the chemical field it is an integrated group, which starts from primary raw materials: salt, water, electricity and continues with advanced processing until obtaining the finished products.

The main products manufactured by Chimcomplex SA Borzesti are:

- Macromolecular products:** polyols -polyethers for polyurethane foams;
- Chlorosodic products:** caustic soda solution 50%, caustic soda flakes, technical sodium hypochlorite, synthesis hydrochloric acid, liquid chlorine, bottled liquid chlorine;
- Organic synthesis products:** propyleneoxide, propylene glycol, oxo – alcohols, isopropylamine, methylamines;
- Inorganic chlorides: solution calcium chloride, technical calcium chloride, lime chloride, ferric chloride;
- Other products:** demineralized water, sulfuric acid, ammoniacal water, chlorcoline chloride

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The basic production of the Group is structured on two sites:

Borzești:

Chlorosodic products: caustic soda flakes and solution, liquid chlorine, hydrochloric acid, sodium hypochlorite;

Inorganic chlorides: ferric chloride, calcium chloride, lime chloride;

Alkylamines: methylamines, isopropylamine;

Other products: chlorocolin chloride.

Chlorosodic products

Caustic soda solution is used in the chemical industry in the manufacture of soaps, detergents, pesticides, fertilizers, bleaching agents, and the regeneration of ion exchangers, in the petrochemical industry for the refining of petroleum products, in the wood industry, in the textile industry in the manufacture of pulp, viscose, in the sugar industry, in the oil industry for their purification from free fatty acids, in the aluminum industry.

Flaky caustic soda has similar uses to the caustic soda solution, but has the advantage of lower storage, handling, and transport costs.

Liquid chlorine is used in the chemical industry for organic and inorganic syntheses, in the manufacture of chlorine-rubber, in the manufacture of plastics, in the synthesis of dyes, pesticides, in the pharmaceutical industry, in the paper industry as a bleacher, in the chlorination of water.

Hydrochloric acid is used in the chemical industry in the manufacture of inorganic salts, fertilizers, resins, and dyes, in the pharmaceutical industry, in the metallurgical industry for pickling and degreasing, for the regeneration of ion exchange resins in water demineralization stations.

Sodium hypochlorite is used as a bleaching agent for textiles, detergents, cellulose and paper, in the oxidation processes of organic products, in oil refining, in water disinfection and sterilization of sanitary installations.

Inorganic chlorides

Ferric chloride is used as a flocculant for the treatment of drinking and industrial water, for the treatment of metal surfaces, in the electronic industry for the manufacture of integrated circuits, for chemical polishing and for the galvanoplasty of stainless steels, as a pigment for the decoration of ceramic objects.

Calcium chloride is used as a thaw agent for road maintenance in winter, as an anti-dust agent on unpaved roads, in the extractive industry (dust control in mining, addition to drilling clouds), in the transport and storage in winter of ores, as a drying agent in cold technique, as an additive in the food industry.

Lime chloride is used in public hygiene as a deodorizing and disinfection agent, in the pulp and paper industry as a bleacher, in the textile industry.

Alkylamines

Monomethylamine is used in organic syntheses to obtain insecticides, solvents, drugs, anionic detergents, emulsifiers, dyes, polymers and polymerization catalysts, vulcanization accelerators, photographic substances.

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Dimethylamine is used in organic syntheses to obtain emulsifiers, corrosion inhibitors, insectofungicides, solvents, drugs, ion exchangers, chemical fibers, polymers and polymerization catalysts, vulcanization accelerators and photographic substances.

Trimethylamine is used in organic syntheses to obtain quaternary ammonium salts, choline hydrochloride, emulsifiers, insectofungicides, solvents, drugs, ion exchangers, dyes, detergents, photographic substances.

Isopropylamine is used as a corrosion inhibitor, in the manufacture of dyes, in the manufacture of pharmaceutical products and pesticides.

Chlorocolin chloride – plant growth stimulator.

Valcea Branch:

In addition to chlorosodic products: flaky caustic soda and solution, liquid chlorine, hydrochloric acid, sodium hypochlorite within the branch, the following are also obtained:

Macromolecular products

Polyethers-polyols are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, antifoams, in the manufacture of lubricants and brake fluids. Their most important use is the manufacture of flexible or rigid polyurethane foams. Polyurethane foams are obtained by a block or linear foaming process. They are used in the furniture industry for tapestries, in the automotive industry for various parts (board, steering wheel), car tapestries. They are also used for thermal insulation at low temperatures (refrigerators, cold rooms). Polyurethane foams are used to obtain foam cores for sandwich panels.

Organic synthesis products

Propyleneoxide is used in the manufacture of: polyethers-polyols for polyurethanes, propylene glycol, glycol ethers, special chemicals, brake fluid, fire extinguishing agents, synthetic lubricants in the field of oil drilling, etc.

Propylene glycol is mainly used in obtaining antifreeze, polyethylene polyols, antifoamants; paint industry, varnishes, as a solvent for obtaining printing dye and laundry detergents, as a plasticizer to improve the processing capacity of plastics, in the cosmetic and pharmaceutical industry.

Oxo-alcohols: -octanol is used to manufacture plasticizers; manufacture of synthetic lubricants; manufacture of surfactants and anti-foaming agents; as a solvent for animal fats, vegetable oils and minerals; wetting and dispersing agent for textiles;

-izobutanol and normalbutanol are used in solvents in the varnish industry based onnitrocellulose and alkyd resins; solvent for the manufacture of artificial skin; extraction agent for oils, drugs, perfumes; raw material in the manufacture of hormones, vitamins; solvent for varnishes with baked drying in the oven based on urea and phenolic resins.

