

**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE
FINANCIAL YEAR 2021**

Company name: CHIMCOMPLEX S.A. BORZEȘTI

Registered office: Onesti, 3 Industriilor Street, Bacau County

Phone: 0234/302100

Fax: 0234/302102

Unique registration code: RO 960322

Serial no. in the Trade Register: J04/493/1991

LEI code: 549300FCIHJZOG56WD36

The market on which the issued securities are traded: Bucharest Stock Exchange - Standard Category, Symbol CRC

Object of activity: Manufacture of other basic inorganic chemicals

Subscribed and paid-up share capital according to the Trade Register: 304.907.851 lei

The main characteristics of the securities issued by the company: the share capital is divided into 304,907,851 shares with a nominal value of RON 1 / share

1. ANALYSIS OF THE COMPANY'S ACTIVITY

Description of the basic activity of the company

The main activity of the company, according to the NACE codification, is 2013 "Manufacture of other basic inorganic chemicals".

The activity that holds the largest share in the income achieved by the company in 2020, according to the NACE code, is 2014 "Manufacture of other basic organic chemicals".

The main products manufactured by Chimcomplex SA Borzești are:

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

a) Date of establishment of the commercial company:

The commercial company CHIMCOMPLEX was founded in 1990, based on government decision nr. 1200 from 12.11.1990, by splitting from the Petrochemical Plant Borzești and taking over the entire patrimony of the Borzești Chemical Plant.

On March 15, 1991, it was organized as a commercial 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 sale-purchase agreement of shares on June 9, the company A2 IMPEX SRL Ploiesti taking over from APAPS (AAAS) a number of 63,240,247 lei, at a nominal value of 2.5 lei (Ron), representing 94.7465% of the company's share capital at that time.

On December 7th, 2018, Chimcomplex SA Borzești acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable goods, ongoing investments) related to the 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. Vâlcea Branch was established, without legal personality.

On 31.12.2020, the share capital of Chimcomplex SA Borzești 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.

a) Description of acquisitions, modernizations and / or outflows of assets from the patrimony:

During 2021, in Borzești, asset inputs were made through acquisitions and modernizations of buildings, constructions, machinery, equipment, measuring and control devices and means of transport as follows:

<p>- special buildings and constructions: - return sale duct from</p>	<p>1.039.341 lei, of which: PEHD830.408 lei</p>
<p>- machinery, equipment, measuring and control devices and means of transport: - cells 110KV1.675.469 lei - pumps, electropomps626.963 - - distribution - - distributed control - - locomotive546.869 lei</p>	<p>6.773.099 lei, of which: lei tanks315.558 lei panels320.116 lei cars175.081 lei system297.793 lei wagons2,341,174 lei</p>

Regarding the outflows of assets from the patrimony, during 2021 they were worth 106,780 lei.

During 2021, **at rm. Valcea Branch** were put into operation / modernized fixed assets worth 3,533,813 lei from the ongoing investments as follows:

-Cooled water installation, electricity supply network within the investment objective "Rehabilitation of electrolyzers for membrane electrolysis"	1,834,767 lei
-Independent technological equipment, means of transport, office equipment	1.699.046 lei

Regarding the outflows of assets from the Rm. Vâlcea Branch during 2021, they are as follows:

Fixed assets, of which:	3,330,586 lei
-Scrapping of fixed assets	1,183,658 lei
-Tank wagons, transferred to Onesti Branch	2,146,928 lei

During 2021, advances were paid for property, plant and equipment in the amount of 20.102.334 lei, of which:

-Acquisition of equipment, design services and execution of constructions at the objective "Cogeneration installation 49 MW"	19.194.922 lei
-Reactor execution, modernization of the distribution panel at the objective "Increase the capacity at the propenoxide installation"	774.322 lei
-Electrical project for the power supply at the objective "Installation of special polyols"	133.090 lei

1.1.1. Elements of general evaluation

The main indicators achieved in 2021 are:

	TOTAL	Borzești	Rm. Vâlcea
			- lei -
Total turnover, of which:	2,244,002,649	234,425,502	2,009,577,147
production sold	2,207,527,570	231,606,534	1,975,921,036
of which, export	1,726,800,493	127,136,498	1,599,663,995
Operating income	2,413,335,005	351,214,220	2,062,120,785
Total operating costs, of which:	1,772,958,760	365,881,514	1,407,077,246
raw materials and materials,	881,850,968	38,894,367	842,956,601
utilities (energy, water, gas)	451,442,533	163,021,482	288,421,051
Personal	176,127,012	78,646,434	97,480,578
Transportation	39,413,608	13,915,218	25,498,390
depreciation	46,591,424	12,967,631	33,623,793
services performed by third parties	78,290,434	26,844,302	51,446,132
Operating result	640,376,245	(14,667,294)	655,043,538
Total financial income, of which:	15,690,059	9,352,801	6,337,258
exchange rate differences	8,946,573	2,828,015	6,118,558
Total financial expenditure, of which:	113,005,289	10,109,578	102,895,711
Interest	46,010,660	331,408	45,679,252
course differences	15,321,099	2,803,812	12,517,287
other expenses - banking services	48,982,862	6,098,766	42,884,096
Gross result	543,061,015	(15,424,071)	558,485,086
Net result	485,535,941		

Market share held by the company:

On the internal market, the company holds, by product category, the following market shares:

- Chlorosodic: between 75% - 90%
- Inorganic chlorides: 77%
- Oxo-alcohols: 40%
- Polyols: between 60% - 70%

On the relevant foreign markets (Turkey, Bulgaria, Hungary, Greece, Poland, Czech Republic, Slovakia) Chimcomplex holds, by product category, the following market shares:

- Chlorosodics: between 20% - 50%
- Inorganic chlorides: 30%
- Polyols: 20%

1.1.2. Evaluation of the technical level of the company

Description of the main products made and / or services provided

Borzești:

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

Inorganic chlorides: ferric chloride, calcium chloride, lime chloride; Alkylamines: methylamines, isopropyl amine;

Other products: chlorcoline chloride

Short presentation of the main manufactured products:

Chlorosodic products

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

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 synthesis, in the manufacture of chlorine-rubber, in the manufacture of plastics, in the synthesis of dyes, pesticides, in the pharmaceutical industry, in the pulp and paper industry as a bleacher, in the textile industry, 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, in the sugar industry, in the regeneration of ion exchange resins in water demineralization stations.

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

Inorganic chlorides

Ferric chloride is used as a dephosphorizing and coagulant for the treatment and treatment of drinking, worn and industrial waters, 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 during winter, as an anti-dust agent on unpaved roads, in the extractive industry (combating dust in mining, addition to drilling clouds), in the transport and storage in winter of ores as an anti-inflammatory agent, as a refrigerant 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 cellulose and paper industry as a bleacher, in the textile industry, in water treatment.

Alkylamines

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

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

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

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

Chlorcoline chloride – is a product that is used as a stimulator of plant growth.

Valcea Branch:

In addition to chlorosodic products: caustic soda flakes and solution, liquid chlorine, hydrochloric acid, sodium hypochlorite, within the branch 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 at tapestries, in the automotive industry at various landmarks (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:

Propylene oxide 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 the production of antifreeze, polyol polyethylene, antifoamers; 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 in the manufacture of plasticizers; the manufacture of synthetic lubricants; the manufacture of surfactants and antifoamers; as a solvent for animal fats, vegetable oils and minerals; wetting and dispersing agent for textiles;

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

a) *The main markets, the share held by the main products on these markets and the distribution methods:*

Borzesti:

The main markets were Romania 44%, European Union 26.5%, extra EU 29.5%.

Valcea Branch:

The main markets were: European Union 60%, Romania 18%, Middle East 10%, other regions 12%.

The sale of the products is made directly to the end users or through companies specialized in the distribution of chemical products.

The sale of the products through distributors ensures the takeover of the risk of non-payment of the final consumer, the financing of the production through advance payments, logistical conditions (authorized auto means for the transport of dangerous goods, warehouses), the reduction of the selling costs on the more distant geographical markets, the redistribution of the products in small quantities to the small consumers, the prospecting of the market and the promotion of the products.

b) *The evolution of the share of revenues resulting from the main activities carried out, in the total turnover achieved by locations:*

Income from the sale of Borzești products	2020	2021
Chlorosodic	77	80,6
inorganic chlorides	11,7	9,9
Alkylamines	8,6	8,5
other products	2,7	1

Income from the sale of Rm Valcea products	2020	2021
Chlorosodic	18	11
polyols - polyethers	72	71
oxo-alcohols	0,5	13
other revenue	9,5	5

The value of the goods production made in 2021, broken down by production sections, is as follows:

LOCATIO N	Year 2021	
	VPM (thousand lei)	%
Borzești	228,303	10%
Soda M	150,871	7%
Chlorine	46,670	2%
Organic	22,870	1%
Inorganic chlorides	7,892	0.4%
Rm. Valcea Branch	2,010,741	90%
Chlorosodics	216,804	10%
Polyols-Polyethers	1,505,735	67%
Oxo-alcohols	272,554	12%
Other products	15,648	1%
TOTAL	2,239,044	100%

Borzești:

The value of the merchandise production made in 2021 was 228,303 thousand lei, compared to 211,437 thousand lei in 2020.

Rm.Valcea Branch

The value of the merchandise production made in 2021 was 2,010,741 thousand lei,

compared to 921,997 thousand lei in 2020.

The utilization of the production capacities at the level of Chimcomplex SA in 2021 is:

Product group	
-polyols	91%
-Liquid soda	92%
-oxo-alcohols	65%

Chimcomplex maximized its polyol production in 2021, reaching more than 91% of plant capacity; -Oxo-alcohols had a relatively low usability in 2021 because the company prioritized the use of propylene in polyol production during a propylene market shortage.

1.1.3. Evaluation of the supply activity

The main suppliers of Chimcomplex are:

PRODUCT	SUPPLIERS
Salt solution	Tg. Ocna Salt Mine, Rm Valcea Salt Mine
Soda ashes	Solvay, Bulgaria, Siseecam Chemicals Bosnia;
Ammonia	Square Chem Bucharest
Industrial lime	Carmeuse Holding Brasov
Limestone stone	Mezei Trans SRL Rupea; Societatea Nationala a Sarii SA Bucuresti, Suc. Mining expl.Rm.Valcea;
Liquid nitrogen	Linde Gas Romania
Sodium metabisulphite	Ando Impex SRL Dej
Propylene	Litasco SA Geneva Suc.Ploiesti, HIP-Petrohemija Serbia; Rompetrol Refining; EMITRADEFZE UAE; OMV PETROM SA
Natural gas	SNGN Romgaz Medias; MET Romania Energy SA
Electricity	GOVORA CHPP; Renovatio Trading SRL Bucharest; Getica 95 COM LTD, MET Romania Energy SA

The relationships with suppliers have a traditional character and are procedured within the integrated quality management system - environment ISO 9001:2015, ISO 14001:2015.

1.1.4. Evaluation of the sales activity

- a) *Description of the evolution of sequential sales on the internal and / or external market and of the medium- and long-term sales perspectives*

The turnover obtained in 2021, amounting to 2,244 million euros, doubled compared to that of 2020, an increase determined mainly by the selling prices that increased for all the finished products capitalized by Chimcomplex, following the trend that the international quotations had.

Thus, the quotations for polyols and caustic soda (main products of Chimcomplex, with a share of 64% and 16% respectively in the value of the sold production) had the average in 2021 with 57% higher than the average value recorded in 2020.

A significant influence in the evolution of the turnover had the increase of the quantities sold on most of the company's products, the emphasis being on those more specialized products, with a high profitability margin. Chimcomplex maximized polyol production in 2021, reaching 91% of its production capacity.

Borzești:

The basic products of the society are chlorosodics: caustic soda, chlorine, hydrochloric acid, sodium hypochlorite.

The other groups of products support the operation of the electrolysis installation through the direct or indirect consumption of chlorine and hydrogen.

On the domestic market, the sales of finished products were worth 102 million lei, increasing by about 16% compared to 2020. Domestic sales represented in 2021 about 44% of the total sales of finished products, the largest share being the chlorosodic products and inorganic chlorines.

On the foreign market, in 2021, deliveries of products increased by approximately 22% compared to 2020, reaching the value of 127 million lei. Sales on the foreign market represented in 2021 about 56% of the total sales of finished products. In the total external sales, the largest share is held by chlorosodic products and alkylamines.

In 2021, the sales volume on both the domestic and external market registered an increase, amid the return of the demand for chemicals and the resumption of the activity of some consumers although during the year they were affected by the COVID 19 pandemic.

The sales structure (in terms of value) on the markets in 2021 was as follows:

Product group	Internal market	Foreign market
Chlorosodic products	44%	56%
Inorganic chlorides	62%	38%
Alkylamines	25%	75%
Other products	60%	40%
Total	44%	56%

The evolution of sales, in Borzești, on markets, in 2021 compared to 2020, is presented in the following table:

Product group	Market	2020		2021	
		Quantitative situation	Value situation	Quantitative situation	Value situation
Chlorosodic products	Internal market	43%	48%	45%	44%
	Foreign market	57%	52%	55%	56%
Inorganic chlorides	Internal market	52%	50%	64%	62%
	Foreign market	48%	50%	36%	38%

Alkylamines	Internal market	21%	26%	22%	25%
	Foreign market	79%	74%	78%	75%
Other products	Internal market	74%	20%	91%	60%
	Foreign market	26%	80%	9%	40%

Rm.Valcea Branch

The basic products of the company are:

- Inorganic products - chlorosodics: *caustic soda, chlorine, hydrochloric acid, sodium hypochlorite*;
- macromolecular synthesis products:
- *polyethyl-polyols, propylene oxide, propylene glycol*;
- Oxo-alcohol products: *octanol, iso-butanol, n-butanol*.

On the domestic market, the sales of finished products were worth 410 million lei. Domestic sales represented in 2021 a percentage of 20% of the total sales of finished products, the largest share being held by polyols-polyethylene.

On the foreign market, the deliveries of products amounted to 1,600 million lei. Sales on the foreign market represented in 2020 approximately 80% of the total sales of products. In the total external sales, the largest share is held by polyols-polyethers.

The sales situation of Chimcomplex Rm Valcea Branch in 2021 on markets is as follows:

Product group	2020		2021	
	Quantitative situation	Value situation	Quantitative situation	Value situation
POLYOLS-POLYETHERS				
Internal market	19%	18%	17%	16%
Foreign market	81%	82%	83%	84%
CHLOROSODIC PRODUCTS				
Internal market	59%	55%	56%	51%
Foreign market	41%	45%	44%	49%
OXO PRODUCTS				
Internal market	0.5%	0.5%	2%	2%
Foreign market	99.5%	99.5%	98%	98%
OTHERS				
Internal market	-	51%	-	40%
Foreign market	-	49%	-	60%

b) Description of the competitive situation in the field of activity of the company, of the share on the market of the company's products or services and of the main competitors.

On the internal market Chimcomplex SA Borzești, in its field of activity, it has become a unique



producer, consolidating its position on the market, after the acquisition of the assets of Oltchim SA Rm.Valcea, which owns similar technologies for obtaining chlorosodic products.

Chlorosodic products:

Globally, Chimcomplex holds a low market share for chlorosodic products, the main markets being the domestic market and the other countries in Eastern Europe and the Balkan area. Among the most important customers of liquid caustic soda are the alumina plants from Tulcea and Bosnia respectively, Petrotel Lukoil, OMV Petrom, Rompetrol.

The main competitors are Borsodchem Hungary, Anwil Poland, Spolana Czech Republic and PCC Rokita Poland, Interchim - Greece, Karpatneftehim - Ukraine, Donau Chemie - Austria which, directly or through distribution companies, are present on the Romanian market.

Considering the important role of transport costs in setting the price at the final destination, the target export market of chlorosodic products is composed of countries from Europe, North Africa and the Middle East.

For caustic soda, in these markets there is a strong competition, made up of both European companies and companies from Iran, Egypt, USA and China.

Polyethers:

The production capacity of Chimcomplex, respectively 120,000 tons / year, represents about 1% of the production capacities globally.

The main markets are Romania, Poland, Hungary, Turkey, Italy, Benelux, Germany, Greece. On the local market, Chimcomplex holds a market share of over 50%.

The main competitors on the European Union markets are Covestro, Shell, Dow Chemicals, Repsol, Basf and PCC Rokita. On markets outside the European Union (Turkey, Russia, Ukraine, Serbia) competition is amplified by the competition in China, Korea and Saudi Arabia.

Starting with the second half of the current year or at the latest next year, the competition on the Eastern European market will be amplified by the commissioning of a new capacity of 200 kt/year at Mol Hungary.

Chimcomplex produces a wide range of polyethers both for flexible foams (mattresses, furniture industry, automotive industry) and for rigid applications (panels, polyurethane systems) and special applications (adhesives, coatings, seals, elastomers). Chimcomplex has a large portfolio of clients in every field of use, there being no dependence on a particular client.

Oxo Alcohols:

Chimcomplex has a relatively small production capacity compared to its main European competitors OXEA, Basf, Ineos, Sibur, Gazprom and Zak.

There is no significant local market for this group of products, the main use being the production of plasticizers.

The main market for Chimcomplex is Turkey, a country that does not have a local producer and which imports about 7000 tons of octanol monthly. Chimcomplex's market share in Turkey is in the range of 10-15%. Other major markets are Italy, Poland and Ukraine.

Unlike most competitors, Chimcomplex does not yet have its own production of plasticizers, which is why the operation of the oxo alcohol plant at capacity depends largely on the Turkish market, the market on which Chimcomplex usually delivers on the basis of an annual contract with the price formula.

For the other products, inorganic chlorides and alkylamines, Chimcomplex is especially confronted with the European producers, although there are more and more imports from China on the export market targeted by Chimcomplex.

c) Description of any significant dependence of the company on a single client or on a group



of clients whose loss would have a negative impact on the company's revenues.

There are no clients or groups of clients whose loss would have a significant negative impact on Chimcomplex's revenue.

The company's clients fall into two categories:

- Strategic
- customers with low bargaining power and small share in total sales, for whom Chimcomplex is the best supply solution.

1.1.4. Evaluation of aspects related to the company's employees/staff

The organizational structure of Chimcomplex is of the hierarchical functional type, consisting of compartments dimensioned according to the volume and complexity of the activities, grouped on the criterion of the company's functions.

In order to achieve the objectives of the organization, the company has specialized personnel for all fields of activity. Chimcomplex employees benefit from a professional working environment and development, fair labour relations, objective appreciation of performance, personal safety and security. Also, the employees benefit from social protection measures, bonuses, etc., established by the Collective Labour Agreement.

Chimcomplex supports the process of training future specialists, offering internships and internships for pupils and students, thus contributing to the continuation of the tradition of the chemical industry through educational institutions and to the creation of premises for future generations of employees

The activities performed are structured on the following fields of activity: General Management, Economic, Commercial, Production, Investments - Business Development.

The activities of each function, in both Locations Borzești and Ramnicu Valcea, are carried out within the 5 departments through the specialized compartments.

Borzești Platform

The personnel structure at 31.12.2021 by categories, is as follows:

Total Staff	755 of which:
Skilled workers	528
Band Bosses	42
Total TESA, of which	185
-leadership	52
-execution	133, of which:
	83 with higher education
	50 with secondary education

Ramnicu Valcea Branch:

The personnel structure at 31.12.2021 by categories, is as follows:

Total Staff	1.246, of which:
Workers	889
Unskilled workers	3
Band Bosses	56
Total TESA, of which:	298
- leadership	89

- execution 209, of which:
180 with higher
education 29 with
secondary education

The consolidated structure is as follows:

CHIMCOMPLEX employees	Total of which:	Borzești	Ramnicu Valcea	
total number, of which:	2.001	755	1.246	
- skilled workers	1.417	528	889	
- unskilled workers	3	-	3	
- band bosses	98	42	56	
-TESA	483	185	298	
expenditure on salaries	166.537	76.016	90.521	thousands lei
social security expenditures	9.590	2.630	6.960	thousands lei

The trade unions within Chimcomplex that worked in 2021 are:

In Borzești two trade unions: the Chemist Union and the Ecotehning Union.

At the Rm. Valcea Branch, two trade unions: the Union of Chemist Oltchim Rm.Valcea, and the Union of Unirea.

1.1.6. Assessment of aspects related to the impact of the issuer's core business on the environment

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

Borzești

Integrated Environmental Authorization no.1/10.01.2013, updated on 12.06.2018 and approved for 2020 – 2021 with **Decision no.190/09.12.2020**, 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

Water management permit nr. 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 chlorocoline chloride in pilot plant, issued by the Environmental Protection Agency Bacau, valid for 2 years of continuous operation of the installation.

Environmental permit no.82/28.05.2019 approved for 2021-2022 with **Decision no.195/06.04.2021** 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

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 2021, 12 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 Authorization no.26/19.04.2018, revision 1/23.03.2020 for the manufacture of chlorcoline 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, the provisions in the field of EGES. As a result of these checks, no nonconformities were identified.

The last compliance control, carried out by the representatives of GNM – Bacau County Commissariat, took place on 02.11.2021 and the results of the inspection confirmed that 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 the 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 put on the market with Chimcomplex products and for the dangerous substances for the environment placed on the national market, the study of the technical documentations subjected to

environmental authorization to make investments, in order to verify and supplement them with the provisions of the environmental legislation that must be respected when carrying out the works.

During 2021, 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 2021, the following authorizations / decisions issued by the regulatory authorities were obtained:

1. Integrated Environmental Permit no. 1 / 11.03.2021;
2. Authorization no. 106 / 29.03.2021 on greenhouse gas emissions for the period 2021-2030.
3. The decision of the framing stage no. 285/26.04.2021 for the project "**Partial decommissioning of equipment belonging to the Mercury Electrolysis Installation no. 3**".
4. The decision of the framing stage no. 487/15.07.2021 for the project "**Decommissioning equipment nitrogen oxygen installation**".
5. The decision of the framing stage no. 489/16.07.2021 for the project "**Decommissioning equipment of central heating installation**".
6. The decision of the framing stage no. Order of the Minister of Public Health no. 876/02.12.2021 for the project "**Construction of the C.T. 3 Thermal Power Plant**".
7. **Closing the notification** (no. 2824/23.12.2021) for the project "**Dismantling of central heating constructions**"

During 2021, the following documents were updated/obtained:

- The information regarding the account and the authorized representatives from the Single European Register of Greenhouse Gas Emissions (RUEGES) for the company

CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch have been updated.

