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Independent Auditors' Report

To the Shareholders of Chimcomplex SA Borzești

Str. Industriilor nr. 3, Onești, jud. Bacău
Unique Registration Code: 960322

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of Chimcomplex SA Borzești ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

2. The consolidated financial statements as at and for the year ended 31 December 2023 are identified as follows:

• Total equity (consolidated):	Lei 1,733,253,064
• Net profit for the year (consolidated):	Lei 18,608,065

3. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards ("OMFP no. 2844/2016").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council ("the Regulation") and Law no. 162/2017 ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with 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 Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fiscal registration code RO12997279
Trade Registry no.J40/4439/2000
Share Capital 2,000 RON

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Impairment of property, plant and equipment

Property, plant and equipment – 1,966,231,101 lei as at 31 December 2023 (1,940,317,720 lei as at 31 December 2022)

We refer to the consolidated financial statements: Note 3 (a) (v) „Impairment of non-financial assets”, Note 4 „Critical accounting judgments and key sources of estimation uncertainty” (accounting policies) and to Note 15 „Property, plant and equipment” (explanatory disclosures)

The key audit matter	How the matter was addressed in our audit
As described in Note 15 of the consolidated financial statements, in the current year, the Group identified impairment indicators in respect of its property, plant and equipment, including primarily decrease of demand, revenue and profitability. In the wake of the above factors, as at 31 December 2023, the Group tested property, plant and equipment for impairment, as part of the impairment test performed for the cash generating unit („CGU”) represented by the entire business of the Group. The Group determined the CGU’s recoverable amount based on its value in use estimated under the discounted cash flow method. Determination of the recoverable amount requires making a number of assumptions and judgments, in particular those relating to discount rates used and future cash flows, with key assumptions made about future prices of products, and expected levels of sales, output, operating costs and net working capital levels. Due to the above factors, coupled with the significantly higher estimation uncertainty stemming from the current geopolitical volatility, and given the adverse macroeconomic effects of the increase in commodity prices, resulting inflationary pressures and prolonged period of elevated interest rates, assessment of property, plant and equipment for impairment required our significant judgment and increased attention in the course of our audit. As a consequence, we consider the area to be a key audit matter.	Our procedures in the area, performed with the assistance of our valuation specialists, included, among other things: ▪ Evaluating against the requirements of the relevant financial reporting standards the Group’s accounting policy for identification of impairment, and measurement and recognition of any impairment losses in respect of property, plant and equipment; ▪ Evaluating the design and implementation of internal controls relating to the identification of impairment indicators and to the process of impairment testing; ▪ Evaluating the quality of the Group’s forecasting by comparing historical projections with actual outcomes; ▪ Assessing the appropriateness of asset grouping into CGU, based on our understanding of the Group’s operations; ▪ Assisted by our own valuation specialists, challenging the reasonableness of the Group’s key assumptions and judgments used in estimating the recoverable amount, including: o Assessing the Group’s discounted cash flow model against the relevant financial reporting standards, market practice and for internal consistency, o Challenging reasonableness of the key macroeconomic assumptions used, such as those in respect of discount rates, by reference to publicly available external sources, and o Using our knowledge of the Group, assessing reasonableness of the assumptions relating to expected sales, output and operating costs, by reference to Group budgets and forecasts and market trends; ▪ Assessing susceptibility of the impairment model and the resulting impairment conclusion to management bias, by challenging the Group’s analysis of the model’s sensitivity to changes in key underlying assumptions; ▪ Assessing the appropriateness and completeness of impairment-related disclosures in the consolidated financial statements against the requirements of the financial reporting standards.

Other matter – Corresponding figures

6. The consolidated financial statements of the Group as at and for the year ended 31 December 2022, excluding the retrospective adjustments described in note 3.1 to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 March 2023.

   As part of our audit of the consolidated financial statement as at and for the year ended 31 December 2023, we audited the retrospective adjustments described in note 3.1 to the consolidated financial statements, that were applied to restate the comparative information.

We were not engaged to audit, review or apply any procedures to the comparative information, other than with respect to the retrospective adjustments described in note 3.1 of the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assuranceon comparative information. However, in our opinion, the retrospective adjustments described in note 3.1 to the consolidated financial statements are appropriate and have been properly applied.

Other information

7. The Board of Directors is responsible for the preparation and presentation of other information. The other information comprises the Annual Report, including the Administrators' Report on the activity of the Group ("Board of Directors' Consolidated Report") and the Remuneration Report, which we obtained prior to the date of this auditors' report and the Sustainability report , which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Sustainability Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other Reporting Responsibilities Related to Other Information – Consolidated Board of Directors' Report

With respect to the consolidated Board of Directors' Report we read and report whether the consolidated Board of Directors' Report is prepared, in all material respects, in accordance with OMFP no. 2844/2016, articles 26-28 of the accounting regulations in accordance with International Financial Reporting Standards.

Based solely on the work required to be undertaken in the course of the audit of the consolidated financial statements, in our opinion:

a) The information given in the consolidated Board of Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements;

b) The consolidated Board of Directors' Report has been prepared, in all material respects, in accordance with OMFP no. 2844/2016, articles 26 - 28 of the accounting regulations in accordance with International Financial Reporting Standards.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the consolidated Board of Directors' Report and other information that we obtained prior to the date of this auditors' report. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Remuneration Report

With respect to Remuneration Report, we read the Remuneration Report in order to determine whether it presents, in all material respects, the information required by article 107, para. (1) and (2) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations and related amendments. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with OMPF no. 2844/2016 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements - Report on Compliance with the ESEF Regulation

16. In accordance with Law no. 162/2017 on statutory audits of annual financial statements and consolidated financial statements and amendment of certain regulations, we are required to express an opinion on compliance of the consolidated financial statements as included in the Annual report and authorized for issue 12 April 2024, with the requirements of the Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").

Responsibilities of Management

17. Management is responsible for the preparation of the consolidated financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable xHTML format;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information in the machine- and human-readable formats and the signed consolidated financial statements; and
- the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

Auditors' Responsibilities

18. Our responsibility is to express an opinion on whether the consolidated financial statements as included in the Annual report and authorized for issue by the Board of Directors comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- evaluating the design and implementation of relevant controls over the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable digital format and to the signed and audited consolidated financial statements, stamped by us for identification purposes;
- evaluating the completeness of the Group's tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements;
- evaluating the appropriateness of the digital format of the consolidated financial statements; and
- assessing consistency between the digitised information in the machine- and human-readable formats and the signed and audited consolidated financial statements, stamped by us for identification purposes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

19. In our opinion, the consolidated financial statements of the Group, as included in the Annual report and authorized for issue as at and for the year ended 31 December 2023 have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

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Report on Other Legal and Regulatory Requirements

20. We were appointed by the General Shareholders' Meeting on 16 November 2023 to audit the consolidated financial statements of Chimcomplex SA Borzești for the year ended 31 December 2023. Our total uninterrupted period of engagement is 1 year, covering the period ending 31 December 2023.

21. We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the Group in conducting the audit.
- we have not provided to the Group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is SOARE PAULA RALUCA.

For and on behalf of KPMG Audit S.R.L.:

RSoare

KPMG AUDIT SRL

SOARE PAULA RALUCA

registered in the electronic public register of financial auditors and audit firms under no AF1518

KPMG Audit SRL

registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 15 April 2024

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)

Auditor financiar: **SOARE PAULA RALUCA**

Registrul Public Electronic: **AF1518**

Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)

Firma de audit: **KPMG AUDIT S.R.L.**

Registrul Public Electronic: **FA9**

CHIMCOMPLEX S.A.

STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with
Order of the Minister of Public Finance
no. 2844/2016 for the approval of Accounting Regulations in accordance with the Standards
International Financial Reporting Standards as adopted by EU.

AT AND FOR THE YEAR ENDED AT
DECEMBER 31, 2023

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KPMG
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CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)

	Note	December 31 2023	December 31, 2022 restated[1]	December 31, 2021 restated[1]
ASSETS				
Non-current assets				
Property, plant and equipment	**15**	1,966,231,101	1,940,317,720	1,839,331,897
Right of use asset	**23.b**	16,900,411	13,844,826	5,906,799
Investment property	**17**	29,226,468	31,452,222	14,424,776
Intangible assets	**16**	118,217,815	122,419,867	126,621,140
Investments	**18**	51,372,913	41,469,451	13,130,334
Other long term assets		5,467,193	6,718,514	5,093,759
Total non-current assets		**2,187,415,901**	**2,156,222,600**	**2,004,508,705**
Current assets				
Inventories	**19**	145,935,414	239,200,319	157,905,520
Trade and other receivables	**20**	246,018,611	473,668,117	301,795,180
Short term loans granted		5,741,291	5,327,386	3,536,799
Cash and bank balances	**21**	146,209,462	45,539,597	148,351,765
Total current assets		**543,904,778**	**763,735,419**	**611,589,264**
Total assets		**2,731,320,679**	**2,919,958,019**	**2,616,097,969**
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	**22**	304,907,851	304,907,851	304,907,851
Own shares	**22**	(26,657,863)	(26,336,354)	(142,454)
Share premium	**22**	4,669,565	4,669,565	4,669,565
Legal reserves		109,898,098	109,516,233	90,273,573
Retained earnings		688,340,947	843,010,141	689,373,740
Revaluation reserve		651,527,661	653,382,560	654,500,420
Non-controlling interest	**30**	566,806	395,866	-
Equity attributable to owners of the Group		**1,733,253,065**	**1,889,545,862**	**1,743,582,695**
LIABILITIES				
Non-current liabilities				
Subsidies	**25**	30,633,918	13,778,664	15,450,076
Lease liabilities	**23.b**	9,501,672	8,705,286	3,444,122
Deferred tax liability	**14**	142,373,861	149,390,129	160,662,159
Provisions	**26**	16,171,444	16,302,643	28,272,350
Long term loans	**23.a**	377,508,899	460,024,477	294,521,275
Other payables	**24**	208,301	1,547,368	598,685
Total non-current liabilities		**576,398,095**	**649,748,567**	**502,948,667**

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

(all amounts are expressed in RON, unless specified otherwise)

	Note	December 31 2023	December 31, 2022 restated[1]	December 31, 2021 restated[1]
Current liabilities				
Subsidies	**25**	2,062,121	2,270,660	2,541,998
Trade and other payables	**24**	140,966,683	277,315,541	270,546,293
Lease liabilities	**23.b**	8,043,226	5,949,300	3,465,451
Corporate income tax liability		592	17,477,686	20,101,199
Provisions	**26**	755,805	30,565,117	43,428,431
Short term loans	**23.a**	269,841,092	47,085,287	29,483,235
Total current liabilities		**421,669,519**	**380,663,591**	**369,566,607**
Total liabilities		**998,067,614**	**1,030,412,158**	**872,515,274**
Total equity and liabilities		**2,731,320,679**	**2,919,958,020**	**2,616,097,969**

[1]Comparative information is restated as a result of the correction of accounting errors. See Note 3.1.

These consolidated financial statements were authorized to be issued by the management as at April 12, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

(all amounts are expressed in RON, unless specified otherwise)

	Note	Year ended December 31, 2023	Year ended December 31, 2022 restated[1]
Revenue	5	1,404,388,043	2,263,583,705
Investment income		11,151,151	10,177,822
Other gains and losses	6	43,098,696	13,315,457
Cost of commodities sold		(39,057,889)	(85,184,950)
Increase in finished goods and production in progress		(76,320,965)	74,766,067
Raw materials and consumables	7	(462,203,714)	(737,478,771)
Employees benefits	8	(176,286,091)	(191,825,295)
Depreciation and amortization	9	(147,581,908)	(165,150,010)
Distribution costs		(38,460,679)	(41,309,258)
Water and energy expenses		(368,914,872)	(711,587,035)
Other third party services	10	(42,551,557)	(52,216,005)
Maintenance and repair expenses		(7,824,153)	(27,887,088)
Other income	11	2,624,803	5,234,455
Impairment of property, plant and equipment	15	114,510	-
Other expenses	12	(48,125,501)	(57,536,672)
Finance costs	13	(38,159,398)	(21,615,668)
Share of profit of equity-accounted investees		(3,068,769)	5,187,867
Profit before tax		**12,821,707**	**280,474,621**
Income tax expense	14	(662,400)	(52,300,183)
Deferred tax	14	6,448,758	11,799,722
Profit for the year		**18,608,065**	**239,974,160**
Earnings per share			
Basic and diluted earnings per share		0.061	0.787

(all amounts are expressed in RON, unless specified otherwise)

	Note	Year ended December 31, 2023	Year ended December 31, 2022 restated[1]
Profit for the year		**18,608,065**	**239,974,160**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Impact of revaluation	**15**	-	-
Deferred tax related to revaluation	**15**	-	-
Impact of disposal of non-current assets	**15**	-	(1,117,860)
Other comprehensive income, net of tax		**-**	**(1,117,860)**
Total comprehensive income		**18,608,065**	**238,856,300**
Total comprehensive income attributable to:			
Owners		18,437,125	238,763,073
Non-controlling interest		170,940	93,227

Semnat pentru identificare
KPMG
15. APR. 2024
Initialised for identification

[1]Comparative information is restated as a result of the correction of accounting errors. See Note 3.1.

These consolidated financial statements were authorized to be issued by the management as at April 12, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)

	Share capital	Own shares	Share premium	Legal reserve	Retained earnings	Revaluation reserve	Non-Controlling interest	Total
Balance at January 1, 2022 Restated	**304,907,851**	**(142,454)**	**4,669,565**	**90,273,573**	**689,373,740**	**654,500,420**	**-**	**1,743,582,695**
		-						
Profit for the year	-	-	-	-	239,974,160	-	-	239,974,160
Dividends distribution (note 20)	-	-	-	-	(60,000,000)	-	-	(60,000,000)
Other comprehensive income – revaluation for disposed assets	-	-	-	-	1,117,860	(1,117,860)	-	-
Legal reserves	-		-	19,242,660	(19,242,660)	-	-	-
Redemption of own shares (note 22)	-	(47,652,341)	-	-	-	-	-	(47,652,341)
Benefits granted to employees in the form of equity instruments-stage I (note 8)	-	21,458,441	-	-	465,959	-	-	21,924,400
Surplus resulting from acquisition of Sistemplast S.A	-	-	-	-	(9,593,394)	-	-	(9,593,394)
Acquisition of Sistemplast	-	-	-	-	-	-	302,639	302,639
Adjustment arising from change in noncontrolling interest (note 30)	-	-	-	-	-	-	93,227	93,227
Other movement	-	-	-	-	914,477	-	-	914,477
Balance at December 31, 2022 Restated	**304,907,851**	**(26,336,354)**	**4,669,565**	**109,516,233**	**843,010,141**	**653,382,560**	**395,866**	**1,889,545,862**

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)

	Share capital	Own shares	Share premium	Legal reserve	Retained earnings	Revaluation reserve	Non-Controlling interest	Total
Balance at January 1, 2023 Restated	**304,907,851**	**(26,336,354)**	**4,669,565**	**109,516,233**	**843,010,141**	**653,382,560**	**395,866**	**1,889,545,862**
Profit for the year	-		-	-	18,608,065	-	-	18,608,065
Dividends distribution (note 20)	-		-	-	(194,000,000)	-	-	(194,000,000)
Revaluation reserve	-	-	-	-	-	(2,422,411)	-	(2,422,411)
Legal reserves	-		-	381,865	(381,865)	-	-	-
Redemption of own shares (note 22)	-	(321,510)	-	-	-	-	-	(321,510)
Benefits to be granted to employees in the form of equity instruments-stage II (note 8)	-	-	-	-	23,387,871	-	-	23,387,871
Adjustment arising from change in noncontrolling interest (note 30)	-	-	-	-	(170,940)	-	170,940	-
Deferred tax	-	-	-	-	-	567,512	-	567,512
Other movement	-		-	-	(2,112,326)	-	-	(2,112,326)
Balance at December 31, 2023	**304,907,851**	**(26,657,863)**	**4,669,565**	**109,898,098**	**688,340,947**	**651,527,661**	**566,806**	**1,733,253,064**

These consolidated financial statements were authorized to be issued by the management as at April 12, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

(all amounts are expressed in RON, unless specified otherwise)

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Cash flows from operating activities:		
Profit before tax	**12,821,707**	**280,474,621**
Adjustments for non-cash items:		
Interest expense (note 13)	34,167,833	20,123,112
Impairment loss/(gain) on investments (note 18)	(13,972,231)	(4,205,329)
Impairment loss/(gain) on property, plant and equipment (note 15,17)	(114,510)	-
Interest revenue (note 5)	(4,616,407)	(3,302,825)
Loss/(gain) on disposal of non-current assets (note 6)	394,896	171,926
Net loss/(gain) from provisions (note 6)	(30,161,199)	(24,489,761)
Foreign exchange loss/(gain) (note 6,13)	5,671,680	1,130,178
Impairment loss/(gain) on inventories (note 6)	(1,376,570)	5,608,961
Depreciation and amortization (note 9)	147,581,908	165,150,011
Impairment loss/(gain) on trade receivables and other assets (note 6)	64,243	-
Expenses with remuneration in equity instruments (note 8)	23,387,871	21,924,400
Share of loss/(profit) of equity-accounted investee	3,068,769	(5,187,867)
Subsidies income (note 11)	(1,490,027)	(1,939,752)
	175,427,963	**455,457,675**
Movements in working capital:		
Decrease/(increase) in inventory	94,646,007	(108,102,431)
Decrease/(increase) in trade and other receivables	78,034,640	1,746,014
Increase/ (decrease) in trade and other liabilities	(69,878,618)	(163,019,623)
Cash generated from operating activities	**278,229,992**	**186,081,635**
Interest paid	(33,201,234)	(19,124,019)
Income tax paid	(1,115,776)	(729,791)
Net cash generated by/(used) in operating activities	**243,912,982**	**166,227,825**
Cash flows from investing activities:		
Interest received	4,616,407	3,302,825
Proceeds from sale of non-current assets	-	1,666,252
Acquisition of non-current assets	(231,000,020)	(164,752,434)
Payment to acquire financial assets	-	(18,945,921)
Payments for participation in Sistemplast, net of purchased cash	-	(758,415)
Net cash used in investing activities	**(226,383,613)**	**(179,487,693)**

(all amounts are expressed in RON, unless specified otherwise)

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	Year ended December 31, 2023	Year ended December 31, 2022 restated
Cash flow from financing activities:		
Proceeds from borrowings (note 23)	191,203,956	218,306,795
Lease liabilities repayments	(9,300,404)	(8,081,443)
Dividends paid (of the current year and the previous year)	(38,341,339)	(214,280,638)
Repayment of borrowings (note 23)	(59,029,674)	(38,438,416)
Purchase of own shares (note 22)	(321,503)	(47,652,341)
Net cash (used in)/generated by financing activities	**84,211,036**	**(90,146,043)**
Net (decrease) / increase in cash and cash equivalents	**101,740,405**	**(103,405,911)**
Cash and cash equivalents at beginning of the year	**45,539,597**	**148,351,765**
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,070,540)	593,743
Cash and cash equivalents at end of the year	**146,209,462**	**45,539,597**

These consolidated financial statements were authorized to be issued by the management as at April 12, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

(all amounts are expressed in RON, unless specified otherwise)

1. GENERAL INFORMATION

These financial statements are the consolidated financial statements of CHIMCOMPLEX S.A. BORZESTI ("the Company") and its subsidiaries (together "the Group") as at and for the year ended 31 December 2023.