The parent company provides to one of the subsidiaries rental and utilities supply services.

The Company Sistemplast SA operates within the Chemical Platform Rm. Valcea, which mainly carries out the mechanical and electro-AMA maintenance works at Chimcomplex SA.

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Sistemplast SA carries out in the relationship with the parent company services of:

- Maintenance of equipment, installations, civil and industrial constructions in the field of mechanics, electrical and automation;
- Design, construction, assembly, repair, commissioning, verification, and service for
- mechanical installations under pressure;
- Metrological calibration of oil gauges, pressure gauges for measuring pressure in oxygen cylinders, amperometers, voltmeters, pressure transducers;
- Repair and technical verification of electric and hydraulic elevators for persons and / or materials;
- Design and execution of interior electrical installations for civil and industrial constructions, overhead and underground connections, at voltages of 0.4 kV;
- Design and execution of electrical lines, overhead or in cable with voltages between 0.4 - 20 kV and of transformer stations;
- Installation and maintenance of refrigeration equipment (air conditioners, splitters, blowers, chillers, etc.);
- Execution, verification, and repair of earth sockets;
- PRAM checks;
- Execution and monitoring of installations for: extinguishing, signaling, alarming, and limiting fires.

Currently, the company's revenues come mostly from the activity of providing services.

GREENCOMPLEX SRL ONESTI carries out activity in the relationship with the parent company - Business and management consulting activities.

SC A5 INVEST SRL ONESTI - operations of general mechanics.

9. EVENTS WITH SIGNIFICANT IMPACT ON THE FUNCTIONING OF THE COMPANY

The main event that most influenced the results of the activity in 2022 was the important and unpredictable increase of prices on the energy market both at national and European level. The main reasons were, at European level, the increase in gas prices and the increase in prices for emission certificates and, particularly for Romania, the fact that it became a net importer of energy, as well as the operation of dam (Day-Ahead Market) coupled with neighboring countries (Hungary, Slovakia), which led to closing prices of the similar market in all these countries, plus the too high share of DAM in energy acquisition at the expense of other long-term markets (over 45%).

10. EVALUATION OF ASPECTS RELATED TO THE COMPANY'S EMPLOYEES

Parent company Chimcomplex SA Borzesti

In 2022 the average number of employees was 1,648, down by 179 people compared to the previous year. The decrease was mainly due to objective causes (retirement and layoffs).

In 2022, the company Chimcomplex SA Borzestistarteda collective redundancy program, which affected a number of 179 employees, within the two industrial platforms in Ramnicu Valcea and Onești.

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This measure considered the optimization of the operational and operating costs and the efficiency of the activity in order to use the financial human resources with maximum efficiency, as a result of the synergies/mergers between the industrial platforms in Ramnicu Valcea and Onesti.

In December 2022, a collective dismissal of a number of 19 employees took place, with the granting of compensatory salaries according to the provisions of the Collective Labor Agreement in force, following that at the beginning of 2023 to terminate the individual labor contracts, as a result of the collective dismissal, of a number of 160 employees.

Of the employees, 28% have higher education and 72% have secondary education. The company's staff follows a program of continuous professional training or internal and external training on quality topics, occupational health and safety, environment, etc.

The degree of trade unionization is about 60% and there have been no labor conflicts between the employers' association and the trade union. More information on social and personnel policy, occupational health and safety policy, human rights compliance policy and related key performance risks and indicators are available in the Non-Financial Statement of the Board of Directors for 2022 published together with this report on the company's website.

For the other companies in the group:

Company	No. average employees
Greencomplex	2
A5 Invest	53
Sistemplast SA	172
a6th	52

In 2022, there were no cases of professional illnesses or events with a major impact on the health and safety of employees.

11. IMPACT OF THE GROUP'S WORK ON THE ENVIRONMENT

Environmental regulations are in a development phase in Romania, and on December 31, 2022, and December 31, 2021, the Group did not register any debt for any anticipated costs, including legal and consulting fees, the design and implementation of environmental remediation plans.

The Group is also interested in the environmental issues that may arise from its customers due to the products manufactured by the Group. In order to limit the environmental impact during the use of our products, the Group provides customers with information about products and environmental protection measures when using them through labels, quality standards, instructions for use, safety data sheets, training and technical support when purchasing products.

The sustainability report for 2022 will be published on the company's website within the term provided by law.

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From the point of view of environmental protection, Chimcomplex S.A. Borzesti operates based on the following authorizations issued by the regulatory authorities:

Onesti:

Integrated Environmental Authorization no.1/10.01.2013, updated on 12.06.2018 and approved for 2021 – 2022 with Decision no.556/18.11.2021, issued by the Environmental Protection Agency Bacau, valid for the entire period in which the beneficiary obtains the annual visa, provided that the provisions regarding the activity carried out and the requirements for monitoring the quality of the environment are complied with.

Water management permit no. 1/07.01.2013, revised with no. 81/19.04.2018, issued by an AN Apele Romane – Siret Bacau Water Direction, valid until 06.01.2023, provided that the provisions regarding the activity carried out and the requirements for monitoring the quality of the environment are observed.