- A contract has been concluded with COV INSPECT SRL for the verification of the Monitoring Report on greenhouse gas emissions in order to issue the Verification Report for 2021 and the Verification Report on the level of activity for the verification of the activity in 2021 and 2020, in order to allocate the certificates regarding the greenhouse gas emissions for 2022"
- Plan to prevent and combat accidental water pollution for 2021;
- Water Statistics Reporting (SGA) for 2020;
- Reporting on waste statistics for 2020 - in the SIM application (Integrated Environmental System);
- Reporting on the situation of dangerous substances produced / used / export / import (SCP) for 2020, in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) for 2020;
- Contracts for the provision of water management services have been concluded 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 2022;
- A contract was concluded with EUROTOTAL SRL for "Environmental research – sampling, monitoring and interpretation of the results through research works" for the year 2021-2022;
- A contract was concluded with INCD ECOIND Bucharest – Râmnicu Vâlcea Branch for "Air pollution monitoring services (emissions, imissions and odor) – sampling, monitoring and interpreting the results through research papers" for 2021;
- Addendum to the Contract with GEOCYCLE (Romania) SRL for the capitalization of the waste turta filtering polyethers;
- Annex 1 of transport with GEOCYCLE (Romania) SRL for the capitalization of the waste filtering cake polyethers;
- The operational procedure PO – 029 Environmental Protection Activity has been updated;
- Updated Process Procedure PP 6.1.2. – Environmental aspects;
- The General Procedure PG 05 - Waste Management has been updated;
- The general procedure PG 06 – Monitoring and reporting of the obligations to the environmental fund has been updated;
- The general procedure PG 13 - Management of packaging waste has been updated;
- The general procedure PG 14 – Greenhouse gas emission management for the period 2021-2030 has been updated;
- The Activity Notification at the Company CHIMCOMPLEX S.A Borzești - Ramnicu Valcea Branch was updated, in accordance with the provisions of Law 59/2016 on the control of major accident hazards involving dangerous substances.

Our company 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 Borzești aims to improve the 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.

1.1.7. Evaluation of the research and development activity

The research and development activity in Borzești is carried out with the specialized staff employed by the company, the main achievements of 2021 being the following:

1. Laboratory testing and evaluation of technologies for valuation of packaging waste from PET to obtain terephthalic acid.
2. Laboratory testing and evaluation of the ways of valuation of used alpha-cellulose (coming from the purification of Na brine) with the obtaining of levulinic acid.
3. Testing and evaluation at laboratory level of the technologies for obtaining precipitated silica from Na silicate and CO₂ (as a technology for potential CO₂ capitalization).
4. Technical assistance for production departments: tests for the pre-treatment of raw process water to obtain demineralized water.

The research activity at Rm.Valcea is carried out with the staff of the Research Centre within the branch, the achievements during 2021 being the following:

1. Reagent diol syntheses - laboratory technology for the synthesis of a reactive diol with M = 2300 Da and 30% gr. Ethylene oxide
2. Polyols from vegetable oils - synthesis of a polyol from castor oil with M=2500Da
3. Polyols for flexible and rigid polyurethane foams - laboratory technology for the synthesis of an aminic polyol initiated with ethylenediamine having $\rho_{OH} = 800 \text{ mg KOH/g}$

1.1.8. Risk factors

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

In order to carry out with 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.

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 analyse 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 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, unfavourable or favourable movement in the value of the economic indicators of the company.

Capital risk management is done using the **indebtedness indicator**, 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 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 fulfil 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.

Liquidity risk – A prudent liquidity management involves maintaining sufficient available cash and credit lines, through a continuous monitoring of the estimated and actual 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 society. 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 of increasing expenses and decreasing revenues or rate of return

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 respect, there are still different interpretations of 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.

Disputes – 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.

1.1.9 Elements of perspective regarding the company's activity

a) *Presenting and analysing trends, elements, events or uncertainty factors that affect or could affect the liquidity of the company compared to the same period of the previous year.*

Following the acquisition by Chimcomplex SA Borzești in December 2018 of the five asset packages belonging to Oltchim, the period 2019 - 2020 was dedicated to the actions of integrating the activities of the platforms from Borzești and Rm. Valcea (administrative/organizational, financial-accounting, production, IT, etc.)

Chimcomplex SA Borzești is considering the implementation in the next years of an investment program for the chemical platforms from Borzești and Rm. Valcea, which would ensure the increase of the turnover to over 1 billion EUR / year.

b) *Presentation and analysis of the effects of capital expenditures, current or anticipated on the financial situation of the company compared to the same period of last year.*

Borzești:

During 2021, investments were made on the Onesti Platform in the amount of 17,981,632 lei, for the following investment objectives:

No Crt	Objective name	Value
1.	Calcium chloride granules	8,236,697 lei
2.	Modernization of Soda M	805.474 lei
3.	Power stations	2,137,631 lei
4.	Tarcau Fish Complex	2,997,373 lei
5.	Other and maintenance	2,899,174 lei
6.	Acquisition of independent equipment	905.283 lei

Ramnicu Valcea Branch:

During 2021, investments in the amount of 39,890,223 lei were made at rm. Valcea Branch, the main allocations of funds being for the following investment objectives:

- DGL-DLI refurbishment	298.747 lei
- Installation Of special polyols	16,642,789 lei
- Installation of lime burning, lime extinguishing	1,314,385 lei
- Modernization and increase of propenoxide installation capacity	4,289,767 lei



- Dichloropropane recovery installation	1,143,269 lei
- Wastewater treatment from the Propenoxide Department	3,487,660 lei
- Rehabilitation of electrolysis electrolyzers with membrane	6,214,359 lei
- CHP 49 MW cogeneration plant	239.275 lei
- Thermal Power Plant CT III	385.655 lei
- Closure of non-hazardous waste landfill	3.923.022 lei
- Other Investments	278.545 lei
- Acquisition of independent equipment and office equipment	1.672.750 lei

The closure of the non-hazardous waste landfill was made on the basis of the active sales contract concluded with Oltchim SA.

2. TANGIBLE ASSETS OF THE COMPANY

Depending on the period in which they were built, the installations can be grouped as follows:

- 1st generation installations, commissioned until 1970
- Installations from the 2nd generation, commissioned in the years 1970-1980
- installations of the 3rd generation, put into operation after 1980

After 1990, emphasis was placed on the refurbishment of technological processes and the replacement of energy-intensive technologies, aiming to reduce manufacturing costs and improve product quality.

In order to increase the performances and adapt to the market requirements, actions of modernization-refurbishment of the installations were undertaken.

Starting with 2007, an extensive program of refurbishment and modernization of existing production and auxiliary installations was started, as well as of setting up new chemical and energy production capacities aimed at: ensuring chlorine consumption by incorporating them into cost-effective products with significant market potential, increasing the degree of technological and energy integration, reducing the influences generated by the external environment, especially in terms of energy resources, reducing the impact on the environment and complying with the current legislative requirements, compliance with applicable norms / prescriptions / regulations.

The largest investment is made in December 2018 when Chimcomplex SA Borzești acquired five asset packages out of the nine packages offered in the auction process belonging to Oltchim SA.

The acquired assets include land, buildings, investments in progress, intellectual property rights and other movable property representing mainly machinery, equipment, technologies and any other similar goods necessary for the production process.

The value of the transaction was 127 million EUR, without VAT, and the financing offered to Chimcomplex was provided by Credit Suisse and VTB Europe.

Land area held on 31.12.2021:

Total: 4,196,125 sq. m. with a patrimony registration value of 82,722,271 lei, located thus:

No · Crt.	Location	Area (sqm)	Wave. Accounti ng (lei)
1	Onesti, str Industriilor nr. 3	1.710.253	49.159.059
2	Village Cossacks com. Tarcau, Neamt county	41.679	1.661.949
3	Cluj	2.012	144.916
4	Somes Dej, Dealul Tirului, jud. Cluj	409.111	1.062.292
5	Pitesti, str. Caminelor, nr. 7, Arges county	1.222	1.576.539
6	Bucharest, bdul Ficusului, nr.44A, sector 1	39	99.921
7	Rm.Valcea	2.031.809	29.017.595

In detail, on the two platforms Borzești and Valcea, the tangible assets existing on 31.12.2021 present the following structure:

Lei

Active	TOTAL	Honest	Rm.Valcea
Land	82,722,271	53,704,676	29,017,595
Construction	223,357,495	77,781,166	145,576,329
Constructions closing dep waste Rm Valcea	7,763,064	0	7,763,064
Technological equipment	614,827,841	224,004,079	390,823,762
Measuring, control and adjustment devices and installations	62,686,953	18,894,297	43,792,656
Means of transport	59,278,899	12,432,362	46,846,537
Furniture, office equipment, protection equipment	3,931,005	1,242,755	2,688,250
Biological assets	53,514	53,514	
Property, plant and equipment in the process of execution	93,621,723	19,891,006	73,730,717
Equipment and materials for immobilizations in progress	26,322,835	26,322,835	
TOTAL	1,174,565,601	434,326,691	740,238,910

3. MARKET FOR SECURITIES ISSUED BY THE COMPANY

The level of **the share capital** of a company, as well as of the equity, expresses the size and stability of the company, being one of the conditions for registering an adequate financial autonomy.

According to the Certificate of Findings no. 937858/15.12.2021, on 31.12.2021, the subscribed and paid-up share capital is 304,907,851 lei, divided into 304,907,851 registered shares, at the value of 1 leu/share.

Starting with 21.07.2015, the shares of CHIMCOMPLEX SA BORZEȘTI (CHOB) were traded on the securities market, within the Alternative Trading System, administered by the Bucharest Stock Exchange, Financial Instruments Section listed on ats, Capital Securities Sector, Category Shares.

Starting with 17.01.2022, the shares of CHIMCOMPLEX SA BORZEȘTI are traded on the regulated market, Standard Section, under the symbol CRC, administered by the Bucharest Stock Exchange.

On 05.05.2021, the operation of increase of the share capital ordered by the General Meeting of Shareholders of Chimcomplex SA Borzești was completed on 25.05.2020. Following subscriptions, the share capital increased from RON 296,504,060.58 to RON 304,907,851.08, by cash contribution, by issuing a number of 6,669,675 new registered shares with a nominal value of RON 1.26 each.

By the Decision of the Extraordinary General Meeting of Shareholders dated 30.06.2021, the

shareholders of Chimcomplex SA Borzești approved the development of a program of redemption of a maximum number of 7,059,620 own shares, action in progress on 31.12.2021.

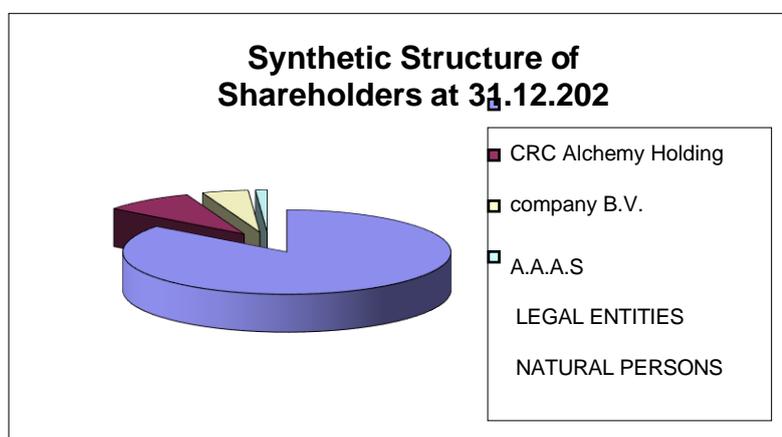
On 30.07.2021, the Extraordinary General Meeting of Shareholders decided to split the nominal value from 1.26 lei / share to 1 lei / share and implicitly the reduction of the share capital, an operation completed on 16.11.2021, when the share capital was reduced from 304,907,851.08 Lei to 304,907,851 Lei, and the nominal value decreased from 1.26 lei / share to 1 lei / share.

On 31.12.2021, according to the records from the Central Depository, the majority shareholder of the company is the company C.R.C. Alchemy Holding B.V. which owns a number of 260,251,528 shares, amounting to 260,251,528 lei, representing 85.3542% of the share capital, and the Romanian State through the Authority for the Administration of State Assets (A.A.A.S.) holds a number of 27,305,181 shares, worth 27,305,181 lei, representing 8.9552% of the share capital.

The synthetic structure of the company's shareholders on 31.12.2021, is the following:

Shareholders	No. Shares	Lei value	% of share capital
CRC Alchemy Holding B.V.	260.251.528	260.251.528	85,3542%
A.A.A.S	27.305.181	27.305.181	8,9552%
LEGAL PERSONS	13.843.609	13.843.609	4,5403%
NATURAL PERSONS	3.507.533	3.507.533	1,1503%
TOTAL	304.907.851	304.907.851	100%

Participation



Shares in companies within the Group	Balance at 31.12.2021 Lei	Percentage held
A4 IMPEX ONESTI	4.733.030	99,9998%
AISA INVEST SRL CLUJ NAPOCA	19.900	19,5122%
UZUC PLOIESTI	1.680.000	0,5656 %
A5 INVEST SRL ONESTI	6.100.000	100%

A6 IMPEX SA DEJ	38.270.100	33,6453%
Total	50.803.030	

Other non-current securities	Balance at 31.12.2021 Lei
Association of manufacturers of use products Plant protection	1.000
Valcea Dual Learning Association	24.000
Total	25.000

4. MANAGEMENT OF THE COMPANY

The administration and coordination of the activity at the company Chimcomplex SA Borzești were ensured by a Board of Directors, consisting of:

Between January 1, 2021 – 30.07.2021:

1. dr.ec. av. STEFAN VUZA, President of the Board of Directors;
2. dr.eng. VIRGILIU BANCILA, Vice-president of the Board of Directors;
3. ec. COLTEANU CRISTIAN VALENTIN, Member of the Board of Directors;
4. ec. STAIKU DUMITRU FLORIAN, Member of the Board of Directors;
5. Ing. COJOC IULIAN LIVIU, Member of the Board of Directors.

Between 30.07.2021 – 31.12.2021:

1. dr.ec. av. STEFAN VUZA, President of the Board of Directors;
2. dr.eng. VIRGILIU BANCILA, Vice-president of the Board of Directors;
3. ec. FRANK HAJDINJAK, Member of the Board of Directors;
4. Ing. COJOC IULIAN LIVIU, Member of the Board of Directors;
5. ec. MIHAI DAN TODOR, Member of the Board of Directors.

The executive management of Chimcomplex SA Borzești in 2021 was provided by a team consisting of:

- CEO / General Manager - Tivadar Runtag
- CFO / Financial Director - Adrian Dumitriu
- CTO / Technical Director - Dumitru Coman
- CCO / Commercial Director until 03.12.2021- Armand Spiru Ciobescu
- CCO / Commercial Director from 03.12.2021 - Dan Moldovan
- CCO / Purchasing and Logistics Director from 03.12.2021 - Armand Spiru Ciobescu
- COO / Operations Director Borzești Platform until 08.10.2021 - Daniel Prisacariu
- COO/ Operations Director Borzești Platform from 03.12.2021 - Luminita Balaita
- COO / Operations Director Ramnicu Valcea Branch - Victor Avram

No member of the administrative, management or supervisory bodies has been convicted in

relation to any fraud committed in the last five years.

5. FINANCIAL-ACCOUNTING SITUATION

When preparing the Financial Statements, the legal provisions contained in the following normative acts were taken into account:

- Order no. Order of the Minister of Public Health no. 85 of 26.01.2022 on the main aspects related to the preparation and submission of annual financial statements and annual accounting reports of economic operators to the territorial units of the Ministry of Public Finance and for the regulation of some accounting aspects.
- Law on accounting nr. 82/1991, republished with subsequent additions and amendments;
- Order of the Minister of Public Finance no.1802 of 2014, for the approval of the Accounting Regulations on individual annual financial statements and consolidated annual financial statements, as subsequently amended, in force from 01.01.2015.
- Order no. Order of the Minister of Public Health no. 2.861 of 2009 for the approval of the Norms on the organization and conduct of the inventory of elements such as assets, liabilities and equity;
- Order of the Minister of Public Finance no.1826/2003 for the approval of the Specifications regarding certain measures regarding the organization and management of management accounting;
- Law no.297 of 2004 on the capital market, with subsequent amendments and completions;
- Law no.31/1990 on commercial companies republished, with subsequent amendments and completions;
- Law nr. 227/2005 regarding the Fiscal Code, with subsequent amendments, in force from 01.01.2016.
- Other specific normative acts in force, such as those referring to the implementation of the National Electronic System, with subsequent amendments and completions, etc.

MANAGEMENT ACCOUNTING

The information provided by the management accounting, based on the analysis of the effect/effort ratio, at the level of each product, gives the possibility to form both the overall and detailed image of the activities carried out, allowing the managers to make decisions to regulate the dysfunctions, eliminate the deficiencies and the profitability of the activities.

The analysis of the economic results obtained compared to those foreseen is achieved by calculating, tracking, analysing and reporting the deviations of the actual costs by calculation articles compared to their pre-calculated level.

Highlighting the expenses according to their economic nature: material expenses and expenses with living labour, as well as highlighting them by the way of allocation / participation in the realization of a product in direct expenses and indirect expenses, gives the company's managers the opportunity to know in depth their content and to apply the necessary control and regulation actions.

The data source for the economic and financial analysis is the synthesis accounting documents: the Balance Sheet, the Profit and Loss Account and the Annexes to the balance sheet.

INFORMATION is an essential resource for managers because it directly influences decision making, taking into account the overall performance of management. The main destinations of information at farm level are:

- past-oriented control;
- *coordination* which takes into account the present activity and which needs to be efficient;

INTERNAL CONTROL / INTERNAL-EXTERNAL AUDIT

The internal control at SC CHIMCOMPLEX SA in 2021, through the Internal Audit Office, was carried out based on the plan approved by the Board of Directors, but also having specific actions requested by the company's management. The control activities are an integral part of the management process through which the entity pursues the achievement of the proposed objectives.

The internal audit missions are aimed at ensuring:

- ✓ compliance with the legislation in force,
- ✓ applying the decisions taken by the company's management,
- ✓ the proper functioning of the internal activity of the entity,
- ✓ reliability of financial information,
- ✓ the effectiveness of the entity's operations,
- ✓ the efficient use of resources,
- ✓ prevention and control of risks of not achieving the objectives set, etc.

The purpose of internal control is oriented to ensure the coherence of objectives, to identify the key success factors and to communicate to the entity's leaders, in real time, the information regarding performances and perspectives.

In terms of accounting rules, it is taken into account:

- the existence of an accounting policy manual;
- the existence of a procedure for the application of this manual;
- the existence of controls to ensure compliance with the manual;
- knowledge of the evolution of accounting and tax legislation;
- carrying out specific checks on sensitive points;
- identification and proper treatment of anomalies;
- adaptation of software to the needs of the entity;
- compliance with accounting rules;
- ensuring the accuracy and completeness of the accounting records;
- compliance with the qualitative characteristics of the information contained in the financial statements, so as to satisfy the needs of the users;

In 2021 the external financial audit activity was carried out by the company G5 Consulting SRL, Authorization no. 223/02.07.2002, registered at the Chamber of Financial Auditors of Romania, Reg. Com. J12/943/2002, CUI: RO 14650690, with headquarters in Loc. Dej, str. Alecu Russo nr 24/2 jud Cluj.

THE ACCOUNTING PRINCIPLES, POLICIES AND METHODS contained in the Manual of accounting policies and procedures of SC Chimcomplex SA Borzești and which were the basis for the preparation of the Synthesis Financial Statements on the occasion of the closing of the financial year 2021, were:

- ✓ The financial year begins on January 1 and ends on December 31.
- ✓ The financial statements for the year ended December 31, 2021, were prepared in compliance with the following principles:
 - continuity of activity - SC CHIMCOMPLEX SA Borzești will normally continue its operation, in the foreseeable future without being unable to continue the activity taking into account the portfolio of orders (contracts) for 2021;
 - registration in accounting and presentation of patrimonial elements and results, based on the supporting documents and legally drawn up, according to the legislation in force, thus ensuring comparability in time of information,
 - permanence of methods - the application of the same rules, methods, norms regarding the evaluation, registration and presentation in accounting of the patrimonial elements, ensuring the comparability in time of the accounting information.
 - prudence - it was taken into account the value adjustments due to the depreciations of the value of the assets, as well as of all the foreseeable obligations and the potential losses that arose during the of the financial year completed or during a year.
 - accrual accounting - the effects of transactions and other events are recognized then

when transactions and events occur and are recorded in accounting and reported in the statements financial of the related period.

- separate valuation of assets and liabilities - in order to establish the total value corresponding to a position in the balance sheet, the value of each individual asset or liability item was determined separately.

- intangibles - the opening balance sheet of the 2021 exercise corresponds to the closing balance of the previous year 2020.

- non-compensation - the values of the elements representing assets have not been compensated with the values of the elements representing liabilities, respectively the incomes with expenses, except for the compensations between assets and liabilities admitted.

- the prevalence of the economic over the legal – the information presented in the financial statements reflects the economic reality of events and transactions, not only the legal form.

- evaluation at acquisition cost or production cost according to which the elements presented in the financial statements are evaluated, as a rule, based on the principle of acquisition cost or cost of Production.

- materiality threshold - any element that has a significant value is presented separately in the financial statements.

✓ Accounting treatments:

a) at the date of entry into the patrimony, the assets are evaluated and recorded in the accounting at the entry value, also called the book value;

b) the evaluation of the patrimonial elements on the occasion of the inventory was made at the market value taking into account their utility and condition;

c) at the end of the exercise, patrimonial elements are evaluated and reflected in the balance sheet at the entry value into the patrimony, respectively the book value agreed with the inventory results; For the monetary elements expressed in foreign currency, the closing rate dated 31.12.2021 was used, at the official rate communicated to B.N.R. of 4.9481 lei/eur and 4.3707 lei/usd, published on the website of the Ministry of Public Finance. The exchange rate differences were recorded on income, respectively on expenses.

d) at the date of exit from the patrimony or at the release for consumption, the goods are evaluated and subtracted from the management at the entry value.