The Company is a joint-stock company incorporated in accordance with the Romanian legislation and recorded in 1991 to Trade Registry.

The Company's headquarter is in 3 Industriilor Street, Onesti, Romania.

The Group operates in the chemical industry and its main groups of products are:

- Chloralkali,
- Organic Solvents,
- Inorganic Chlorides,
- Alkylamines, Polyols
- Oxo-Alchols.

As at December 31, 2023 and December 31, 2022 respectively, the Company's subsidiaries and associates are the following:

					% shareholding	
Name	**Activity**	**Type**	**Tax code**	**Head Office**	**December 31, 2023**	**December 31, 2022**
Greencomplex SRL	Manufacture of other base inorganic chemicals	Subsidiary	16030164	Onesti	99.9998%	99.9998%
A5 Invest SRL	Intermediation in the sale of machinery, industrial equipment, ships and airplanes	Subsidiary	17701390	Onesti	100%	100%
A6 Impex SA	Electricity production	Associate	21381692	Dej	49.4497%	49.4497%
Sistemplast SA	General mechanical operations	Subsidiary	11438007	Ramnicu Valcea	94,4000%	94,4000%

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS-EU").

New standards and amendments to existing standards in issue not yet adopted

At the date of authorisation of these financial statements, the following new standard and amendments to existing standards were in issue, but not yet effective:

- **Amendments to IFRS 16 "Leases"** - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IAS 1 "Presentation of Financial Statements"** - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).

The Group has elected not to adopt the new standard and amendments to existing standards in advance of their effective dates. The Group anticipates that the adoption of the standard and amendments to existing standards will have no material impact on the financial statements of the Group in the period of initial application.

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at the date of publication of financial statements (the effective dates stated below is for IFRS as issued by IASB):

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IFRS 16 "Leases"** - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024),
- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"** would not significantly impact the financial statements, if applied as at the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Group's consolidated financial statements were drawn up in accordance with the provisions of Order no. 2844/2016 for approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications ("OMFP 28422/2016"). These provisions are in accordance with the provisions of the adopted International Financial Reporting Standards by the European Union ("IFRS EU").

Basis of preparation

The statutory consolidated financial statements have been prepared on a going concern basis and under the historical cost basis except for certain classes of financial instruments that are measured at fair value and Property Plant and Equipment that are measured at revalued amounts, as explained in the accounting policies below.

Going concern

Management have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This reasonable expectation is based on the following:

- The Group recorded net profit in the amount of RON 18,608,065 for 2023 (2022: RON 239,974,160);
- As disclosed in Note 23A. the Group is compliant with the financial covenants as stated in the borrowing agreements and expects to be compliant with them in 2023, as well.

Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(a) Property, plant and Equipment and intangible assets

PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Property, plant and equipment are stated initially at cost, which includes purchase price and other costs directly attributable to acquisition and bringing the asset to the location and condition necessary for their intended use.

The tangible assets are measured at revalued amounts less any accumulated depreciation and any accumulated impairment losses since the most recent valuation. The assets in progress and advance payments for non-current assets are measured at cost less any accumulated impairment losses.

Revaluations of property, plant and equipment are made with sufficient regularity to ensure that the carrying amount does not differ materially from the one that would be determined using the fair value at the end of the reporting period. The last revaluation was made as of December 31, 2021 by an independent certified appraiser - Darian DRS S.A

When an item of tangible assets is revalued, the accumulated depreciation is eliminated against the gross carrying amount of that item, and the net amount is restated to the revalued amount of the asset.

The cost of assets internally constructed by the Group includes the following:

i. material costs and direct labour costs;
ii. any amounts that can be directly attributable to bringing the asset into working condition;
iii. costs of dismantle, removal and restoration of the area in which they were placed, when the Group is required to move the assets and restore land;
iv. borrowing costs (capitalized).

When parts of an item of property, plant and equipment have different useful lives, they are considered as separate parts.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and Equipment and intangible assets (continued)

PROPERTY, PLANT AND EQUIPMENT (continued)

The borrowing costs directly attributable to the acquisition and installation major construction are capitalized in the cost of tangible assets in progress in accordance with IAS 23 „Borrowing costs".

Gains or losses from the disposal of an assets (determined by comparing the proceeds from disposal with the carrying value of tangible assets) are recognized in profit or loss account.

(ii) Subsequent expenditures

Subsequent expenditures related to property, plant and equipment are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

Cost of other maintenance, repair and minor improvements are shown on expenses when they are carried out.

Impairment tests are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

(iii) Depreciation

Tangible assets are depreciated using the straight-line method over their useful lives. The estimated useful lives used for tangible assets are as follows:

Category	Useful life
	(years)
Buildings / special installations	30-50
Plant and machinery	2-30
Fixtures and fittings	2-15

Fixed assets in progress are not depreciated. The depreciation of the fixed assets in progress commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed periodically to be ensured their consistency with the estimated period of economic benefits that will result from the use of assets.

(iv) Revaluation reserve

The difference between the revalued amount and the net carrying amount of property, plant and equipment is recognised as revaluation reserve included in equity.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decrease of the same amount of the asset previously recognised in profit and loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognized in equity in revaluation reserves if there is any credit balance existing in the revaluation reserve in respect of that asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and Equipment and intangible assets (continued)

PROPERTY, PLANT AND EQUIPMENT (continued)

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed in accordance with IAS 12 Income Taxes.

(v) Impairment of non-financial assets

The carrying amounts of the Group 's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is evidence of the existence of any impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less costs to sell. In determining value in use, the expected future cash flows are discounted to determine the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets that cannot be tested individually are grouped in the smallest group of assets that generate cash inflows from continuing use and that are largely independent of the cash inflows from other assets or group of assets ("cash-generating unit").

An impairment loss should be recognised in profit or loss immediately unless it relates to an asset carried at a revalued amount. If an asset has been revalued (e.g. an item of property, plant and equipment), the impairment loss is dealt with as a revaluation decrease in accordance with the relevant Standard, (in this case, IAS 16).

For all assets, impairment losses recognized in prior periods are assessed at each reporting date to determine whether there is evidence that the loss has decreased or no longer exists.

An impairment loss is reversed if there have been changes in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized.

(vi) Reclassification to and from investment property

The Group reclassifies elements of plant, property and equipment as investment property or elements of investment property to plant, property and equipment when:

- when there is a change in use, a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use;
- end of owner-occupation, for a transfer from owner-occupied property to investment property

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and Equipment and intangible assets (continued)

INTANGIBLE ASSETS (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives used for intangible assets are as follows:

Category	Useful life
Licenses	2 years
Patents	2-12 years
Concessions	2 years
Trademarks and customers lists	Indefinite useful life

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The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the income statement in the depreciation and amortization expense.

Intangible assets with indefinite useful life are tested for impairment annually, irrespective of whether there is any indication of impairment, as well as whenever there is any indication that they may be impaired.

(b) Investment property

An investment property is held to obtain revenues from rentals or to increase the capital or both. Therefore, an investment property generates cash flows that are to a great extent independent from other assets held by an Group.

The Group's accounting policy regarding subsequent valuation of investment property is based on the cost model, and subsequently depreciated on its useful life, using the straight line method.

(c) Foreign currencies

The Group's operations are in Romania and the functional currency is RON.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group 's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currencies (continued)

The official conversion rates used to convert foreign currency denominated balance sheet items at the end of the reporting periods were as follows:

CCY	December 31, 2023	December 31, 2022
EUR	4.9746	4.9474
USD	4.4958	4.6346

(d) Trade receivables and other receivables

Trade Receivables and other receivables include invoices issued at nominal value and revenues for goods delivered until the end of the year but invoiced in the first days after the end of the year. Trade receivables and similar accounts are initially recognized at transaction price and subsequently presented at amortized cost less impairment losses. Trade and other receivables do not contain any significant financing component, the amortized costs amounts approximates the fair value. Ultimate losses may vary from current estimates.

The nominal value of receivables to be collected in instalments due over one year is discounted considering the best estimate of an interest rate, to take into account the time value of money and risk profile of the counterparty.

Please refer to note 3 (g) for how the Group recognizes lifetime expected credit losses on trade receivables. The Group uses the simplified method of expected credit losses.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value.

Inventories like raw materials, consumables, materials in the form of inventory items, goods and packages are valued at acquisition cost or the price in foreign currency at the exchange rate on the date of acquisition, plus custom duties, custom fees and travel expenses such as insurance.

Costs of inventories is determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

If the Group considers it necessary, value adjustments are made for obsolete inventory or scrap.

(f) Bank deposits, cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity up to 6 months which are subject to an insignificant risk in fair value change. Cash in foreign currencies are revalued at the exchange rate at the end of the period. Bank overdrafts are treated as current liabilities.

Bank deposits refer to those who have an initial maturity of more than 6 months.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group always recognizes lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

i. Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

ii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event (see (ii) above);

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

iii. Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of financial assets (continued)

iv. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment loss and reversal of impairment loss in profit or loss for all financial assets in the scope of expected credit loss (ECL) model with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income (FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

v. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(h) Share capital

Ordinary shares are classified as part of equity. The Group recognizes changes in the share capital as provided by law and only after their approval by the Shareholders and registration at Trade Register. Additional costs directly attributable to issue of shares are recognized as a deduction from equity, net of the effects of taxation.

The company's dividend policy is published on the Company's website.

(i) Trade and other payables

Trade payables and other liabilities are initially recorded at fair value and subsequently measured using the effective interest method and include the invoices issued by suppliers of goods and services rendered.

(j) Interest bearing loans

Interest bearing borrowings are recognized initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are presented at amortized cost, any difference between cost and redemption value being recognized in the income statement over the period of a loan based on the effective interest rate.

Transaction costs and commitment fees on loans are amortized over the repayment period of the loan in accordance with effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leasing

The Group as lessee

The Group assesses whether a contract is or contains a lease component, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (with a lease term of 12 months or less) and leases of low value assets (of less than USD 5,000). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Please refer to note 3 (a) (v) for the accounting policy for impairment testing.

(l) Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. The Group, in the normal course of business, makes payments to the Romanian State on behalf of its employees for pensions, health care and unemployment cover. The cost of these payments is charged to profit or loss account in the same period as the related salary cost.

ii. Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Employee benefits (continued)

iii. Defined benefit plans

The Group pays employees retirement benefits, benefits which are defined in the Collective Labor Agreement of the Group. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified.

(m) Governmental Grants

Government grants related to assets are initially recognised as deferred income if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Grants related to emissions certificates costs are recognised in profit or loss as a reduction of water and energy expense (in which the cost of certificates subsidized are included).

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Unwinding of the discount is recognized as financial expense. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures that are foreseen to be required to settle the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

CO2 emmissions provisions

During the financial year, in relation to the production program, in the event that a deficit of CO2 emission certificates is estimated at the end of the year, the Company can set up provisions.

Decommissioning provisions

Liabilities for decommissioning costs are recognized when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. According with the Integrated Environmental Authorisation no. 1/20.03.2023 from the Agency of Environmental Protection Bacau, the Group should dismantle the equipment when the activity will be ceased, and restore the land to its initial condition. As at December 31, 2023, the Group have no plans to cease totally or partially the Group's activity. Further, since timing of expected ceasing of activity cannot be determined, any such provisions arising on cessation of activity cannot be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions (continued)

However, the Group recognised a decommissioning provisions in relation to warehouses with dangerous and non-hazard substances for which the decommissioning activity has been or shall be performed in order to comply with the environmental requirements.

(o) Income tax

Income tax expenses comprise current tax and deferred tax.

Current tax is the tax expected to be paid or received for taxable income or loss realized in the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the payment obligations of corporation tax for the previous years. Current tax payable also includes any tax arising from declaring dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used to calculate the tax. Deferred tax is not recognized for the following temporary differences:

- the initial recognition of assets or liabilities originating in a transaction that is not a business combination and that is not affecting the accounting or taxable profit or loss;
- differences on investments in subsidiaries or jointly controlled entities, to the extent that it is probable that they will not be reversed in the foreseeable future; and
- taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax receivables and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and receivables, and relate to taxes levied by the same taxation authority to the same Group or different taxable Group, and the Group intends to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable the realization of taxable profits which will be available in the future and will be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that a tax benefit will be realized. Effect of tax rate change on deferred tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or directly in equity.

Statutory income tax rate for the year ended December 31, 2023 was 16% (December 31, 2022: 16%).

(p) Related parties

Companies are considered related if one party, through ownership, contractual rights, family relationship or other kind, has the opportunity to directly or indirectly control or significantly influence the other party.

(q) Revenues

Revenues are measured in accordance with IFRS 15 – Revenues from Contracts with Customers.

IFRS 15 establishes a 5-step model to record the revenues resulted from contracts with customers:

- Step 1: Identification of a contract with a customer
- Step 2: Identification of performance obligations established in the contract.
- Step 3: Determination of the transaction price
- Step 4: Allocation of the transaction price for the performance obligations included in the contract
- Step 5: Recognition of revenues as the company fulfils each performance obligation

In accordance with IFRS 15, revenues are recognized in the amount which reflects the consideration at which an entity expects to be entitled in exchange of the transfer of goods or services to a customer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Revenues (continued)

Revenues from sales of goods

Revenue from sales of goods is recognized at a point in time when it transfers control of a product to the buyer.

The consideration promised in sales contracts doesn’t include a variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses or other similar items that are expected to be granted to customers.

The Group invoices the customer for the agreed-upon price with a typical 30-day payment terms, some group of clients might have a maximum length of 90-day payment terms. Advance payments are requested by the Group to the external clients and once the advance is received the goods are delivered in less than 30 days.

The Group does not apply long term frame contracts with minimal purchase commitment as all purchases are ad-hoc orders.

For the contracts with customers, the sale of goods (mainly polyols, chloralkali and oxo alcohols products) is generally estimated to be one single performance obligation. The Group charges extra for shipping if the customer requires delivery services and the delivery fees are included in the price of products sold. Thereby delivery necessarily occurs before control of the goods transfers to the customer and the Group policy is to consider that the delivery fees are not a separate service provided to the customer and are included in the transaction price. The Group does not provide transportation services as a standalone service and these are done in connection with the sale of goods to certain customers.

The Group expects that the revenue recognition will take place at a certain moment in time, when the control of the asset is transferred to the customer, namely upon delivery of the goods in accordance with the Incoterms established.

As at December 31, 2023 and 2022 the Group did not have any bill-and-hold arrangement concluded.

Revenues from services

Revenue from sales of services is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue when it transfers control of a service to a customer. The services provided by the Group are recognized monthly once the service is performed. The Group applies a typical 30-day payment terms

(r) Financial income and expenses

Financial income includes interest income, dividend income, changes in fair value of financial assets through profit or loss. Interest income is recognized as it accumulates in profit or loss using the effective interest method. Dividend income is recognized in profit or loss at the date when is determined the Group's right to receive dividends.

Financial expenses comprise interest expenses of loans, unwinding of the discount of provisions, changes in the fair value of financial assets recognized at fair value through profit or loss.

All borrowing costs that are not directly attributable to an acquisition, construction or production of assets on long-term, are recognized in profit or loss, using the effective interest method.

Gains and losses on exchange differences are carried on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are presented if there is the possibility of an outflow of resources representing possible economic benefits, but not probable, and / or the amount can be estimated reliably. A contingent asset is not recognized in the accompanying consolidated financial statements, but disclosed when an inflow of economic benefits is probable but not remote and the amount cannot be reliably estimated.

(t) Fair value

Certain accounting policies of the Group and presentation of information requirements need the determination of fair value for financial assets and liabilities such as for non-financial. The fair values were determined in order to evaluate and present the information in the consolidated financial statements using the methods described below. When applicable, further information about the assumptions used in determining fair values are disclosed specific to the asset or liability.

(u) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group’s previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(v) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

(w) Consolidation of entities under common control

Acquisitions of entities under common control is a transaction where the acquired entities are ultimately controlled by the same party or parties both before and after the consolidation, and that control is not transitory. Under the predecessor value method, the consolidation is performed as follow:

- the acquired assets and liabilities are recorded at their existing carrying values;
- no goodwill is recorded, the surplus from the acquisition is recorded in the Group retained earnings;
- the carrying amounts of assets, liabilities, income and expenses of entities under common control have been aggregated and all balances and transactions between the entities have been eliminated.

3.1. RESTATEMENT FOR COMPARISON PURPOSES AND CORRECTION OF PRIOR PERIOD ERRORS

Restatement for comparison purposes

During 2023, the Group performed several restatements of prior period amounts to ensure comparability with current period amounts.

R-1 On April 27, 2023, prior to the approval of the financial statements for the year 2022, the General Meeting of Shareholders approved offsetting of the amounts recorded in the account loss carried forward resulting from the application of IAS 29, with the corresponding amounts recorded in the "Adjustments of social capital" account in which the value from hyperinflation was recorded, for a total amount of 886,083,318 RON. The periods 2021 and 2022 are retroactively adjusted to ensure comparability with the amounts presented in the financial statements of the current period.

3.1. RESTATEMENT FOR COMPARISON PURPOSES AND CORRECTION OF PRIOR PERIOD ERRORS (continued)

Restatement for comparison purposes (continued)

R-2 During the year 2023, the Group discovered that it recorded the obligations for the closure of waste deposits taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018 as deferred income in the prior periods statement of financial position. Consequently, the Group presented these amounts as decommissioning provisions (31 December 2021: 18,984,212 RON total, of which 7,171,426 RON current provisions and 11,812,786 RON non-current provisions, respectively 31 December 2022: 11,812,786 RON, representing current provisions), consistently with other similar obligations and retroactively adjusted the balances to 2022 and 2021 to ensure comparability with the amounts presented in the financial statements of the current period.

Correction of errors

During 2023, the Company discovered a series of errors in its past year's consolidated financial statements, disclosed below. The errors have been corrected by restating each of the affected consolidated financial statements line items for prior periods, where applicable.

E-1 In December 2021, the Group initiated equity-settled share-based payment transactions with employees. In 2023 management discovered that the share-based payment expense had not been recognized over the vesting period, which was the 2022 year. The prior period error resulted in the 2022 understatement of employee benefits (21,924,400 RON), overstatement of own shares (21,458,441 RON) and understatement of retained earnings (465,959 RON).