Greenhouse gas emissions authorization (EGES) no.19 / 05.01.2021, issued by the National Agency for Environmental Protection for the period 2021-2030, with **Plan for monitoring and reporting greenhouse gas emissions / 2021** approved by the National Agency for Environmental Protection – Climate Change Directorate, with the obligation to update when changing the data that was the basis for its preparation.

Environmental Permit no.26/19.04.2018, revision 1/23.03.2020, for the manufacture of chlorocolin chloride in pilot plant, and approved for 2022 – 2023 with **Decision no.88 / 21.02.2022**, issued by the Environmental Protection Agency Bacau. The authorization is valid for 2 years of continuous operation of the installation.

Environmental Permit no.82/28.05.2019 approved for 2022-2023 with **Decision no.180/06.04.2022** for the activity of metal treatment and coating, issued by the Environmental Protection Agency Bacau, valid throughout the period in which the beneficiary obtains the annual visa, provided that the provisions regarding the activity carried out and the requirements for monitoring the quality of the environment are complied with.

In 2022 the following regulatory documents were obtained:

- 1) The decision of the framing stage no. Order of the Minister of Public Health no. 254 of 15.11.2022 for the project: "Production of green hydrogen from water, through alkaline electrolysis of brine with ion exchange polymeric membrane" at Chimcomplex SA Borzesti
- 2) Natura Declaration 2000 no. 10651 from 25.07.2022 for the project: "Green hydrogen production from water, by alkaline electrolysis of brine with polymeric membrane ion exchangers" at Chimcomplex SA Borzesti
- 3) Decision of the framing plant no.279/09.12.2022 for the project: "Installation of the photovoltaic plant at Chimcomplex SA Borzesti";
- 4) Natura Declaration 2000 no. 7629 from 24.05.2022 for the project: "Photovoltaic plant installation at Chimcomplex SA Borzesti";

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During 2022, the following documents were updated / obtained:

- Elaboration of the air emissions inventory for 2020 - in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2020 - in the SIM (Integrated Environmental System) application;
- Reporting on waste oils for 2020 - in the SIM application (Integrated Environmental System);
- Reporting on waste statistics for 2021 - in the SIM application (Integrated Environmental System);
- Reporting on the situation of dangerous substances produced / used / export / import (SCP) for 2021, in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2021 - in the SIM (Integrated Environmental System) application;
- Monitoring report on greenhouse gas emissions for 2021;
- Report on the level of activity for 2020 and 2021, in order to allocate certificates for 2022;
- QUESTIONNAIRES INEGES – Industrial Processes and Product Use Sector, regarding the collection of the data necessary for the construction of the National Inventory of Greenhouse Gas Emissions, with the data from 2021 for the soda ash questionnaire;
- Questionnaires on the air emissions inventory for 2021 have been drawn up;
- Reporting on water statistics (SGA) for 2021;
- The Activity Notification at the Company CHIMCOMPLEX S.A Borzesti - Onesti was updated, in accordance with the provisions of Law 59/2016 on the control over major accident hazards involving dangerous substances;
- The application and the necessary documentation for the issuance of a new Integrated Environmental Permit related to CHIMCOMPLEX S.A. Borzesti – Onesti were submitted;
- The application and the necessary documentation for the issuance of a new Water Management Authorization related to CHIMCOMPLEX SA Borzesti – Onesti were submitted;

The compliance with the requirements of the Integrated Environmental Authorization no.1/2013, updated on 12.06.2018, is periodically reported to the control and regulatory authorities (Environmental Protection Agency Bacau, National Environmental Guard Bacau and AN Apele Romane – Siret Bacau Water Basin Administration) and is checked at least once a year, the result of the verifications being recorded in an inspection report.

During 2022, 6 site visits were made by the representatives of GNM – Bacau County Commissariat, of the Environmental Protection Agency Bacau and of AN Apele Romana – ABA Siret Bacau: in order to verify the compliance of the Chimcomplex activity with the provisions of the Integrated Environmental Permit no.1/2013 – updated on 12.06.2018, of the Environmental Permit no.26/19.04.2018, revision 1/23.03.2020 for the manufacture of chlorcolin chloride in the pilot plant, of the Water Management Authorization no.1/2013 – revised with no.81 / 19.04.2018, of the legislation in force regarding the landfilling of waste, the biocides regime, the REACH Regulation – ref 7 requirement, the Seveso III Directive. As a result of these checks, no nonconformities were identified.

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The last compliance control, carried out by the representatives of GNM – Bacău County Commissariat, took place on 24.11.2022 and the results of the inspection confirmed that the company Chimcomplex complies with the provisions of the Integrated Environmental Authorization no.1/2013, updated on 12.06.2018 and the reporting obligations to the competent authorities.

The measurement and monitoring activity in the environmental field included: monitoring the quality indicators imposed for the environmental factors water, groundwater and air; waste monitoring; monitoring of priority hazardous substances when discharging into trotus river, domestic water and groundwater; inspections to monitor the environmental aspects in the installations and at the reception of the revisions and investments works, in order to monitor the compliance with the authorization provisions and the legal requirements; making the calculation for the amounts due to the Environmental Fund for emissions into the atmosphere, the quantities of packaging placed on the market with Chimcomplex products and for the substances dangerous for the environment placed on the national market, the study of the technical documentations subject to environmental authorization for the realization of the investments, in order to verify and complete them with the provisions of the environmental legislation that must be observed when carrying out the works.