Intangible assets - The intangible assets registered in the records consist of licenses, software registered at cost

Property, plant and equipment - Property, plant and equipment consists of land, buildings, constructions, technological installations, machinery, measuring and control devices, means of transport, computer equipment, furniture, office equipment, recorded at the cost of acquisition / own direction or revalued value or their value increases that aimed at increasing productivity by improving the operating parameters of the machines or for creating appropriate conditions the environment thing. Current property, plant and equipment was recorded in accounting at cost.

Depreciation is calculated by the linear method according to Law 15/1994 with subsequent amendments and taking into account the normal durations of operation of fixed assets according to Decision no. ANRE President's Order no. 2139/2004 for the approval of the Catalogue regarding the classification and normal functioning durations of the means fixed.

Expenses for the repair or maintenance of fixed assets incurred in order to restore or maintain the value of these assets are recognised in the profit and loss account at the time of their execution.

Financial fixed assets - Financial fixed assets consist of equity participation social titles of other companies and in guarantees granted to suppliers.

For the situation of the number flow, the cash and its equivalents are occupied by availability in the house, bank, values to be collected and other values.

The company's stocks are made up of raw materials, consumables, inventory objects, production in progress of execution, finished products and goods. Purchased material stocks are recorded at the acquisition cost, and the products at the production cost. The cost of inventories is determined by the "first in, first out" (FIFO) and "weighted average cost" (CMP) method.

A. BALANCE SHEET ITEMS

As a reflection of the state of the company's patrimony, the balance sheet established at the end of the financial year describes the assets and liabilities of the company, at that time. The asset consists of assets owned by the company and receivables. The liability consists of equity and liabilities.

thousands lei

Name of the element	31.12.2018	31.12.2019	31.12.2020	31.12.2021
TOTAL ASSET, of which:	1,196,040	1,175,526	1,228,744	1,556,376
FIXED ASSETS	899,186	887,165	896,134	939,691
CURRENT ASSETS	281,496	275,392	316,281	592,491
- stocks	79,302	102,801	103,163	200,266
- receivables	149,884	111,215	172,332	244,230
- house and bank accounts	52,310	61,377	40,786	147,995
EXPENSES IN ADVANCE	15,358	12,969	16,329	24,194
TOTAL LIABILITIES, showing separately:	1,196,040	1,175,526	1,228,744	1,556,376
DEBTS – TOTAL, of which:	826,351	835,472	793,687	601,301
- credits/loans	723,835	690,279	652,886	326,458
- commercial debts	81,267	132,837	111,935	159,208
- intragroup debts	4,897	959	1,256	7,679
- staff and social security	9,625	9,006	12,142	37,037
- tax debts in connection with the state budget and special funds	5,641	1,485	14,395	31,291
- settlements with associations regarding the capital	0	0	0	60,024
- other debts	1,086	907	1,072	1,041
PROVISIONS	832	14,029	17,895	48,402
ADVANCE INCOME	45,074	45,088	42,929	37,279
EQUITY	323,783	280,938	374,233	869,394

a) Evolution of fixed assets compared to the period 31.12.2020 - 31.12.2021:

- lei -

FIXED ASSETS		31.12.2020	31.12.2021	2021/2020
I.	INTANGIBLE ASSETS	1,212,715	979,865	81%
II.	PROPERTY, PLANT AND EQUIPMENT	838,853,357	883,664,828	105%
III.	FINANCIAL FIXED ASSETS	56,067,874	55,046,197	98%
FIXED ASSETS - TOTAL		896,133,946	939,690,890	105%

Property, plant and equipment - by groups of fixed assets are as follows:

Lei

PROPERTY, PLANT AND EQUIPMENT	31.12.2020	31.12.2021	%
Land	81,675,616	82,722,271	101%
Construction	167,972,665	160,673,515	96%
Technical installations and machines, equipment	504,822,306	491,364,780	97%
Furniture, office equipment, protection equipment	2,555,755	2,528,892	99%
Biological assets	20,036	16,697	83%
Advances and property, plant and equipment in the course of execution	81,806,979	146,358,673	179%
TOTAL:	838,853,357	883,664,828	105%

In 2021, property, plant and equipment recorded compared to 2020 the following changes in net values:

Lei

Name	increase /decrease year 2021 net values
Land	1,046,655
Construction	-7,299,150
Technological equipment	-11,136,332
Measuring devices and installations	-262,343
Means of transport	-2,058,851
Furniture, office equipment, other assets	-26,863
Biological assets	-3,339
Advances and property, plant and equipment in the course of execution	64,551,694
TOTAL	44,811,471

There were net increases in assets through: land acquisition and increase of ongoing fixed assets and advances for investments as a result of the company's investment program, as well as equipment acquisitions, construction works, etc. The decrease in net values is mainly determined by the recording of depreciation.

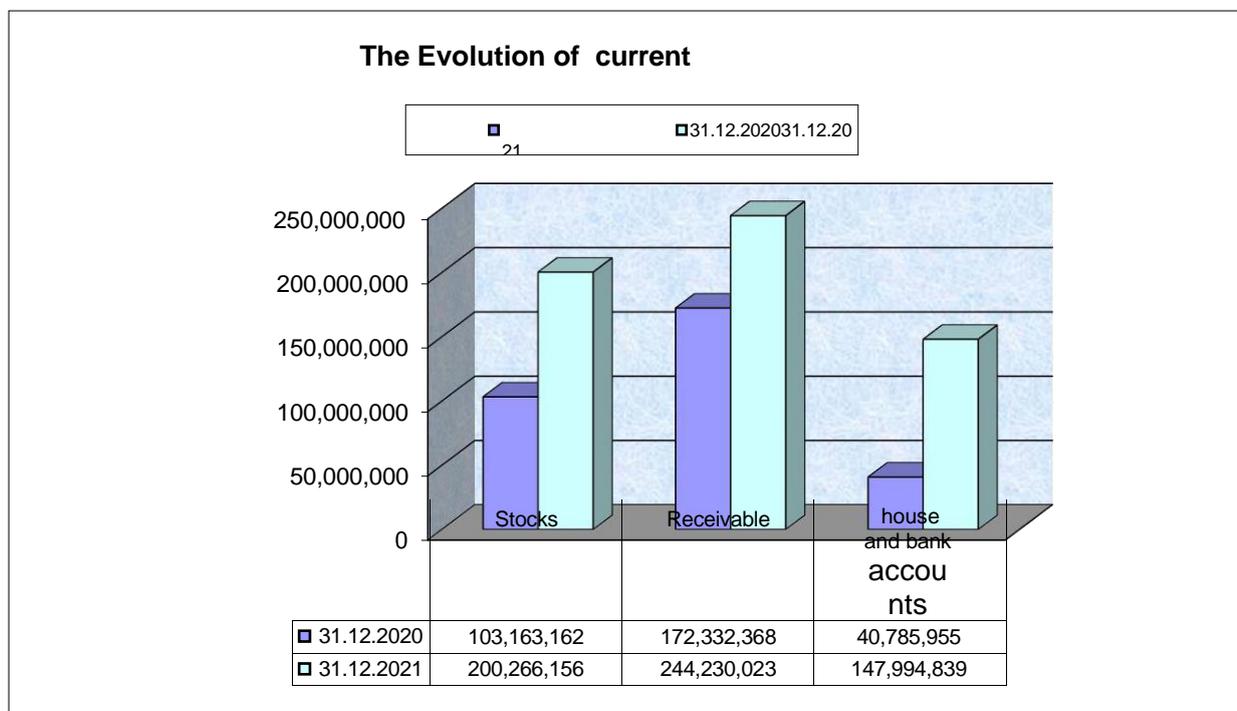
b) Evolution of current assets:

Lei

Current assets	31.12.2018	31.12.2019	31.12.2020	31.12.2021	2021/2020
Stocks	79,302,277	102,801,173	103,163,162	200,266,156	194%
Receivable	149,883,684	111,214,661	172,332,368	244,230,023	142%
house and bank accounts	52,310,219	61,376,545	40,785,955	147,994,839	363%
Total Current assets	281,496,180	275,392,379	316,281,485	592,491,018	187%

Total current assets registered an increase of 87% compared to 31.12.2020, by chapters stocks increased by 94%, receivables increased by 42% and availability increased by 263%. The receivables increased as a result of the increase of the commercial receivables as well as the registration of the interim dividends distributed during the financial year, in accordance with the OGMS Decision of 09.11.2021

The evolution of current assets in 2021 compared to 2020 is as follows:

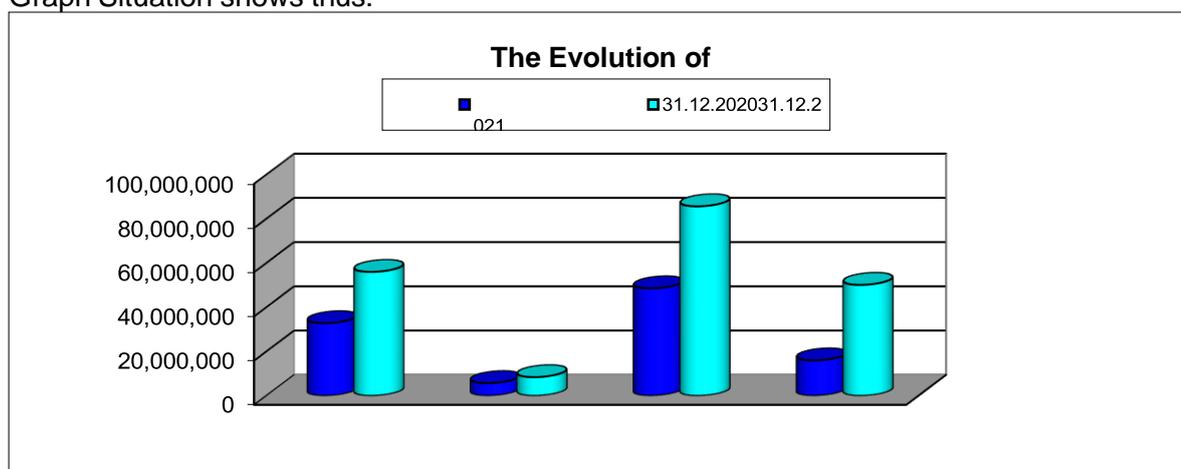


Value Stocks at 31.12.2021 as opposed to 31.12.2020 on Categories shows thus:

Lei

Stocks	31.12.2020	31.12.2021	2021/2020
prime_materiale materials	32,842,824	56,009,372	171%
production in progress	5,730,889	8,422,089	147%
finished products and goods	48,591,929	85,677,902	176%
advances on stocks	15,997,520	50,156,793	314%
Total	103,163,162	200,266,156	194%

Graph Situation shows thus:





	prime_mat eria materials	producti on in progress	finished product s and goods	advance s on stocks
31.12.2020	32,842,824	5,730,889	48,591,929	15,997,520
31.12.2021	56,009,372	8,422,089	85,677,902	50,156,793

In detail, the structure of stocks in 2021 compared to 2020 is as follows:

Lei

Stocks - the structure	31.12.2020	31.12.2021
Raw materials	19,906,821	37,051,006
Consumables	12,167,786	18,491,587
Inventory items	412,563	545,654
Packaging	1,814,272	2,426,885
Blanks and products under construction	5,730,889	8,422,089
Goods	457,776	177,154
Finished products – total	44,911,345	82,658,083
Finished products at Borzești, of which:	15,953,377	20,480,790
- Organic products	2,697,198	6,371,964
- Chlorosodic products	4,043,392	8,548,453
- Inorganic chlorides	9,158,283	5,560,372
Finished products at Rm.Valcea, of which:	28,957,968	62,177,293
- Organic products	10,281,708	52,539,681
- Chlorosodic products	18,676,260	9,637,612
Other products	1,764,190	336,904
Advances for stock purchases	15,997,520	50,156,793
Total	103,163,162	200,266,156

From the above comparative analyses, increases are observed in all categories of stocks.

At the total receivables position, there is an increase of 42%-year 2021 compared to 2020, on the following structure:

Lei

Receivable	31.12.2020	31.12.2021	2021/2020
commercial receivables	89,036,828	115,565,353	130%
amounts to be collected from affiliated companies	21,859,050	25,225,666	115%
other receivables	61,436,490	103,439,004	168%
Total	172,332,368	244,230,023	142%

The situation of the receivables to be collected on 31.12.2021 from the affiliated entities is the following:

Lei

Company name	Total	Clients affiliated entities	Debtors of various affiliated entities	Loans granted to affiliated entities	Interest to be collected from entities Affiliated	Advances granted to affiliated entities	Uncertain clients
Uzuc SA Ploiesti	1,459,526					1,459,526	
A6 Impex	2,332,872	66,330	-	2,200,000	66,542	-	-
Caromet Caransebes	1,129,483			948,780	116,769	63,934	
Eurohouse Com	135,102				11,861	123,241	
lasitex	1,423				1,423		
Novatextile Cotton	116,140		1,000			115,140	
C.R.C.Impex Chemicals	20,551,175	20,551,167	-	-	-	8	-
Sinterom SA	1,984	1,984					
Somes Dej	351,022	8,400			5,855	233,837	102,930
CRC ZEUS HOLDING	185,569			173,184	12,385		
Sistemplast Ramnicu Valcea	4,326,627	1,235				4,325,392	
Vitoria Serv Iasi	41,400		41,400				
Total	30,632,323	20,629,116	42,400	3,321,964	214,835	6,321,078	102,930

The evolution of commercial receivables and other receivables, Borzești and Valcea, at the end of 2021 compared to the end of 2020 is as follows:

Lei

RECEIVABLE	2020	2021	2021-2020
COMMERCIAL RECEIVABLES, Total	89,036,828	115,565,353	26,528,525
<i>Internal clients - total, of which:</i>	36,150,223	41,402,664	5,252,441
Clients Borzești	7,252,364	11,261,508	4,009,144
Clients Ramnicu Valcea	28,897,859	30,141,156	1,243,297
<i>External clients – total, of which:</i>	41,052,640	48,987,708	7,935,068
Clients Borzești	925,526	837,028	-88,498
Clients Ramnicu Valcea	40,127,114	48,150,680	8,023,566
<i>Uncertain clients – total, of which:</i>	1,340,412	1,321,810	-18,602
Clients Borzești	1,287,828	1,269,226	-18,602
Clients Ramnicu Valcea	52,584	52,584	0
<i>Service providers advances</i>	10,796,760	23,223,818	12,427,058
<i>Other commercial claims - guarantees</i>	1,037,205	1,951,162	913,957
<i>Provisions for depreciation of commercial receivables</i>	-1,340,412	-1,321,810	18,602
OTHER RECEIVABLES	61,436,490	103,439,004	42,002,514
- VAT to be recovered	7,248,702	22,704,265	15,455,563
- Non-chargeable VAT	4,294,875	13,410,474	9,115,599
- various debtors	59,028	4,131,042	4,072,014

- dividends distributed during the year	0	60,000,000	60,000,000
- other receivables	49,833,885	3,193,224	-46,640,661

Commercial receivables in 2021 registered an increase of about. 30% following the collection terms according to the contractual clauses, these being covered, in large part, with effects of cashed (CHEPs, Promissory notes). Other receivables increased by 68% as a result of the interim dividends for the financial year 2021.

The position **of the cash available** in the company's accounts at the beginning, respectively the end of the financial year 2021 is as follows:

	Lei	
House and bank accounts	31.12.2020	31.12.2021
Bank accounts	40,256,630	147,173,280
Check books to collect	510,484	804,149
Cash in the cashier's office	10,593	12,268
Other cash availability	8,248	5,142
TOTAL	40,785,955	147,994,839

at Onesti Branch the available in the account as of December 31, 2021, is 8,294 thousand Ron
 - at Ramnicu Valcea Branch the available in the account as of December 31, 2021, is 139,701 thousand
 Ron

c) **Debt evolution:**

Analysing the situation of debts as at 31.12.2021, it can be seen that the total level of debts decreased compared to 31.12.2020

By types of debts, the situation is as follows:

Lei

DEBT	31.12.2020	31.12.2021	2021/2020
TOTAL, of which:	793,686,664	601,300,653	76%
- credits/loans	652,886,145	326,458,412	50%
- commercial debts	111,935,490	159,207,794	142%
- intragroup debts	1,256,234	7,678,627	611%
- staff and social security	12,141,533	37,037,200	305%
- tax debts in connection with the state budget and special funds	14,395,129	9,853,708	68%
- settlements with associations regarding the capital	0	60,023,658	100%
- other debts	1,072,133	1,041,254	97%

The commercial debts, detailed on the two platforms, are comparatively:

Lei

DEBT	2020	2021	2021-2020
COMMERCIAL DEBTS - TOTAL, of which:	111,935,490	159,207,794	47,272,304
Domestic suppliers, of which:	45,098,881	47,305,143	2,206,262
Borzești suppliers	14,241,156	5,911,456	-8,329,700
Suppliers of Rm.Valcea	30,857,725	41,393,687	10,535,962
External suppliers, of which:	7,472,138	9,811,241	2,339,103
Borzești suppliers	1,222,546	1,364,233	141,687
Suppliers of Rm.Valcea	6,249,592	8,447,008	2,197,416
Suppliers of fixed assets, of which:	5,040,751	7,498,416	2,457,665
Borzești suppliers	3,362,098	4,839,621	1,477,523
Suppliers of Rm.Valcea	1,678,653	2,658,795	980,142
Suppliers of unsecured invoices, of which:	28,453,932	84,322,612	55,868,680
Borzești suppliers	4,680,182	38,499,950	33,819,768
Suppliers of Rm.Valcea	23,773,750	45,822,662	22,048,912
Advances received on behalf of orders	25,869,788	10,270,382	-15,599,406

Amounts owed to affiliated entities:

Lei

Society	Total LEI	Suppliers of affiliated entities	Suppliers of affiliated fixed assets
C.R.C.Impex	833	833	
Greencomplex LTD Onesti	25,066	25,066	
A 5 Invest	1,245,786	1,225,197	20,589
AISA Invest Cluj	6,664	6,664	
Caromet Caransebes	9,875	9,875	0
Iasitex SA Iasi	75,842	32,634	43,208
Inav SA Bucharest	3,911	3,911	
Sistemplast Ramnicu Valcea	6,307,519	2,504,978	3,802,541
Somes Dej	3,131	3,131	
Total	7,678,627	3,812,289	3,866,338

Regarding the amounts owed to the company's employees, social insurance, tax debts and other debts, the situation as at 31.12.2021 is as follows:

Lei

Total staff and social security	37,037,200
- Staff - salaries due	2,313,437
- Staff - material aid	1,062,604
- Deductions from salaries due to third parties	153,004
- Other debts related to the staff	19,694,586
- Social insurance	13,410,941
- Insurance contribution for work	402,628
Total tax debts related to the state budget and special funds	9,853,708
- Corporate income tax	7,604,786
- Payroll tax	1,239,909
- VAT payment	0
- Other taxes and fees and assimilated payments	151,247
- Special funds	65,384
- Other debts to the state budget	792,382
Total other debts	1,041,254
- Revolving fund	30,800
- Dividend payment	888,424
- Various creditors	122,030

The debts with the staff in the amount of MDL 2,313 thousand represent the salaries related to December 2021 paid in January 2022 and the contributions related to them are both current debts with maturity on January 25, 2022, as well as tax liabilities in instalments for payment in accordance with the provisions of GEO181/2020

Amounts owed to credit institutions and other loans:

The situation of loans and other loans in balance as at 31.12.2021 of SC CHIMCOMPLEX SA Borzești is as follows:

<u>Bank loan/loan type</u>	<u>Currency</u>	<u>year 2020</u>	<u>year 2021</u>
BANCA TRANSILVANIA:			
- investment credit	Usd	3,709,868	0
VTB Bank (Europe) -TL	euro	64,000,000	0
VTB Bank (Europe) - revolving	euro	15,000,000	0
Credit Suisse International-TL	euro	50,873,373	0
CEC Bank	euro	0	40,884,636
- investment credit	euro	0	20,000,000
- credit facility	euro	0	20,884,636
Alpha Bank – term loan facility	euro	0	28,928,571

In 2021, the company refinanced the loans contracted at the time of the acquisition of Oltchim's assets, ensuring its current financing needs through CEC Bank and Alpha Bank banks.

In 2021,

- **the following provisions have been established:**

Provisions for disputes = 13,798,538 lei

Provisions for decommissioning property, plant and equipment =

161,115 lei Provisions for post-employment benefits = 4,160,058 lei

"Other provisions", showing separately:

- Provision for holiday vouchers 2021 = 1.199.393 lei
- Provision for customer insurance = 499,935 lei
- Provision for unregistered invoices = 1,781,793 lei
- Provision for credit management fees = 256,088 lei
- Provision for CO2 emission allowances = 9,425,788 lei
- Warrant provision = 14.063.026 lei

Provisions for depreciation of raw materials = 39,513 lei,

Provisions for depreciation of inventory materials / objects = 1,590,210 lei Provisions

for depreciation of finished products / semi-finished products = 1,137,526 lei

Provisions for depreciation of packaging = 76,997 lei

- **the following provisions were cancelled:** Provisions

for decommissioning property, plant and equipment = 69,500 lei

Provisions for post-employment benefits = 667,821 lei

"Other provisions" of which

- Provision for customer insurance for 2020 = 172,193 lei
- Warrant provision = 14.063.026 lei
- Provision salary rights for 2021 = 639,504 lei Provisions for

depreciation of raw materials = 1,095,976 lei Provisions for depreciation

of inventory materials / objects = 12,526 lei Provisions for depreciation

of finished products / semi-finished products = 554,228 lei Provisions for

depreciation of packaging and goods = 51,090 lei

In the balance sheet post INCOME IN ADVANCE, on 31.12.2021 in the total amount of 37.279.000 lei the amount of 18.984.212 lei represents the Fund for closing the waste deposits Rm.Valcea and the amount of 17.992.074 lei represents subsidies for investments, amounts to be resumed on the related incomes, of which through EU structural funds:

- a) the project financed by SOP CCE, financing contract nr.7.EE/06.01.2012: "Improvement of energy efficiency at membrane electrolysis at Chimcomplex Borzești", balance 1,681,667 lei,
- b) the project financed by SOP CCE, financing contract no.29EE / 22.04.2013: "Cogeneration installation II", balance 12.521.839 lei,
- c) the project financed by POPAM, financing contract no.29EE / 22.04.2013: "Establishment of tarcau fish complex", balance 2.226.677 lei, project in the implementation phase
- d) the project financed through POIM, financing contract SMIS 2014-135291: "Implementation of energy consumption monitoring systems at Chimcomplex SA Borzești, Ramnicu Valcea branch", balance 951.540 lei, project in the implementation phase.