E-2 In 2022, the Group recognized both subsidy liabilities and receivables for two fixed asset investment projects subsidized by Norwegian grants and government funds for which the obligations that would have determined the right to receive the subsidy had not been fulfilled as of 31 December 2022. Consequently, the entity cancelled the recognition of the two subsidies liabilities and receivables in 2022, having a total amount of 25,067,462 RON.

E-3 The Company discovered that it did not recognize all of the revaluation reserve related to a set of assets that were subject to revaluation at the end of 2021. Following an analysis carried out by the entity in 2023, it emerged that those assets had been in use and the revaluation surplus should have been recorded as of 31 December 2021. As a result, the Company has corrected the opening balances of property plant and equipment (91,560,360 RON), revaluation reserve (90,666,297 RON) and deferred tax liabilities on January 1, 2022 recorded additional income from the cancellation of depreciation of tangible assets for the year 2021 (894,062 RON) and recorded the additional related depreciation expense for 2022 (11,161,605 RON).

E-4 During 2023, the Group identified an error in the application of the equity method for the investment in the associate A6 Impex SA. Based on the retrospective analysis performed, the Group identified that there was a similar error in the prior period balances (investments in associates were overstated by 7,722,796 RON as at 31 December 2021, respectively 2,534,929 RON as at 31 December 2022; retained earnings were overstated by 6,468,773 RON as at 31 December 2021, respectively 7,722,796 RON as at 31 December 2022, share of profit of equity-accounted investees was overstated by 1,254,023 RON for the year 2021 and understated by 5,187,867 RON for the year 2022). As a result, the entity corrected the balances as of 31 December 2022 and 2021.

E-5 During 2023, the Group identified a misalignment of the impairment recorded for the investment in the associate A6 Impex SA between individual and consolidated reporting, which led to an overestimation of the investment impairment in the consolidated financial statements (investments in associates were understated by 17,165,518 RON as at 31 December 2021, respectively by 12,715,498 RON as at 31 December 2022, with an understatement of other gains and losses recognized in 2022 of 4,450,020 RON). As a result, the entity corrected the balances previously reported.

E-6 During 2023, the Group retrospectively reviewed the presentation of state aid for CO2 emissions costs. In the previous presentation, in the P&L 2022, the state aid for 2022 was reflected as a reduction in utility expenses, and the state aid for 2021 as income. For consistency of the presentation of expenses by nature, the Group reclassified the state aid for 2021 from other income in the reduction of water and energy expenses in the profit and loss account of 2022, for the amount of 32,404,226 RON.

3.1. RESTATEMENT FOR COMPARISON PURPOSES AND CORRECTION OF PRIOR PERIOD ERRORS (continued)

Correction of errors (continued)

E-7 During 2023, Chimcomplex SA retrospectively corrected the amount receivable recognized for the state aid for CO2 emissions for the year 2022, as a result of an error from the previous period resulting from using an inappropriate annual average cost of the previous period for emission certificates, which resulted in the 2022 overstatement of trade and other receivables by 5,458,841 RON and a corresponding understatement of water and energy expenses for the same amount.

E-8 Profit tax effect for the year ended December 31, 2022 following the above adjustments.

E-9 Deferred tax effect for the year ended December 31, 2022 following the above adjustments.

The following tables summarize the impact of the correction of the errors described in this chapter on the Group's consolidated financial statements.

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3.1. Restatement for comparison and error correction (continued)

	Correction Notes	Impact of correction of error 1 January 2022 As previously reported	Adjustments	As restated	Impact of correction of error 31 December 2022 As previously reported	Adjustments	As restated
ASSETS							
Non-current assets							
Property, plant and equipment	E-3	1,747,771,538	91,560,360	1,839,331,897	1,859,918,966	80,398,754	1,940,317,720
Right of use asset		5,906,799	-	5,906,799	13,844,826	-	13,844,826
Investment property		14,424,776	-	14,424,776	31,452,222	-	31,452,222
Intangible assets		126,621,140	-	126,621,140	122,419,867	-	122,419,867
Investments in associates and other equity investments	E-4, E-5	3,687,612	9,442,722	13,130,334	31,288,882	10,180,569	41,469,451
Other long term assets		5,093,759	-	5,093,759	6,718,514	-	6,718,514
Total non-current assets		**1,903,505,624**	**101,003,082**	**2,004,508,705**	**2,065,643,277**	**90,579,324**	**2,156,222,601**
Current assets							
Inventories		157,905,520	-	157,905,520	239,200,319	-	239,200,319
Trade and other receivables	E-2, E-7	301,795,180	-	301,795,180	504,194,420	(30,526,303)	473,668,117
Short term loans granted		3,536,799	-	3,536,799	5,327,386	-	5,327,386
Cash and bank balances		148,351,765	-	148,351,765	45,539,597	-	45,539,597
Total current assets		**611,589,264**	**-**	**611,589,264**	**794,261,722**	**(30,526,303)**	**763,735,419**
Total assets		**2,515,094,888**	**101,003,082**	**2,616,097,969**	**2,859,904,998**	**60,053,020**	**2,919,958,019**

(all amounts are expressed in RON, unless specified otherwise)

3.1. Restatement for comparison and error correction (continued)

		Impact of correction of error 1 January 2022			Impact of correction of error 31 December 2022		
	Correction Notes	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
EQUITY AND LIABILITIES							
Capital and reserves							
Issued capital	R-1	1,190,991,169	(886,083,318)	304,907,851	1,190,991,169	(886,083,318)	304,907,851
Own shares	E-1	(142,454)	-	(142,454)	(47,794,795)	21,458,441	(26,336,354)
Share premium		4,669,565	-	4,669,565	4,669,565	-	4,669,565
Legal reserves		90,273,573	-	90,273,573	109,516,233	-	109,516,233
Retained earnings	R-1, E-4, E-5	(207,046,363)	896,420,103	689,373,740	(21,708,405)	865,246,238	843,010,141
Revaluation reserve	E-3, E-9	578,340,730	76,159,690	654,500,420	577,222,870	76,159,690	653,382,560
Non-controlling interest		-	-	-	395,866	-	395,866
Total equity		**1,657,086,220**	**86,496,474**	**1,743,582,694**	**1,813,292,503**	**76,253,359**	**1,889,545,862**
LIABILITIES							
Non-current liabilities							
Subsidies		15,450,076	-	15,450,076	13,778,664	-	13,778,664
Lease liabilities		3,444,122	-	3,444,122	8,705,286	-	8,705,286
Deferred tax liability	E-9	146,155,551	14,506,608	160,662,159	136,141,686	13,248,443	149,390,129
Provisions	R-2	16,459,564	11,812,786	28,272,350	16,302,643	-	16,302,643
Long term loans		294,521,275	-	294,521,275	460,024,477	-	460,024,477
Other payables		598,685	-	598,685	10,259,628	(8,712,260)	1,547,368
Total non-current liabilities		**476,629,273**	**26,319,393**	**502,948,666**	**645,212,384**	**4,536,183**	**649,748,567**
Current liabilities							
Subsidies	E-2	2,541,998	-	2,541,998	27,338,122	(25,067,462)	2,270,660
Trade and other payables	R-2	289,530,505	(18,984,212)	270,546,293	280,416,067	(3,100,526)	277,315,541
Lease liabilities		3,465,451	-	3,465,451	5,949,300	-	5,949,300
Corporate income tax liability	E-8	20,101,199	-	20,101,199	21,859,005	(4,381,319)	17,477,686
Provisions	R-2	36,257,005	7,171,426	43,428,431	18,752,331	11,812,786	30,565,117
Short term loans		29,483,235	-	29,483,235	47,085,287	-	47,085,287
Total current liabilities		**381,379,393**	**(11,812,786)**	**369,566,607**	**401,400,112**	**(20,736,521)**	**380,663,590**
Total liabilities		**858,008,666**	**14,506,608**	**872,515,274**	**1,046,612,496**	**(16,200,337)**	**1,030,412,158**
Total equity and liabilities		**2,515,094,886**	**101,003,082**	**2,616,097,969**	**2,859,904,999**	**60,053,020**	**2,919,958,019**

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3.1. Restatement for comparison and error correction (continued)

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	Correction Notes	Impact of correction of error 31 December 2022 As previously reported	Adjustments	As restated
Revenue		2,263,583,705	-	2,263,583,705
Investment income		10,177,822	-	10,177,822
Other gains and losses	E-5, R-2	10,594,051	2,721,406	13,315,457
Cost of commodities sold		(85,184,950)	-	(85,184,950)
Increase in finished goods and production in progress		74,766,067	-	74,766,067
Raw materials and consumables		(737,478,771)	-	(737,478,771)
Employees benefits	E-1	(169,900,895)	(21,924,400)	(191,825,295)
Depreciation and amortization	E-3	(153,988,404)	(11,161,605)	(165,150,010)
Distribution costs		(41,309,258)	-	(41,309,258)
Water and energy expenses	E-6, E-7	(738,532,420)	26,945,385	(711,587,035)
Other third party services	R-2	(45,044,579)	(7,171,426)	(52,216,005)
Maintenance and repair expenses		(27,887,088)	-	(27,887,088)
Other income	E-6	37,638,681	(32,404,226)	5,234,455
Net revaluation loss of property, plant and equipment		-	-	-
Other expenses		(57,536,672)	-	(57,536,672)
Finance costs		(21,615,668)	-	(21,615,668)
Share of profit of equity-accounted investees	E-4	-	5,187,867	5,187,867
Profit before tax		**318,281,621**	**(37,807,000)**	**280,474,621**
Income tax expense	E-8, E-9	(46,667,637)	6,167,176	(40,500,461)
Profit for the year		**277,613,984**	**(31,639,824)**	**239,974,160**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Impact of revaluation		-		-
Deferred tax related to revaluation		-		-
Impact of disposal of non-current assets		(1,117,860)		(1,117,860)
Other comprehensive income, net of tax		**(1,117,860)**	**-**	**(1,117,860)**
Total comprehensive income		**270,496,124**	**(31,639,824)**	**238,856,301**

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of the intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). As at December 31, 2023 and December 31, 2022 respectively, the management assessed if there is any impairment indicators for tangible and intangible assets.

In assessing the recoverable amount of tangible and intangible assets, management estimates future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the tangible and intangible assets for which the estimates of future cash flows have not been adjusted. The Group considers that the disposal costs are not negligible and the fair value less costs of disposal of the revalued asset is necessarily less than its fair value.

The Group considers that the disposal costs of the tangible assets are not negligible and the fair value less costs of disposal of the revalued asset is necessarily less than its fair value. Therefore, the revalued asset will be impaired if its fair values less cost to sell is less than its revalued amount. In this case, after the revaluation requirements have been applied, the Group applies this to determine whether the asset may be impaired.

Recoverable amount for intangible assets with indefinite useful life (trademarks and customer lists) is determined annually as the fair value less costs to sell of the specific intangible asset. The Group determine the fair value for impairment analysis specifically for each item of intangible assets with indefinite useful life.

When measuring the fair value of tangible and intangible assets, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The budgets used includes forecast for revenue, raw materials, utilities, staff costs and other operating expenses and income based on current and anticipated market conditions and are approved by the board. However, the budgets used are subject to uncertainties mainly determined by the market volatility and assumptions used by management, the headroom is significant.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment test of tangible and intangible assets

The premises that were the basis of the impairment test started from the current production capacities, without investments to increase the capacities, to restructure or to increase the yield of the machines. For each production facility, the company established production programs for which it evaluated in value terms the revenues generated by the sale of finished products and the related production costs for a period of five years. Just like in the budget forecast, the company took into account the start of electricity and thermal energy production capacities through cogeneration. For perpetuity, the net cash flows were estimated by applying the growth rate in perpetuity of 3% represented by the inflation forecast in lei in the long term by the National Bank of Romania. Description of the test results can be found in note 15.

State aid scheme for cost of gas emissions

The Group applied judgment in determining the balance of the subsidy receivable at period end in respect of “The state aid scheme granted to enterprises in sectors considered to be exposed to a real risk of relocation of carbon dioxide emissions due to the significant indirect costs they actually bear as a result of the transfer of the costs of gas emissions with effect in the price of electricity “ as defined by GED 138/2022.

GED138/2022 is a complex legislation which been in place since 2019 with some amendments and defines based on a formula the amount of subsidy each entity is entitled to claim. Actual payment of the subsidy by the State may differ from the amount claimed based on other parameters and interpretation of the legislation.

The judgment applied by the Group is based on management’s understanding of the current changes in GED 138/2022, prior years experience in collection of this subsidy, environment department expert discussions with the authorities related to the likelihood of the collectability of the subsidy.

Based on this judgement the Group estimated the value of the state aid for the current period by applying the average percentage (92%) of collection of the amounts to which it was entitled in years 2019-2022, to the amount it is entitled for the year 2023.

Recognition of deferred tax assets

The Group estimates that in the future financial years taxable profits will be generated for which the deductible temporary differences can be used to compensate them.

Recognition and measurement of provisions and contingencies

The Group is in the process of litigation with a service provider, for the value of success fee related to the advisory services provided by the provider in connection with the business acquisition from Oltchim S.A. The Group, taking into account the lawyer's opinion regarding the stage of the process, estimates that it will not have a loss. The future evolution may be different from the estimate from December 31, 2023.

For the decontamination provision, the estimation assumptions are based on the area, the unit cost of the area per square meter and the discount rate.

The management exercises judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(all amounts are expressed in RON, unless specified otherwise)

5. REVENUES

The following is an analysis of the Group's revenue for the year from continuing operations.

	Year ended December 31, 2023	Year ended December 31, 2022
Sales of finished goods	1,324,825,865	2,134,650,231
Services rendered	7,406,362	7,940,980
Sale of goods purchased for resale	43,060,588	89,027,959
Sales of residual products	76,860	630,655
Revenues from transportation services	29,018,368	31,333,880
Total	**1,404,388,043**	**2,263,583,705**

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Presentation of revenue by business lines:

	Year ended December 31, 2023	Year ended December 31, 2022
Petrochemicals	684,537,343	1,095,896,742
Chloralkali	650,943,769	995,302,506
Oxo-alcohols	5,561,156	66,746,104
Goods for resale	43,060,588	89,027,959
Other	20,285,188	16,610,394
Total	**1,404,388,043**	**2,263,583,705**

Presentation of revenues by geographical segments:

	Year ended December 31, 2023	Year ended December 31, 2022
Europe	1,329,426,592	2,092,939,716
Middle East	71,537,959	153,819,813
Asia-Pacific	1,876,469	10,105,615
America	1,484,053	5,317,899
Africa	62,969	1,400,662
Total	**1,404,388,043**	**2,263,583,705**

(all amounts are expressed in RON, unless specified otherwise)

5. REVENUES (continued)

Presentation of revenue by country:

	Year ended December 31, 2023	Year ended December 31, 2022
Total sales	**1,404,388,043**	**2,263,583,705**
Domestic sales	465,751,736	636,560,444
Export sales	938,636,307	1,627,023,262
Out of which:		
Poland	234,680,883	375,375,331
Ukraine	89,689,155	68,118,694
Hungary	83,879,293	125,482,910
Italy	72,387,608	134,002,652
Turkey	70,422,057	153,045,518
Bulgary	66,434,201	147,469,036
Czech Republic	41,454,078	61,860,992
Netherlands	34,735,159	61,296,494
Belgium	33,844,421	57,963,726
Germany	33,675,502	68,423,055
Other	177,433,950	344,513,789

As at December 31, 2023, the Group has sales commitments in the amount of RON 1,419,109,283 (December 31, 2022: RON 262,995,623), the entity expects to recognise as revenue in 2024 the amount disclosed.

6. OTHER GAINS AND (LOSSES)

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Net (loss)/gain from bad debts written off	(2,269)	(6,067)
Net (loss)/gain from provisions	30,161,199	14,701,167
Net (loss)/gain from foreign exchange	(1,949,895)	85,500
Net (loss)/gain from impairments of current assets	1,312,325	(5,521,300)
Net (loss)/gain on disposed fixed assets	(394,896)	(151,066)
Net (loss)/gain from impairments of financial assets	13,972,231	4,205,329
Other gains and (losses)	-	1,894
Total	**43,098,696**	**13,315,457**

The amount representing the gain from provisions is detailed in Note 26 (3).

The amount representing the gain from impairments of financial assets is detailed in Note 18.

(all amounts are expressed in RON, unless specified otherwise)

7. RAW MATERIALS AND CONSUMABLES

	Year ended December 31, 2023	Year ended December 31, 2022
Raw materials	433,016,780	698,663,708
Other consumables and inventories	29,186,934	38,815,063
Total	**462,203,714**	**737,478,771**

8. EMPLOYEE BENEFITS EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Wages and salaries	129,650,608	145,444,848
out of which:		
- amount paid to management	10,058,122	22,339,330
- amount paid to board of directors	4,161,333	11,282,590
Benefits granted to employees in the form of equity instruments	23,387,871	21,924,400
Meal tickets expenses	12,698,572	10,013,181
Holiday tickets expenses	1,521,996	4,606,850
Social security expenses	9,027,044	9,836,016
Total	**176,286,091**	**191,825,295**

The average number of employees of the Group in 2023 was 1,728 compared to 1,967 in 2022.

The Group initiated share option programmes that entitle key management personnel and employees to purchase shares in the Company. Under these programmes, holders of vested options are entitled to receive shares at nil consideration. All options are to be settled by the physical delivery of shares. The key terms and conditions related to the grants under these programmes are as follows:

	Lot 1	Lot 2
Grant Date of Options	2 December 2021	2 December 2022
Total Number of Shares	929,000 shares	1,145,000 shares
Fair Value at Grant Date	21,924,400 RON	26,564,000 RON
Exercise Price of Options	Nil	Nil
Vesting period	12 months (Jan 2022 – Dec 2022)	13 months (Jan 2023 – Jan 2024)

The expense of RON 23,387,871 recognized in 2023 is related to 12 months of the total effective vesting period of 13 months, therefore part of the value of SOP Lot #2 will be recognized in 2024, January.

The benefits in the form of the entity's own shares (or other equity instruments), granted to employees in share-based payment transactions with settlement in shares, are recorded in account 643 "Expenses with remuneration in equity instruments", against - account item 1031 "Benefits granted to employees in the form of equity instruments", at the fair value of the equity instruments, from the date of granting those benefits. The recognition of expenses related to the service provided by employees takes place at the time of its performance. For the accounting of share-based payment transactions, IFRS 2 is applied.

(all amounts are expressed in RON, unless specified otherwise)

9. DEPRECIATION AND AMORTISATION

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Depreciation of right of use asset	8,523,766	8,820,555
Depreciation of investment property	1,987,337	1,893,860
Depreciation of property plant and equipment	133,136,673	149,985,176
Amortization of intangible assets	3,933,631	4,450,419
Total	**147,581,908**	**165,150,010**

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10. OTHER THIRD PARTY SERVICES

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Consulting expenses	467,262	832,371
Other third party out of which:	42,084,295	51,383,634
Logistic services	*11,713,415*	*10,809,980*
Security services	*5,944,516*	*4,266,098*
Consulting services	*397,050*	*1,057,861*
Monitoring of waste water	*1,517,078*	*946,904*
Expenses for decommissioning waste warehouses	*9,191,057*	*7,171,426*
Other services	*13,321,179*	*27,131,365*
Total	**42,551,557**	**52,216,005**

During 2023, the statutory auditor KPMG Audit SRL had a contractual audit fee of 134.780 EUR for the statutory audit of the annual separate and consolidated financial statements of the Company and its subsidiaries in Romania. Until the date of approval of the financial statements, no other services have been contracted with the statutory auditor.