During 2022, the activity of maintaining the certification of the Environmental Management System as an Integrated Environmental Quality Management System continued, according to the provisions of ISO 14001:2015 and ISO 9001:2015. Trainings were carried out with the Chimcomplex staff on the application of the requirements of the documented procedures, but also on the compliance with the environmental legal provisions in order to avoid non-compliance situations and fines.

Rm. Valcea Branch:

In 2022, the following regulatory acts were obtained:

Decision No. 44/31.01.2022 with validity until 11.03.2023, regarding the annual visa of the Integrated Environmental Authorization no. 1 / 11.03.2021;

Water management permit no. Order of the Minister of Public Health no. 04 of 11.01.22 on the project "Realization of the Cooled Water Installation"

The decision of the framing stage no. Order of the Minister of Public Health no. 44 of 25.01.2022 for the project: "Realization of the Cooling Water Installation"

The decision of the framing stage no. 113/21.02.2022 for the project "Dismantling of constructions on the lot with no. cadastral 55745 (C1, C5, C6 and C7)";

The decision of the framing stage no. Order of the Minister of Public Health no. 131/25.02.2022 for the project "High efficiency cogeneration installation 49 MW";

The decision of the framing stage no. 150/04.03.2022 for the project "Modification of the installation for the synthesis of polyethers grafted unit 100 – U100";

Environmental Agreement No. 3/21.03.2022 for the project "Partial decommissioning of the equipment belonging to the Mercury Electrolysis installation no. 3";

Water management permit no. 47 from 27.06.22 regarding the project "Mobile container assembly - Cooled Water Installation +5°C";

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The decision of the framing stage no. Order of the Minister of Public Health no. 508 of 04.07.2022 for the project: "Mobile container assembly - Cooling Water Installation +5°C";

Water management permit no. 55 from 14.07.22 regarding the project "Realization of "High efficiency cogeneration installation 49 MW";

The decision of the framing stage no. Order of the Minister of Public Health no. 554 of 18.07.2022 for the project: "Works for the construction and installation of natural gas pipelines at the industrial consumers inside Chimcomplex";

Water management permit no. 59 from 21.07.22 regarding the project "Construction of the heating plant C.T. 3";

The decision of the framing stage no. Order of the Minister of Public Health no. 620 from 05.08.2022 for the project: "Construction works for SRMP and connection pipe";

Environmental Agreement No. 7 from 08.08.2022 for the project: Realization of "High efficiency cogeneration installation 49 MW";

Environmental Agreement No. Order of the Minister of Public Health no. 9 of 16.08.2022 for the project "Construction of the heating plant C.T. 3"

The decision of the framing stage no. 649 from 18.08.2022 for the project: "Construction works assembly at SRMP";

Water management permit no. 81 from 05.10.22 on the project "Modification of grafted polyether synthesis installation, unit U100";

Environmental Agreement No. 13 from 24.10.2022 for the project: "Modification of installation for the synthesis of polyethers grafted unit 100-U100";

The decision of the framing stage no. 982 from 05.12.2022 for the project: "Dismantling of buildings and installation of photovoltaic power plant (1_Protectchim area)";

The decision of the framing stage no. 983 from 05.12.2022 for the project: "Dismantling of buildings and installation of photovoltaic power plant (olt 2_Priza area and 3_Oxygen area)";

The decision of the framing stage no. Order of the Minister of Public Health no. 984 of 05.12.2022 for the project: "Works for the dismantling of constructions C2, C3, C4, C5, C6, C7, C8, C9, C13 and construction works for photovoltaic plant installation (biological 4_Epurare area)";

Classification of notification no. Order of the Minister of Public Health no. 2426 of 19.12.2022 for the project "Repairs/consolidation of tank washing station no.2";

The decision of the framing stage no. 1061 from 29.12.2022 for the project: "Green hydrogen production from water by alkaline electrolysis of brine with polymeric membranes regulating ions at Chimcomplex S.A. Borzesti – Ramnicu Valcea Branch";

Natura Declaration 2000 no. 17716 from 22.12.2022 for the project: "Dismantling of buildings and installation of photovoltaic power plant (1_Protectchim area)";

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Natura Declaration 2000 no. 17717 from 22.12.2022 for the project: "Dismantling of buildings and installation of photovoltaic power plant (2_Priza Olt area and 3_Oxigen area)";

Natura Declaration 2000 no. 17715 from 22.12.2022 for the project: "Dismantling works for constructions C2, C3, C4, C5, C6, C7, C8, C9, C13 and construction works for photovoltaic plant installation (biological 4_Epurare area)";

During 2022, the following documents were updated / obtained:

- Reporting on the management of packaging / packaging waste for 2020 for the company CHIMCOMPLEX S.A. Borzesti - Ramnicu Valcea Branch - in the SIM application (Integrated Environmental System);
- Elaboration of the air emissions inventory for 2020 - in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2020 - in the SIM (Integrated Environmental System) application;
- Reporting on waste oils for 2020 - in the SIM application (Integrated Environmental System);
- Reporting on waste statistics for 2021 - in the SIM application (Integrated Environmental System);
- Reporting on the situation of dangerous substances produced / used / export / import (SCP) for 2021, in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2021 - in the SIM (Integrated Environmental System) application;
- Monitoring report on greenhouse gas emissions for 2021;
- Report on the level of activity for 2020 and 2021, in order to allocate certificates for 2022;
- QUESTIONNAIRES INEGES – Industrial Processes and Product Use Sector, regarding the collection of the data necessary for the construction of the National Inventory of Greenhouse Gas Emissions, with the data from 2021 for the questionnaires lime, carbonates, soda ash;
- Questionnaires on the air emissions inventory for 2021 have been drawn up;
- The form for the stationary operators was drawn up with the data of the authorized representatives for the access to the Single European Register on Greenhouse Gas Emissions;
- For the first 9 months of the year, the monitoring report on greenhouse gas emissions and the report on the activity level were verified, following the audit carried out on 08.11.2022 by COV INSPECT S.R.L.
- Decision on combating accidental pollution;
- The plan for preventing and combating accidental pollution for 2022;