B. PROFIT AND LOSS ACCOUNT

The profit and loss account expresses the income and expenditure flows recorded by the company in the financial year 2021 and their profitability at the end of the year.

The profit and loss account synthesizes the economic results from the operating activity and the financial activity.

The situation of the main indicators that reflect the results of 2021 compared to the previous years is presented below:

INDICATOR	2018	2019	2020	2021	2021/2020
Production sold	285,927,969	1,245,859,116	1,127,075,994	2,207,527,570	196%
Net turnover	294,300,863	1,277,824,689	1,171,549,637	2,244,002,649	192%
OPERATING INCOME - TOTAL	343,745,186	1,292,694,371	1,268,639,925	2,413,335,005	190%
OPERATING EXPENSES - TOTAL	291,518,088	1,232,249,056	1,059,686,620	1,772,958,760	167%
OPERATING PROFIT	52,227,098	60,445,315	208,953,305	640,376,245	306%
FINANCIAL INCOME - TOTAL	4,254,572	14,626,981	9,733,791	15,690,059	161%
FINANCIAL EXPENDITURE - TOTAL	17,515,396	110,254,473	105,229,721	113,005,289	107%
FINANCIAL LOSS	13,260,824	95,627,492	95,495,930	97,315,230	102%
TOTAL REVENUE	347,999,758	1,307,321,352	1,278,373,716	2,429,025,064	190%
TOTAL EXPENDITURE	309,033,484	1,342,503,529	1,164,916,341	1,885,964,049	162%
GROSS PROFIT/LOSS	38,966,274	(35,182,177)	113,457,375	543,061,015	479%
CORPORATE INCOME TAX	6,279,885	8,987,430	18,319,785	57,525,074	314%
NET RESULT: PROFIT/LOSS	32,686,389	(44,169,607)	95,137,590	485,535,941	510%

The data presented above indicates a significant improvement in the company's activity in 2021, achieving net profit of 5 times higher than in 2020.

These results were determined by corroborating several factors, internal and external, including:

- refurbishments and overhauls carried out mainly at the technological installations Membrane Electrolysis and Oxo-alcohols;
- maximisation of capacity utilisation, which has enabled the quantities sold of all categories of finished products to be steadily increased;
- the seamless operation of the logistics chain and the supply of key raw materials to support production;
- the shortage of supply in the polyol-polyethylene and propylene market, caused by the weather conditions of the first quarter and many production interruptions caused by force majeure, which led to the increase in international quotations.

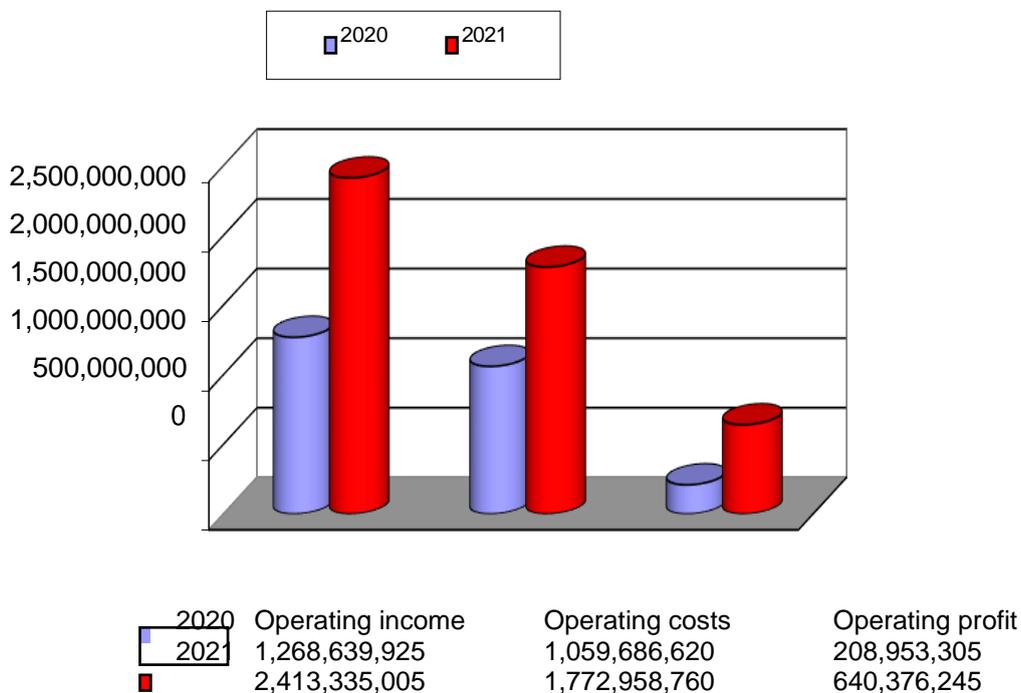
The turnover obtained in 2021, amounting to 2,244 million lei, doubled compared to that of 2020, an increase mainly determined by the selling prices that increased for all the finished products capitalized by Chimcomplex, following the trend that international quotations had.

Thus, the quotations for polyols and caustic soda (main products of Chimcomplex, with a share of 64% and 16% respectively in the value of the sold production) had the average in 2021 with 57% higher than the average value recorded in 2020.

A significant influence in the evolution of turnover was also had by the increase in the quantities sold on most of the company's products, the emphasis being placed on those more specialized products with a high profitability margin. Chimcomplex maximized polyol production in 2021, reaching 91% of production capacity.

In 2021 the level of Income from exploitation is with 90% higher than in 2020 and operating expenses increased by 67% compared to the previous year, there is an operating profit of 640,376 thousand lei compared to 208,953 thousand lei achieved in 2020, with an increase of 206%.

Evolution of the operating result 2021



Operating activity

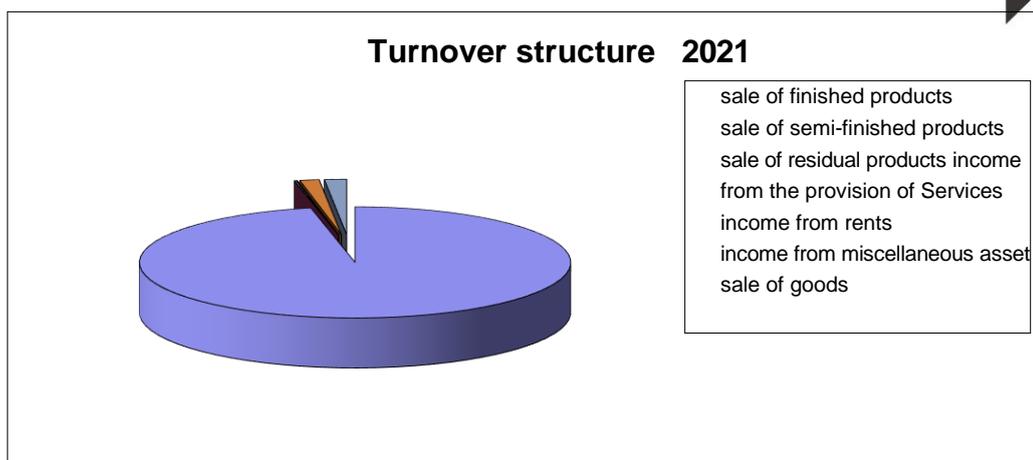
The increase in the operating result during 2021 compared to 2020 was mainly determined by the increase of 1,145 million lei in revenues, following the increase in international polyol quotations.

1. **The operating income** achieved in 2021 was of MDL 2,413,335 thousand, with the following structure:

1.1. Turnover: 2.244.003 thousand lei

Structure of turnover	2021	weighting in CA
TOTAL TURNOVER, of which:	2,244,002,649	100%
sale of finished products	2,170,212,140	97%
selling residual products	51,638	0.002%
income from the provision of services	2,596,046	0.1%
rental income	1,416,812	0.1%
income from miscellaneous assets	32,523,447	1%
sale of goods	37,202,566	2%

Lei



1.2. Other operating income: 169,332 thousand lei, of which:

- ✓ 16.833 thousand lei - income from the production of fixed assets,
- ✓ 1,592 thousand lei – income from exhibition subsidies,
- ✓ 2,315 thousand lei – part of the subsidies for investments passed on to income,
- ✓ stock change of 147,534 thousand lei (increase in stocks) and other incomes.

2.The structure of the operating expenses realized in 2021 is as follows:

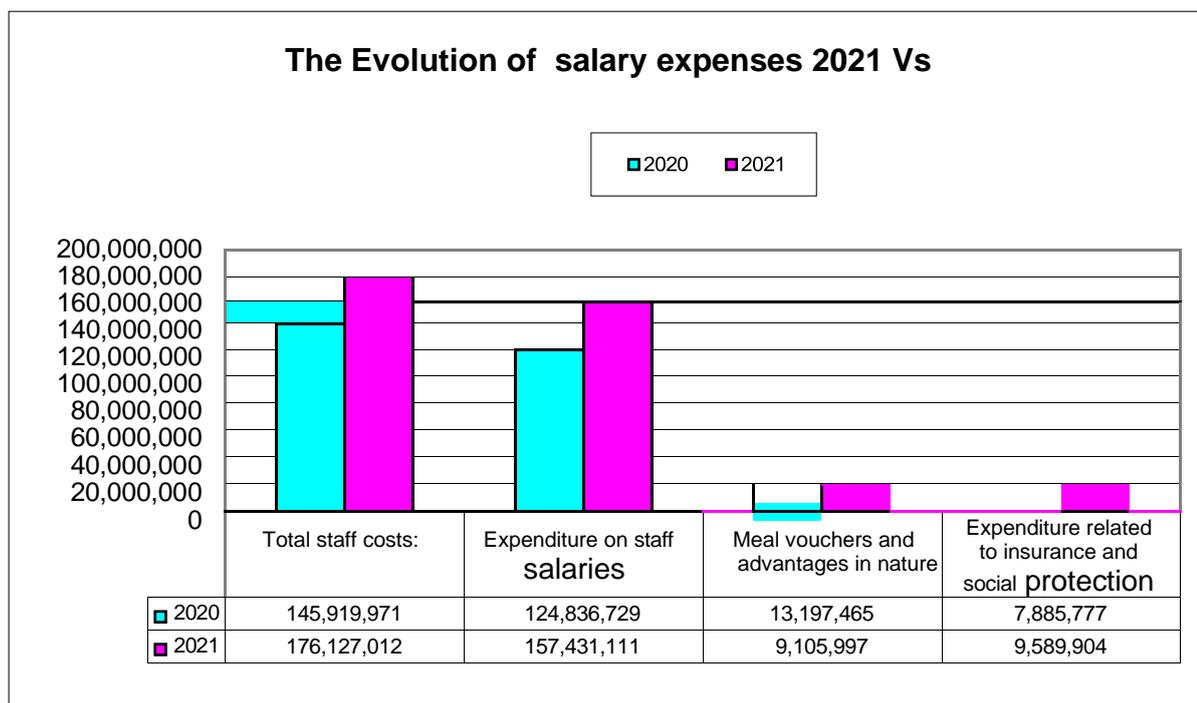
2.1. Spending on raw materials, materials and energy

Lei

	2020	2021	2021/2020	% in exploitation expenses
Total of which:	751,908,415	1,369,867,174	182%	77.26%
expenditure on raw materials	397,992,328	843,074,338	212%	47.55%
expenditure on consumables	33,802,065	38,495,344	114%	2.17%
expenditure on other materials	1,084,577	1,405,595	130%	0.08%
expenditure on packaging	5,601,469	7,306,368	130%	0.41%
expenditure on goods	27,772,527	28,142,996	101%	1.59%
energy and water expenses, of which:	285,655,449	451,442,533	158%	25.46%
- electric energy Borzești	52,533,482	110,762,579	211%	6.25%
- electricity Rm.Valcea	100,392,168	137,429,546	137%	7.75%
- Borzești natural gas	30,876,115	51,404,805	166%	2.90%
- natural gas Rm.Valcea	15,772,730	71,645,723	454%	4.04%
- thermal energy Rm.Valcea	71,612,306	63,218,302	88%	3.57%

2.2 Personnel expenses - in 2021 increased by 21% compared to 2021

	2020	2021	2021/2020	% in exploitation expenses
Total staff costs:	145,919,971	176,127,012	121%	9.93%
Expenditure on staff salaries	124,836,729	157,431,111	126%	8.88%
Meal vouchers and advantages in nature	13,197,465	9,105,997	69%	0.51%
Expenditure related to insurance and social protection	7,885,777	9,589,904	122%	0.54%



2.3. Structure Other expenditure for exploitation is Next:

Lei

	2020	2021	2021/2020	% in ch. exploitation
Expenses on depreciation of fixed assets	47,981,885	46,591,424	97%	2.63%
Maintenance and repair costs	16,144,055	29,792,925	185%	1.68%
Rent costs	2,267,602	3,033,767	134%	0.17%
Insurance costs	4,357,255	4,763,729	109%	0.27%
Expenses related to studies and research	0	16,807	100%	0.001%
Personnel training expenses	16,203	83,511	515%	0.00%
Charges related to fees	1,281,881	1,379,555	108%	0.08%
Protocol/advertising expenses	382,521	1,584,379	414%	0.09%
Transport costs	28,875,207	39,413,608	136%	2.22%
Travel expenses	247,382	611,248	247%	0.03%
Postal expenses, telephony, internet	246,490	269,642	109%	0.02%
Expenses related to banking serv.	346,643	353,887	102%	0.02%
Other ch.cu services performed by third parties	25,802,364	36,400,985	141%	2.05%
Expenses with other taxes and fees	5,679,107	5,292,563	93%	0.30%
Losses from various receivables and debtors	(3,870)	18,602	481%	0.001%
Other operating charges	22,802,526	38,196,042	168%	2.15%

b) Financial activity

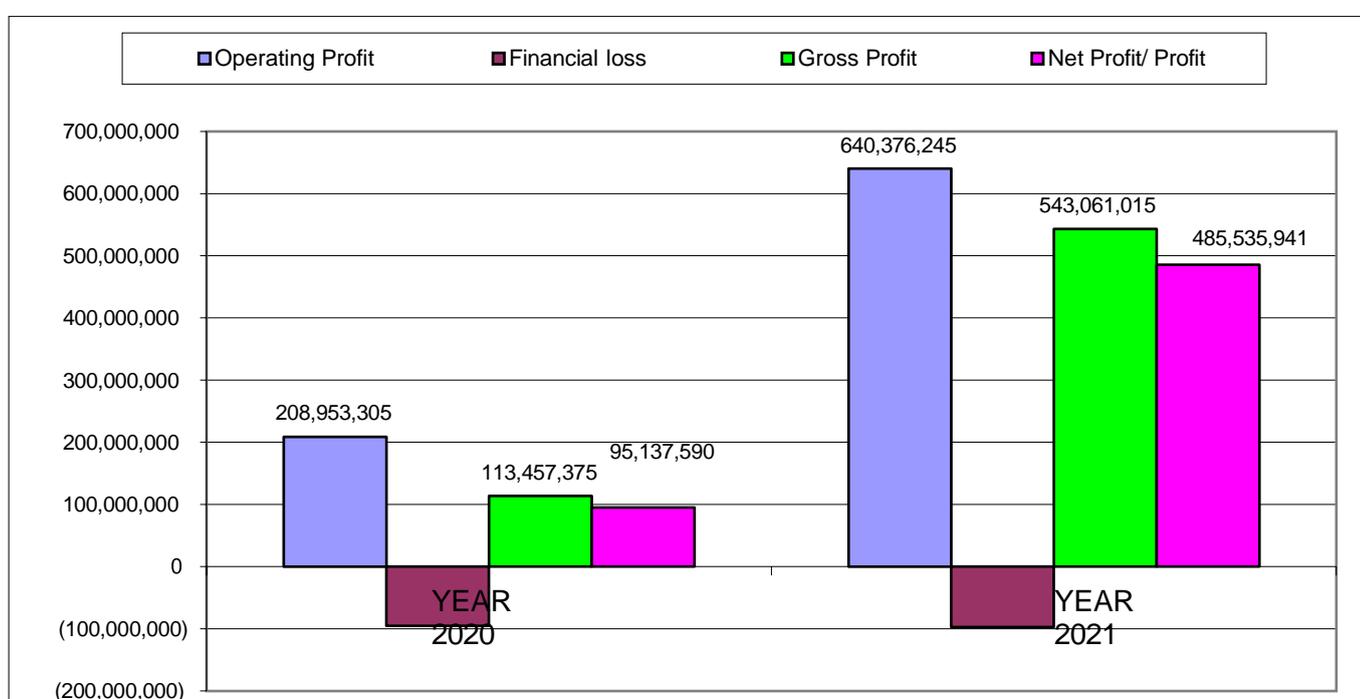
The permanent tracking of the financial result in order to reduce the cost of financing as a level of interest and commissions, the use of financial instruments on the market, is a priority objective for Chimcomplex.

Lei

INDICATORS	2020	2021
FINANCIAL INCOME	9,733,791	15,690,059
FINANCIAL EXPENDITURE	105,229,721	113,005,289
FINANCIAL RESULT	(95,495,930)	(97,315,230)

The structure of the result of the financial year 2021 compared to 2020 is as follows:

RESULTS	2020	2021
Operating profit	208,953,305	640,376,245
Financial loss	95,495,930	97,315,230
Gross Profit/Profit	113,457,375	543,061,015
Net Profit/Profit	95,137,590	485,535,941



In 2021, a net profit of 485,536 thousand lei was obtained, compared to 112,390 thousand lei net profit forecasted in the Income and Expenditure Budget of 2021 presented to the shareholders at the Balance Sheet AGA 2020.

d) Cash-flow

Name of the element			2021
	+	Net profit (+) or loss (-)	485,535,941
	+	Depreciation and provisions	46,591,424
	-	Change in stocks (+/-)	97,102,994
	-	Variation of receivables (+/-)	71,897,655

	+	Supplier variation (+/-)	69,294,103
	+	Variation of creditor clients (+/-)	-15,599,406
	+	Change in other debts (+/-)	81,957,764
+	=	Cash flow from the operating activity (A)	498,779,178

	+	Amounts from the sale and valorif. assets and Fixed assets	0
	-	Investments in tangible assets, total, of which:	72,044,866
		- Acquisition of fixed assets + other investment expenses	55,212,179
		- Executed in its own direction	16,832,687
	-	Financial investments	-146,085
	+	= Cash flow from the Investment activity (B)	-71,898,782
	+	Change in amounts owed to credit institutions	-328,038,472
	+	Contribution to the capital of the company	8,403,790
	+	Equity premiums	3,825,537
	-	Dividend payments	1,065,739
	+	= Cash flow from financial activity (C)	-316,874,884
	-	Variation of other assets	-21,542,490
	+	Variation of other liability items	-24,339,118
	+	= Cash flow from other activities (D)	-2,796,628
	+	Cash availability at the beginning of the period	40,785,955
	+	Net cash flow (A+B+C+D)	107,208,884
	=	Cash availability at the end of the period	147,994,839

**Chairman of the Board of Directors,
VUZA STEFAN – president**



CHIMCOMPLEX S.A. BORZESTI
Romania – Bacau; Onesti, 3 Industriilor street;
No. Reg.Com. J04/493/1991; CUI RO 960322; Share capital
304.907.851 lei
LEI (Legal Entity Identifier): 549300FCIHJZOG56WD36
Account: RO57BTRLRONCRT0044748902; Banca Transilvania Onesti
Phone/fax: 0234/302102; email: ir@chimcomplex.com, www.chimcomplex.ro

**Corporate Governance Statement on
December 31, 2021**

Containing the self-assessment of the degree of compliance with the "provisions to be fulfilled" specified in the document "Principles of Corporate Governance for the AeRo market – the BVB stock market", entered into force on 04.01.2016, as well as of the measures adopted or to be adopted, in order to reach the fulfillment of all of them.

Preamble

The Corporate Governance Principles of the Bucharest Stock Exchange applied by the company CHIMCOMPLEX S.A. BORZESTI, aim to increase the level of transparency and trust for the shareholders of the company and to create a closer connection with them, as well as a greater openness to potential investors.

A good corporate governance is a powerful tool for increasing business competitiveness, and CHIMCOMPLEX S.A. BORZESTI aims to fulfill all these recommendations, contributing to increasing the economic efficiency of the activity and increasing the confidence of investors.

Any significant change from this Annual Corporate Governance Statement will be presented in a current report.