11. OTHER INCOME

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Compensations, fines and penalties	110,831	50,567
Amortization of investment grants	1,490,029	2,178,343
Other income	1,023,943	3,005,545
Total	**2,624,803**	**5,234,455**

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12. OTHER EXPENSES

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	Year ended December 31, 2023	Year ended December 31, 2022
Penalty expenses*	24,214,386	19,785,878
Sponsorship granted	2,877,763	14,248,728
Other taxes, duties and similar expenses	6,186,342	5,753,272
Insurance premiums	3,261,479	2,579,799
Royalties and rental expenses	5,394,273	4,152,564
Other operating expenses	1,597,573	5,793,081
Entertaining, promotion and advertising	2,319,038	1,641,212
Travel and accommodation expenses	1,285,468	1,373,721
Compensations, fines and penalties	90,898	1,397,092
Transportation expenses	450,944	440,178
Post and telecommunication expenses	288,390	275,645
Materials not stored	158,947	95,502
Total	**48,125,501**	**57,536,672**

* The penalty expenses for the year 2023 in amount of RON 24,214,386 (December 31, 2022: RON 19,785,878) represent penalties for exceeding the maximum admissible concentration of chemical indicators in wastewater, paid to Romanian Waters Authority and varies depending on poli-propylene production level.

13. FINANCE COSTS

	Year ended December 31, 2023	Year ended December 31, 2022
Commissions and fees paid	269,781	276,879
Interest expense	34,167,833	20,123,112
Effects of foreign exchange rate changes on the balance of loans held in foreign currencies	3,721,784	1,215,678
Total	**38,159,398**	**21,615,668**

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14. INCOME TAX EXPENSE

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Current income tax expense	662,400	52,300,183
Deferred tax (gain) / expense	(6,448,755)	(11,799,722)
Income tax expense/(revenue)	**(5,786,355)**	**40,500,461**
Profit before tax from continuing operations	**12,821,710**	**280,474,621**
Tax using the domestic tax rate	2,051,474	44,875,939
Tax effect of:		
- Share of profit of equity-accounted investees reported	(491,003)	830,059
- Non-deductible expenses	16,730,355	26,710,053
- Tax-exempt income	(6,194,336)	(9,091,452)
- Tax incentives	(11,434,089)	(11,024,415)
Current Income Tax Expense	**662,400**	**52,300,183**

In 2023, the Company identified eligible expenses related to some research-development and technological-development projects, taken into account as a fiscal facility when calculating the profit tax. For the year 2022, rectification tax returns will be prepared.

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14. INCOME TAX EXPENSE (continued)

Components of deferred tax liability:

	Cumulative temporary differences 2023	Deferred tax (asset) / liability 2023	Cumulative temporary differences 2022 restated	Deferred tax (asset) / liability 2022 restated
Provisions and retirement benefit obligation	34,683,970	5,549,435	34,683,970	5,549,435
Property, plant and equipment	(843,615,065)	(134,978,410)	(887,466,735)	(141,994,678)
Other intangible assets	(121,473,111)	(19,435,698)	(121,473,111)	(19,435,698)
Right of use and lease liability	762,731	122,037	762,731	122,037
Impairment allowances for financial investments	24,693,482	3,950,957	24,693,482	3,950,957
Impairment allowances for inventories	5,597,608	895,617	5,597,608	895,617
Impairment allowances for trade and other receivables	2,991,558	478,649	2,991,558	478,649
Trade and other payables	6,522,185	1,043,552	6,522,185	1,043,552
TOTAL	**(889,836,634)**	**(142,373,861)**	**(933,688,311)**	**(149,390,129)**
Impact in the income statement		(6,448,755)		(11,799,722)
Impact in other comprehensive income		-		-
Variation in deferred tax liability		**7,016,268**		**11,272,029**

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15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and other constructions	Plant, machinery and equipment	Furniture and fittings	Assets in progress	Total
COST						
At January 1, 2022 restated	**114,153,236**	**614,393,299**	**1,065,521,171**	**4,572,190**	**142,230,655**	**1,940,870,551**
Increase, out of which:	5,528,249	20,122,563	53,274,640	1,156,562	220,251,855	300,333,868
Additions	*5,528,249*	*-*	*13,351,898*	*-*	*220,217,243*	*239,097,390*
Transfers	*-*	*15,485,363*	*29,621,855*	*1,143,687*	*-*	*46,250,904*
Acquisition of subsidiary	*-*	*-*	*10,300,887*	*12,875*	*34,611*	*10,348,373*
Transfers from investment property	*-*	*4,637,200*	*-*	*-*	*-*	*4,637,200*
Decrease, out of which:	-	588,062	6,368,292	56,712	47,148,434	54,161,500
Transfers	*-*	*-*	*-*	*-*	*46,250,904*	*46,250,904*
At December 31, 2022 restated	**119,681,485**	**633,927,800**	**1,112,427,518**	**5,672,039**	**315,334,076**	**2,187,042,919**
Increase, out of which:	-	43,690,124	146,330,172	829,999	166,550,747	357,401,042
Additions	*-*	*26,565*	*310,275*	*-*	*166,550,747*	*166,887,587*
Transfers	*-*	*43,663,559*	*146,019,897*	*829,999*	*-*	*190,513,455*
Decrease, out of which:	-	3,478,181	21,023	-	195,113,987	198,613,191
Transfers	*-*	*-*	*-*	*-*	*194,739,083*	*194,739,083*
At December 31, 2023	**119,681,485**	**674,139,742**	**1,258,736,665**	**6,502,037**	**286.770.835**	**2,345,830,764**

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings and other constructions	Plant, machinery and equipment	Furniture and fittings	Assets in progress	Total
DEPRECIATION AND IMPAIRMENT						
At January 1, 2022 restated	**-**	**55,684,246**	**42,514,631**	**103,909**	**3,235,865**	**101,538,651**
Additions	-	40,472,849	109,015,827	496,500	-	149,985,176
Acquisition of subsidiary	-	-	1,260,915	12,875	-	1,273,790
Disposals	-	63,520	6,008,783	117	-	6,072,421
At December 31, 2022 restated	**-**	**96,093,574**	**146,782,590**	**613,167**	**3,235,865**	**246,725,197**
Additions out of which	-	42,266,761	91,793,624	479,691	-	134,540,076
Disposals	-	1,636,744	28,421	446	-	1,665,611
At December 31, 2023	**-**	**136,723,592**	**238,547,793**	**1,092,412**	**3,235,865**	**379,599,661**
NET BOOK VALUE						
At December 31, 2022 restated	**119,681,485**	**537,834,226**	**965,644,928**	**5,058,872**	**312,098,211**	**1,940,317,720**
At December 31, 2023	**119,681,485**	**537,416,151**	**1,020,188,872**	**5,409,625**	**283,534,970**	**1,966,231,101**

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

Measurement of fair value

The Group's land, buildings and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The fair value measurements of the Group's tangible assets as at 31 December 2021 were performed by Darian DRS S.A. an independent valuer. Darian DRS S.A. is member of the National Association of Authorised Romanian Valuers, and has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties, whenever possible and discounted cash-flows method.

Taking into consideration current market indicators corroborated with the specialized nature of the Company's assets and also results of the Group's impairment testing management has determined that no material difference is expected between the carrying value of the property, plant and equipment and its fair value as of 31 December 2023.

Property, plant and equipment located on Onești industrial platform has been mortgaged for bank loans (please see note 23.a). The term loans from CEC Bank and Alpha Bank are jointly secured with mortgage on property, plant and equipment located on the industrial platform from Onești and assignment of the insurance policy.

The Group has developed internally fixed assets in amount of RON 21,130,686 for 2023 and RON 23,221,751 for 2022. These are included under cost of buildings and other constructions.

In the current year, the Group identified impairment indicators in respect of its property, plant and equipment, including primarily decrease of revenue and profitability.

The Group performed the profitability test of its activity (impairment test), defining a single cash-generating unit: the entire activity of the Group.

The estimate of the value in use was made by updating the net cash flows expected to be generated by the tested asset base (flows after profit tax and interest, without the influence of any flows required or generated by investments to increase capacities, restructuring or increasing machine performance) in accordance with budgets and forecasts prepared by the Group. The tangible immobilized assets of the nature of buildings, special constructions and equipment from the Group's heritage were subjected to the depreciation test.

Based on its testing, management concluded that the the value in use of its assets is higher than their carrying value at 31 December 2023 and no impairment was necessary.

As part of its assessment, management also performed sensitivity analysis to assess how changes in certain key variables affect the financial or operational results of the business. Management considered reasonably possible ranges for WACC % and EBITDA % ranges and concluded that there was no impairment resulting from any of the scenarios.

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16. INTANGIBLE ASSETS

	Concessions, patents, licenses, trademarks and similar rights and assets	Other intangible assets	Total
COST			
At January 1, 2022	**149,825,246**	**800,936**	**150,626,181**
Additions	203,388	24,198	227,586
Acquisition of subsidiary	-	19,597	19,597
Disposals	247,855	9,619	257,474
At December 31, 2022	**149,780,779**	**835,111**	**150,615,890**
Additions	194,550	262,967	457,517
Disposals	935,644	4,361	940,005
At December 31, 2023	**149,039,685**	**1,093,717**	**150,133,402**
ACCUMULATED AMORTIZATION			
At January 1, 2022	**23,997,617**	**7,422**	**24,005,039**
Amortization expense	4,423,318	17,808	4,441,126
Acquisition of subsidiary	-	7,333	7,333
Eliminated on disposals of assets	247,855	9,619	257,474
At December 31, 2022	**28,173,080**	**22,943**	**28,196,023**
Amortization expense	3,863,533	70,098	3,933,631
Eliminated on disposals of assets	209,707	4,361	214,068
At December 31, 2023	**31,826,906**	**88,680**	**31,915,586**
NET BOOK VALUE			
At December 31, 2022	**121,607,699**	**812,168**	**122,419,867**
At December 31, 2023	**117,212,778**	**1,005,037**	**118,217,815**

The Group has trademarks in amount of RON 94,985,000 (December 31, 2022: RON 94,985,000) and customer lists in amount of RON 3,570,555 (December 31, 2022, RON 4,296,492) with indefinite useful life in amount. The Group performs annually an impairment test for these intangible assets using discounted cash-flow models. Details of the impairment test performed for 2023 are included in Note 15. As of December 31, 2023 impairments were identified for discontinued commercial relationships for 3 clients.

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17. INVESTMENT PROPERTY

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	December 31, 2023	December 31, 2022
Balance at the beginning of the year	**31,452,222**	**14,424,776**
Additions	-	23,558,506
Disposals (Transfers)	839,545	4,637,200
Depreciation	1,333,136	1,893,860
Impairment	53,073	-
Balance at end of year	**29,226,468**	**31,452,222**

The investments property comprises land, buildings and the related furniture and equipment which are located in Onești, Bacău county and Râmnicu Vâlcea, and rented to third parties and related parties.

The value of revenues from rent for 2023 was RON 6,534,744 and for 2022 was RON 6,874,997. The Group did not perform significant repairs for the investment property assets.

The fair value of investment property does not differ substantially from the cost presented in above note and statement of financial position.

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18. INVESTMENTS

The Group's investments as at December 31, 2023 and December 31, 2022 respectively were the following:

December 31, 2023	Registration Number	Investment Value	No. Shares Acquired	Nominal Share Value	% of Shares
A6 Impex SA	21381692	50,609,823	6,089,521	10.0	49.45%
Uzuc SA	1343554	7,680,000	122,880	2.5	2.57%
Someș SA	199800	4,493,989	1,227,422	2.1	10.00%
Contactoare SA	1145395	32,330	12,200	2.5	0.40%
AISA Invest SA	10443641	19,900	8,000	2.5	20.00%
Asociația Vâlcea Dual Learning	39511957	24,000	-	-	16.61%
Asociatia Producătorilor de produse de uz fitosanitar	15593836	1,000	-	-	12.50%
Asociația Sportivă "Sistemplast" Rm. Vâlcea	47304650	2,500	-	-	-
TOTAL COST		**62,863,542**			

December 31, 2022	Registration Number	Investment Value	No. Shares Acquired	Nominal Share Value	% of Shares
A6 Impex SA	21381692	54,678,593	6,089,521	10.0	49.45%
Uzuc SA	1343554	7,680,000	122,880	2.5	2.57%
Someș SA	199800	4,493,989	1,227,422	2.1	10.00%
Contactoare SA	1145395	32,330	12,200	2.5	0.40%
AISA Invest SA	10443641	19,900	8,000	2.5	20.00%
Asociația Vâlcea Dual Learning	39511957	24,000	-	-	16.61%
Asociatia Producătorilor de produse de uz fitosanitar	15593836	1,000	-	-	12.50%
Asociația Sportivă "Sistemplast" Rm. Vâlcea	47304650	2,500	-	-	-
TOTAL COST		**66,932,312**			

The following impairment losses are recorded in relation to financial assets:

Company name	December 31, 2023	December 31, 2022 restated
A6 Impex SA	-	13,972,231
Uzuc SA	6.996.640	6.996.640
Someș SA	4,493,989	4,493,989
Impairment Adjustments	**11,490,629**	**25,462,860**
Net Book Value	**51,372,913**	**41,469,451**

The impairment loss reversal related to A6 is based on the Group's strategy from 2023 regarding the future of the business.

(all amounts are expressed in RON, unless specified otherwise)

18. INVESTMENTS (continued)

A6 Impex SA Dej

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

On December 31, 2023, the proportion of shares in equity held by Chimcomplex SA Borzești is 49.4497%, which is equal to the proportion of voting rights.

The financial information of the company A6 Impex SRL is presented in the table below:

Statement of financial position	**December 31, 2023**
Assets	
Non-current assets	
Property, plant and equipment	62,113,360
Investments	5,087,813
Total non-current assets	**67,201,173**
Current assets	
Inventories	7,973,106
Trade and other receivables	4,983,582
Cash and bank balances	10,842,063
Total current assets	**23,798,751**
Total assets	**90,999,924**
Equity and liabilities	
Capital and reserves	
Issued capital	123,145,710
Share premium	272,727
Legal Reserves	706,048
Retained earnings	(47,378,347)
Revaluation reserve	112,561
Total equity	**76,858,699**
Liabilities	
Non-current liabilities	2,029,895
Current liabilities	12,111,330
Total liabilities	**14,141,225**
Total equity and liabilities	**90,999,924**

(all amounts are expressed in RON, unless specified otherwise)

18. INVESTMENTS (continued)

A6 Impex SA (continued)

Statement of profit and loss and other comprehensive income	**Year ended December 31, 2023**
Revenue	37,387,434
Cost of commodities sold	(30,895,002)
Increase in finished goods and production in progress	6,553,024
Raw materials and consumables	(10,512,032)
Employees benefits	(4,390,907)
Depreciation and amortisation	(3,633,946)
Water and energy expenses	(1,524,423)
Other third party services	(903,045)
Maintenance and repair expenses	(39,883)
Other income	3,042,241
Other expenses	(1,195,388)
Profit/(Loss) before tax	**(6,111,927)**
Income tax expense	(92,649)
Profit/(Loss) for the year	**(6,204,576)**

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On December 31, 2023, the company recorded a loss in the amount of RON 6,204,576.

During 2023, the Group identified an error in the application of the equity method for the investment in the associate A6 Impex SA. Based on the retrospective analysis performed, the Group identified that there was a similar error in the prior period balances. As a result, the entity corrected the balances on December 31, 2022 and 2021 (Note 3.1).

During 2023, the Group identified a misalignment of the depreciation recorded for the investment in the associate A6 Impex SA between the individual and consolidated reporting, which led to an overestimation of the investment depreciation in the consolidated financial statements. As a result, the entity corrected the previously reported balances (Note 3.1).

(all amounts are expressed in RON, unless specified otherwise)

19. INVENTORIES

	December 31, 2023			December 31, 2022		
	Cost	Write-Down Adjustments	Net Book Value	Cost	Write-Down Adjustments	Net Book Value
Raw materials	33,075,781	(935,726)	32,140,055	42,719,708	(3.486.398)	39,233,309
Consumables	21,038,229	(9.042,469)	11,995,760	24,889,320	(7.140.613)	17,748,708
Semi-finished goods	10,371,713	(590,451)	9,781,262	16,264,539	(450.737)	15,813,801
Finished goods	85,654,131	(181,470)	85,472,660	156,473,495	(1.570.110)	154,903,384
Other inventories	7,915,328	(1,369,651)	6,545,677	12,349,593	(849,479)	11,501,117
TOTAL	**158,055,181**	**(12,119,767)**	**145,935,414**	**252,696,655**	**(13,496,336)**	**239,200,319**

20. TRADE AND OTHER RECEIVABLES

a) Trade and other receivables

	December 31, 2023	December 31, 2022 restated
Advance payments to suppliers	19,776,880	68,351,469
Other receivables	5,428,957	1,498,231
Receivables from interim dividends	-	167,000,000
Trade receivables	87,151,163	81,082,677
Tax receivable against state budget	17,734,031	-
VAT Receivable	21,257,409	37,378,202
VAT not due	4,302,790	33,758,757
Subsidies	7,058,473	918,300
Grants related to emission certificates costs	67,988,698	58,714,467
Related parties receivables	16,039,874	25,876,139
Sundry debtors	238,126	106,694
Prepayments	573,647	597,157
Other taxes	247,573	100,792
Less: allowance for doubtful debts	(1,378,100)	(1,313,857)
Less: allowance for sundry debtors	(58,289)	(58,289)
Less: allowance for group receivables	(342,622)	(342,622)
TOTAL	**246,018,612**	**473,668,117**

Based on the Decisions of the Ordinary General Meeting of the Company's Shareholders of September 16, 2022 and November 28, 2022, interim dividend of RON 40,000,000 and RON 127,000,000 respectively (gross amount) were approved for distribution.

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

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20. TRADE AND OTHER RECEIVABLES (continued)

The Group benefited from a state aid scheme provided by the Romanian Government to support companies in the sectors and subsectors exposed to a significant risk of relocation due to the transfer of the cost of greenhouse gas emissions to the price of electricity (grants related to emissions certificates costs).