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- Reporting on water statistics (SGA) for 2021;
- The Activity Notification at CHIMCOMPLEX S.A. Borzesti - Ramnicu Valcea Branch was updated, in accordance with the provisions of Law 59/2016 on the control over major accident hazards involving dangerous substances;
- Annex 1 of transport with GEOCYCLE (Romania) SRL for the capitalization of the waste filtering cake polyethers;
- It was concluded Addendum no. 4/2022 to Contract no. MEA 34 from 05.07.2019 with GEOCYCLE (Romania) SRL for the capitalization of the polyether filtering cake waste, as validity until 31.07.2023;
- The application and the necessary documentation for the issuance of the Integrated Environmental Permit related to CHIMCOMPLEX S.A. Borzesti – Ramnicu Valcea Branch were submitted;
- The firm order was concluded with the INCDTCI – ICSI Ramnicu Valcea Laboratory for determining the composition and the calorific value for the natural gas used as fuel in the combustion plants existing on the site, for the year 2023, in order to calculate the CO2 emissions.
- An addendum to the contract with INCD ECOIND Bucharest – Râmnicu Vâlcea Branch was concluded for "Air pollution monitoring services (emissions, immissions and odor) – sampling, monitoring and interpreting the results through research works" for 2023;
- Negotiations were made on the environment in order to draw up the following contracts: Contracts for the provision of water management services with third-party companies on the platform (S.C. VILMAR S.A., S.C. CET GOVORA S.A., S.C. UZINA MECANICA S.A., CIECH Soda Romania SA, S.C. LOGISERV S.R.L, S.C. SISTEMPLAST S.A.) for the year 2023;

In 2022, the following inspection and control actions took place in the company:

1. Control performed at the Company Chimcomplex S.A. Borzesti - Ramnicu Valcea Branch on 08.06.2022 by the representatives of **the National Environmental Guard - Valcea County Commissariat**. The verification is performed as a result of the company's request regarding the verification of the compliance with the provisions of the Environmental Agreement no. 1/25.03.2013, at the completion of the construction and arrangement of the storage spaces, part of the objective "Construction of Polyether Installation – Lindan location and redevelopment of social group", as well as of the address no. 7436/18.05.2022 issued by APM Valcea.

Established sanctions:

No sanctions or objections were imposed.

Established measures:

- The provisions imposed by the Environmental Agreement no. 1/25.03.2013, during operation, so as not to affect environmental factors (water, air, soil).

Deadline: 09.06.2022 and permanent.

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2. Control performed at the Company Chimcomplex S.A. Borzesti - Ramnicu Valcea Branch on 04.10.2022 by the representatives of **the National Environmental Guard - Valcea County Commissariat**, regarding the performance of thematic controls regarding the management of ponds and dumps in the extractive industry.

Established sanctions:

No sanctions or objections were imposed.

Established measures:

- The landfill for non-hazardous waste will be monitored post-closure in compliance with the legal provisions in force.

3. On 07.11.2022, at the company Chimcomplex S.A. Borzesti – Ramnicu Valcea Branch, the inspection of the competent authorities took place (**ISU Valcea, GNM – CJ Valcea, APM Valcea – risk secretariat**), having as theme the verification of the operator according to the provisions of Law no.59/2016, regarding the control over the major accident hazards in which dangerous substances are involved, with subsequent amendments.

During the execution of the inspection, the documents elaborated in the field of security management, warning/ alarm, and communication systems, as well as the equipment and means of protection and intervention were checked and evaluated.

During the inspection, no deficiencies were found regarding the managerial act on the line of managing dangerous substances and preventing the occurrence of a major accident or in the way of organizing and executing the activities planned and carried out within the objective.

No sanctions or objections were imposed.

Established measures and deadlines for implementation: this is not the case.

4. Control performed at the Company Chimcomplex S.A. Borzesti - Ramnicu Valcea Branch during the period 21-22.11.2022 by the representatives of **the National Environmental Guard - Valcea County Commissariat**. The verification is performed as a result of the planned control.

Established sanctions:

No sanctions or objections were imposed.

Established measures and deadlines for implementation:

- Upon completion of the investment works that are underway on the site, G.N.M. C.J. Vâlcea will be notified, on the e-mail address: cjvalcea@gnm.ro and A.P.M. Vâlcea on the e-mail address: office@apmvl.anmp.ro; TERM: at the completion of the works;

- The waste generated as a result of the investment works carried out on the site will be properly managed, with the preparation and possession of supporting documents, from the point of view of environmental protection, in this respect; DEADLINE: 23.11.2022 and permanent;

- The provisions of the Water Management Authorization no.5/ 17.01.2020 will be observed and the imposed measures will be carried out, within the established deadlines, as stipulated in the program of measures; DEADLINE: second semester of 2023.