Table regarding the compliance with the Principles of Corporate Governance:

Principles of Corporate Governance	Observed	Do not partially observe or comply with	Reason for non-compliance
------------------------------------	----------	---	---------------------------

<p>A. 1. The company must have an internal regulation of the Board of Directors that includes terms of reference regarding the Board and the key management functions of the company.</p> <p>The administration of conflict of interest at Board level must also be dealt with in the Board Regulation.</p>	X		
<p>A.2. Any other professional commitments of the Members of the Board, including the position of executive or non-executive member of the Board in other companies (excluding subsidiaries of the company) and non-profit institutions, shall be brought to the attention of the Board before appointment and during the term of office.</p>	X		
<p>A.3. Each member of the Board shall inform the Board of any connection with a shareholder who directly or indirectly owns shares representing not less than 5% of the total number of voting rights. This obligation considers any kind of relation that may affect the position of the respective member on matters related to the decisions of the Board.</p>	X		

<p>A.4. The annual report must inform if an assessment of the Board, under the leadership of the President. It must also contain the number of Board meetings.</p>		X	The company is to elaborate during 2022, the procedure regarding the evaluation of the Board, and in the annual report will be presented aspects regarding the Meetings of the Board.
<p>A.5. Procedure regarding the cooperation with the Authorized Consultant for the period in which this cooperation is imposed by the Bucharest Stock Exchange.</p>	X		
<p>B.1. The Board will adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the net assets of the company, according to the most recent financial report, is approved by the Board.</p>	X		
<p>B.2. The internal audit must be carried out by a separate organizational structure (internal audit department) within the company or through the services of an independent third party, which will report to the Board and, within the company, will report them directly to the General Director.</p>	X		
<p>C.1. The company will publish in the annual report a section that will include the total revenues of the members of the Board and of the General Manager for the financial year, respectively and the total value of all bonuses or any variable compensations and also the key assumptions and principles for calculating the revenues mentioned above.</p>	x		

<p>D.1. In addition to the information provided in the legal provisions, the company's website will contain a section dedicated to the Relationship with Investors, both in Romanian and English, with all the relevant information of interest to the inventors.</p>	<p>X</p>		
<p>D.2. A company must have adopted a dividend policy of the company, as a set of directions related to the distribution of net profit, which the company declares that it will comply with. The principles of dividend policy must be published on the company's website.</p>	<p>X</p>		
<p>D.3. A company must have adopted a policy on forecasts and whether they will be provided or not. Forecasts are quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so-called hypotheses). The policy must stipulate the frequency, the period considered and the content of the forecasts. Forecasts, if published, will be part of annual, half-yearly or quarterly reports. The forecast policy must be published on the company's website.</p>	<p>X</p>		
<p>D.4. A company must set the date and place of a general meeting, so as to allow the participation of as many shareholders as possible.</p>	<p>X</p>		

<p>D.5. The financial reports will include information, both in Romanian and in English, on the main factors influencing the changes in the sales, operating profit, net profit or any other relevant financial indicator.</p>	<p>X</p>		
<p>D.6. The company will organize at least one meeting / conference call with analysts and investors, every year. The information presented on these occasions will be published in the Investor Relations section of the company's website, at the time of the respective meeting / conference.</p>	<p>X</p>		

**CHAIRMAN OF THE BOARD OF DIRECTORS,
dr.ec. Vuza Stefan**

MINISTERUL FINANTELOR
AGENȚIA NAȚIONALĂ DE ADMINISTRARE FISCALĂ

Signature valid

Digitally signed by Ministerul
Finanțelor Publice
Date: 2022.04.29 12:07:47 EEST
Reason: Document MFP

Index încărcare: 370701416 din 29.04.2022

Ați depus un formular tip S1002 cu numărul de înregistrare INTERNT-370701416-2022 din data de 29.04.2022 pentru perioada de raportare 12 2021 pentru CIF: 960322.

Nu există erori de validare.

Bifati numai dacă este cazul:	<input checked="" type="checkbox"/> Mari Contribuabili care depun bilanțul la Bucuresti	S1002_A1.0.0 / 16.03.2022	Tip situație financiară : BL
	<input type="checkbox"/> Sucursala	<input checked="" type="radio"/> An	<input type="radio"/> Semestru
	<input type="checkbox"/> GIE - grupuri de interes economic	Anul	2021
	<input type="checkbox"/> Activ net mai mic de 1/2 din valoarea capitalului subscris	Suma de control	304.907.851

Entitatea SC CHIMCOMPLEX SA BORZESTI

Adresa	Județ	Sector	Localitate
	Bacau		Onesti
Strada	Nr.	Bloc	Scara
	Industiilor	3	
		Ap.	Telefon
			0234302100

Număr din registrul comerțului J04/493/1991 Cod unic de inregistrare 9 6 0 3 2 2

Forma de proprietate

34--Societati pe actiuni

Activitatea preponderenta (cod si denumire clasa CAEN)

2013 Fabricarea altor produse chimice anorganice, de bază

Activitatea preponderenta efectiv desfasurata (cod si denumire clasa CAEN)

2014 Fabricarea altor produse chimice organice, de bază

Situatii financiare anuale

Raportări anuale

(entități al căror exercițiu financiar coincide cu anul calendaristic)

Entități mijlocii, mari si entități de interes public

Entități mici

Microentități

Entități de interes public

?

1. entitățile care au optat pentru un **exercițiu financiar diferit de anul calendaristic**, cf.art. 27 din *Legea contabilității nr. 82/1991*

2. persoanele juridice aflate în **lichidare**, potrivit legii

3. subunitățile deschise în România de **societăți rezidente** în state aparținând Spațiului Economic European

Situațiile financiare anuale încheiate la 31.12.2021 de către entitățile de interes public si de entitățile prevazute la pct.9 alin.(4) din Reglementarile contabile, aprobate prin OMFP nr. 1.802/2014, cu modificarile și completarile ulterioare, al caror exercitiu financiar corespunde cu anul calendaristic

F10 - BILANT

F20 - CONTUL DE PROFIT ȘI PIERDERE

F30 - DATE INFORMATIVE

F40 - SITUATIA ACTIVELOR IMOBILIZATE

Indicatori :

Capitaluri - total 869.394.119

Capital subscris 304.907.851

Profit/ pierdere 485.535.941

ADMINISTRATOR,

INTOCMIT,

Numele si prenumele

VUZA STEFAN

Numele si prenumele

DUMITRIU ADRIAN

Calitatea

11--DIRECTOR ECONOMIC

Nr.de inregistrare in organismul profesional

CIF/ CUI membru CECCAR

Semnătura

Semnătura

COMAN DUMITRU

Digitally signed by COMAN DUMITRU
DN: c=RO, l=ONESTI, title=Director General,
sn=COMAN, givenName=DUMITRU,
serialNumber=200506245CD135,
name=COMAN DUMITRU, cn=COMAN
DUMITRU
Date: 2022.04.29 12:05:33 +03'00'

Semnătura electronica

Entitatea **are obligația legală** de auditare a situatiilor financiare anuale? DA NU

Entitatea **a optat voluntar** pentru auditarea situatiilor financiare anuale? DA NU

Situațiile financiare anuale au fost aprobate potrivit legii

AUDITOR

Nume si prenume auditor persoana fizică/ Denumire firma de audit

SC G5 CONSULTING SRL DEJ

Nr.de inregistrare in Registrul ASPAAS

CIF/ CUI

Formular VALIDAT

BALANCE SHEET

on 31.12.2021

Code 10

- lei -

Element	Line no. OMF no.85/ 2022	Line no.	Balance at:	
			01.01.2021	31.12.2021
(calculation formulas refer to line number from col. B)				
A		B	1	2
A. FIXED ASSETS				
I. INTANGIBLE ASSETS				
1. Formation expenses (ct.201-2801)	01	01	0	0
2. Development expenditure (ct.203-2803-2903)	02	02	0	0
3. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (ct. 205 + 208 - 2805 - 2808 - 2905 - 2908)	03	03	1.212.715	979.865
4. Goodwill (ct.2071-2807)	04	04	0	0
5. Intangible assets for the exploration and evaluation of mineral resources (ct. 206-2806-2906)	05	05	0	0
6. Advances (ct.4094 - 4904)	06	06	0	0
TOTAL (line01 to 06)	07	07	1.212.715	979.865
II. PROPERTY, PLANT AND EQUIPMENT				
1. Land and buildings (ct. 211 + 212 - 2811 - 2812 - 2911 - 2912)	08	08	249.648.281	243.395.786
2. Technical installations and machines (ct. 213 + 223 - 2813 - 2913)	09	09	504.822.306	491.364.780
3. Other installations, machinery and furniture (ct. 214 + 224 - 2814 - 2914)	10	10	2.555.755	2.528.892
4. Real estate investments (ct. 215 - 2815 - 2915)	11	11	0	0
5. Property, plant and equipment in progress of execution (ct. 231-2931)	12	12	79.071.155	119.944.558
6. Real estate investments under execution (ct. 235-2935)	13	13	0	0
7. Tangible assets for exploration and evaluation of mineral resources (ct. 216-2816-2916)	14	14	0	0
8. Productive biological assets (ct.217+227-2817-2917)	15	15	20.036	16.697
9. Advances (ct. 4093 – 4903)	16	16	2.735.824	26.414.115
TOTAL (line08 to 16)	17	17	838.853.357	883.664.828
III. FINANCIAL FIXED ASSETS				
1. Shares held in subsidiaries (ct. 261 - 2961)	18	18	50.803.030	49.927.438
2. Loans to group entities (ct. 2671 + 2672 - 2964)	19	19	0	0
3. Shares held in associated entities and jointly controlled entities (ct. 262+263 - 2962)	20	20	24.000	24.000

4. Loans granted to associated entities and jointly controlled entities (ct. 2673 + 2674 - 2965)	21	21	0	0
5. Other fixed securities (ct. 265 - 2963)	22	22	1.000	1.000
6. Other loans (ct. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	23	23	5.239.844	5.093.759
TOTAL (line18 to 23)	24	24	56.067.874	55.046.197
FIXED ASSETS - TOTAL (line07 + 17 + 24)	25	25	896.133.946	939.690.890
B. Current assets				
I. STOCKS				

F10 - pg. 2				
1. Raw materials and consumables (ct. 301 + 302 + 303 +/- 308 +321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	26	26	32.842.824	56.009.372
2. Production in progress (ct. 331 + 332 + 341 +/- 348* - 393 - 3941 - 3952)	27	27	5.730.889	8.422.089
3. Finished goods and goods (ct. 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 + 326 +/-368 + 371 +327 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - from ct. 4428)	28	28	48.591.929	85.677.902
4. Advances (ct. 4091- 4901)	29	29	15.997.520	50.156.793
TOTAL (line26 to 29)	30	30	103.163.162	200.266.156
II. CLAIMS				
1. Commercial claims 1) (ct. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 4092 + 411 + 413 + 418 - 4902- 491)	31	31	89.036.828	115.565.353
2. Amounts receivable from affiliated entities (ct. 451** - 495*)	32	32	21.859.050	25.225.666
3. Amounts to be collected from associated entities and jointly controlled entities (ct. 453** - 495*)	33	33	0	0
4. Other claims (ct. 425+4282+431**+436** + 437**+ 4382+ 441**+4424+ from ct.4428**+ 444**+445+446**+447**+4482+4582+4662+ 461 + 473** - 496 + 5187)	34	34	61.436.490	43.439.004
5. Subscribed and unpaid capital (ct. 456 - 495*)	35	35	0	0
6. Dividend claims distributed during the financial year (ct. 463)	36	35th (301)	0	60.000.000
TOTAL (line31 to 35 +35a)	37	36	172.332.368	244.230.023

III. SHORT-TERM INVESTMENTS				
1. Shares held in affiliated entities (ct. 501 - 591)	38	37	0	0
2. Other short-term investments (ct. 505 + 506 + 507 + of ct. 508 - 595 - 596 - 598 + 5113 + 5114)	39	38	0	0
TOTAL (line37 + 38)	40	39	0	0
IV. CASH AND BANK ACCOUNTS (from ct. 508+ct. 5112 + 512 + 531 + 532 + 541 + 542)	41	40	40.785.955	147.994.839
CIRCULATING ASSETS - TOTAL (line30 + 36 + 39 + 40)	42	41	316.281.485	592.491.018
C. ACCRUAL EXPENSES (ct. 471) (line43+44)	43	42	16.328.518	24.193.605
Amounts to be resumed in a period of up to one year (from ct. 471*)	44	43	10.913.693	19.490.116
Amounts to be resumed in a period of more than one year (from ct. 471*)	45	44	5.414.825	4.703.489
D. DEBTS: AMOUNTS TO BE PAID IN A PERIOD UP TO TO 1 YEAR				
1. Loans from the bond issue, presenting separately the loans from the issue of convertible bonds (ct. 161 + 1681 - 169)	46	45	0	0
2. Amounts owed to credit institutions (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	47	46	90.793.290	31.394.634
3. Advances received on account of orders (ct. 419)	48	47	25.869.788	10.270.382
4. Commercial debts - suppliers (ct. 401 + 404 + 408)	49	48	86.065.702	148.937.412
5. Trade effects payable (ct. 403 + 405)	50	49	0	0
6. Amounts owed to group entities (ct. 1661 + 1685 + 2691 + 451)	51	50	1.256.234	7.678.627
7. Amounts owed to associated entities and jointly controlled entities (ct. 1663+1686+2692+2693+ 453***)	52	51	0	0

F10 - pg. 3				
8. Other debts, including tax and social security debts (ct. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431 + 436+ 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481 + 455 + 456 + 457 + 4581 + 462 + 4661+ 473 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	53	52	28.175.825	109.794.880
TOTAL (line45 to 52)	54	53	232.160.839	308.075.935

E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (line41 + 43-53-70-73-76)	55	54	77.857.806	290.219.604
F. TOTAL ASSETS MINUS CURRENT LIABILITIES (line25+44+54)	56	55	979.406.577	1.234.613.983
G. DEBTS: AMOUNTS TO BE PAID OVER A PERIOD OF MORE THAN 1 YEAR				
1. Loans from the bond issue, presenting separately the loans from the issue of convertible bonds (ct. 161 + 1681 - 169)	57	56	0	0
2. Amounts owed to credit institutions (ct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	58	57	561.218.893	292.579.077
3. Advances received on account of orders (ct. 419)	59	58	0	0
4. Commercial debts - suppliers (ct. 401 + 404 + 408)	60	59	0	0
5. Trade effects payable (ct. 403 + 405)	61	60	0	0
6. Amounts owed to group entities (ct. 1661 + 1685 + 2691 + 451)	62	61	0	0
7. Amounts owed to associated entities and jointly controlled entities (ct. 1663 + 1686 + 2692 +2693+ 453)	63	62	0	0
8. Other debts, including tax and social security debts (ct. 1623 + 1626 + 167 + 1687 + 2695 + 421 + 423 + 424 + 426 + 427 + 4281 + 431 + 436 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447*** + 4481 + 455 + 456 + 4581+462+4661+ 473 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	64	63	306.932	645.641
TOTAL (line56 to 63)	65	64	561.525.825	293.224.718
H. PROVISIONS				
1. Provisions for employee benefits (ct. 1515+1517)	66	65	0	2.075.355
2. Provisions for taxes (ct. 1516)	67	66	0	0
3. Other provisions (ct. 1511 + 1512 + 1513 + 1514 + 1518)	68	67	17.895.094	46.326.386
TOTAL (line65 to 67)	69	68	17.895.094	48.401.741
I. ADVANCE INCOME				
1. Investment grants (ct. 475)(line70+71)	70	69	19.196.796	17.992.074
Amounts to be resumed in a period of up to one year (from ct. 475*)	71	70	2.156.262	3.110.929
Amounts to be resumed in a period of more than one year (from ct. 475*)	72	71	17.040.534	14.881.145
2. Accrued income (ct. 472) (line73 + 74)	73	72	23.732.531	19.286.926
Amounts to be resumed in a period of up to one year (from ct. 472*)	74	73	15.020.271	10.574.666
Amounts to be resumed in a period of more than one year (from ct. 472*)	75	74	8.712.260	8.712.260
3. Advance income related to assets received by transfer from customers (ct. 478)(line76+77)	76	75	0	0
Amounts to be resumed in a period of up to one year (from ct. 478*)	77	76	0	0
Amounts to be resumed in a period of more than one year (from ct. 478*)	78	77	0	0

Negative goodwill (ct.2075)	79	78	0	0
TOTAL (line69 + 72 + 75 + 78)	80	79	42.929.327	37.279.000
J. CAPITAL AND RESERVES				
I. CAPITAL				
1. Paid-up subscribed capital (ct. 1012)	81	80	296.504.061	304.907.851
F10 - pg. 4				
2. Unpaid subscribed capital (ct. 1011)	82	81	0	0
3. The patrimony of the company (ct. 1015)	83	82	0	0
4. Patrimony of national research and development institutes (ct. 1018)	84	83	0	0
5. Other equity items (1031)	85	84	0	0
TOTAL (line80 to 84)	86	85	296.504.061	304.907.851
II. CAPITAL PREMIUMS (ct. 104)	87	86	844.028	4.669.565
III. REVALUATION RESERVES (ct. 105)	88	87	44.247.547	44.247.547
IV. RESERVATIONS				
1. Legal reserves (ct. 1061)	89	88	14.600.179	41.753.230
2. Statutory or contractual reserves (ct. 1063)	90	89	0	
3. Other reserves (ct. 1068)	91	90	51.752.945	56.221.161
TOTAL (line88 to 90)	92	91	66.353.124	97.974.391
Own shares (ct. 109)	93	92	0	116.633
Gains related to equity instruments (ct. 141)	94	93	0	0
Losses related to equity instruments (ct. 149)	95	94	0	25.821
V. PROFIT OR LOSS CARRIED FORWARD BALANCE C (ct. 117)	96	95	0	0
SOLD D (ct. 117)	97	96	105.423.218	36.177.455
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR				
BALANCE C (ct. 121)	98	97	95.137.590	485.535.941
SOLD D (ct. 121)	99	98	0	0
Profit allocation (ct. 129)	100	99	23.430.268	31.621.267
EQUITY - TOTAL (line85+86+87+91-92+93-94+95-96 +97-98-99)	101	100	374.232.864	869.394.119
Public Patrimony (ct. 1016)	102	101	0	0
Private Patrimony (ct. 1017) 2)	103	102	0	0
CAPITAL - TOTAL (line100+101+102) (line25+41+42-53-64-68-79)	104	103	374.232.864	869.394.119

1) The amounts entered in this line and taken from account 2675 to 2679 represent the related claims



*) Accounts to be distributed by the nature of the respective items. financial leasing contracts and other similar contracts, as well as other **fixed** claims, due

**) Debit balances of the respective accounts.
) Credit balances of those accounts.

in a period of less than 12 months.

2) The provisions of the Order of the Minister of Public Finance and of the Minister delegate for the budget no. 668/2014 will be filled in by the entities to which the provisions of the Order of the Minister of Public Finance and of the Minister delegate for the budget no. 668/2014 are applicable for the approval of the Specifications on the preparation and updating of the centralized inventory of real estate private property of the state and of the real rights subject to inventory, with subsequent amendments and completions, with subsequent amendments and completions

ADMINISTRATOR

DRAFTED,

Name and surname

Name and surname

VUZA STEFAN

DUMITRIU ADRIAN

Signature _____

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PROFIT AND LOSS ACCOUNT

on 31.12.2021

Code 20

- lei -

Indicators	Line no.	Financial year		
		2020	2021	
(calculation formulas refer to Line no. from col. B)	Line no. OMF no.85/2022			
A	B	1	2	
1. Net turnover (line02+03-04+06)	01	01	1.171.549.637	2.244.002.649
- of which, the net turnover corresponding to the predominant activity actually carried out,	02	01a (301)	906.638.656	1.957.857.235
Production sold (ct.701+702+703+704+705+706+708)	03	02	1.127.075.994	2.207.527.570
Proceeds from the sale of goods (ct. 707)	04	03	45.087.767	37.202.566
Trade discounts granted (ct. 709)	05	04	614.124	727.487
Interest income recorded by entities deregistered from the General Register and		05		

which still have ongoing leasing contracts- (ct.766*)				
Income from operating subsidiaries related to net turnover (ct.7411)	06	06	0	0
2. Revenue related to the cost of production in progress (ct.711+712)				
Balance C	07	07	6.449.215	147.533.790
Balance D	08	08	0	0
3. Income from the production of intangible assets and body and equipment (ct.721+ 722)	09	09	20.498.675	16.832.687
4. Income from the revaluation of property, plant and equipment (ct. 755)	10	10	0	0
5. Income from the production of investment property (ct. 725)	11	11	0	0
6. Income from operating subsidiaries (ct. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12	12	66.791.263	1.592.342
7. Other operating income (ct.751+758+7815)	13	13	3.351.135	3.373.537
-of which, income from investment grants (ct.7584)	14	14	2.197.947	2.315.162
-of which, income from negative goodwill (ct.7815)	15	15	0	0
OPERATING INCOME – TOTAL (line01+07- 08+09+10+11+12+13)	16	16	1.268.639.925	2.413.335.005
8. a) Expenditure on raw materials and consumables (ct.601+602)	17	17	432.521.234	881.850.968
Other material expenses (ct.603+604+606+608)	18	18	6.686.046	8.711.963
b) Other external expenditure (on energy and water) (ct.605)	19	19	285.655.449	451.442.533
- of which, expenditure on energy consumption (ct. 6051)	20	19th (302)	271.186.801	434.460.955
c) Expenditure on goods (ct.607)	21	20	27.772.527	28.142.996
Commercial discounts received (ct. 609)	22	21	726.841	281.285
9. Personnel expenditure (line23 + 24)	23	22	145.919.971	176.127.012
a) Salaries and allowances (ct.641+642+643+644)	24	23	138.034.194	166.537.108
b) Expenditure on insurance and social protection (ct.645+646)	25	24	7.885.777	9.589.904
10.a) Value adjustments in respect of tangible and intangible assets (line26 - 27)	26	25	47.981.885	46.591.424

a.1) Expenditure (ct.6811+6813+6817+ of ct.6818)	27	26	47.981.885	46.591.424
a.2) Revenue (ct.7813 + from ct.7818)	28	27	0	0
b) Value adjustments in respect of current assets (line29 to 30)	29	28	1.286.374	1.127.945
b.1) Expenditure (ct.654+6814 + from ct.6818)	30	29	2.225.305	2.862.846
b.2) Revenue (ct.754+7814 + from ct.7818)	31	30	938.931	1.734.901
11. Other operating charges (line32 to 37)	32	31	108.992.344	161.821.278
11.1. Expenditure on external benefits (ct.611+612+613+614+615+621+622+623+624+625+626+627+628)	33	32	79.967.603	117.704.042
11.2. Expenses with other taxes, fees and assimilated payments; expenses representing transfers and contributions due on the basis of special normative acts (ct. 635 + 6586*)	34	33	5.679.107	5.292.563
11.3. Expenditure on environmental protection (ct. 652)	35	34	543.108	628.631
11.4 Expenses arising from the revaluation of property, plant and equipment (ct. 655)	36	35	0	0
11.5. Expenditure relating to disasters and similar events (ct. 6587)	37	36	0	0
11.6. Other expenses (ct.651+ 6581+ 6582 + 6583 + 6584 + 6588)	38	37	22.802.526	38.196.042
Expenses with refinancing interest registered by entities deregistered from the General Register and which still have ongoing leasing contracts (ct.666*)		38		
Adjustments to provisions (line40 to 41)	39	39	3.597.631	17.423.926
- Expenses (ct.6812)	40	40	9.164.813	44.339.809
- Revenue (ct.7812)	41	41	5.567.182	26.915.883
OPERATING COSTS — TOTAL (line17 to 20 - 21+22+25+28+31+ 39)	42	42	1.059.686.620	1.772.958.760
OPERATING PROFIT OR LOSS:				
- Profit (line16 - 42)	43	43	208.953.305	640.376.245
- Loss (line42 - 16)	44	44	0	0
12. Income from participating interests (ct.7611+7612+7613)	45	45	0	0
- of which, revenues obtained from affiliated entities	46	46	0	0
13. Interest income (ct. 766)	47	47	536.203	644.090
- of which, revenues obtained from affiliated entities	48	48	28.959	31.816
14. Income from operating subsidies on interest due (ct. 7418)	49	49	0	0

15. Other financial income (ct.762+764+765+767+768+7615)	50	50	9.197.588	15.045.969
- of which, income from other financial fixed assets (ct. 7615)	51	51	0	0
FINANCIAL INCOME – TOTAL (line45+47+49+50)	52	52	9.733.791	15.690.059
16. Value adjustments in respect of financial fixed assets and financial investments held as current assets (line54 to 55)	53	53	268.938	967.208
- Expenses (ct.686)	54	54	268.938	1.036.708
- Revenue (ct.786)	55	55	0	69.500
17. Interest expense (ct.666)	56	56	77.052.809	46.010.660
- of which, expenditure in relation to affiliated entities	57	57	0	0
18. Other financial expenses (ct.663+664+665+667+668)	58	58	27.907.974	66.027.421
FINANCIAL EXPENDITURE – TOTAL (line53+56+58)	59	59	105.229.721	113.005.289
FINANCIAL PROFIT OR LOSS:				
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- Profit (line52 - 59)	60	60	0	0
- Loss (line59 - 52)	61	61	95.495.930	97.315.230
TOTAL REVENUE (line16 + 52)	62	62	1.278.373.716	2.429.025.064
TOTAL EXPENDITURE (line42 + 59)	63	63	1.164.916.341	1.885.964.049
19. GROSS PROFIT OR LOSS:				
- Profit (line62 - 63)	64	64	113.457.375	543.061.015
- Loss (line63 - 62)	65	65	0	0
20. Corporate income tax (ct.691)	66	66	18.319.785	57.525.074
21. Tax specific to certain activities (ct. 695)	67	67	0	
22. Other taxes not shown under the above items (ct.698)	68	68	0	
23. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR:				
- Profit (line64 - 65 - 66 - 67 - 68)	69	69	95.137.590	485.535.941
- Loss (line65 + 66 + 67 + 68 - 64)	70	70	0	0

*) Accounts to be distributed by the nature of the respective items.