The measure covers the indirect costs of the emissions for the year 2022, recorded in the financial statements of 2022 at the value of RON 64,173,308, calculated based on the algorithm written in the legislative act, with the fulfilment of the eligibility criteria imposed. In the Declaration regarding the Prodcom code submitted in June 2023, this amount was corrected to RON 58,714,468 by updating the price of CO2 certificates in the state aid calculation formula (corrected as described in Note 3.1 E7). The grant was partially collected in 2023, i.e. the amount of RON 45,664,031 and the difference of RON 13,050,437 was reversed in 2023 in the Consolidated Statement of Profit or loss under Water and energy expenses, considered as a change in the estimate for the grant receivable. On December 31, 2023, the Group registered the subsidy for the compensation of greenhouse gas emission costs for the year 2023 in the amount of RON 67,988,698, considering the collection percentage from previous years.

b) Allowances for trade receivables

	December 31, 2023	December 31, 2022
	Lifetime ECLs	*Lifetime ECLs*
Balance at the beginning of the year	**1,714,768**	**1,682,361**
Increase	66,943	69,047
Decrease	2,700	36,641
Balance at end of year	**1,779,011**	**1,714,768**

The average credit period on sales of goods is 21 days in 2023. No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

21. CASH AND BANK BALANCES

	December 31, 2023	December 31, 2022
Bank accounts	20,553,763	15,241,945
Short-term bank deposits	124,922,165	28,312,166
Cheques	717,897	1,953,464
Cash advances	2,672	3,494
Petty cash	12,462	28,162
Cash equivalents	502	366
TOTAL	**146,209,462**	**45,539,597**

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of six months or less. The carrying amount of these assets is approximately equal to their fair value. Expected credit loss on bank deposits is not material for 2023 and 2022.

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22. CAPITAL AND RESERVES

Ordinary Shares	**December 31, 2023**	**December 31, 2022 restated**
Ordinary shares in issue	304,907,851	304,907,851
Nominal value per share – RON	1.00	1.00
Statutory share capital – RON	**304,907,851**	**304,907,851**
Share Premium RON	4,669,565	4,669,565
IFRS share capital – RON	**309,577,416**	**309,577,416**

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On April 27, 2023, prior to the approval of the financial statements for the year 2022, the General Meeting of Shareholders approved the coverage of the accounting loss carried forward, resulting from the application of IAS 29, with the full amounts recorded in the "Adjustments of social capital" account in which the value from hyperinflation was recorded. The periods 2021 and 2022 are retroactively adjusted to ensure a complete and comparable picture with the amounts presented in the financial statements of the current period (Note 3.1).

On April 28, 2023, the Ordinary General Meeting of Shareholders approved the coverage of the amount of 167,000,000 lei recorded as interim dividends in 2022 from the profit allocated to other reserves for the year 2022 (retained earnings).

On June 21, 2023, the Ordinary General Meeting of Shareholders approved the distribution of dividends from the profit of 2022 in the amount of 27,000,000 lei, which were paid in the third quarter of 2023, in accordance with the stipulations of Regulation no. 5/2018.

Through shareholders decision from June 21, 2023, was approved the repurchase of a maximum number of 1,000,000 own shares. In 2023, the Group repurchased 17,143 shares with a total transaction value of RON 321,503. The own shares are presented as a separate line in the statement of change in equity and in the statement of financial position.

Own shares	**December 31, 2023**	**December 31, 2022**
Own shares	26,657,863	26,336,354

Earnings per share	**December 31, 2023**	**December 31, 2022 restated**
Profit/ (Loss) for the year	**18,608,065**	**239,974,160**
Number of shares	304,907,851	304,907,851
Earnings per share	**0.061**	**0.787**

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22. CAPITAL AND RESERVES (continued)

Shareholding structure at December 31, 2023 and December 31, 2022 was as follows:

December 31, 2023	Ordinary shares	Shareholding	Share capital nominal value
Shareholders			
CRC Alchemy Holding B.V.	259,152,119	84.99%	259,152,119
AAAS	27,305,181	8.96%	27,305,181
Legal entities	14,423,411	4.73%	14,423,411
Individuals	4,027,140	1.32%	4,027,140
Total	**304,907,851**	**100%**	**304,907,851**

December 31, 2022	Ordinary shares	Shareholding	Share capital nominal value
Shareholders			
CRC Alchemy Holding B.V.	259,151,301	84.99%	259,151,301
AAAS	27,305,181	8.96%	27,305,181
Legal entities	14,363,583	4.71%	14,363,583
Individuals	4,087,786	1.34%	4,087,786
Total	**304,907,851**	**100%**	**304,907,851**

23. BORROWINGS AND LEASING

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23.A BORROWINGS	December 31, 2023	December 31, 2022
LONG TERM LOANS		
CEC Bank	55,112,432	262,930,536
Alpha Bank	112,422,229	97,028,326
UBS Switzerland	132,055,363	58,417,535
Garanti Bank	76,286,770	39,083,342
OTP Bank	1,632,105	2,564,738
TOTAL LONG TERM PORTION (net of borrowing costs)	**377,508,899**	**460,024,477**
SHORT TERM LOANS		
CEC Bank	210,017,176	9,670,846
Alpha Bank	19,982,011	19,604,993
UBS Switzerland	26,170,057	10,496,053
Garanti Bank	12,708,017	6,349,164
OTP Bank	932,631	932,631
Other	31,200	31,600
TOTAL SHORT TERM LOANS PORTION (net of borrowing costs)	**269,841,092**	**47,085,287**
TOTAL	**647,349,993**	**507,109,764**

The value of the borrowing costs on December 31, 2023 is in the amount of RON 22,136,097 (RON 25,181,914 on December 31, 2022).

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23. BORROWINGS AND LEASING (continued)

23.A BORROWINGS (continued)

The loans from CEC Bank and Alpha Bank were used to refinance the loans from VTB and Credit Suisse in total amount of EUR 56,7 million and were both disbursed on October 6, 2021.

The term loan from Alpha Bank – credit facility of EUR 30 million is to be repaid in 28 equal quarterly instalments which started on December 31, 2021, with the final maturity on September 29, 2028. The closing balance as at 31 December 2023 is EUR 20,357,143 out of which short term EUR 4,285,714 and long term EUR 16,071,429.

The interest is EURIBOR 3M +1.95% and the loan is secured with mortgage on property, plant and equipment located on the industrial platform from Onești and with assignment of the insurance policy.

The investment loan from CEC Bank - credit facility of EUR 20 million is to be repaid in 28 quarterly instalments which started on January 31, 2022, with the final maturity on September 29, 2028.

The closing balance as at 31 December 2023 is EUR 14,285,714 out of which short term EUR 2,857,143 and long term EUR 11,428,571. The interest is EURIBOR 3M +2.15% and the loan is secured with mortgage on property, plant and equipment located on the industrial platform from Onești and with assignment of the insurance policy.

The revolving credit facility from CEC Bank of EUR 40 million, fully drawn as at 31 December 2023. The revolving facility has the maturity on September 29, 2024.

The interest is EURIBOR 3M +2.15% and the loan is secured with pledge on inventories (raw materials and finished goods) located in Râmnicu.Vâlcea and Onești, with mortgage on trade receivables and with assignment of the insurance policy.

A new revolving credit facility in total amount of EUR 10,000,000 was contracted from Alpha Bank on July 7, 2023, consisting of two facilities, as follows:

- Sublimit A in amount of EUR 7,000,000 for: working capital financing, LCs opening, LGs issuance; the final maturity is on July 7, 2025, and the closing balance as at 31 December 2023 is EUR 7,000,000 representing long term loan; the interest is EURIBOR 3M +2.45%
- Sublimit B in amount of EUR 3,000,000 (non-cash facility) for LCs opening, bank guarantees issuance; the final maturity is on July 7, 2025, and the amount utilised as at 31 December 2023 is EUR equiv. 1,189,522. The costs are: issuance fee 0.13% per quarter and risk fee 0.75% per annum.

Both facilities are secured with mortgage on property, plant and equipment located on the industrial platform from Râmnicu Vâlcea, with mortgage on trade receivables and with assignment of the insurance policy.

The credit facility from Garanti Bank in total amount of EUR 6,000,000 was contracted on April 20, 2022. This credit consists of two facilities, as follows:

- investment facility in maximum amount of EUR 4,500,000 for financing 100% of the Group's contribution to the project with non-reimbursable funds regarding the construction of a high-efficiency trigeneration plant of maximum 8MWe on the chemical site from Râmnicu Vâlcea; the facility is to be repaid in monthly instalments in maximum 60 months from the date of each utilization and with the final maturity on December 31, 2028. The interest is EURIBOR 3M +2.5%. The closing balance as at 31 December 2023 is EUR 4,289,326 out of which short term EUR 122,869 and long term EUR 4,166,457.
- revolving facility in maximum amount of EUR 1,600,000 for financing 100% of the non-eligible VAT related to the invoices issued under the financed project; the facility is to be repaid in maximum 26 months from the date of each utilization and with the final maturity on December 28, 2026. The interest is EURIBOR 3M +2.5%. The closing balance as at 31 December 2023 is EUR 1,500,000 representing long term loan.

Both facilities are secured with mortgage on property, plant and equipment located on the industrial platform from Râmnicu Vâlcea and with assignment of the insurance policy.

The investment credit from Garanti Bank in total amount of EUR 18,600,000 - consists of two facilities:

- Facility 1 in amount of EUR 11,600,000 for financing 75% of the Project: Connection of the Cogeneration Plant erected by Chimcomplex SA Borzești, Sucursala Râmnicu Vâlcea to the National Power Grid (SEN) and to the National Natural Gas Transmission System (SNTGN), is to be repaid in monthly instalments in maximum 60 months from the date of each utilization and with the final maturity on December 31, 2028. The closing balance as at 31 December 2023 is EUR 6,822,271 out of which short term EUR 886,804 and long term EUR 5,935,467. The interest is EURIBOR 3M +2.5%.

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23. BORROWINîGS AND LEASING (continued)

23.A BORROWINGS (continued)

- Facility 2 in amount of EUR 7,000,000 for refinancing CAPEX expenditures done by the Group, fully drawn on 31 August 2022; the facility is to be repaid in 60 monthly instalments which started in September 2022, with the final maturity on August 31, 2027. The closing balance as at 31 December 2023 is EUR 5,250,000 out of which short term EUR 1,516,667 and long term EUR 3,733,333. The interest is EURIBOR 3M +2.5%.

Both credit facilities are secured with mortgage on property, plant and equipment located on the industrial platform from Râmnicu Vâlcea and with assignment of the insurance policies.

The export finance facility from UBS Switzerland AG of EUR 23,079,562 was contracted in 2022 for financing 85% of the value of the commercial contract concluded with Solar Turbines Switzerland SAGL for the delivery of equipment for the Cogeneration Plant in Râmnicu Vâlcea (Stage 1). The facility is covered by a buyer's credit insurance issued by the Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 semi-annual instalments which started on May 30, 2023, with the final maturity on November 30, 2029. The closing balance as at 31 December 2023 is EUR 19,782,481 out of which short term EUR 3,297,080 and long term EUR 16,485,401. The interest is EURIBOR 6M +1.7%.

A new export finance facility from UBS Switzerland AG of EUR 14,258,903 was contracted on March 23, 2023 for financing 85% of the value of the commercial contract concluded with Solar Turbines Switzerland SAGL for the delivery of equipment for the Cogeneration Plant in Râmnicu Vâlcea (Stage 2). The facility is covered by a buyer's credit insurance issued by the Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 semi-annual instalments starting from April 15, 2024, with the final maturity on October 15, 2030. The closing balance as at 31 December 2023 is EUR 14,258,903 out of which short term EUR 2,036,986 and long term EUR 12,221,917. The interest is EURIBOR 6M +1.7%.

All loans agreements concluded are subject to covenant clauses, whereby the Group is required to meet certain financial indicators. The Group has complied as at December 31, 2023 with all the indicators required in the contracts.

Table of movements net debts

	2023	2022
Balance Loans at January 1	**507,109,764**	**324,004,510**
Withdrawals	191,203,956	218,454,094
Repayments	(59,029,674)	(38,438,416)
Foreign exchange difference	3,718,892	1,121,284
Other financial expenses	4,347,054	1,968,290
Balance Loans at December 31	**647,349,993**	**507,109,764**

23.B RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has taken into consideration the following aspects for the contracts that fall under IFRS 16 incidence:

i) did not recognize any right-of-use assets or lease liabilities for contracts which expire within 12 months since implementation date; and

ii) did not recognize any right-of-use assets or lease liabilities for lower value contracts (of less than USD 5,000).

The weighted average lessee's incremental borrowing rate used by the Group for lease modifications and new leases is 5.38%. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group has lease contracts mainly for rental of buildings and vehicles, such as wagons. The Group's lease arrangements do not include variable payments. The average lease term is 4 years.

(all amounts are expressed in RON, unless specified otherwise)

23. BORROWINGS AND LEASING (continued)

23.B RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Right-of-use assets

Cost	Buildings	Vehicles	Total
At 1 January 2022	**6,923,299**	**7,554,956**	**14,478,255**
Additions	-	16,899,081	16,899,081
Disposals	1,129,331	-	1,129,331
At 31 December 2022	**5,793,968**	**24,454,037**	**30,248,005**
Additions	6,518,710	5,060,641	11,579,351
Disposals	-	-	-
At 31 December 2023	**12,312,678**	**29,514,678**	**41,827,356**
Accumulated depreciation			
At 1 January 2022	**3,371,534**	**5,199,922**	**8,571,456**
Additions	1,176,304	7,784,750	8,961,054
Disposals	1,129,331	-	1,129,331
At 31 December 2022	**3,418,507**	**12,984,672**	**16,403,179**
Additions	1,068,540	7,455,225	8,523,765
Disposals	-	-	-
At 31 December 2023	**4,487,047**	**20,439,897**	**24,926,944**
Carrying amount			
At 31 December 2022	**2,375,461**	**11,469,365**	**13,844,826**
At 31 December 2023	**7,825,631**	**9,074,780**	**16,900,411**

Lease liabilities

	December 31, 2023	December 31, 2022
Lease liabilities – long term	9,501,672	8,705,286
Lease liabilities – short term	8,043,226	5,949,300
TOTAL	**17,544,898**	**14,654,586**

The maturity analysis of lease liabilities is presented in note 27 d).

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24. TRADE AND OTHER SHORT- AND LONG-TERM PAYABLES

	December 31, 2023	December 31, 2022 restated
Trade payables	99,973,356	214,202,656
Related parties payables	892,515	879,501
Advances from clients	8,409,144	14,611,733
Salaries and other related payables	9,622,068	9,550,450
Tax on salaries	7,420,444	8,631,376
Other taxes	869,136	770,282
Other payables	1,542,817	6,207,941
Payments to be made regarding the shares held at Sistemplast	9,966,000	10,966,000
Deferred income	163,575	163,575
Amounts due to shareholders representing interim dividends distributed until year end (please see note 20)	2,315,926	12,879,396
TOTAL	**141,174,984**	**278,862,909**

Advances from clients

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	**14,611,733**	**10,270,383**
Settlement of advances	273,464,822	470,645,193
Advances recorded	267,262,234	474,986,543
Balance at end of year	**8,409,145**	**14,611,733**

25. SUBSIDIES

Subsidies – Non-Current Portion

Project	December 31, 2023	December 31, 2022 restated
Cogeneration installation II	10,858,077	11,056,156
Other subsidies	15,274	577,973
Improving efficiency of energy	374,513	293,916
POPAM subsidy	1,465,757	1,850,619
Cogeneration station 8 Mwe	17,920,297	-
TOTAL	**30,633,918**	**13,778,664**

(all amounts are expressed in RON, unless specified otherwise)

25. SUBSIDIES (continued)

Subsidies – Current Portion

Project	December 31, 2023	December 31, 2022 restated
Cogeneration installation II	465,460	732,842
Improving efficiency of energy	24,758	130,112
POPAM subsidy	125,712	129,688
Energy consumption monitoring systems	-	951,540
Cogeneration station 8 Mwe	1,141,420	-
Other subsidies	304,771	326,478
TOTAL	**2,062,121**	**2,270,660**

In 2023, the Group had ongoing investment projects for the realization of 8MW Cogeneration and Special polyols production facility, which were realized from subsidies granted by the state and, respectively, Norwegian funds. For the 8MW Cogeneration plant, the works have been completed and the related financing has been collected as a result of meeting the eligibility conditions, and for the subsidies through Norwegian funds, the Group estimates that it will fulfil all the necessary conditions after the completion of the audit of this work.

26. PROVISIONS

Provisions – Non-Current Portion

Description	December 31, 2023	December 31, 2022 restated
Retirement provision	2,345,918	2,591,719
Decommissioning provision[2]	13,825,526	13,710,924
TOTAL Provisions – Non-Current Portion	**16,171,444**	**16,302,643**

Provisions – Current Portion

Description	December 31, 2023	December 31, 2022 restated
Retirement provision[4]	542,069	531,859
Commercial litigations[3]	-	16,258,522
Decommissioning provision[2]	-	13,379,071
CO_2 emissions provision	-	-
Other claims	213,736	395,665
Provision for SCR guarantee commission[1]	-	-
TOTAL Provisions – Current Portion	**755,805**	**30,565,117**
TOTAL Provisions	**16,927,249**	**46,867,760**

(all amounts are expressed in RON, unless specified otherwise)

26. PROVISIONS (continued)

Description	Decommi-ssioning[2]	CO_2 Emissions	Retirement provision[4]	Other claims	Provision for SCR guarantee[1]	Commercial litigations[3]	Total
Balance at January 1, 2022 Restated	**34,193,123**	**9,425,788**	**3,492,238**	**1,053,626**	**9,737,468**	**13,798,538**	**71,700,781**
Increase	68,298	367,775	634,218	235,130	-	2,923,831	4,229,252
Decrease	7,171,426	9,793,563	1,002,878	893,091	9,737,468	463,847	29,062,273
Balance at December 31, 2022 Restated	**27,089,995**	**-**	**3,123,577**	**395,665**	**-**	**16,258,522**	**46,867,760**
Increase	69,104	-	602,892	53,202	-	1,686,926	2,412,124
Decrease	13,333,573	-	838,484	235,130	-	17,945,448	32,352,635
Balance at December 31, 2023	**13,825,526**	**-**	**2,887,986**	**213,736**	**-**	**-**	**16,927,249**

1) The provision recorded in relation to SCR payment was recorded in relation to the commitment taken by SCR to guarantee for Chimcomplex SA obligations in respect of the borrowings received from VTB Bank and Credit Suisse. The Group considered to record a provision in relation to the payment through the whole period of the contracted loan, based on the loans maturities, as the loans were prepaid during the year the remaining value was recorded during the year and part of the amount was invoiced and paid.

2) The decommissioning provision was recorded in relation to 2 warehouses of non hazardous substances used by both Onești and Râmnicu Vâlcea branches.

During the year 2023, the Group identified as liabilities elements regarding the obligations for the closure of waste deposits taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018, they are presented partly as provisions, partly as deferred income. Consequently, the Group retroactively adjusted the balances to 2022 and 2021 to ensure an uniform treatment and comparability with the amounts presented in the financial statements of the current period.