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Societatea also shows interest in environmental issues that may occur in its customers due to the products manufactured by Chimcomplex. In order to limit the environmental impact on the use of our products, Chimcomplex provides customers with information on products and environmental protection measures when using them through labels, quality norms, instructions for use, safety data sheets, trainings and technical support when buying products.

Chimcomplex SA Borzesti aims to improve communication with the stakeholders interested in environmental performance, with the local community, control and regulatory authorities, collaborators, etc., carrying out actions for the exchange of ideas, thematic debates, etc. (direct meetings). In this respect, the modernization works and the investments with possible impact on the environment were carried out in accordance with the legislation in force, but also with the information of the public and the stakeholders in order to highlight the interest and effort of our organization for the observance and application of the legal provisions and for the continuous improvement of the environmental performance.

The company CHIMCOMPLEX SA Borzesti - Ramnicu Valcea Branch has monitored the compliance with the conditions imposed by the Integrated Environmental Authorization no. 1/11.03.2021 in order to improve the quality of environmental factors by reducing the impact of its activity on them.

Greenhouse gas emissions

The year 2022 brought a considerable decrease in greenhouse gas emissions (on both platforms) due both to the decrease in the amount of natural gas consumed and, amid the economic crisis triggered by the war in Ukraine, to the aggressive increase in the price of natural gas and to the restriction of the market for Chimcomplex SA Borzesti products.

In these conditions, it was necessary to take measures for the judicious use of own cogeneration installations for the production of electricity and heat necessary in the activity, in parallel with the acquisition of electricity on the market. At the same time, a part of natural gas was replaced with hydrogen produced in electrolysis and used as a fuel for the production of thermal energy without greenhouse gas (CO₂) emissions.

The other companies in the group operate in the same premises, with onesti and Ramnicu Valcea platforms do not have activities that by their nature pollute the environment and respect the same rules regarding compliance with environmental requirements.

12. RISK MANAGEMENT OBJECTIVES AND POLICIES. RISK FACTORS

The company's management permanently seeks to reduce the potentially adverse effects, associated with risk factors, on the financial performance of the company by defining the risk profile - the general presentation of all the potential risks that affect the company. The risk profile which, by combining, classifying, ordering, establishing interdependencies, analyzing the causes/effects, severity, and frequency, as well as defining the ways to mitigate the impact of all identified risks, represents a main source of information in establishing the company's business strategy.

In order to carry out efficiency and efficiency the processes in the company in order to obtain products and services in accordance with the regulatory requirements in the field, with the legal requirements and with the client's requirements, it is necessary to identify the processes, to sequence and interact them and implicitly by the risks generated by them.

By implementing the requirements of the new ISO 9001:2015 and ISO 14001:2015 standards, both the risks generated by the processes identified at company level and those associated with the environmental aspects generated by the activities, products and services carried out were identified and evaluated and we documented the management of these risks.

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The management has the obligation to permanently monitor the risk register together with the program of measures to minimize them. Thus, at least once a year, the process managers will systematically analyze the risks related to the development of its activities, will elaborate appropriate plans in the direction of limiting the possible consequences of these risks.

By the nature of the activities performed, the company is exposed to risks that include, without being limiting, the risks presented below:

Capital risk management - the objectives of management are to protect the entity's ability to continue its work to provide benefits to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company uses loans that are usually secured by its assets. If the company cannot generate adequate cash flows to cover the debts, it may suffer a partial or total loss of capital. A relatively small movement in the value of assets or income can cause a large disproportionate, unfavorable, or favorable movement in the value of the economic indicators of the company.

The management of capital risk is done with the help of the **leverage ratio**, which shows the degree to which equity ensures the financing of the activity indicating to what extent its medium and long-term commitments are guaranteed by the equity. It is calculated as the ratio between medium and long-term debts and total capital.

Credit risk - represents the risk of financial losses for the company if one of the parties to a financial instrument contract fails to fulfill its contractual obligations. The Company's exposure to credit risk is mainly influenced by the individual characteristics of each client so that a large customer base reduces the credit risk.

Cash flow risk - Prudent liquidity management involves maintaining sufficient available cash and credit lines through continuous monitoring of the estimated and real cash flow and by correlating the maturity dates of financial assets and liabilities. Given the nature of its business, the company aims to be flexible in terms of financing options by maintaining credit lines available for financing operating activities as well as investments. Liquidity risk management is done using the **current liquidity** indicator that shows the extent to which current liabilities can be covered from current assets (current assets).

Market risk The macroeconomic environment in general and the chemical market, in particular, continue to be affected by the economic crisis, with negative consequences on the development potential of the company. The market risks to which the company is subject include **currency risk** in commercial and financial transactions **and price risk**.

Interest rate risk. The company could be at risk that future cash flows will fluctuate due to variations in market rates of interest rates on loans and cash held.

Economic risk. Any economic recession generally negatively affects the value of a company, so that the return on an investment in a productive company depends largely on the economic conditions on the domestic and international market, on the volume of orders received and on the value of the contracts concluded, as well as on the changes in the prices of raw materials and finished products.

The impact of government laws and regulations. The company must comply with the laws and regulations regarding taxation, planning, laws, and regulations that by their application can have an effect on increasing expenses and decreasing revenues or rate of return.