In turn 24 (cf. OMF no.85/ 2022)- it is also included the rights of the collaborators, established according to the labor legislation, which are taken over from the debtor turnover of the account 621 "Expenses with collaborators", analytically "Collaborators, natural persons". In turn 34 (cf. OMF no.85/ 2022)- in the account 6586 "Expenses representing transfers and contributions due on the basis of special normative acts" it is highlighted the expenses representing transfers and contributions due on the basis of special normative acts, other than those provided by the Fiscal Code.



ADMINISTRATOR, DRAFTED,

Name and surname

VUZA STEFAN

Signature _____

Name and surname

DUMITRIU ADRIAN

Quality

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Registration number in the professional body:

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INFORMATIVE DATA as of 31.12.2021

Code 30 (calculation formulas refer to Line no. from col. B)

- lei -

I. Data on the registered result	Line no. OMF no.85/2022	Line no.	Unit number	Amounts	
A		B	1	2	
Units that have registered a profit	01	01	1	485.535.941	
Loss-making units	02	02			
Units that recorded neither profit nor loss	03	03			
II Data on outstanding payments		Line no.	Total, of which:	For the activity Current	For investment activity
A		B	1=2+3	2	3
Overdue payments – total (line05 + 09 + 15 to 17 + 18)	04	04	464.303	464.303	0
Remaining suppliers – total (line06 to 08)	05	05	464.303	464.303	0
- over 30 days	06	06	0	0	0
- over 90 days	07	07	0	0	0
- over 1 year	08	08	464.303	464.303	0
Overdue obligations to the social insurance budget – total (line10 to 14)	09	09	0	0	0
- contributions for state social insurance due by employers, employees and other assimilated persons	10	10	0	0	0
- contributions for the social health insurance fund	11	11	0	0	0

- the contribution for the supplementary pension,	12	12	0	0	0
- contributions to the unemployment insurance budget	13	13	0	0	0
- other social debts	14	14	0	0	0
Overdue obligations towards the budgets of special funds and other funds	15	15	0	0	0
Overdue obligations towards other creditors	16	16	0	0	0
Taxes, contributions and fees not paid within the deadline set to the state budget, of which:	17	17	0	0	0
- insurance contribution for work	18	17a (301)	0	0	0
Taxes and fees not paid within the deadline set at the local budgets	19	18	0	0	0
III. Average number of employees		Line no.	31.12.2020		31.12.2021
A		B	1		2
Average number of employees	20	19	1.926		1.919
The actual number of employees existing at the end of the period, respectively on December 31st	21	20	1.977		2.001
IV. Royalties paid during the reporting period, subsidies received and outstanding claims				Line no.	Amounts (lei)
A				B	1
Royalties paid during the reporting period for public property received in the concession, of which:	22	21			0
- royalties for public goods paid to the state budget	23	22			0
Mining royalty paid to the state budget	24	23			0

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Oil royalty paid to the state budget	25	24			0
Rents paid during the reporting period for land 1)	26	25			0
Gross income from services paid to non-resident persons , showing separately:	27	26			0
- tax due to the state budget	28	27			0
Gross income from services paid to non-resident persons in the Member States of the European Union, of which:	29	28			0
- tax due to the state budget	30	29			0
Subsidies received during the reporting period, showing separately:	31	30			571.914
- subsidies received during the reporting period related to assets	32	31			0
- subsidies relating to income, of which:	33	32			571.914
- subsidies to stimulate employment *)	34	33			571.914
- subsidies for energy from renewable sources,	35	33a (316)			0

- subsidies for fossil fuels	36	33b (317)		0
Overdue claims , which were not collected within the terms stipulated in the commercial contracts and/or in the normative acts in force, of which:	37	34		20.433.332
- overdue claims from entities in the majority or entirely state sector	38	35		214.132
- overdue claims from private sector entities	39	36		20.219.200
V. Vouchers granted to employees		Line no.		Amounts (lei)
A		B		1
The value of the vouchers granted to the employees	40	37		8.681.870
The value of the vouchers granted to other categories of beneficiaries, other than the employees	41	37th (302)		0
VI. Expenditure incurred in respect of research and development activity **)		Line no.	31.12.2020	31.12.2021
A		B	1	2
Research and development expenditure:	42	38	143.086	167.602
- of which, carried out with the aim of mitigating the impact of the company's activity on the environment or developing new technologies or more sustainable products	43	38th (318)	0	0
- by funding sources (line40+41)	44	39	143.086	167.602
- from public funds	45	40	0	0
- from private funds	46	41	143.086	167.602
- by nature of expenditures (line43+44)	47	42	143.086	167.602
- current expenditure	48	43	143.086	167.602
- capital expenditure	49	44	0	0
VII. Innovation expenditure)		Line no.	31.12.2020	31.12.2021
A		B	1	2
Innovation spending	50	45	0	
- of which, carried out with the aim of mitigating the impact of the company's activity on the environment or developing new technologies or more sustainable products	51	45th (319)	0	
VIII. Other information		Line no.	31.12.2020	31.12.2021
A		B	1	2
Advances granted on intangible assets (ct. 4094), of which:	52	46	0	0
- advances granted to non-affiliated non-resident entities for intangible assets (as of ct. 4094)	53	46a (303)	0	0

- advances granted to non-resident related entities on intangible assets (as of ct. 4094)	54	46b (304)	0	0
Advances granted on property, plant and equipment (ct. 4093), of which:	55	47	2.735.824	21.350.081
- advances granted to non-affiliated non-resident entities for property, plant and equipment (from ct. 4093)	56	47a (305)	359.610	18.481.701
- advances to non-resident affiliated entities for property, plant and equipment (from ct. 4093)	57	47b (306)	0	0
Financial fixed assets, in gross amounts (line49+54)	58	48	56.067.874	55.921.789
Shares held in affiliated entities, participating interests, other fixed securities and bonds, in gross amounts (line50 + 51 + 52 + 53)	59	49	50.828.030	50.828.030
- unlisted shares issued by residents	60	50	39.950.100	39.950.100
- shares issued by residents	61	51	10.877.930	10.877.930
- shares and shares issued by non-residents, of which:	62	52	0	0
- holdings of at least 10%	63	52a (307)	0	0
- bonds issued by non-residents	64	53	0	0
Fixed receivables, in gross amounts (line55+56)	65	54	5.239.844	5.093.759
- fixed claims in RON and expressed in RON, the settlement of which is made according to the exchange rate of a currency (from ct. 267)	66	55	2.229.650	1.773.052
- fixed claims in foreign currency (from ct. 267)	67	56	3.010.194	3.320.707
Commercial claims, advances on purchases of goods of the nature of stocks and for the provision of services granted to suppliers and other similar accounts, in gross amounts (ct. 4091 + 4092 + 411 + 413 + 418), of which:	68	57	105.337.555	165.092.794
- commercial claims in relation to non-affiliated non-resident entities, advances for purchases of goods of the nature of stocks and for the provision of services granted to non-attached non-resident suppliers and other similar accounts, in gross amounts in relation to non-resident unaffiliated (from ct. 4091 + from ct. 4092 + from ct. 411 + from ct. 413 + from ct. 418)	69	58	45.894.966	50.986.256
- commercial claims in relation to non-resident affiliated entities, advances for purchases of goods of the nature of stocks and for the provision of services granted to non-resident related suppliers and other similar accounts, in gross amounts in relation to non-resident affiliates (from ct. 4091 + from ct. 4092 + from ct. 411 + from ct. 413 + from ct. 418)	70	58th (308)	0	0
Uncollected claims within the prescribed time limit (from ct. 4091 + from ct. 4092 + from ct. 411 + from ct. 413)	71	59	2.265.210	1.338.626
Claims relating to staff and similar accounts (ct. 425 + 4282)	72	60	18.575	4.133

Claims in connection with the social security budget and the state budget (from ct. 431+436+437+4382+441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (line62 to 66)	73	61	55.461.690	39.321.759
- claims in connection with the social insurance budget (ct.431+437+4382)	74	62	1.604.491	1.613.618
- tax receivables in connection with the state budget (ct.436+441+4424+4428+444+446)	75	63	11.550.505	36.121.872
- subsidies to be collected (ct.445)	76	64	42.306.694	1.586.269
- special funds - taxes and assimilated payments (ct.447)	77	65	0	0
- other receivables in connection with the state budget (ct.4482)	78	66	0	0
The entity's claims in its dealings with affiliated undertakings (ct. 451), of which:	79	67	20.942.381	25.568.288
- claims with non-resident affiliated entities (from ct. 451), of which:	80	68	0	0

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- commercial claims with non-resident affiliated entities (from ct. 451)	81	69	0	0
Claims in connection with the social insurance budget and the state budget not collected within the established deadline (from ct. 431+ from ct. 436 + from ct. 437 + from ct. 4382 + from ct. 441 + from ct. 4424 + from ct. 4428 + from ct. 444 + from ct. 445 + from ct. 446 + from ct. 447 + from ct. 4482)	82	70	0	0
Other claims (ct. 453 + 456 + 4582 + 461 + 4662 + 471 + 473), of which:	83	71	5.976.634	4.131.042
- settlements regarding the participation interests, settlements with shareholders / associations regarding the capital, settlements from joint operations (ct.453+456+4582)	84	72	0	0
- other claims in connection with individuals and legal entities, other than claims in connection with public institutions (state institutions) (from ct. 461 + from ct. 471 + from ct.473+4662)	85	73	59.028	4.131.042
- amounts taken from account 542 'Cash advances' representing the cash advances, granted according to the law and not settled until the reporting date (from ct. 461)	86	74	0	0
Interest receivable (ct. 5187) , of which:	87	75	0	0
- from non-residents	88	76	0	0
Interest receivable from non-residents (from ct. 4518 + from ct.	89 62	76a (313)	2.282	12.385

4538)				
The value of loans granted to economic operators (****)	90	77	1.259.291	3.321.963
Short-term investments, in gross amounts (ct. 501 + 505 + 506 + 507 + of ct.508), of which:	91	78	0	0
- unlisted shares issued by residents	92	79	0	0
- shares issued by residents	93	80	0	0
- shares issued by non-residents	94	81	0	0
- bonds issued by non-residents	95	82	0	0
- green bond holdings	96	82a (320)	0	0
Other values to be collected (ct. 5113 + 5114)	97	83	0	0
House in lei and foreign currency (line85+86)	98	84	10.593	12.267
- in lei (ct. 5311)	99	85	5.546	8.150
- in foreign currency (ct. 5314)	100	86	5.047	4.117
Current accounts with banks in LEI and foreign currency (line88+90)	101	87	40.256.630	147.173.281
- in lei (ct. 5121), of which:	102	88	30.643.160	83.078.214
- current accounts in RON opened with non- resident banks	103	89	0	0
- in foreign currency (ct. 5124), of which:	104	90	9.613.470	64.095.067
- current accounts in foreign currency opened with non-resident banks	105	91	0	0
Other current accounts with banks and letters of credit (line93+94)	106	92	510.484	804.149
- amounts in progress of settlement, letters of credit and other values to be collected, in lei (ct. 5112 + from ct. 5125 + 5411)	107	93	510.484	804.149
- amounts in progress of settlement and letters of credit in foreign currency (from ct. 5125 + 5414)	108	94	0	0
Debts (line96 + 99 + 102 + 103 + 106 + 108 + 110 + 111 + 116 + 119 + 122 + 128)	109	95	773.205.922	277.466.080
Short-term external bank loans (loans received from non-resident financial institutions for which the duration of the credit agreement is less than 1 year) (from ct. 519), (line97+98)	110	96	0	0

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- in lei	111	97	0	0
- in foreign currency	112	98	0	0

Long-term external bank loans (loans received from non-resident financial institutions for which the duration of the credit agreement is <u>greater than</u> or equal to 1 year) (from ct. 162), (line100+101)	113	99	632.405.403	0
- in lei	114	100	0	0
- in foreign currency	115	101	632.405.403	0
Loans from the state treasury and the related interests (ct. 1626 + from ct. 1682)	116	102	0	0
Other loans and related interest (ct. 166 + 1685 + 1686 + 1687) (line104+105)	117	103	0	0
- in LEI and expressed in RON, the settlement of which is made according to the exchange rate of a currency	118	104	0	0
- in foreign currency	119	105	0	0
Other loans and similar liabilities (ct. 167), of which:	120	106	31.200	2.515.501
- the value of the concessions received (from ct. 167)	121	107	0	0
- the amount of green bonds issued by the entity	122	107th (321)	0	0
Commercial debts, advances received from customers and other similar accounts, in gross amounts (ct. 401 + 403 + 404 + 405 + 408 + 419), of which:	123	108	111.935.489	159.207.794
- commercial debts in relation to non-resident unaffiliated entities, advances received from non-resident unaffiliated customers and other similar accounts, in gross amounts in relation to non-resident non-affiliated persons (from ct. 401 + from ct. 403 + from ct. 404 + from ct. 405 + from ct. 408 + from ct. 419)	124	109	21.379.917	21.704.969
- commercial debts in relation to non-resident affiliated entities, advances received from non-resident affiliated customers and other similar accounts, in gross amounts in relation to non-resident affiliates (from ct. 401 + from ct. 403 + from ct. 404 + from ct. 405 + din ct. 408 + from ct. 419)	125	109a (309)	0	0
Debts in respect of staff and similar accounts (ct. 421 + 423 + 424 + 426 + 427 + 4281)	126	110	7.966.193	23.223.631
Debts in connection with the social security budget and the state budget (ct. 431+436 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481) (line112 to 115)	127	111	18.570.470	23.667.277
- debts related to the social insurance budget (ct.431+437+4381)	128	112	4.175.341	13.410.941
- tax debts in connection with the state budget (ct.436+441+4423+4428+444+446)	129	113	14.318.804	9.398.570
- special funds - taxes and assimilated payments (ct.447)	130	114	76.325	65.384
- other debts related to the state budget (ct.4481)	131	115	0	792.382

The entity's liabilities in its dealings with affiliated undertakings (ct. 451), of which:	132	116	1.256.234	7.678.627
- debts with non-resident affiliated entities 2) (from ct. 451), of which:	133	117	0	0
- with an initial maturity of more than one year	134	118	0	0
- commercial debts with non-resident affiliated entities regardless of maturity (from ct. 451)	135	118th (310th)	0	0
Amounts owed to shareholders / associates (ct.455), of which:	136	119	0	0
- amounts owed to shareholders / associates natural persons	137	120	0	0
- amounts owed to shareholders / associates legal entities	138	121	0	0

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Other liabilities (ct. 269 + 453 + 456 + 457 + 4581 + 4661 + 462 + 472 + 473 + 478 + 509), of which:	139	122	1.040.933	61.173.250
-settlements regarding the participation interests, settlements with the shareholders / associations regarding the capital, settlements from joint operations (ct.453+456+457+4581)	140	123	754.164	60.912.082
-other debts related to individuals and legal entities, other than debts related to public institutions (state institutions) 3) (from ct.462+4661+from ct.472+from ct.473)	141	124	286.769	121.936
- subsidiaries not taken over to income (from ct. 472)	142	125	0	139.138
- payments to be made for financial fixed assets and short-term investments (ct.269+509)	143	126	0	0
- advance income related to assets received by transfer from customers (ct. 478)	144	127	0	0
Interest payable (ct. 5186), of which:	145	128	0	0
- to non-residents	146	128th (311th)	0	0
Interest payable to non-residents (from ct. 4518 + from ct. 4538)	147	128b (314)	0	0
Amount of loans received from economic operators)	148	129	0	0
Paid-up subscribed capital (ct. 1012), of which:	149	130	296.504.061	304.907.851
- listed shares 4)	150	131	296.504.061	304.907.851
- unlisted shares (5)	151	132	0	0
- shares	152	133	0	0
- subscribed capital paid up by non-residents (from ct. 1012)	153	134	0	0
Patents and licenses (from ct.205)	154	135	289.844	290.036

IX. Information on expenses with collaborators		Line no.	31.12.2020	31.12.2021		
A		B	1	2		
Expenses related to collaborators (ct. 621)	155	136	0	0		
X. Information on assets in the public domain of the State		Line no.	31.12.2020	31.12.2021		
A		B	1	2		
The value of the assets in the public domain of the state under administration	156	137	0	0		
Value of the state's public domain assets under concession	157	138	0	0		
Value of the public property of the state rented	158	139	0	0		
XI. Information on private property of the state subject to inventory according to OMFP no. 668/2014		Line no.	31.12.2020	31.12.2021		
A		B	1	2		
Net book value of goods 6)	159	140	0	0		
XII. Paid-up share capital		Line no.	31.12.2020		31.12.2021	
A		B	Amount (lei)	% 7)	Amount (lei)	% 7)
A		B	Col.1	Col.2	Col.3	Col.4
Paid-up share capital (ct. 1012) 7), (line142 + 145 + 149 + 150 + 151 + 152)	160	141	296.504.061	X	304.907.851	X

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- owned by public institutions, (line143+144)	161	142	27.305.182	9,21	27.305.181	8,96
- owned by public institutions of central subordinate	162	143	27.305.182	9,21	27.305.181	8,96
- owned by public institutions of subordinate. Local	163	144	0	0,00	0	0,00
- owned by state-owned companies, of which:	164	145	0	0,00	0	0,00
- with full state capital	165	146	0	0,00	0	0,00
- with majority state capital	166	147	0	0,00	0	0,00
- with state minority capital	167	148	0	0,00	0	0,00
- owned by the autonomous kings	168	149	0	0,00	0	0,00
- owned by private equity companies	169	150	268.140.429	90,43	274.095.137	89,89
- owned by natural persons	170	151	1.058.450	0,36	3.507.533	1,15

- owned by other entities	171	152	0	0,00	0	0,00
		Line no.	Amounts (lei)			
A		B	2020	2021		
XIII. Dividends/payments due to the state or local budget, to be distributed from the profit of the financial year by national companies, national companies, companies and autonomous regencies, of which:	172	153	0	0		
- to central public institutions;	173	154	0	0		
- to local public institutions;	174	155	0	0		
- to other shareholders in whom the State/territorial administrative units/public institutions directly/indirectly hold shares or participations regardless of their shareholding.	175	156	0	0		
		Line no.	Amounts (lei)			
A		B	2020	2021		
XIV. Dividends/payments due to the state or local budget and paid during the reporting period from the retained profit of national companies, national companies, companies and autonomous companies, of which:	176	157	0	0		
- dividends/payments from the profit of the financial year of the preceding year, from which:	177	158	0	0		
- to central public institutions	178	159	0	0		
- to local public institutions	179	160	0	0		
- to other shareholders in whom the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their weighting.	180	161	0	0		
- dividends/payments from the profits of the financial years preceding the previous year, from which they are paid:	181	162	0	0		
- to central public institutions	182	163	0	0		
- to local public institutions	183	164	0	0		
- to other shareholders in whom the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their weight	184	165	0	0		
XV. Dividends distributed to shareholders / associates from the retained earnings		Line no.	Amounts (lei)			
A		B	2020	2021		