3) The Group is involved in a litigation as a defendant whereby the plaintiff claims the payment of success fee and related delay penalties (in total amount of USD 3,039,150) related to the advisory services provided by the latter. Based on the fact that on the first decision of the court the group lost, management assessed that this litigation had an adverse effect on the financial performance and the financial position of the Group as of 31 December 2021, and, as a result, a provision had been recorded in this respect. The Group won the Appeal in 2022 but maintained the provision because the plaintiff filed a recourse at the High Court of Justice. In 2023 the High Court ruled that the case should be sent for retrial at the Court of Appeal for judging on the substance of the case. Management, with the support of legal opinion from the Group's lawyers, assessed that the defence will more likely than not be successful, and the previously established provision was reversed in 2023.

4) According with the Group collective labour agreement, each employee is entitled to receive a compensation in the moment of retirement equal with one average salary. The retirement provisions represent the best estimate made by the management for the employees.

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27. FINANCIAL INSTRUMENTS

a) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings presented at note 23, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The debt (i) is presented in financial statements as total liabilities while equity (ii) represents equity attributable to owners of the Group.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as total borrowings (including current and non-current borrowings as shown in the balance sheet).

The gearing ratios as at December 31, 2023 and December 31, 2022:

Gearing Ratio	December 31, 2023	December 31, 2022 restated
Debt (i)	998,067,615	1,030,412,158
Equity (ii)	1,733,253,064	1,889,545,862
Debt to equity ratio	**0.58**	**0.55**

b) Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at a fixed interest rates and variable rates, the floating interest rates that are referred here are EURIBOR and ROBOR.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	December 31, 2023	December 31, 2022
Financial assets at fixed rate		
Short term loans granted	5,741,291	5,327,386
Cash and bank balances	146,209,462	45,539,597
Financial liabilities at fixed rate		
Leases	(17,544,899)	(14,654,586)
Financial liabilities at variable rate		
Borrowings	(647,349,993)	(507,109,764)
Total	**(512,944,138)**	**(470,897,367)**

27. FINANCIAL INSTRUMENTS (continued)

b) Interest rate risk management (continued)

Interest rate sensitivity

The sensitivity analysis presented below has been determined for existing interest bearing loans outstanding at the reporting date, and the stipulated change taking place at the beginning of the financial year and held constant throughout the next reporting period in the case of borrowings linked to floating rates.

If interest rates for financial liabilities at variable rate would be higher / lower by 1% (100 basis points) and all other variables are held constant, the Group’s net loss for 2023 would increase / decrease by RON 6,473,500 (2022: RON 5,071,098). This is mainly attributable to the Group’s exposure to interest rates on its variable interest rate EUR denominated borrowings.

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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management

The Group is mainly exposed to the EURO and USD. The Group is exposed to foreign exchange rate fluctuations in trade and finance. Currency risk arising from recognized assets and payables including loand denominated in foreign currency. The Group does not to use derivative financial instruments to mitigate this risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

2023	RON	EUR - RON equivalent of EUR balance	Other currencies -RON equivalent of other currencies	Total
Monetary assets				
Other long term assets	4,326,550	1,140,643	-	5,467,193
Cash and bank balances	143,236,971	1,713,080	1,259,412	146,209,462
Trade and other receivables	207,148,928	38,869,685	-	246,018,612
Short term loans granted	5,741,291	-	-	5,741,291
	360,453,739	**41,723,408**	**1,259,412**	**403,436,557**
Monetary liabilities				
Finance lease liabilities	(17,544,899)	-	-	(17,544,899)
Trade and other payables	(127,742,208)	(12,833,857)	(390,618)	(140,966,683)
Other long term payables	(208,300)	-	-	(208,301)
Borrowings	(2,595,937)	(644,754,055)	-	(647,349,992)
	(148,091,343)	**(657,587,912)**	**(390,618)**	**(806,069,874)**
Net balance sheet exposure	**212,362,396**	**(615,864,504)**	**868,794**	**(402,633,317)**

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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

2022 restated	**RON**	**EUR - RON equivalent of EUR balance**	**Other currencies -RON equivalent of other currencies**	**Total**
Monetary assets				
Other long term assets	5,645,951	1,072,564	-	6,718,514
Cash and bank balances	37,442,104	7,110,955	986,538	45,539,597
Trade and other receivables	410,455,513	63,212,604	-	473,668,117
Short term loans granted	5,327,386	-	-	5,327,386
	458,870,954	**71,396,123**	**986,538**	**531,253,615**
Monetary liabilities				
Finance lease liabilities	(14,654,586)	-	-	(14,654,586)
Trade and other payables	(199,361,684)	(73,608,094)	(4,345,763)	(277,315,541)
Other long term payables	(1,547,368)	-	-	(1,547,368)
Borrowings	(3,528,968)	(503,580,795)	-	(507,109,764)
	(219,092,606)	**(577,188,889)**	**(4,345,763)**	**(800,627,259)**
Net balance sheet exposure	**239,778,348**	**(505,792,766)**	**(3,359,225)**	**(269,373,644)**

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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

Sensitivity analysis to exchange rate variations

The Group is exposed to the exchange rate EUR/RON mainly. The following table details the Group sensitivity to a 10% increase and decrease in the RON against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates for all currencies. A negative number indicates a decrease in profit where the RON weakness 10% against the relevant foreign currency.

For a 10% strengthening of the RON against the relevant currencies, there would be an equal and opposite impact on the profit and other equity, and the balances below would be positive. Changes will be attributable to exposure on the borrowings and trade payables, mostly, at the end of the reporting period.

	+10%	-10%
Year ended December 31, 2023		
Liabilities	65,797,853	(65,797,853)
Assets	4,298,282	(4,298,282)
Net profit or loss	**61,499,571**	**(61,499,571)**

	+10%	-10%
Year ended December 31, 2022		
Liabilities	58,153,464	(58,153,464)
Assets	7,238,266	(7,238,266)
Net profit or loss	**50,915,198**	**(50,915,198)**

d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Based on the multi-year budget analyses developed by the management, the positive operational cash flows are expected to be recorded in the following years as well.

Please refer also to Note 3 and Note 23.a.

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less than 1 year	Between 1 and 2 years	Over 2 years	TOTAL
At December 31, 2023				
Financial assets				
Other long term assets	-	5,467,193	-	5,467,193
Trade and other receivables	246,018,612	-	-	246,018,612
Short term loans granted	5,741,291	-	-	5,741,291
Cash and bank balances	146,209,462	-	-	146,209,462
	397,969,364	**5,467,193**	**-**	**403,436,556**
Financial liabilities				
Trade and other payables	(8,043,226)	(9,501,672)		(17,544,899)
Finance lease liabilities	(140,966,683)	-	-	(140,966,683)
Other long term payables		(208,301)	-	(208,301)
Loans	(269,841,092)	(120,872,735)	(256,636,164)	(647,349,991)
	(418,851,002)	**(130,582,708)**	**(256,636,164)**	**(806,069,873)**
Net	**(20,881,638)**	**(125,115,515)**	**(256,636,164)**	**(402,633,317)**

The Group has a negative net amount, this is principally given by the long-term loans. These loans were obtained for investments purposes therefore, the Group expects that these investments will lead to an increase in the future economic benefits in the time horizon of 1-5 years to compensate the actual negative net position.

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less than 1 year	Between 1 and 2 years	Over 2 years	TOTAL
At December 31, 2022 restated				
Financial assets				
Other long term assets	-	6,718,514	-	6,718,514
Trade and other receivables	473,668,117	-	-	473,668,117
Short term loans granted	5,327,386	-	-	5,327,386
Cash and bank balances	45,539,597	-	-	45,539,597
	524,535,100	**6,718,514**	**-**	**531,253,614**
Financial liabilities				
Trade and other payables	(277,315,541)			(277,315,541)
Finance lease liabilities	(5,949,300)	(8,705,286)	-	(14,654,586)
Other long term payables		(1,547,368)	-	(1,547,368)
Loans	(47,085,287)	(249,201,210)	(210,823,267)	(507,109,764)
	(330,350,128)	**(259,453,864)**	**(210,823,267)**	**(800,627,259)**
Net	**194,184,972**	**(252,735,350)**	**(210,823,267)**	**(269,373,644)**

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27. FINANCIAL INSTRUMENTS (continued)

e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents and bank deposits. Cash and bank deposits are placed in financial institutions which are considered to have low risk of default. The carrying amount of financial assets represents the maximum credit exposure.

For Trade receivables the Group has no significant concentrations of credit risk. The Group is in process of setting up a policy regarding insurance of the trade receivables. Also more than 70% of clients are external for which the Group request advance payments. Due dates depend are usually up to 30 days, a 90 days period is granted only for group of companies.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Please refer to Note 20.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Short-term loans granted are subject to general model for allowance assessment however, the Group believes that there is no material impact if the expected credit loss model would be applied.

f) Price risk

The price is established based on agreement between the parties. The management is estimating the selling price starting from the actual costs incurred. The Group does not use hedging instruments in order to mitigate the price risk.

g) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

In accordance with IFRS 13, the individual levels are defined as follows:

Level 1: Using quoted prices in active markets for the same assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet end date.

Level 2: Using information about the asset or liability, other than quoted prices, identifiable either directly (as prices) or indirectly (derived from prices). To determine the fair value of financial instruments, the Group uses the transactions prices available on market where it available.

Level 3: Using information about the asset or liability that does not come from identifiable market data, such as prices, but come from internal models or other valuation methods.

27. FINANCIAL INSTRUMENTS (continued)

Financial assets measured at amortized cost include all assets with contractual terms that give rise to cash flows on specific dates. The Group includes in this measurement category the trade receivables, other long-term assets, short term loans granted, and cash and cash equivalents. Initial measurement of these assets is generally at fair value, which usually corresponds to the transaction price at the time of acquisition or, in the case of trade receivable, to the transaction price pursuant to IFRS 15. Due to the short terms of the cash and cash equivalents short term loans granted, and trade receivables, the fair values largely correspond to the carrying amounts since it reflects the transaction price.

Financial liabilities measured at amortized cost generally include all financial liabilities, provided these do not represent derivatives. They are generally measured at fair value at the time of initial recognition, which usually corresponds to the value of the consideration received. Subsequent measurement is recognized in profit or loss at amortized cost using the effective interest method. For trade liabilities and other liabilities usually mature in the short term, the amounts on the balance sheet represent approximations of their fair value since the carrying amount is similar to the transaction price.

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28. RELATED PARTIES

(i) Receivables at period end

	Information about Transactions	Nature of the relationship	December 31, 2023	December 31, 2022
VITORIA SERV SRL	revenues from services rendered	related party, entity under common control	41,400	41,400
SOMES SA	revenues from services rendered	related party, entity under common control	117,185	117,185
SINTEROM SA	revenues from services rendered	related party, entity under common control	1,984	1,984
A6 IMPEX SA	revenues from services rendered, borrowing and interest	associate	4,106,012	4,090,067
CRC IMPEX CHEMICALS SRL	revenues from sales of finished products and commodities	related party, entity under common control	13,923,402	18,923,402
NOVA TEXTILE BUMBAC SRL	revenues from services rendered	related party, entity under common control	1,000	1,000
CAROMET SA	revenues from third party services, borrowing and interest	related party, entity under common control	1,191,602	1,115,676
CRC EXPLORATION&BUSINESS SRL	advances for consumables and interest	related party, entity under common control	11,861	11,861
IASITEX SA	revenues from services rendered	related party, entity under common control	1,423	1,423
UZUC SA	advances for investment	related party, entity under common control	-	-
CRC ZEUS HOLDING BV	borrowing and interest	related party, entity under common control	200,526	192,547
DAFCOCHIM DISTRIBUTION SRL	revenues from sales of finished products	related party, entity under common control	11,062,657	-
Total			**30,659,052**	**24,496,545**

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28. RELATED PARTY TRANSACTIONS (continued)

(ii) Payables at period end

	Information about transactions	Nature of the Relationship	December 31, 2023	December 31, 2022
CRC EXPLORATION&BUSINESS SRL	acquisition of fixed assets, consumables and packaging materials	related party, entity under common control	-	49,177
AISA INVEST SA	acquisition of other services	related party, entity under common control	6,664	6,664
CAROMET SA	acquisition of fixed assets and third party services	related party, entity under common control	733,188	340,666
INAV SA	acquisition of rental services	related party, entity under common control	-	4,528
CRC IMPEX CHEMICALS SRL	acquisition of third party services	related party, entity under common control	833	833
IASITEX SA	acquisition of third party services	related party, entity under common control	75,842	75,842
SOMES SA	acquisition of rental services	related party, entity under common control	3,131	3,131
UZUC SA	acquisition of fixed assets and third party services	related party, entity under common control	72,856	398,660
Total			**892,514**	**879,501**

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28. RELATED PARTY TRANSACTIONS (continued)

(iii) Sales during the period

	Information about transactions	Nature of the Relationship	Year ended December 31, 2023	Year ended December 31, 2022
A6 IMPEX SA	revenues from third party services	associate	15,946	23,712
UZUC SA	revenues from third party services	related party, entity under common control	-	4,770
SOMES LOGISTIC SRL	revenues from rental services	related party, entity under common control	55,415	55,624
CRC IMPEX CHEMICALS SRL	revenues from sales of finished products	related party, entity under common control	1,171	-
CAROMET SA	revenues from third party services	related party, entity under common control	-	5,116
DAFCOCHIM DISTRIBUTION SRL	revenues from sales of finished products	related party, entity under common control	84,440,750	98,368,635
VEDRA SRL	revenues from sales of finished products	related party, entity under common control	7,815,683	1,690,241
Total			**92,328,965**	**100,148,098**

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28. RELATED PARTY TRANSACTIONS (continued)

(iv)* Purchases *during the period

	Information about Transactions	Nature of the Relationship	Year ended December 31, 2023	Year ended December 31, 2022
CAROMET SA	acquisition of fixed assets and third party services	related party, entity under common control	983,203	2,549,819
NOVA TEXTILE BUMBAC SRL	acquisition of third party services	related party, entity under common control	17,596	34,986
INAV SA	acquisition of rental services, fixed assets	related party, entity under common control	64,574	389,030
SISTEMPLAST SA (until the date of transaction)	maintenance expenses	subsidiary	-	18,694,802
CRC IMPEX CHEMICALS SRL	acquisition of packaging materials	related party, entity under common control	-	123,589
UZUC SA	acquisition of fixed assets, third party services	related party, entity under common control	90,578	709,062
SERVICIILE COMERCIALE ROMANE SA	acquisition of other services	related party, entity under common control	-	19,495,480
A6 IMPEX SA	revenues from third party services	associate	45,239,710	7,029,137
CRC EXPLORATION&BUSINESS SRL	acquisition of other services	related party, entity under common control	99,972	-
SINTEROM SA	acquisition of other services	related party, entity under common control	15,719	-
Total			**46,511,353**	**49,025,905**

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28. RELATED PARTY TRANSACTIONS (continued)

(v) Advance payments at period end

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	December 31, 2023	December 31, 2022
SOMES LOGISTIC SRL	233,837	233,837
CAROMET SA	6,395	6,395
UZUC SA	910,396	910,396
NOVA TEXTILE BUMBAC SRL	63,732	80,154
CRC EXPLORATION&BUSINESS SRL	148,812	148,812
TOTAL	**1,363,173**	**1,379,594**

(vi) Payables regarding shares purchased

	December 31, 2023	December 31, 2022
UZUC SA	9,966,000	10,966,000
TOTAL	**9,966,000**	**10,966,000**

In 2022, the Group acquired 94.4% of shares held in Sistemplast SA. The debt will be paid within a maximum of one year from the closing of the financial year 2023. The Group has the right to continue to hold the purchased shares and is not obliged to return them to the seller as a result of non-payment of the remaining amounts due.

(vii) Transactions with key management personnel

The transactions in net value made with Mr. Vuza Stefan, as president of the Company's Board of Directors are:

	Year ended December 31, 2023	Year ended December 31, 2022
Transactions	1,541,293	12,186,047

The key management remuneration is presented in note 29 and note 8.

The ultimate parent of the Company is CRC Impex Chemicals SRL Ploiesti, who belongs to the individual shareholder Mr. Vuza Stefan.

29. INFORMATION REGARDING THE EMPLOYEES AND THE MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT

The remuneration of executives and directors

During the period ended December 31, 2023 and December 31, 2022 respectively, no loans and advances were granted to executives and directors of the Group, except for work related travel advances, and they do not owe any amounts to the Group from such advances.

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and bonuses paid to management personnel and board of directors	14,219,455	33,621,920

The value of the shares granted to the management personnel and the board of directors under the share option programmes for the years 2023 and 2022 is presented in the note 8.

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30. ACQUISITION OF SUBSIDIARY

On 18 April 2022 CHIMCOMPLEX BORZESTI SA acquired 94.4% of the shares and voting interest in SISTEMPLAST SA, dealing in general mechanics operations. The transfer or shares has been made operated in the Trade Register on 27 April 2022.

Sistemplast SA is located in Râmnicu Vâlcea, Uzinei street no. 1, Vâlcea county and is incorporated under Romanian law. SISTEMPLAST SA is a multidisciplinary technological company offering integrated solutions for the activities of manufacturing products in the fields of: mechanical, electrical, automation, and testing.

The primary reason of the acquisition of SISTEMPLAST SA by CHIMCOMPLEX BORZESTI SA was the improving of overall operations profitability as the Company carried out annually important investments in property plant and equipment and due to SISTEMPLAST SA location near to the Company and specialization in such works, the management believes that this will improve the operational efficiency.

The shares were acquired from UZUC SA, the ultimate parent of UZUC SA and CHIMCOMPLEX BORZESTI SA is the same therefore this acquisition was considered under common control.

Revenue obtained by SISTEMPLAST S.A since the Group obtained the control is RON 35 million, while the net profit was RON 3.2 million, most of this revenue was obtained in relation with CHIMCOMPLEX BORZESTI S.A.

(a) Consideration transferred

The consideration transferred consists of cash of RON 14,966,000.

(b) Net assets at the date of acquisition

The following table summarises the recognised amounts of net assets (as they were recognized in the standalone financial statements of SISTEMPLAST SA) at the date of acquisition.

	RON
Property, plant and equipment	9,140,356
Intangible assets	19,597
Inventories	1,915,518
Trade receivables	10,584,761
Other receivables	263
Cash and cash equivalents	3,212,590
Trade payables	(13,947,760)
Other payables	(1,130,956)
Loans	(4,119,123)
Total identifiable net assets acquired	5,675,245

(c) Change in the Group retained earnings due to acquisition of entity under common control

Change in retained earnings arising from the acquisition has been recognised as follows:

	Note	**RON**
Consideration transferred	**(a)**	14,966,000
Non-controlling interest at the date of acquisition		302,639
Net assets acquired	**(b)**	(5,675,245)
Reduction of group retained earnings from acquisition of entity under common control		9,593,394

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31. NON-CONTROLLING INTEREST

As presented in the note 30, on 18 April 2022, CHIMCOMPLEX BORZESTI S.A acquired 94.4% of the shares of SISTEMPLAST. For the year ended at December 31, 2022, the consolidated financial statements includes this new subsidiary, balances as of December 31, 2022 and transactions for 8 months of 2022.