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Taxation - The taxation system in Romania is in a continuous change / modification and is trying to consolidate and harmonize with the European legislation. In this sense, there are still different interpretations of the tax legislation. In certain cases, the tax authorities may treat differently certain aspects of taxation, including in the field of transfer pricing, and the additional taxes and fees and the related interest and penalties are calculated.

Litigations – The company is subject to several legal actions arising during the normal course of activity. Management believes that they will not have any significant negative effect on the financial performance and financial position of the Company.

Environment - Environmental regulations are in a development phase in Romania and Chimcomplex did not register debts as of December 31, 2020, for any anticipated costs, including legal and consulting fees, design, and implementation of remediation plans in terms of environment.

Economic, political, and social conditions in Romania or other countries

The Company's performance may be particularly affected by the changes in the legal, regulatory and tax norms, as well as by the general financial conditions at national and global level:

- changes in political, economic, and social conditions in Romania and / or other countries in Central and Eastern Europe;
- changes in Government policies or changes in laws and regulations, or interpretation of laws and regulations;
- changing the regulations on the exchange rate;
- measures that can be introduced to control inflation and interest rate;
- changes in percentages or methods of taxation.

13. PERSPECTIVE ELEMENTS OF THE COMPANY

Being mostly dependent on commercial relations with the parent company, the perspective of the companies in the group depends on its evolution. The Report of the Administrators – Individual Situations describes the market trends and commercial policies of Chimcomplex SA Borzesti.

14. CONSOLIDATED FINANCIAL STATEMENT OF ACCOUNTS ON 31 DECEMBER 2022

The results of the group are strongly influenced by the results of the parent company, having the same trend.

The main economic and financial indicators in the consolidated financial statements according to the International Financial Reporting Standards (IFRS), achieved by the Chimcomplex Group in 2022 compared to 2021, are:

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14.1. Consolidated financial position.

-Lei-

	December 31, 2022	December 31, 2021
ACTIVE		
Fixed assets		
Property, plant, and equipment	1.859.918.966	1.747.771.538
Rights to use the leased assets	13.844.826	5.906.799
Real estate investments	31.452.10p.m.	14.424.776
Intangible assets	122.419.867	126.621.140
Investments in associates and other equity investments	31.288.882	3.687.612
Other long-term financial assets	6.718.514	5.093.759
Total fixed assets	2.065.643.277	1.903.505.624
Current assets		
Stocks	239.200.319	157.905.520
Trade receivables and other receivables	504.194.420	301.795.179
Short-term loans	5.327.386	3.536.799
Cash and cash equivalents	45.539.597	148.351.765
Total current assets	794.261.722	611.589.263
Total Assets	2.859.904.999	2.515.094.887
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	1.190.991.169	1.190.991.169
Own shares	(47.794.795)	(142.454)
Equity premiums	4.669.565	4.669.565
Legal reserves	109.516.233	90.273.573
Retained earnings	(21.708.405)	(207.046.363)
Revaluation reserves	577.222.870's	578.340.730
Interests that do not control	395.866	-
Total equity attributable to Group owners	1.813.292.503	1.657.086.220
DEBT		
Long-term debts		
Subsidies	13.778.664	15.450.076
Leasing	8.705.286	3.444.122p.m.
Deferred tax liabilities	136.141.686	146.155.550
Provisions	16.302.643	16.459.564

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	December 31, 2022	December 31, 2021
Long-term loans	460.024.477	294.521.275
Other long-term debts	10.259.628	598.685
Total long-term debt	645.212.384	476.629.273
Current liabilities		
Subsidies	27.338.122p.m.	2.541.998
Commercial and other debts	280.416.067	289.530.505
Leasing	5.949.300	3.465.451
Income tax liabilities	21.859.005	20.101.200
Provisions	18.752.331	36.257.005
Short-term loans	47.085.287	29.483.235
Total current liabilities	401.400.112	381.379.394
Total debts	1.046.612.496	858.008.667
Total equity and liabilities	2.859.904.999	2.515.094.887

14.2. Statement of the overall consolidated result

-lei-

	Year ended December 31, 2022	Year ended December 31, 2021
Sales	2.263.583.705	2.235.682.220
Investment income	10.177.822	2.062.019
Other gains or (losses)	10.594.051	(30.031.493)
Cost of goods sold	(85.184.950)	(28.142.995)
Change in stocks	74.766.067	42.726.248
Expenses for raw materials and consumables	(737.478.771)	(767.092.901)
Salary expenses	(169.900.895)	(180.078.658)
Depreciation expense on assets	(153.988.404)	(111.122.869)
Distribution expenses	(41.309.258)	(38.932.655)
Energy and water costs	(738.532.420)	(451.442.533)
Expenditure on services performed by third parties	(45.044.579)	(29.727.228)
Maintenance and repair costs	(27.887.088)	(29.462.915)
Other revenue	37.638.681	5.035.569
Net loss on revaluation of property, plant, and equipment	-	(13.480.054)
Other expenditure	(57.536.672)	(52.922.167)
Financing costs	(21.615.668)	(103.696.796)
Profit / (Loss) before taxing	318.281.621	449.372.792

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	Year ended December 31, 2022	Year ended December 31, 2021
Income / (Expense) with corporate tax	(56,681,502)	(70,656,027)
Income / (Expense) with profit tax deferred	10.013.865	9.936.704
Profit / (Loss) of the Year	271.613.984	388.654.469
Other comprehensive income (revaluation reserves)	(1.117.860)	367.317.480
Total overall result, attributable to:	270.496.124	755.971.949
Owners	270.402.897	755.971.949
Interests that do not control	93.227	-

The total sales of the group on December 31, 2022 are in the amount of 2. 263. 583. 705 lei of which 2. 258. 532. 411 lei were made on account of the income from the sale of polyether-polyethers, chlorosodic products, oxo-alcohol products, and others by the parent company, Chimcomplex SA.