Dividends distributed to shareholders / associates during the reporting period from the retained earnings	185	165th (312)	0	1.065.739
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XVI. Interim distributions of dividends according to Law no. 163/2018		Line no.	Amounts (lei)	
A		B	2020	2021
- interim dividends distributed 8)	18 6	165b (315)	0	60.000.000
XVII. Claims taken over by assignment from legal entities)		Line no.	Amounts (lei)	
A		B	31.12.2020	31.12.2021
Claims taken over by assignment from legal entities (at nominal value), of which:	18 7	166	0	0
- claims taken over by assignment from affiliated legal entities	18 8	167	0	0
Claims taken over by assignment from legal entities (at acquisition cost), of which:	18 9	168	0	0
- claims taken over by assignment from affiliated legal entities	19 0	169	0	0
XVIII. Income from agricultural activities)		Line no.	Amounts (lei)	
A		B	31.12.2020	31.12.2021
Income from agricultural activities	19 1	170	0	0
XIX. Expenditure on disasters and similar events (ct. 6587), of which:				
	19 2	170a (322)	0	0
- floods	19 3	170b (323)	0	0
- drought	19 4	170c (324)	0	0
- landslides	19 5	170d (325)	0	0

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DRAFTED,

ADMINISTRATOR

Name and surname

VUZA STEFAN

Name and surname

DUMITRIU ADRIAN

Quality

Signature _____ <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">VALIDATE D form</div>	<div style="border: 1px solid black; padding: 2px;">11---ECONOMIC DIRECTOR</div> Signature _____ Registration number in the professional body: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
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STATEMENT OF FIXED ASSETS
on 31.12.2021

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Code 40

- lei -

Elements of fixed assets	Line no.	Gross values				
		Initial balance	Growth	Discounts		Final balance (col.5=1+2-3)
				Total	Of which: dismantling and scrapping	
A	B	1	2	3	4	5
I. Intangible assets						
Establishment expenses and development expenses	01	0	0	0	X	0
Intangible assets for the exploration and evaluation of mineral resources	02	0	0	0	X	0
Other fixed assets	03	1.787.011	257.904	822.591	X	1.222.324
Advances on intangible assets	04	0			X	0
TOTAL (line01 to 04)	05	1.787.011	257.904	822.591	X	1.222.324
II. Property, plant and equipment						
Land and land development	06	81.675.616	1.046.655	0	X	82.722.271
Construction	07	226.901.104	4.327.369	107.914	107.914	231.120.559
Technical installations and machines	08	716.289.452	21.685.482	1.181.236	1.181.236	736.793.698

Other installations, machinery and furniture	09	3.716.575	215.718	1.288	1.288	3.931.005
Real estate investments	10	0	0	0	0	0
Tangible assets for the exploration and evaluation of mineral resources	11	0	0	0	0	0
Productive biological assets	12	53.514	0	0	0	53.514
Property, plant and equipment in the process of execution	13	79.071.155	54.108.471	13.235.068	0	119.944.558
Real estate investments under execution	14	0	0	0	0	0
Advances on property, plant and equipment	15	2.735.824	23.782.009	103.718	0	26.414.115
TOTAL (line06 to 15)	16	1.110.443.240	105.165.704	14.629.224	1.290.438	1.200.979.720
III. Financial fixed assets	17	56.067.874	239.623	385.708	X	55.921.789
FIXED ASSETS - TOTAL (line05+16+17)	18	1.168.298.125	105.663.231	15.837.523	1.290.438	1.258.123.833

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DEPRECIATION STATEMENT OF FIXED ASSETS

- lei - lei

Elements of fixed assets	Line no.	Initial balance	Depreciation during the year	Depreciation related to the assets taken out of the records	Year-end depreciation (col.9=6+7-8)
A	B	6	7	8	9
I. Intangible assets					
Establishment expenses and development expenses	19	0			0
Intangible assets for the exploration and evaluation of mineral resources	20	0			0
Other fixed assets	21	574.296	490.754	822.591	242.459
TOTAL (line19+20+21)	22	574.296	490.754	822.591	242.459
II. Property, plant and equipment					
Land improvement	23	0	0	0	0

Construction	24	58.928.439	11.525.599	6.994	70.447.044
Technical installations and machines	25	211.467.146	34.330.258	368.486	245.428.918
Other installations, machinery and furniture	26	1.160.820	241.475	182	1.402.113
Real estate investments	27	0	0	0	0
Tangible assets for the exploration and evaluation of mineral resources	28	0	0	0	0
Productive biological assets	29	33.478	3.339	0	36.817
TOTAL (line23 to 29)	30	271.589.883	46.100.671	375.662	317.314.892
DEPRECIATION - TOTAL (line22 +30)	31	272.164.179	46.591.425	1.198.253	317.557.351

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DEPRECIATION ADJUSTMENT SITUATION

- lei - lei

Elements of fixed assets (calculation formulas refer to Line no. from col. B)	line OMF no.85/2022	Line no.	Initial balance	Adjustments made during the year	Earnings adjustments resumed	Final balance (col. 13=10+11-12)
A		B	10	11	12	13
I. Intangible assets						
Development expenditure	32	32	0	0	0	0
Intangible assets for the exploration and evaluation of mineral resources	33	32a (301)	0	0	0	0
Other fixed assets	34	33	0	0	0	0
Advances on intangible assets	35	34	0	0	0	0
TOTAL (line32+ 32a+ 33+34)	36	35	0	0	0	0
II. Property, plant and equipment						
Land and land development	37	36	0	0	0	0
Construction	38	37	0	0	0	0
Technical installations and machines	39	38	0	0	0	0
Other installations, machinery and furniture	40	39	0	0	0	0
Real estate investments	41	40	0	0	0	0



Tangible assets for the exploration and evaluation of mineral resources	42	41	0	0	0	0
Productive biological assets	43	42	0	0	0	0
Property, plant and equipment in the process of execution	44	43	0	0	0	0
Real estate investments under execution	45	44	0	0	0	0
Advances on property, plant and equipment	46	44th (302)	0	0	0	0
TOTAL (line36 to 44 + 44a)	47	45	0	0	0	0
II. Financial fixed assets	48	46	0	875.592	0	875.592
IMPAIRMENT ADJUSTMENTS - TOTAL (line35+45+46)	49	47	0	875.592	0	875.592

ADMINISTRATOR

DRAFTED,

Name and surname

VUZA STEFAN

Signature _____

Name and surname

DUMITRIU ADRIAN

Quality

11---ECONOMIC DIRECTOR

Signature _____

**VALIDATED
form**

Registration number in the professional

body:

SC CHIMCOMPLEX SA BORZESTI

STATEMENT OF CHANGES IN EQUITY CAPITAL lei

Equity element	Balance at January 1,	Growth		Decrease		Balance at December
		Total, of which:	by transfer	Total, of which:	by transfer	
a	1	2	3	4	5	c
Paid-up subscribed share capital	296,504,061	8,403,790				304,907,851
Subscribed share capital not paid up	0					0
Issue premiums	844,028	3,825,536				4,669,564
Revaluation reserves	-44,247,547			-		44,247,547
Legal reserves	14,600,179	27,153,051				41,753,230
Other reserves	15,538,085					15,538,085
Reserves from reinvested profit	36,214,860	4,468,216	-			40,683,076
Own shares	0	-116,633				-116,633
Equity instruments	0	-25,821				-25,821
Retained earnings, showing separately:	105,423,218	-3,253,638	0	-72,499,402	0	-
- Result carried over from previous years	-85,452,882			-69,901,360		15,551,522
- Retained earnings from the adoption of the IAS	-37,115,304	-3,253,638				-40,368,942
- Retained earnings from changes in accounting policies	15,685,952				0	15,685,952
- Profit or loss carried over from corrections on account of retained earnings	1,459,004			-2,598,042		4,057,046
Result of the exercise	95,137,590	390,398,351				485,535,941
Profit allocation	-23,430,268	-31,621,267		-23,430,268		-31,621,267
TOTAL	374,232,861	399,231,585	0	-98,527,712	0	869,394,119

SC CHIMCOMPLEX SA BORZESTI

CASH FLOW

lei

Element		2021	
	+	Net profit (+) or loss (-)	485.535.941
	+	Depreciation and provisions	46.591.424
	-	Change in stocks (+/-)	97.102.994
	-	Variation of receivables (+/-)	71.897.655
	+	Variation of suppliers (+/-)	69.294.103
	+	Variation of creditor clients (+/-)	-15.599.406
	+	Variation of other liabilities (+/-)	81.957.764
+	=	Cash flow from operating activity (A)	498.779.178
	+	Amounts from sale and value. assets and fixed assets	0
	-	Investments in tangible assets, total, of which:	72.044.866
		- Purchase of fixed assets + other investment expenses	55.212.179
		- Executed by own direction	16.832.687
	-	Financial investments	-146.085
+	=	Cash Flow from Investment Activity (B)	-71.898.782
	+	Variation of amounts due to credit institutions	-328.038.472
	+	Contribution to company capital	8.403.790
	+	Capital premiums	3.825.537
	-	Dividend payments	1.065.739
+	=	Cash flow from financial activity (C)	-316.874.884
	-	Variation of other assets	-21.542.490
	+	The variation of other liabilities	-24.339.118
+	=	Cash flow from other activities (D)	-2.796.628
	+	Cash availability at the beginning of the period	40.785.955
	+	Net Cash Flow (A+B+C+D)	107.208.884
	=	Cash availability at the end of the period	147.994.839

DIRECTOR GENERAL,
VICTOR AVRAM

DIRECTOR FINANCIAR,
DUMITRIU ADRIAN

SC CHIMCOMPLEX SA BORZESTI

NOTE 1

Fixed assets

lei

Gross value **)

Depreciation

(depreciation or provisions)

Assets	Balance on 1 January 2021	Growth	Discounts	Balance on 31 December 2021	Balance on 1 January 2021	Depreciation recorded during the exercise	Discounts or replays	Balance on 31 December 2021
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
205 Concessions, patents, licenses	421,196	247,855	247,663	421,388	198,276	284,423	247,663	235,036
208 Other intangible assets.	574,928	10,049	574,928	10,049	376,020	206,331	574,928	7,423
233 Incorporeal assets in Progress at RmV	790,886	0	0	790,886				0
TOTAL INTANGIBLE ASSETS.:	1,787,011	257,904	822,591	1,222,323	574,296	490,754	822,591	242,459
211 Land and landscaping	81,675,616	1,046,655		82,722,271				
212 Construction	226,901,10	4,327,369	107,914	231,120,559	58,928,439	11,525,599	6,994	70,447,04
2131 Technological equipment.	599,880,75	16,099,25	1,152,169	614,827,846	172,703,20	26,438,082	354,664	198,786,62
2132 Measuring devices and tools	60,019,176	2,684,540	16,762	62,686,954	18,017,365	2,935,663	5,541	20,947,48
2133 Means of transport	56,389,520	2,901,683	12,305	59,278,898	20,746,577	4,956,513	8,281	25,694,80
214 Furniture, appliances, office supplies	3,716,575	215,718	1,288	3,931,005	1,160,820	241,475	182	1,402,113



217 Productive biological assets	53,514	0	0	53,514	33,478	3,339	0	36,817
231 Property, plant and equipment in progress	79,071,155	54,108,471	13,235,068	119,944,558				
4093, 4519 Advances	2,735,824	23,782,009	103,718	26,414,115				
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,110,443,240	105,165,704	14,629,224	1,200,979,720	271,589,883	46,100,671	375,662	317,314,892
Financial fixed assets	56,067,874	239,623	385,707	55,921,790		875,592		875,592
Total fixed assets	1,168,298,125	105,663,231	15,837,522	1,258,123,833	272,164,179	47,467,017	1,198,253	318,432,943

**GENERAL
MANAGER,
VICTOR
AVRAM**

**CHIEF
FINANCIAL
OFFICER,
ADRIAN
DUMITRIU**

SC CHIMCOMPLEX SA BORZESTI

NOTE 2

Provisions for risks and Expenditure

lei

Provision	Balance on 1 January 2021	Transfers		Balance on 31 December 2021
		in account from account		
0	1	2	3	4=1+2-3
Provisions for litigations	0	13,798,538	0	13,798,538
Provisions for decommissioning property, plant and equipment closing deposits	8,118,885	161,115	69,500	8,210,500
Provisions for termination of employment contract	0	4,160,059	667,821	3,492,238
Other provisions	9,776,209	45,471,330	32,347,074	22,900,465
Adjustments for depreciation of raw materials	1,567,733	39,512	1,095,976	511,269
Adjustments for depreciation of consumables	872,432	1,586,924		2,459,356
Adjustments for depreciation of materials of the nature of inventory objects	25,768	3,286	12,526	16,528
Product depreciation adjustments	1,449	887,636	542,689	346,396
Adjustments for semi-finished depreciation (3941)	-	249,889	11,539	238,350
Adjustments for depreciation of goods	62,453	0	948	61,505
Adjustments for the depreciation of packaging	72,579	76,997	50,142	99,434
Provisions for the depreciation of customer receivables	1,340,412	0	18,602	1,321,810
Provisions for impairment of group settlement claims	342,622			342,622
Provisions for the impairment of various debtors' receivables	20,409		2,480	17,929
TOTAL	22,200,951	66,435,286	34,819,297	53,816,940

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU**



Profit allocation
YEAR 2021

lei

Profit destination	Amount
Net profit achieved	485,535,941
Total profit distributed, of which:	91,621,266
- legal reserve	27,153,051
- reinvested profit reserve	4,468,216
- coverage of the accounting loss	0
- interim dividends	60,000,000
Profit to be distributed	393,914,675

In 2021 SC Chimcomplex SA Borzești achieved a net profit of **485,535,941 lei**, of which the following amounts were distributed:

- | | | |
|----|---------------------------|----------------|
| 1. | legal reserve | 27,153,051 lei |
| 2. | reinvested profit reserve | 4,468,216 lei |
| 3. | interim dividends | 60,000,000 lei |

We propose to use the net profit remaining to be distributed in 2021 in the amount of **393,914,675 lei as follows:**

- | | | |
|----|---|-----------------|
| 4. | Loss carryover coverage | 15,551,512 lei |
| 5. | other reserves - own source of financing at company's disposition | 378,363,162 lei |

GENERAL MANAGER,
VICTOR AVRAM

CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU



Analysis of the operating result

lei

Indicator	Previous exercise 2020	Current exercise 2021
0	1	2
1. Net turnover	1,171,549,637	2,244,002,649
2. Cost of goods sold, and services rendered (3+4+5)	862,558,130	1,426,053,608
3. Expenditure on the basic activity	625,473,945	1,053,439,770
4. Expenditure on ancillary activities	199,628,396	335,678,974
5. Indirect production expenditure	37,455,789	36,934,865
6. Gross profit or loss on net turnover (1-2)	308,991,507	817,949,041
7. Sales expenditure	41,827,962	54,867,211
8. General expenditure of administration	69,119,045	84,210,765
9. Other Operating Income	10,908,805	-38,494,820
10. Operating result (6-7-8+9)	208,953,305	640,376,245

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL
OFFICER,
ADRIAN DUMITRIU**



SC CHIMCOMPLEX SA BORZESTI
Analysis of the financial result

NOTE 4.2

lei

INDICATOR	Previous exercise 2020	Current exercise 2021
Income from interest	536,203	644,090
Income from exchange rate differences	9,197,588	15,045,969
TOTAL INCOME	9,733,791	15,690,059
Expenditure on interest	77,052,809	46,010,660
Expenditure with exchange rate differences	26,947,594	64,303,962
Other Financial Expenditure	1,229,318	2,690,667
TOTAL EXPENDITURE	105,229,721	113,005,289
FINANCIAL RESULT	-95,495,930	-97,315,230

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL
OFFICER, ADRIAN
DUMITRIU**



SC CHIMCOMPLEX SA BORZESTI

NOTE 5. 1

Receivables

lei

Receivable	Balance on 31 December 2021 (col. 2+3)	Liquidity term	
		under 1 year	over 1 year
0	1	2	3
Total, of which:	244,230,023	244,230,023	0
- COMMERCIAL RECEIVABLES	115,565,353	115,565,353	
- CORPORATE RECEIVABLES WITHIN THE GROUP	25,225,666	25,225,666	
- PERSONAL RECEIVABLES AND SOCIAL SECURITY	1,617,751	1,617,751	
- VAT TO BE RECOVERED	22,704,265	22,704,265	
- BORROWERS	4,131,042	4,131,042	
- DIVIDENDS DISTRIBUTED DURING THE YEAR	60,000,000	60,000,000	
- OTHER RECEIVABLES	14,985,946	14,985,946	

GENERAL MANAGER,
VICTOR AVRAM

CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU



SC CHIMCOMPLEX SA BORZESTI

NOTE 5.2

Debt

lei

Debt	Balance on December 31 2021 (col. 2+3+4)	Period of chargeability		
		under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total, of which:	601,300,653	308,075,935	293,224,718	0
- amounts owed to credit institutions	323,973,711	31,394,634	292,579,077	
- commercial debts	159,207,794	159,207,794		
- debts related to staff and assimilated accounts	23,223,631	23,223,631		
- debts related to the social insurance budget	13,813,569	13,813,569		
- tax liabilities in connection with the state budget	9,788,324	9,788,324		
- special funds	65,384	65,384		
- debts of companies within the group	7,678,627	7,678,627		
- leases and other loans	2,484,701	1,839,060	645,641	
- settlements with associations regarding the capital	60,023,658	60,023,658	0	
- various creditors and other debts	1,041,254	1,041,254	0	

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU**

SC CHIMCOMPLEX SA BORZESTI

NOTE 6

ACCOUNTING PRINCIPLES, POLICIES AND METHODS

The principles, policies and accounting methods that were the basis for the preparation of the Financial Statements on the occasion of the closing of the financial year 2021 are included in the Manual of accounting policies and procedures of SC Chimcomplex SA Borzesti.

Basics of accounting

The financial statements are prepared according to the International Accounting Standards in compliance with the Accounting Law no. 82/1991, of the Order of the Minister of Public Finance for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements no. 1802 of 2014, in force since 01. 01. 2015, and of the Order no. 85/26. 01. 2022 on the main aspects related to the preparation and submission of annual financial statements and annual accounting reports of economic operators to the territorial units of the Ministry of Public Finance, as well as for the amendment and completion of some accounting regulations.

Basis for the preparation of financial statements

The financial year begins on January 1 and ends on December 31.

The financial statements for the year ended December 31, 2021, were prepared in accordance with the following principles:

1. continuity of activity;
2. the permanence of the methods;
3. prudence;
4. accrual accounting;
5. separate valuation of assets and liabilities;
6. intangibility - the opening balance of the exercise corresponds to the closing balance of the previous year;
7. non-compensation;
8. the prevalence of economics over the legal; - evaluation at acquisition cost or production cost; - threshold of significance.

Conversion of transactions into foreign currency

The company's transactions in foreign currency are recorded at the exchange rates of the transaction date, the gains and losses resulting from the settlement of such transactions being recognized in the Profit and Loss ACCOUNT. The balances are converted at the end of each month in lei, at the NBR exchange rate of the foreign exchange market.

At the end of the financial year 2021, the official rate communicated by B. N. R. of 4. 3707 lei / USD and 4. 9481 lei / euro.

Exchange differences recorded are recognized in accounting at Income or Expenditure from exchange rate differences.

Commercial receivables

Commercial receivables are recorded at achievable value.

Intangible assets

The intangible assets registered in the accounting records consist of invention patents, licenses, software and research topics, initially registered at cost, the subsequent evaluation being carried out by applying the basic treatment.

Property, plant and equipment

Property, plant and equipment consists of land, buildings, technological constructions, machinery, measuring and control devices, means of transport and other fixed assets and are initially recorded at cost. After initial recognition as an asset, property, plant and equipment were disclosed at the revalued amount, which represents fair value at the time of revaluation, less any subsequent cumulative depreciation and accumulated impairment losses.

Depreciation is calculated by the linear method according to Law 15/1994 as amended. The current property, plant and equipment was recorded in the accounting at cost.



Financial fixed assets

Financial fixed assets consist of participation titles in the share capital of other companies, in guarantees granted to suppliers, in guarantees and securities deposited with third parties.

Cash and cash equivalents

For the cash flow situation, the cash and its equivalents include the availability in the house, the bank, the values to be collected and other values.

Stocks

The company's stocks are made up of raw materials, consumables, inventory items, products and goods. The purchased material stocks are recorded at the acquisition cost, and the products at the production cost. The cost of stocks is determined by the "first in, first out" (FIFO) method, except for finished products and goods where the weighted average cost method is applied.

Incomes

The incomes of the company come mainly from the sales of finished products, goods, and services. The company applies the principle of separation of financial years for the recognition Of Income.

Borrowing costs

The cost of interest on loans is recorded on Expenditure at the time of occurrence and are not included in the production cost.

Debt

Debts are recorded at face value

Provisions

The company has set up provisions (impairment adjustments) for:

1. uncertain clients and various debtors
2. stocks of finished products and goods
3. Personal
4. decommissioning provisions

Financial instruments

The financial instruments recorded on the balance sheet include cash and its equivalents, receivables and commercial debts.

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL
OFFICER, ADRIAN
DUMITRIU**



Participations and funding sources

The organizational form of SC CHIMCOMPLEX SA Borzești is a joint stock company.

1. On December 31, 2021, according to the registrations from the Trade Register attached to the Bacau Court - Certificate of Findings no. 937858/15. 12. 2021, share capital of the company is 304. 907. 851 lei, divided into 304. 907. 851 shares with nominal value of 1 leu/ share, with the following structure:

Shareholders	No. Of shares	% of capital social
CRC ALCHEMY HOLDING B. V.	260,251,528	85. 3542%
A. A. A. S	27,305,181	8. 9552%
LEGAL PERSONS	13,843,609	4. 5403%
INDIVIDUALS	3,507,533	1. 1504%

Unpaid subscribed share capital: 0 lei 3. The company has no redeemable shares.