The proportion of ownership interest held by non-controlling interest is situated at 5.6%, which is equal with the proportion of voting interests.

(a) At the moment of acquisition, the Group recognized a non-controlling interest of RON 302,639, as presented in note 30.

(b) From the profit reported by SISTEMPLAST S.A, during the period included in consolidated financial statements it was allocated an amount of RON 184,223 to non-controlling interest.

(c) The unrealized profit was in amount of RON (1,625,093), the part distributed to non-controlling interest is RON (91,005).

The reconciliation is performed in the below table.

	Note	RON
Non-controlling interest at the date of acquisition	**(a)**	302,639
Non-controlling interest from the profit of the year	**(b)**	184,223
Non-controlling interest related to unrealized profit	**(c)**	(91,005)
Non-controlling interest at the end of the year		395,866

(a) As at December 31, 2022 the Group recognized a non-controlling interest of RON 395,866.

(b) From the profit reported by SISTEMPLAST SA during the period included in consolidated financial statements it was allocated an amount of RON 236,594 to non-controlling interest.

(c) The unrealized profit was in amount of RON (1,172,391), the part distributed to non-controlling interest is RON (65,654).

The reconciliation is performed in the below table.

	Note	RON
Non-controlling interest at the date of acquisition	**(a)**	395,866
Non-controlling interest from the profit of the year	**(b)**	236,594
Non-controlling interest related to unrealized profit	**(c)**	(65,654)
Non-controlling interest at the end of the year		566,806

32. COMMITMENTS AND CONTINGENCIES

Litigations

The Group is subject to several legal actions arisen in the normal course of business. Management considers that all the litigations that will have a material adverse effect on the financial performance and the financial position of the Group were recorded, please see Note 26. Additionally, the Group is involved in a litigation with its former management, the claims are estimated at RON 45,000,000. The Group considers this a contingent liability.

Environment

The regulations regarding the environment are in a development phase in Romania and the Group did not record any liabilities as at December 31, 2023 and December 31, 2022 for any anticipated costs, including legal and consulting fees, design and implementation of remedial plans regarding the environment.

On March 20, 2013, the Regional Agency of Environment of Bacau County issued an environmental authorization with permanent validity with an annual visa for Onești Branch. As per this authorization, the Group has the obligation to dismantle the equipment when the Group's activity will cease totally or partially, and to restore the land to its initial condition. As of December 31, 2023 there are no plans to cease totally or partially the Group's activity.

Climate changes

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

The Group aims to improve communication with the parties 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 sense, 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 interested parties to highlight the interest and effort of our organization for the compliance and application of the legal provisions and for continuous improvement of environmental performance.

Taxation

Taxation system in Romania is still developing trying to consolidate and harmonize with the European legislation. In this respect, there still are various interpretations of the tax laws. In certain cases, tax authorities may treat differently certain aspects and calculate supplementary taxes and levies and related interests and penalties.

According to the legislation in force, in 2023, interest and delay penalties were levied for tax payers' failure to pay their tax obligations on time.

As of January 1, 2023 the interest value is 0.02% and the delay penalty is of 0.01% for each day of delay.

In Romania, the statute of limitation for tax audits is of 5 years. Management considers that the tax obligations included in these financial statements are adequate.

Acquisitions

As at December 31, 2023 the Group has purchasing commitments related to utilities and raw materials of RON 213,319,254 (December 31, 2022: RON 377,361,916).

(all amounts are expressed in RON, unless specified otherwise)

Semnat pentru identificare KPMG 15. APR. 2024 Initialised for identification

32. COMMITMENTS AND CONTINGENCIES (continued)

Others

The Group signed the "Antwerp Declaration" - an urgent call for the revitalization of European industry, the consolidation of basic industrial sectors and ensuring their competitiveness and resilience in the context of geopolitical changes. These are the industries that can and want to deliver the climate solutions that Europe needs.

33. SUBSEQUENT EVENTS

The Group is in negotiations with financial institutions in order to maintain and expand credits for the implementation of the investment plan.

Based on the Decision A.G.E.A. from 21.06.2023, a number of 917,143 shares (symbol CRC) were bought back to be offered to employees, managers and administrators of the Company, free of charge, within a Stock Option Plan ("SOP") type program. By the Decision of the Board of Administration no. 1 of 14.03.2024, it was approved that a maximum number of 917,143 shares be offered to employees, managers and administrators of the Company, as well as of affiliated legal entities, free of charge.

The tender for the design and execution of the Cogeneration installation in the centralized heating sector of Rm. Vâlcea has been published, with a total estimated value of 516,865,836.46 lei.

These consolidated financial statements were authorized to be issued by the management as at April 12, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,	**STANCIUGEL NICOLAE,**
GENERAL DIRECTOR	FINANCIAL DIRECTOR

MANAGEMENT REPORT

ON THE WORK OF THE GROUP

CHIMCOMPLEX SA

IN 2023

CHIMCOMPLEX S.A. BORZEŞTI
St. Industrielor nr. 3, Oneşti, jud. Bacau, Romania
Phone 0234/302.250; Fax 0234/302.102
Email: office@chimcomplex.com
Web: www.chimcomplex.com

Reg. J04/493/1991, unique code 960322
Subscribed and paid share capital: 304907851 RON
Account: RO60BUCU1111215962132
ALPHA BANK BUCHAREST
RO2021.055.061Q RO2021.055.061E RO2018.055.061

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MANAGEMENT REPORT
ON ECONOMIC AND FINANCIAL ACTIVITY
OF CHIMCOMPLEX SA BORZEȘTI GROUP IN 2023
drawn up in accordance with the provisions of Article 63 of Law 24/2017, Annex 15 to ASF Regulation no.5/2018

The consolidated financial statements prepared by Chimcomplex SA Borzești for the financial year 2023 are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union.

The consolidated financial statements of CHIMCOMPLEX SA ended December 31, 2023 refer to the Company and its subsidiaries: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%) (together being defined as the "Group") and to the Group's interests in associated companies: A6 Impex SA (49.4497%). The consolidated financial statements mainly comprise the activity of Chimcomplex Borzești SA, which is predominant within the Group, its activity in detail being presented in the Report to the Individual Financial Statements. This report contains only additional data as a result of the consolidation of the financial statements at Group level.

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

1. IDENTIFICATION DATA OF CHIMCOMPLEX SA BORZEȘTI

Denumirea societății	**CHIMCOMPLEX SA Borzesti**
Sediul social	**Str. Industriilor, nr.3, Onesti, județ Bacău, România**
Număr de telefon/fax	**0234/302100; 0234/302102**
Website	http://www.chimcomplex.com
E-mail	**ir@chimcomplex.com**
Codul unic de înregistrare la ORC	**RO960322**
Nr. de ordine în Reg. Comerțului	**J04/493/1991**
Capital social subscris și vărsat	**304.907.851 lei**
Principalele caracteristici ale valorilor mobiliare	• Acțiuni nominative, dematerializate, a căror evidență este ținută de Depozitarul Central SA București • Valoarea nominală, lei/acțiune: 1 leu/acțiune • Număr de actiuni: **304.907.851**
Piața reglementată pe care se tranzacționează valorile mobiliare emise	**BVB, categoria standard, simbol CRC**

2. PRESENTATION AND HISTORY OF THE GROUP

CHIMCOMPLEX SA BORZEȘTI was founded in 1990, based on Government Decision no. 1200 of 12.11.1990, by division from Borzesti Petrochemical Plant and full takeover of the patrimony of Borzesti Chemical Plant.

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

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

On December 7, 2018 Chimcomplex SA Borzești acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable property, ongoing investments) related to chlorosodium, propenoxide, polyol-polyether, oxo-alcohols, monomer, PVC I, utilities, wagon park, on the industrial platform Rm.Valcea. The value of the transaction was 589,328,986 lei, without VAT.

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

CHIMCOMPLEX SA Borzești is organized and operates according to the statute and based on Law no. 31/1991 republished, in compliance with the Capital Market Law no. 297/2004 and the Issuers Law no. 24/2017.

On 31.12.2023, the share capital of Chimcomplex SA Borzești is 304,907,851 lei, divided into 304,907,851 shares with a nominal value of RON 1/share, according to the records from the Trade Registry attached to the Bacau Court.

C.R.C. Holding Alchemy B.V. Amsterdam NLD is the main shareholder. Subscribed nominal share capital and paid up on December 31, 2023 is RON 259,152,119 divided into 259,152,119 shares, each with a face value of RON 1. Each share entitles its holder to one vote.

Chimcomplex SA Borzești as a company whose shares are admitted to a regulated market (Bucharest Stock Exchange, Standard category, symbol CRC) has adopted IFRS (International Financial Reporting Standard) starting with the financial year 2023.

The financial statements for 2023 were prepared in accordance with the provisions of OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union.

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

Chimcomplex SA holds participation titles in the share capital of the group companies with a total value of 82,012,551 lei (book value) as follows:

Name	Address	Activity profile	Book value	
			Lei	% in capital
GREENCOMPLEX SRL ONEŞTI	St.Industrielor 3, Onești Bacău County	Manufacture of other basic inorganic chemicals	4.733.030	99,9998%
A5 INVEST SRL ONEŞTI	St.Industrielor 3, Onești Bacău County	General mechanics operations	6.100.000	100%
A6 IMPEX SA DEJ	63 Bistriței Street, Dej	Production and trading of electricity	50.609.823	49,4497%
SISTEMPLAST SA RM. VÂLCEA	St.Uzinei nr.1 Rm Valcea	General mechanics operations	14.966.000	94,40%

Description of controlled subsidiaries or companies during the financial year

Greencomplex SRL Oneşti*,* the Company was founded in 2004. The headquarters of the company is in Str.Industrielor nr.3, Onești, Bacău county. The main object of activity according to registration with the Trade Register is the manufacture of other basic inorganic chemicals.

A5 INVEST SRL Oneşti*,* The Company was founded in 2012. The headquarters of the company is in Str.Industrielor nr.3, Onești, Bacău county. The main object of activity according to registration with the Trade Register is intermediation in the trade of machinery, industrial equipment, ships and airplanes.

Sistemplast SA Rm.Valcea*,* the Company was founded on 12.02.1999. The headquarters of the company is in Ramnicu Valcea, Str.Uzinei, nr.1. The main object of activity since 2016 consists of activity "general mechanics operations", CAEN code 2562, and the range of services offered includes maintenance, design, construction, assembly, repair and verification of equipment, installations and automation.

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

3. GROUP STRUCTURE IN 2023

As of December 31, 2023, the group consists of the following companies, which have been introduced into the consolidation perimeter:

Company name	Registered office	% control	% interest	Consolidation by
CHIMCOMPLEX	Oneşti, Bacău County			**Parent company**
Greencomplex SRL		100.00%	100.00%	Global integration
A5 INVEST SRL		100.00%	100.00%	Global integration
Sistemplast SA		94.40%	94.40%	Global integration
A6 IMPEX SA		49.4497%	49.4497%	Equivalence

4. GENERALOVERVIEW OF THE GROUP'S WORK

4.1. Overview of the parent company

The main activity of the parent company, according to NACE coding, is 2013 - manufacture of other basic inorganic chemicals. The largest share in the income achieved by the company in 2023, according to NACE codification, is 2014 - manufacture of other basic organic chemicals, mainly: production of chlorosodium products, polyols-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their domestic and export marketing from Ramnicu Valcea Branch.

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

The Group's core production is structured in two sites: the Chemical Platform – Ramnicu Valcea Branch and the Borzesti Chemical Platform.

4.2. Overview of subsidiaries

Greencomplex SRL Onești is a limited liability company headquartered in Str.Industrielor nr.3, Onești, Bacău County, registration number at the Trade Registry J4/2/2004, having as object of activity the manufacture of other basic inorganic chemicals.

Currently, the company's revenues come mostly from the payroll calculation services activity.

The holding of Chimcomplex SA in Greencomplex SRL Onești is 99.99% of the capital.

The company is managed by a sole administrator, Mr. Staicu Dumitru-Florian, with mandate starting with 04.05.2023, until 31.12.2025.

The subscribed and paid-up share capital is 4,733,040 lei, divided into 473,304 shares, with a nominal value of 10 lei/share. During 2023, the share capital was not increased or decreased.

A5 Invest SRL Onești is a limited liability company headquartered in Str.Industrielor nr.3, Onești, Bacău County, registration number at the Trade Registry J4 / 1096/2012, having as object of activity intermediation in the trade of machinery, industrial equipment, ships and airplanes.

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

The holding of Chimcomplex SA in A5 INVEST SRL Onești is 100% of the capital.

The company is managed by a sole administrator, Mr. Staicu Dumitru-Florian, with mandate starting with 04.05.2023, until 31.12.2025.

The subscribed and paid-up share capital is 6,100,000 lei, divided into 610,000 shares, with a nominal value of 10 lei/share. During 2023, the share capital was not increased or decreased.

Sistemplast SA Râmnicu Vâlcea is a joint stock company headquartered in Râmnicu Vâlcea, str. Uzinei, nr. 1, jud. Valcea, not being traded on B.V.B.

Sistemplast SA is a privately owned company and was established as a legal entity in 1999 and initially had as main object of activity "Manufacture of plates, tubes, sheets, plastic profiles", but currently has as object of activity "General mechanical operations", CAEN code 2562.

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

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

The company is managed by a sole administrator, Mr. Staicu Dumitru-Florian, with mandate starting with 29.05.2023, until 31.12.2025.

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

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

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

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

The company is managed by Mr. Florian Staicu with a mandate of 4 years starting with 15.05.2023.

5. MERGERS, REORGANIZATIONS AND LIQUIDATIONS OF SUBSIDIARIES IN 2023

This was not the case

6. RELATED PARTY TRANSACTIONS OF THE GROUP

Sales of goods and services to related party, totalling 92,328,965 lei, include deliveries of various materials, rents and utilities, services, maintenance. Purchases from related party, totalling 46,511,353 lei, mainly include services.

In 2022, the Group acquired 94.4% of the shares held in Sistemplast SA. The debt will be paid within a maximum of one year from the end of the financial year 2023. The Group has the right to continue to hold the purchased shares and is not obliged to return them to the seller as a result of non-payment of the remaining amounts due.

7. PARENT COMPANY'S CONTRIBUTION TO COMPREHENSIVE INCOME

In the table below you can see the reduced weight of the other companies in the group in the consolidated results:

-Lei-

Indicator	31 December 2023			31 December 2022 Restated		
	Group	**Company mother**	**% company mother**	**Group**	**Company mother**	**% company mother**
Non-current assets	2.187.415.901	2.178.439.792	0,99	2.156.222.601	2.145.808.325	0,99
Current assets	543.904.777	523.630.001	0,96	763.735.419	747.106.215	0,98
Equity	1.733.253.064	1.718.464.160	0,99	1.889.545.862	1.878.853.215	0,99
Long-term liabilities	576.398.095	574.765.990	0,99	649.748.567	647.183.830	0,99
Current liabilities	421.669.519	408.839.642	0,97	380.663.590	366.877.489	0,96

Financial indicators calculated on the basis of consolidated financial statements

-lei-

Indicator	31 December 2023			31 December 2022 Restated		
	Group	**Company mother**	**% company mother**	**Group**	**Company mother**	**% company mother**
Revenue	1.404.388.043	1.399.298.512	0,99	2.263.583.705	2.258.532.411	0,99
Profit for the year	18.608.065	15.273.803	0,82	239.974.160	238.872.119	0,99

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

The object of activity of the Group mainly includes: production of chlorosodium products, polyols-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their domestic and export marketing, in accordance with the provisions of the Articles of Association of the company.

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

The main products manufactured by Chimcomplex SA Borzești are:

1. **Macromolecular products:** polyols for polyurethane foams;
2. **Chlorosodium products**: caustic soda 50% solution, caustic soda flakes, technical sodium hypochlorite, synthetic hydrochloric acid, liquid chlorine, bottled liquid chlorine;
3. **Organic synthetic products:** propylene oxide, propylene glycol, oxo – alcohols, isopropylamine, methylamines;
4. **Inorganic chlorides**: calcium chloride solution, technical calcium chloride, lime chloride, ferric chloride;
5. **Other products**: demineralized water, sulfuric acid, ammonia water, chlorcholine chloride.

The Group's core production is structured in two sites:

Borzeşti:
Chlorosodium products: caustic soda flakes and solution, liquid chlorine, hydrochloric acid, sodium hypochlorite;
Inorganic chlorides: ferric chloride, calcium chloride, lime chloride;
Alkylamines: methylamines, isopropylamine;
Other products: chlorcholine chloride.

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

Caustic soda flakes have similar uses to the caustic soda solution, but has the advantage of lower storage, handling and transportation 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 paper industry as a bleach, 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 in pickling and degreasing, in the regeneration of ion exchange resins in water demineralization stations.

Sodium hypochlorite is used as a bleaching agent for textiles, detergents, pulp and paper, in oxidation processes of organic products, in petroleum refining, in water disinfection and sterilization of sanitary facilities.

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

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

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

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

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

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

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

Chlorcholine chloride – plant growth stimulator.

<u>Valcea Branch:</u>
In addition to chlorosodium products: caustic soda flakes and solution, liquid chlorine, hydrochloric acid, sodium hypochlorite within the branch are also obtained:

Macromolecular products
Polyether-polyols are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, antifoamers, 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 parts (dashboard, steering wheel), car tapestries. They are also used for low-temperature thermal insulation (refrigerators, cold rooms). Polyurethane foams are used to obtain foam core for sandwich panels.

Organic synthetic 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 obtaining antifreeze, polyethers, polyols, antifoamants; paints, varnishes industry, as solvent for obtaining printing dye and laundry detergents, as plasticizer to improve plastics processing capacity, in cosmetics and pharmaceuticals.

Oxo-alcohols: -octanol is used manufacture of plasticizers; manufacture of synthetic lubricants; manufacture of surfactants and antifoams; as 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 leather; extraction agent for oils, medicines, perfumes; raw material in the manufacture of hormones, vitamins; solvent for kiln-dried varnishes based on urea and phenolic resins.

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

Within the chemical platform Rm.Valcea operates the company Sistemplast SA, which mainly performs mechanical and electro-AMA maintenance works at Chimcomplex SA.

Sistemplast SA carries out in relation to the parent company services of:
- Maintenance of equipment, installations, civil and industrial constructions in the mechanical, electrical and automation fields;
- Design, construction, assembly, repair, commissioning, inspection and servicing of mechanical installations under pressure;
- Metrological standards for oil gauges, pressure gauges in oxygen cylinders, ammeters, voltmeters, pressure transducers;
- Repair and technical inspection of electric and hydraulic lifts for persons and/or materials;
- Design and execution of interior electrical installations for civil and industrial constructions, overhead and underground connections, at voltages of 0.4 kV;
- Design and execution of overhead or cable power lines with voltages between 0.4 - 20 kV and transformer substations;
- Assembly and maintenance of refrigeration equipment (air conditioners, splitters, blowers, chillers, etc.);
- Execution, inspection and repair of earth intakes;
- PRAM checks;
- Execution and monitoring of fire extinguishing, signaling, alarm and limitation installations.