The products with the highest share in turnover are represented by polyols. The parent company intends to focus its activity on the polyol/polyether and caustic soda sectors, which are the most profitable.

Hydrochloric acid and sodium hypochlorite are by-products obtained in the electrolysis process and are predominantly recovered on the internal market, which require special storage and transport conditions.

The parent company has a wide and varied range of quality products with multiple areas of use, products with great demand both on the domestic and external market. For some products in the manufacturing profile, Chimcomplex SA is the main or even unique supplier internally, being the company that supports with raw materials a number of sectors of activity in the country, namely: aluminum industry, manufacture of artificial and cellulosic fibers, energy industry, pharmaceutical and food industry, plastics processing industry, construction industry.

14.3. Statement of consolidated cash flows

-Lei-

Indicator	Period of 12 months ended on 31.12.2022	Period of 12 months ended on 31.12.2021
Cash flow from the operating activity	166. 227. 824	487. 611. 391
Cash flow used in the investment business	(179. 487. 693)	(55. 049. 183)
Cash flow from the financing activity	(90. 146. 043)	(326. 459. 915)
Increase/ (decrease) in cash and cash equivalent	(103. 405. 912)	106. 102. 294
Cash at the beginning of the period	148. 351. 765	41. 112. 208
Effects of changes in the exchange rate on the balance cash held in foreign currency	593.746	1.137.265
Cash at the end of the period	45. 539. 597	148. 351. 765

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The Group presents in the cash-flow statement changes in financial liabilities (loan receipts, repayments of leasing debts and repayment of loans).

15. DIVIDEND POLICY

According to the Companies Law, the OGMS has, among other things, the obligation to discuss and approve the financial statements annually, respectively to fix the dividend. The OGMS must be convened at least once a year, no later than 4 (four) months after the end of the financial year, in order to examine the financial statements for the previous year and to establish the work schedule and budget for the current year. The OGMS decides on the possibility of distributing the profit with the destination of dividends.

If a loss of net assets is found, the share capital will have to be re-recorded or reduced before a profit distribution or distribution is made.

Dividends can only be distributed from profits determined according to the law. The dividends will be paid to the shareholders in proportion to the share of participation in the paid-up share capital of the Issuer.

During 2022, dividends were granted to shareholders in the amount of 167,000,000 lei, and based on the Decisions of the Ordinary General Meeting of Shareholders of September 16, 2022 and November 28, 2022, it was approved the distribution of the amounts of 40,000,000 lei and 127,000,000 lei in the form of interim dividends (gross amount) that will be adjusted after the approval of the annual financial statements of the company for 2022.

The payment of dividends in the amount of 40,000,000 lei was decided on October 21, 2022, and the payment of dividends in the amount of 127,000,000 lei was decided on December 29, 2022, in accordance with the provisions of Regulation no. 5/2018.

For 2021, based on the Decision of the Ordinary General Meeting of Shareholders of November 9, 2021, it was approved the distribution of the amount of 60,000,000 lei as interim dividends (gross amount) that was regularized after the approval of the company's annual financial statements for 2021.

The payment of dividends was decided on April 21, 2022, in accordance with the provisions of Regulation no. 5/2018.

CHIMCOMPLEX SA has always considered the interest of the shareholders both in terms of development policy and in terms of granting dividends. When financial results allowed it, dividends were granted to shareholders.

In the last three years, the situation is as follows: for 2020 - a gross dividend of 0.005099424 lei / share was granted, for 2021 - a gross dividend of 0.196780 lei / share was granted, for 2022 - interim dividends were granted - gross dividend value of 0.131187 lei / share, respectively 0.416519 lei / share.

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16. INDEPENDENT EXTERNAL AUDITOR

Following the meeting of the Board of Directors, meeting statutorily on November 9, 2022, it was decided to mandate Deloitte Audit SRL in order to audit the financial statements for 2022. The audit company is represented by Mr. Pirvulescu Horatiu – Audit Partner.

The identification data of Deloitte Audit SRL are the following:

- CIF RO 7756924, Registration no. with the Trade Register 40/6775/1995
- Authorization of the Chamber of Financial Auditors of Romania no. 25/25.06.2001
- The headquarters of the company – Bucharest, Sector 1, Calea Grivitei 82-98, The "The Mark" Building
- Tel. 021/222.16.61, Fax 021/319.51.00

In the present material are presented only the elements characteristic of the consolidated situations respectively, those referring to the group of companies controlled by Chimcomplex SA Borzesti. The parent company is the only one that carries out production activities. Since the group's activity is mostly determined by the activity of the parent company (> 98% of revenues), all the other aspects described in the Administrators' Report – Individual situations are also valid for the Administrators' Report – Consolidated situations, without being resumed in this material.

In relation to the above, we submit for analysis and approval to the General Meeting of Shareholders the Company's Activity Report on the Consolidated Annual Financial Statements concluded for 2022.

**Chairman of the Board of Directors
Stefan Vuza**

27 March 2023

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