The company did not issue bonds

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU**



SC CHIMCOMPLEX SA BORZESTI

NOTE 8

Information on employees and members of administrative, management and supervisory bodies

Company administration

In 2021 the management of the company was ensured by a Board of Directors, consisting of:

Between 01 January 2021 - 30. 07. 2021

- dr. ec. av. STEFAN VUZA, as President of the Board of Directors;
- dr. ing. VIRGILIU BANCILA, Vice-President of the Board of Directors;
- ec. STAIKU DUMITRU FLORIAN, Member of the Board of Directors;
- ing. COJOC IULIAN LIVIU, member of the Board of Directors;
- ec. COLTEANU CRISTIAN VALENTIN, Member of the Board of Directors;

Between 30. 07. 2021 - December 31, 2021

- dr. ec. av. STEFAN VUZA, as President of the Board of Directors;
- dr. ing. VIRGILIU BANCILA, Vice-President of the Board of Directors;
- ec. FRANK HAJDINJAK, Member of the Board of Directors;
- ing. COJOC IULIAN LIVIU, member of the Board of Directors;
- ec. MIHAI DAN TODOR, Member of the Board of Directors;

Remuneration of directors, administrators

The salaries of the managers were established by the Board of Directors through the management contract, and the administrators' indemnities were established by the AGA

Contractual obligations regarding the payment of pensions to former directors and administrators
NOT APPLICABLE

The value of advances and credits granted to directors and administrators during the exercise
NOT APPLICABLE

Future obligations such as guarantees assumed by the enterprise on their behalf
NOT APPLICABLE

The executive management was provided in 2021 by a team consisting of:

- CEO / GENERAL MANAGER - Tivadar Runtag
- CFO / CHIEF FINANCIAL OFFICER – Adrian Dumitriu
- CTO / Technical Director – Dumitru Coman
- CCO / Commercial Director
- until 03. 12. 2021 – Armand Spiru Ciobescu
- from 03. 12. 2021 – Dan Moldovan
- CCO / Procurement and Logistics Director from 03. 12. 2021 – Armand Spiru Ciobescu
- COO / Operations Director Ramnicu Valcea Branch – Victor Avram
- 1. COO / Operations Director Borzesti Platform
- from 08. 10. 2021 – Luminita Balaita
- until 08. 10. 2021 – Daniel Prisacariu

Chimcomplex employees:

	Total		
	of which:	Borzesti	Ramnicu Valcea
total number of employees, of which:	2,001	755	1,246
- skilled workers	1,417	528	889
- unskilled workers	3	86	0
			3



- team heads	98	42	56
- TESA	483	185	298
Expenditure with salaries	166,537	76,016	90,521 thousand lei
Expenditure with social security	9,590	2,630	6,960 thousand lei

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU**

SC CHIMCOMPLEX SA BORZESTI

NOTE 9

THE MAIN INDICATORS OF ECONOMIC AND FINANCIAL ACTIVITY

INDICATORS	EXERCISE	
	PREVIOUS 2020	CONCLUDED 2021
Turnover	1,171,549,637	2,244,002,649
Current assets	316,281,485	592,491,018
Stocks	103,163,162	200,266,156
Fixed assets	896,133,946	939,690,890
Gross Profit/Loss	113,457,375	543,061,015
Net Profit/Loss	95,137,590	485,535,941
Total expenditure	1,164,916,341	1,885,964,049
Number of shares	235,320,683	304,907,851
Share capital	296,504,061	304,907,851
Equity	374,232,864	869,394,119
Total liabilities - of which:	793,686,664	601,300,653
Short-term liabilities	232,160,839	308,075,935
Total assets	1,228,743,949	1,556,375,513
Cost of sales	816,228,053	1,432,842,477
Borrowed capital	561,525,825	293,224,718
ECONOMIC INDICATORS		
1. Profitability indicators		
Rate of economic profitability	0.303	0.625
Financial rate of return	0.254	0.558
Rate of return of resources consumed	0.082	0.257
2. Liquidity indicators		
Current liquidity	1.36	1.92
Immediate liquidity	0.92	1.27
General solvency rate	5.29	5.05
3. Risk indicators		
Indebtedness	150.05%	33.73%
Interest coverage	2.47	12.80

4. Indicators of financial balance		
Debt ratio	0.65	0.39
Equity rate in relation to fixed assets	0.42	0.93
5. Management indicators		
Stock rotation speed	16	22
Rotation speed of customer debits (days)	26	17
Rotation speed of supplier credits (days)	30	19
Rotation speed of fixed assets	1.31	2.39
Total active rotation speed	0.95	1.44
Rotation of current assets	3.70	3.79
Number of days of storage	46.05	38.65
6. Indicators on outcome per share		
Net result per share (lei/share)	0.404	1.592

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL
OFFICER, ADRIAN
DUMITRIU**

SC CHIMCOMPLEX SA BORZESTI

NOTE 10



Other information:

a) Information on the company's presentation

1. Name of the economic operator S. C. CHIMCOMPLEX S. A. BORZESTI
2. Legal form Commercial joint stock company
3. Address Str. Industries no. 3, Onesti, jud. Bacau
4. Registered with the Trade Register, with no. J4/493/1991, fiscal code RO 960322

b) Information on participation in the share capital of other companies

SC CHIMCOMPLEX SA holds shares in the share capital of other companies totaling 50,828,030 lei (book value) thus:

<u>Name</u>	<u>Address</u>	<u>Activity profile</u>	<u>BOOK VALUE</u>	
			<u>lei</u>	<u>% in capital</u>
SC A4 IMPEX SRL ONESTI	Str. Industriilor 3, Onesti jud. Bacau	Manufacture of other products basic inorganic chemicals	4,733,030	99.9998%
SC A5 INVEST SRL	Str. Industriilor 3, Onesti, Bacau	General mechanics operations	6,100,000	100%
SC A6 IMPEX SA DEJ	Str. Bistritei nr. 63, Dej	Production and sale of electricity	38,270,100	33.6453%
AISA INVEST SRL	Bd. Muncii nr. 12, Cluj, jud. Cluj	Consulting	19,900	19.5122%
UZUC PLOIESTI	Str Depoului nr. 16, Ploiesti, jud. Prahova	Manufacture of other specific machines and machinery	1,680,000	0.5656%
ASOCIATIA PRODUCATORILOR DE PRODUSE DE UZ FITOSANITAR	str. Romulus nr. 6, sector 3, Bucuresti		1,000	
ASOCIATIA VALCEA DUAL LEARNING	Str. Depozitelor nr. 12 Valcea	Supporting vocational learning	24,000	16.6090%



The company's transactions in foreign currency are recorded at the exchange rates of the transaction date, the gains and losses resulting from the settlement of such transactions being recognized in the Profit and Loss Account. The balances are converted at the end of each month into lei, at the exchange rate of the foreign exchange market, communicated by the National Bank of Romania on the last banking day of the month in question.

At the end of the financial year 2021, the official rate communicated by B. N. R. of 4. 3707 lei / USD and 4. 9481 lei / euro. Exchange differences recorded are recognized in accounting at Income or Expenditure from exchange rate differences.

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU**

**Information on corporate income tax
YEAR 2021**

	VALUE - LEI
A GROSS PROFIT - LOSS	
543,061,015	
B DEDUCTIONS FROM INCOME	
148,782,588	
LEGAL RESERVE	
27,153,051	
INCOME FROM CANCELLATIONS OF PROVISIONS	28,650,785
OVERDUE BORROWING COST	92,978,753
C EXPENDITURE - NON-DEDUCTIBLE	
96,549,424	
- NON-DEDUCTIBLE DEPRECIATION	
7,366,078	
- INCREASES AND PENALTIES OF WHICH:	
22,122,872	
EXPENDITURE EXCEEDING CONCENTRATIONS OF WASTEWATER	21,636,468
OVERTAKING SOCIAL EXPENDITURE	0
DONATIONS AND SPONSORSHIPS	
14,060,512	
PROVISIONS FOR SALARY ENTITLEMENTS	
8,796,055	
PROVISIONS Warrant year 2020- financing contract Credit Suisse	
14,063,026	
PROVISIONING OF CUSTOMER INSURANCE	
2,281,728	
PROVISIONS DISPUTES	
13,798,538	
CO2 EMISSION PROVISIONS	
9,425,782	
ADJUSTMENTS FOR STOCKS OF FINISHED PRODUCTS / SEMI-FINISHED PRODUCTS	
826,124	
STOCK ADJUSTMENTS FOR RAW MATERIALS/MATERIALS/PACKAGING	
1,706,720	
STOCK VALUE LOSS ADJUSTMENT	
875,592	
LOSSES ON RECEIVABLES	
18,602	
CONSUMPTION, NON-DEDUCTIBLE EXPENDITURE + VAT	
528,940	
EXPENDITURE CARS	22,670
OTHER NON-DEDUCTIBLE EXPENDITURE	
656,184	
EXCEEDING BORROWING COSTS0	
D TAXABLE PROFIT (A-B+C)	
490,827,851	
E CORPORATE TAX 16%	
78,532,456	

	TAX CREDIT: EXEMPT TAX, according to art. 22. (1) Tax Code (profit reinvested)	
F	752,542	
G	PROFIT TAX before subtracting sponsorships (E-F):	
	77,779,915	
H	SPONSORSHIPS within the limits stipulated in the Fiscal Code art 25 (4) i.:	
	12,410,512	
I	Equity Reduction Facility OUG153/2021	
	7,844,328	
J	ANNUAL CORPORATE TAX (G-H-I)	57,525,074

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL OFFICER,
ADRIAN DUMITRIU**

SC CHIMCOMPLEX SA BORZESTI

Note 11

The situation of receivables against affiliated companies

lei

Company	December 31, 2020	December 31, 2021
A6 Impex	43,013	2,332,872
Eurohouse Com	11,861	135,102
Iasitex SA	1,423	1,423
Novatextile Bumbac	151,126	116,140
CRC Impex	18,923,402	20,551,175
Sinterom SA	1,984	1,984
Somes Dej	351,022	351,022
Sistemplast Ramnicu Valcea	0	4,326,627
Uzuc SA Ploiesti	1,436,289	1,459,526
Caromet SA Caransebes	1,043,836	1,129,483
CRC ZEUS HOLDING	196,316	185,569
Vitoria Serv Iasi	41,400	41,400
Total	22,201,672	30,632,323

Situation of debts to affiliated companies

lei

Company	December 31, 2020	December 31, 2021
CRC Impex	833	833
Greencomplex SRL Onesti	19,944	25,066
A 5 Invest	916,203	1,245,786
AISA Invest Cluj	833	6,664
lasitex SA	75,842	75,842
Caromet SA Caransebes	146,928	9,875
Inav SA Bucuresti	45,722	3,911
Uzuc SA Ploiesti	0	0
Eurohouse Com	46,798	0
Sistemplast Ramnicu Valcea	0	6,307,519
Somes Dej	3,131	3,131
Total	1,256,234	7,678,627

**GENERAL MANAGER,
VICTOR AVRAM**

**CHIEF FINANCIAL
OFFICER, ADRIAN
DUMITRIU**

FOR

THE ORDINARY GENERAL MEETING OF SHAREHOLDERS
S.C. CHIMCOMPLEX S.A. BORZESTI

We submit for approval the distribution of the net profit made in 2021, amounting to 485,535,941 lei as follows:

- 27.153.051 lei Legal reserves
- 4,468,216 lei Reserves from reinvested profit
- 60.000.000 lei Interim dividends distributed during 2021
- 15.551.512 lei Coverage of the loss carried forward from previous years
- 378.363.162 lei Other reserves - own source of financing

CHAIRMAN OF THE BOARD OF DIRECTORS
STEFAN VUZA

STATEMENT

**in accordance with the provisions of art. 30 of the Accounting Law no.82/1991,
republished, with subsequent amendments and completions**

The annual financial statements were prepared at 31/12/2021 for:

Entity: **S.C. CHIMCOMPLEX S.A. BORZESTI**

County: 04-BACAU

Address: ONESTI, str. INDUSTRIELOR, nr. 3, tel. 0234/302100

Trade Register Number: J04/493/1991

Form of ownership: 34-Joint Stock Companies

Preponderant activity (code and name of NACE class): 2013-Manufacture of other basic inorganic chemicals Unique registration code: RO960322

The undersigned **Victor Avram as General Manager and Adrian Dumitriu as Financial Director**, according to art.10 paragraph (1) of the Accounting Law no. 82/1991, republished, with subsequent amendments and completions, assume responsibility for the preparation of the annual financial statements on 31/12/2021 and confirm the following:

- a) The accounting policies used to prepare the annual financial statements are in accordance with the applicable accounting regulations;
- b) The annual financial statements provide a true and fair view of the financial position, financial performance and other information related to the activity carried out;
- c) The legal entity carries out its activity in conditions of continuity.

Signature

Victor Avram
Chief Executive Officer

Adrian Dumitriu
Chief Financial Officer



INDEPENDENT AUDITOR REPORT

on the financial statements concluded on
31 DECEMBER 2021

by
CHIMCOMPLEX S.A.

INDEPENDENT AUDITOR'S REPORT

To:

The shareholders of **CHIMCOMPLEX S.A.**

Unqualified opinion

We audited the financial statements of **CHIMCOMPLEX S.A. ("The Company")**, with registered office in Onești, 3 Industriilor Street, identified by the unique identification code 960322, which include the balance sheet as of 31 December 2021 and the profit and loss account, the statement of changes in equity and the statement of cash flows related to the year ended on that date, and the notes to the financial statements, including a summary of significant accounting policies.

The individual financial statements referred to relate to:

1. Total assets:	1,556,375,513 lei
2. Total equity:	869.394.119 lei
3. Profit or loss for the financial year - Profit:	543.061.015 lei

In our view, the attached financial statements present faithfully, in all material respects, the financial position of the Company as of 31 December 2021, and its financial performance and cash flows for the year ended on that date, in accordance with Order No 1802 of 29 December 2014 for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements and the requirements contained in Law no. 82/1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described in detail in *the Auditor's Responsibilities in an Audit of the Financial Statements* section of our report. We are independent of the Company, according to *the Code of Ethics of Professional Accountants (IESBA Code)* issued by the International Ethical Standards Board for Accountants, corroborated with the ethical requirements relevant for the audit of financial statements in Romania and we have fulfilled our other ethical responsibilities, according to these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit issues

The key audit aspects are those aspects which, based on our professional reasoning, were of the utmost importance for the audit of the financial statements in the current period. These issues have been addressed in the context of auditing the financial statements as a whole and in forming our opinion on them, and we do not provide a separate opinion on these issues.

- Income recognition;
- The impact of the coronavirus pandemic.

Key issues

How our audit addressed the key issues

Recognition of revenue

The main business segments from which the Company derives revenue are:

- Sale of finished products;
- Sale of semi-finished products and waste products;
- Provision of services;
- Rents;
- Various activities;
- Sale of goods;

From a percentage point of view, the revenues from the sale of finished products represent 97% of the turnover, those from the sale of semi-finished products and residual products represent 0.002%, those from the provision of services represent 0.1%, those from rents represent 0.1%, those from various activities represent 1%, and the income from the sale of goods represents 2% of the turnover.

Information on income recognition is presented in Note 4.1 — Analysis of operating result, as well as in Note 6 — Accounting principles, policies and methods to the financial statements.

These revenues are significant in the context of the overall result of the financial year, which is why they are important for our audit and their recognition is considered a key issue.

The impact of the coronavirus pandemic

The coronavirus pandemic, which started in Romania in February 2020, triggered a series of events at national and international level that restricted the activity of the population and companies in most fields of activity.

In this context, it is necessary to analyze the impact that the pandemic has had on the company's business model, on its ability to fulfill its obligations, on the changes in the personnel structure, etc.

An assessment is also required of the Company's ability to continue its activity under as normal conditions as possible.

Our audit tests and procedures included, among other things:

- analysis of the accounting policies regarding the recognition of incomes in order to determine whether they are in accordance with the provisions of Order no. 1802 of December 29, 2014, for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements;

- requesting and analyzing, by sampling, the supporting documents related to the transactions, as well as the correlation with the statements of sales and registered receivables;

- verification of the correct preparation of the accounting notes;

- verification of compliance with the principle of independence of the exercises;

- verification of the adequate coverage of income in the profit and loss account and disclosure in the notes to the individual financial statements.

Our audit tests and procedures included, among other things:

- analysis of income and cash flows;

- requesting and analyzing a situation regarding access to government aid schemes;

- analysis of how the Company has paid its debts to the state budget.

- calculation and analysis of the main indicators, such as liquidity and solvency;

- analysis of personnel scheme changes and investigation of how the human resource has

Information on how the coronavirus pandemic has affected the company's activity is presented in the non-financial statement prepared in accordance with the provisions of OMFP 1802/2014.

At the time of this report, Chimcomplex S.A. is not in a situation of uncertainty regarding the continuity of the activity.

carried out its activity and whether remote work has affected productivity;

- analysis of the evolution of receipts and payments compared to previous periods;

- analysis of changes regarding the main customers and suppliers.

- analysis of the management of financing contracts and of the capacity to honor obligations;

- holding discussions with the management on how to carry out the activity in the pandemic context and the impact on the continuity of the activity.

We have dealt with these key audit issues through proper testing and by expanding investigations on the topics presented, through discussions with the management and the financial-accounting department.

Other information

Management is responsible for other information. That other information includes information on the management report and the non-financial statement.

The administrators are responsible for drawing up and presenting the administrators' report in accordance with the requirements of Order no. Order of the Minister of Public Health no. 1802 of 29 December 2014 for the approval of the Accounting Regulations on individual annual financial statements and consolidated annual financial statements, Annex 1, Chapter 7, paragraphs 489-4926, which do not contain material misstatements, and for that internal control that management deems necessary to allow the preparation of the management report that does not contain material misstatements, due to fraud or error.

According to point 4921, para. (1) of Order no. 1802 of 29 December 2014, Annex 1, Chapter 7, entities that have an average number of more than 500 employees during the financial year shall include in the management report a non-financial statement.

The management report and the non-financial statement are not part of the individual financial statements.

Our view on the individual financial statements does not cover the management report and the non-financial statement.

In connection with our audit of the individual financial statements, we have read the management report attached to the individual financial statements and report that:

- a) in the management report we have not identified information that is not consistent, in all material matters, with the information presented in the attached individual financial statements.
- b) the administrators' report identified above includes, in all material aspects, the information required by Order 1802/2014, Chapter 7, paragraphs 489-4926;
- c) based on our knowledge and understanding acquired during the audit of the individual financial statements for the financial year ended 31 December 2021 regarding CHIMCOMPLEX S.A. and its environment, we did not identify information included in the management report that was significantly erroneous.

Responsibilities of management and those responsible for governance for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Order no. 1802 of December 29, 2014 for the approval of the Accounting Regulations on the individual financial statements and the consolidated annual financial statements and the requirements contained in Law no. 82/1991 and for that internal control that the management considers necessary to allow the preparation of financial statements without significant distortions, caused by either fraud or error.

In preparing the financial statements, management is responsible for appreciating the Company's ability to continue its business, presenting, where appropriate, business continuity aspects and using going concern-based accounting, unless management either intends to liquidate the Company or stop operations, or has no realistic alternative other than them.

Those responsible for governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor in an audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, caused either by fraud or error, and to issue a report by the auditor that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the ISAs will always detect significant distortion, if any. Distortions may be caused either by fraud or error and shall be considered material if it can reasonably be expected that they, individually or cumulatively, will influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit under the ISAs, we exercise professional reasoning and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misrepresentation of the financial statements, caused by either fraud or error, we design and execute audit procedures in response to those risks, and we obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a significant distortion caused by fraud is higher than that of not detecting a significant distortion caused by error, as fraud can involve collusion, forgery, intentional omissions, false statements and the avoidance of internal control.
- We understand the internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- We draw a conclusion on the adequacy of management's use of accounting based on business continuity and determine, on the basis of the audit evidence obtained, whether there is significant uncertainty as to events or conditions that could raise significant doubts about the Company's ability to continue its business. If we conclude that there is significant uncertainty, we must draw the attention in the auditor's report to the related presentations in the financial statements or, if these presentations are inappropriate, to change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on the basis of the business continuity principle.
- We evaluate the presentation, structure and general content of financial statements, including disclosures, and the extent to which financial statements reflect underlying transactions and events in a manner that achieves fair presentation.

We communicate to those responsible for governance, among other aspects, the planned area and time programming of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, that we identify during the audit.

We also provide those responsible for governance with a statement that we have complied with the relevant

ethical requirements on independence and that we have communicated to them all relations and other issues that could reasonably be assumed to affect our independence and, where appropriate, the related safeguards.

Of the issues communicated with the people in charge of governance, we determine which issues are most important for the audit of the financial statements in the current period and which are therefore key audit issues. We describe these issues in the auditor's report, unless laws or regulations prohibit the public presentation of the matter or where, in extremely rare circumstances, we believe that an issue should not be disclosed in our report as the benefits of the public interest are reasonably expected to be outweighed by the negative consequences of this communication.

Report on other legal and regulatory provisions

We were appointed to audit the financial statements of CHIMCOMPLEX S.A. for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022. The total uninterrupted duration of our commitment is 6 years, covering the financial years ending from 31 December 2016 to 31 December 2021.

We confirm that:

- Our audit opinion is consistent with the additional report to the Company's Audit Committee, which we issued on the same date that we issued this report. Also, in carrying out our audit, we have maintained our independence from the audited entity;
- We have not provided to the Company any of the prohibited non-audit services referred to in Article 5 para. (1) of EU Regulation No 537/2014.

Other issues

This report by the independent auditor is addressed exclusively to the shareholders of the Company as a whole. Our audit was carried out in order to be able to report to the shareholders of the Company those aspects that we need to report in a financial audit report, and not for other purposes. To the extent permitted by law, we accept and assume no responsibility except to the Company and its shareholders as a whole for our audit, for this report or for the opinion formed.

Cluj-Napoca, 31.03. 2022

The mission partner of the audit that prepared this report of the independent auditor is,

Gheorghe Alexandru MAN, financial auditor

Registered with the Authority for Public Supervision of the Statutory Audit Activity
with registration number AF1242

for and on behalf of G5 CONSULTING S.R.L.

Registered with the Authority for Public Supervision of the Statutory Audit Activity
with registration number FA223

Address of the auditor:

G5 Consulting S.R.L.

405200 Dej, str. Alecu Russo, nr. 24/2, jud. Cluj, Romania

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