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

GREENCOMPLEX SRL ONEȘTI carries out activity in relation to the parent company - Business and management consulting activities.

A5 INVEST SRL ONEȘTI - general mechanics operations.

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

The polyurethane industry remained in crisis, with minor changes or even stagnation in demand in January 2024 as private consumption continued to be low in conjunction with weaker activity in the construction sector. The latter is not expected to change significantly in February-March 2024. The 2024 quarter is likely to see some positive results with the likelihood of interest rate cuts by the European Central Bank. This will give a boost to the activity of the construction sector in the coming quarters, however, most likely this major change will be felt in 2025.

The problems in the Suez Canal and military tensions in the Middle East are estimated to have an impact on Europe's polyol and polyurethane industries. It is expected that the transport time of Asian polyols, especially flexible polyols, will be affected by a delay of 14-20 days compared to normal transit time (depending on loading ports in China and South Korea), leading to an increase in transport cost by 100 euros / ton. Theoretically, this will reduce the flow of imports or delay monthly imports of 5-10 000 tonnes of polyol that frequently arrive from Asia, and European production will have to adapt.

Problems with the transportation of goods and services from east to west can also have an impact on certain main raw materials, materials or finished products for other industries that affect the polyurethane industry

as well, such as electrical appliances and components, home appliances and automotive components. We may see more local production versus imports of finished products, although it's far from have a direct implication. Some European car manufacturers have reduced production due to shipping delays, while no additional rolling rate has been observed in Europe's upholstery sector.
All in all, polyether quantities have decreased and are likely to continue with a significant decrease in imported quantities, but local production will fall even further due to planned or unplanned production stoppages. Several manufacturers could resume production in February depending on how quickly they complete repairs. This reduction in the availability of polyethers in the market leads to a more balanced situation and manufacturers will certainly try to regain some profitability after almost a year of minimal or negative profitability.

Chemical Market Analytics (CMA) forecasts a price increase for polyether polyols of around 100-200 euros/ton in February 2024 and this trend, in which futures prices are expected to be higher than spot prices, which we will see in March and April 2024, is further encouraged by the upstream situation of the propene oxide-propylene/oil ratio.

10. ASSESSMENT OF ISSUES RELATED TO COMPANY EMPLOYEES

The Human Resources activity is carried out in accordance with the Management Plan of the Company in force and aims to maintain and develop professional experience, through:
- Optimizing and streamlining the organizational structure of the Company and the Group;
- Increasing human capital and regular training of employees;
- Introducing an integrated performance management system for employees;
- Improving staff development measures through courses and training.

Parent company Chimcomplex SA Borzeşti
In 2023, the average number of employees was 1,449, down 239 people from the previous year. The decrease was mainly due to objective causes (retirement and redundancies).

Of the employees, 23% have higher education and 77% have secondary education. The company's staff follows a continuous professional training program or internal and external training on topics such as quality, occupational health and safety, environment, etc.

The degree of unionization is about 60% and no labor conflicts have been recorded between employers and the union.
The working conditions are stipulated in the collective labor contract.

More information on social and personnel policy, occupational health and safety policy, human rights policy, as well as related risks and key performance indicators will be available in the Sustainability Report which will serve as the Non-Financial Statement of the Board of Directors for 2023, will be published as a stand-alone report, will cover the Chimcomplex group and we estimate that we will have it ready for verification on 31.05.2024.

For the other companies in the group:

Company	Average number of employees
Greencomplex SRL	2
A5 Invest SRL	53
Sistemplast SA	172
A6 Impex SA	52

In 2023, there were no cases of occupational diseases or events with major impact on the health and safety of employees.

Increasing human capital and periodic training of employees
Human capital is fundamental for the fulfillment of the company's objectives, so in the context of changes in the external environment it is necessary for it to transform the skills and performance of its employees into a competitive advantage, by developing and retaining valuable existing employees and recruiting suitable new human resources that will ensure the quality of human capital in the future.

Identification of key positions in the company and required skills
Identifying the necessary skills for all positions within the company, including positions key, it is carried out permanently through the job descriptions that are drawn up and updated according to the procedures in force within the company.

Increase employee engagement, motivation and productivity
The effectiveness and productivity of the company's employees are key success factors for achieving the proposed results.

Performance management involves clearly defining objectives and responsibilities, a motivated, engaged workforce (managers and experts/executive staff) and capable employees.

In 2023, the implementation of social responsibility programs continued, as follows:
- Granting financial support to students from the dual education program
- Involvement in organizing internships for students

The relationship between manager and employees: The hierarchical relationship between managers and employees of the company is regulated by the organizational structure approved at the company level and by the job descriptions of the employees.

11. ENVIRONMENTAL IMPACT OF THE GROUP'S WORK

Environmental regulations are in a development phase in Romania and as of December 31, 2023 the Group has not incurred any debt for any anticipated costs, including legal and consulting fees, design and implementation of environmental remediation plans.

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

The sustainability report for 2023 will be published on the company's website within the deadline provided by law.

From the point of view of environmental protection, Chimcomplex S.A. Borzesti operates based on authorizations issued by regulatory authorities and are presented in the administrators' report on the activity of Chimcomplex.

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

Chimcomplex SA Borzești aims to improve communication with 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, modernization works and 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 stakeholders to highlight the interest and effort of our organization in complying with and enforcing legal provisions and for the continuous improvement of environmental performance.

CLIMATE CHANGE FIELD

In 2023, we carried out our activity in the field of climate change by complying with the provisions of the greenhouse gas emission authorizations, and of the EGES monitoring plans for the period 2021-2025, approved by the National Environmental Protection Agency for each of the two platforms.

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

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

TAXONOMY

The taxonomy regulation (2020/852) is part of EU legislation tasked with defining environmentally sustainable economic activities and transferring more capital to activities that contribute substantially to the EU's Green Deal objectives: climate neutrality, zero pollution, biodiversity conservation, circular economy and high energy efficiency.

CONFORMITY ASSESSMENT

The control and regulatory authorities (GNM Bacau, GNM Rm. Valcea and APM Bacau, SAPM Rm. Valcea) carry out site visits in order to verify compliance with the REACH Regulation, CLP Regulation, EC Regulation 528/2012 (biocides regime), EC Regulation 517/2014 (GFS regime), compliance of Chimcomplex activity with the provisions of integrated authorizations in force, legislation in force regarding waste storage.
As a result of these checks, no sanctions were applied.

12. RISK MANAGEMENT OBJECTIVES AND POLICIES. RISK FACTORS

The management of the company permanently aims to reduce the potentially adverse effects, associated with risk factors, on the financial performance of the company by defining the risk profile - the overview of all potential risks affecting the company. The risk profile, by combining, classifying, ordering, establishing interdependencies, analysing causes/effects, severity and frequency as well as defining 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 effectively and efficiently carry out 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 customer's requirements, it is necessary to identify the processes, their sequence and interaction and, implicitly, the risks generated by them.

By implementing the requirements of the new standards ISO 9001:2015 and ISO 14001:2015, 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 the management of these risks was documented.

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, process managers will systematically analyze the risks related to the conduct of its activities, develop appropriate plans to limit the possible consequences of these risks.

By the nature of the activities performed, the company is exposed to risks that include, but are not limited to, the risks presented below:

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

The company uses loans that are usually secured by its assets. If the company cannot generate adequate cash flows to cover liabilities, it may suffer a partial or total loss of capital. A relatively small movement in the value of assets or income can cause a large disproportionate, unfavorable or favorable movement in the value of economic indicators of the company.
Capital risk management is done with the help **of the leverage ratio,** which shows the degree to which equity provides financing for the activity, indicating to what extent its medium and long-term commitments are guaranteed by equity. It is calculated as the ratio of medium to long-term liabilities to total capital.

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

Liquidity balance - Prudent liquidity management involves maintaining sufficient available cash and credit lines, through continuous monitoring of estimated and actual cash flow and correlation of 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 keeping credit lines available to finance operating activities as well as investments. The liquidity risk management is done with the help of the **current liquidity indicator** which shows the extent to which current liabilities from current assets (current assets) can be covered.

Market risk - The macroeconomic environment, in general, and the chemicals market, in particular, continue to be affected by the economic crisis, with negative consequences on the development potential of 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 subject to a risk that future cash flows will fluctuate due to changes in market interest rates on loans and cash held.

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

The impact of laws and government regulations -
The company must comply with laws and regulations relating to taxation, planning, laws and regulations which, by their application, may have an effect of increasing expenses and decreasing revenues or rates of return.

Taxation - The taxation system in Romania is constantly changing/changing and trying to consolidate and harmonize with European legislation. IIn this respect, there are still different interpretations of tax legislation. In certain cases, tax authorities may treat certain taxation aspects differently, including transfer pricing, and additional taxes and duties and related interest and penalties are calculated.

Litigation – The company is subject to several legal actions arising in the normal course of business. 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 was not in debt as of December 31, 2023 for any anticipated costs, including legal and consulting fees, design and implementation of environmental remediation plans.

Economic, political and social conditions in Romania or other countries
The Company's performance may be particularly affected by changes in legal, regulatory and taxation rules, as well as by general financial conditions at national and global level:

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

13. FORWARD-LOOKING ELEMENTS OF SOCIETY

Being mostly dependent on commercial relations with the parent company, the perspective of the group companies depends on its evolution. In the Report of Directors – Individual Situations are described the market trends and commercial policies of Chimcomplex SA Borzești.

14. CONSOLIDATED ACCOUNTS AS AT 31 DECEMBER 2023

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

The main economic and financial indicators in the consolidated financial statements according to International Financial Reporting Standards (IFRS), achieved by Chimcomplex Group in 2023 compared to 2022, are:

14.1. Consolidated financial position

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	31.12.2023	31.12.2022 restated[1]	31.12.2021 restated[1]
Assets			
Non-current assets			
Property, plant and equipment	1.966.231.101	1.940.317.720	1.839.331.897
Rights of use asset	16.900.411	13.844.826	5.906.799
Investment property	29.226.468	31.452.222	14.424.776
Intangible assets	118.217.815	122.419.867	126.621.140
Investments	51.372.913	41.469.451	13.130.334
Other long-term financial assets	5.467.193	6.718.514	5.093.759
Total non-current assets	**2.187.415.901**	**2.156.222.601**	**2.004.508.705**
Current assets			
Inventories	145.935.414	239.200.319	157.905.520
Trade and other receivables	246.018.612	473.668.117	301.795.180
Short term loans granted	5.741.291	5.327.386	3.536.799
Cash and cash balances	146.209.462	45.539.597	148.351.765
Total current assets	**543.904.777**	**763.735.419**	**611.589.264**
TOTAL ASSETS	**2.731.320.679**	**2.919.958.019**	**2.616.097.969**
EQUITY AND DEBT			
Capital and reserves			
Issued capital	304.907.851	304.907.851	304.907.851
Own shares	(26.657.863)	(26.336.354)	(142.454)
Share premium	4.669.565	4.669.565	4.669.565
Legal reserves	109.898.098	109.516.233	90.273.573
Retained earnings	688.340.947	843.010.141	689.373.740
Revaluation reserve	651.527.661	653.382.560	654.500.420
Non-controlling interests	566.806	395.866	-
Total equity	**1.733.253.064**	**1.889.545.862**	**1.743.582.694**

	31.12.2023	31.12.2022 restated[1]	31.12.2021 restated[1]
Non-current liabilities			
Subsidies	30.633.918	13.778.664	15.450.076
Lease liabilities	9.501.672	8.705.286	3.444.122
Deferred tax liability	142.373.861	149.390.129	160.662.159
Provisions	16.171.444	16.302.643	28.272.350
Long term loans	377.508.899	460.024.477	294.521.275
Other payables	208.301	1.547.368	598.685
Total non-current liabilities	**576.398.095**	**649.748.567**	**502.948.666**
Current liabilities			
Subsidies	2.062.121	2.270.660	2.541.998
Trade and other payables	140.966.683	277.315.541	270.546.293
Lease liabilities	8.043.226	5.949.300	3.465.451
Corporate income tax liability	592	17.477.686	20.101.199
Provisions	755.805	30.565.117	43.428.431
Short term loans	269.841.092	47.085.287	29.483.235
Total current liabilities	**421.669.519**	**380.663.590**	**369.566.607**
Total liabilities	**998.067.615**	**1.030.412.158**	**872.515.274**
Total equity and debt	**2.731.320.679**	**2.919.958.019**	**2.616.097.969**

[1]Comparative information shall be restated following error correction for the purpose of comparability of the information presented. See note 3.1 to the financial statements.

14.2. Statement of consolidated comprehensive income

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Detail	31.12.2023	31.12.2022 restated[1]	31.12.2021 restated[1]
Sales	1.404.388.043	2.263.583.705	2.235.682.220
Investment income	11.151.151	10.177.822	2.062.019
Other gains or (losses)	43.098.696	13.315.457	(29.137.431)
Cost of commodities sold	(39.057.889)	(85.184.950)	(28.142.995)
Increase in finished goods and production in progress	(76.320.965)	74.766.067	42.726.248
Raw materials and consumables	(462.203.714)	(737.478.771)	(767.092.901)
Employees benefits	(176.286.091)	(191.825.295)	(180.078.658)
Depreciation and amortization	(147.581.908)	(165.150.010)	(111.122.869)
Distribution costs	(38.460.679)	(41.309.258)	(38.935.655)
Water and energy expenses	(368.914.872)	(711.587.035)	(451.442.533)
Other third party services	(42.551.557)	(52.216.005)	(29.727.228)
Maintenance and repair expenses	(7.824.153)	(27.887.088)	(29.462.915)
Other income	2.624.803	5.234.455	5.035.569
Revaluation of assets	-	-	(48.623.115)
Impairment of property, plant and equipment	114.510	-	35.143.061
Other expenses	(48.125.501)	(57.536.672)	(52.922.167)
Finance costs	(38.159.398)	(21.615.668)	(103.696.796)
Share of profit of equity-accounted investees	(3.068.769)	5.187.867	(1.254.023)
Profit / (Loss) before tax	**12.821.710**	**280.474.621**	**449.012.832**
Income tax expense	(662.400)	(52.300.183)	(70.655.027)
Deferred tax	6.448.755	11.799.722	9.936.704
Profit / (Loss) of the year	**18.608.065**	**239.974.160**	**388.294.509**
Other comprehensive income (revaluation reserves)	**-**	**(1.117.860)**	**367.317.479**
Total comprehensive income, attributable to:	**18.608.065**	**238.856.301**	**755.611.988**
Owners	18.437.125	238.763.073	755.611.988
Non-controlling interests	170.940	93.227	-

[1]Comparative information shall be restated following error correction for the purpose of comparability of the information presented. See note 3.1 to the financial statements.

The total sales of the group on 31.12.2023 amount to 1,404,388,043 lei, of which 1,399,298,512 lei were made on account of the sales revenues polyethyl-polyethers, chlorosodium products, oxo-alcohols products and others by the parent company, Chimcomplex SA in a percentage of 99%.

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

Hydrochloric acid and sodium hypochlorite are by-products obtained in the electrolysis process and are mainly used on the domestic market, requiring special storage and transport conditions.

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

14.3. Consolidated cash-flow statement

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	31.12.2023	**31.12.2022 restated**	**31.12.2021 restated**
Cash flow from operating activity	243.912.983	166.227.824	487.611.390
Cash flow used in investment activity	(226.383.613)	(179.487.693)	(55.049.183)
Cash flow from financing activity	84.211.037	(90.146.043)	(326.459.915)
Increase / (decrease) of cash and cash equivalent	101.740.407	(103.405.912)	106.102.293
Cash at the beginning of the year	45.539.597	148.351.765	41.112.208
Effects of exchange rate changes on cash balance held in foreign currency	(1.070.542)	593.746	1.137.265
Year-end cash	146.209.462	45.539.597	148.351.765

The Group presents changes in financial liabilities (loan receipts, lease debt repayments and loan repayments) in the cash-flow statement.

15. DIVIDEND POLICY

According to the Companies Law, the OGMS has, among other things, the obligation to discuss and approve the financial statements annually, respectively to fix the dividend. The OGMS must be convened at least once a year, no later than 4 (four) months after the end of the financial year, in order to examine the financial statements for the previous year and to establish the work program and budget for the current year. The GMS decides on the possibility of distributing the profit for dividends.
If there is a loss of net assets, the share capital will have to be replenished or reduced before a profit distribution or distribution can be made.
Dividends can only be distributed from profits determined according to the law. The dividends will be paid to shareholders in proportion to their participation in the paid-up share capital of the Issuer.
No interim dividends were granted for 2023.
By the OGMS Decision of 21.06.2023, it was decided to grant dividends for 2023 in the amount of 27,000,000 lei (gross amount). Gross dividend per share amounting to 0.088551 lei.
CHIMCOMPLEX SA has always taken into account the interest of shareholders both in terms of development policy and in terms of granting dividends. When financial results allowed, it awarded dividends to shareholders.
Prior to 2023, dividends were granted as follows: for 2020 - a gross dividend of RON 0.005099424 / share was granted, for 2021 - a gross dividend of RON 0.196780 / share was granted, for 2022 - interim dividends were granted - gross dividend value of RON 0.131187 / share, respectively RON 0.416519 / share.

16. INDEPENDENT EXTERNAL AUDITOR

Following the meeting of the Board of Directors, which met statutorily on November 16, 2023, it was decided to mandate KPMG Audit SRL to audit the financial statements for 2023. The audit company is represented by Mrs. Raluca Soare – Audit Partner.
The identification data of KPMG Audit SRL are as follows:
CIF RO 12997279, Trade Registry Registration No. 40/4439/2000
Authorization of the Chamber of Financial Auditors of Romania no.9/25.06.2001
Company headquarters – Bucharest, Sector 1, DN1 Soseaua București-Ploiesti, nr.89A
Phone 021/372.377.800, Fax 021/372.377.700

In this material are presented only the elements characteristic of the consolidated situations, namely those related to the group of companies controlled by Chimcomplex SA Borzești. Since the group's activity is mostly determined by the activity of the parent company (>99% of revenues), all other aspects described in the Report of Directors – Individual statements are also valid for the Report of Directors – Consolidated statements, without being repeated in this material.

Compared to those presented. we submit for analysis and approval to the General Meeting of Shareholders the company's activity report on the consolidated annual financial statements concluded for 2023.

Chairman of the Board of Directors
Stefan Vuza

VUZA STEFAN
Digitally signed by VUZA STEFAN
Date: 2024.04.12 17:12:33 +03'00'

General Manager,
Florian Staicu

Financial Director,
Nicolae Stanciugel