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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 Separate Financial Statements

Opinion

1. We have audited the separate financial statements of Chimcomplex SA Borzești ("the Company"), which comprise the separate statement of financial position as at 31 December 2023, the separate 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 separate financial statements as at and for the year ended 31 December 2023 are identified as follows:

• Total equity (unconsolidated):	1,737,643,263 lei
• Net profit for the year (unconsolidated):	15,273,803 lei
3. In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2023, and of its unconsolidated financial performance and its unconsolidated 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 Separate Financial Statements* section of our report. We are independent of the Company 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 separate 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Impairment of property, plant and equipment

Property, plant and equipment – 1,960,400,057 lei as at 31 December 2023 (1,931,882,657 lei as at 31 December 2022)

We refer to the standalone 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
<p>As described in Note 15 of the separate financial statements, in the current year, the Company identified impairment indicators in respect of its property, plant and equipment, including primarily decrease of demand, revenue and profitability.</p> <p>In the wake of the above factors, as at 31 December 2023, the Company 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 Company. The Company determined the CGU’s recoverable amount based on its value in use estimated under the discounted cash flow method.</p> <p>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.</p> <p>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.</p>	<p>Our procedures in the area, performed with the assistance of our valuation specialists, included, among other things:</p> <ul style="list-style-type: none"> ▪ Evaluating against the requirements of the relevant financial reporting standards the Company’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 Company’s forecasting by comparing historical projections with actual outcomes; ▪ Assessing the appropriateness of asset grouping into CGU, based on our understanding of the Company’s operations; ▪ Assisted by our own valuation specialists, challenging the reasonableness of the Company’s key assumptions and judgments used in estimating the recoverable amount, including: <ul style="list-style-type: none"> ○ Assessing the Company’s discounted cash flow model against the relevant financial reporting standards, market practice and for internal consistency, ○ Challenging reasonableness of the key macroeconomic assumptions used, such as those in respect of discount rates, by reference to publicly available external sources, and ○ Using our knowledge of the Company, assessing reasonableness of the assumptions relating to expected sales, output and operating costs, by reference to Company budgets and forecasts and market trends; ▪ Assessing susceptibility of the impairment model and the resulting impairment conclusion to management bias, by challenging the Company’s analysis of the model’s sensitivity to changes in key underlying assumptions; ▪ Assessing the appropriateness and completeness of impairment-related disclosures in the separate financial statements against the requirements of the financial reporting standards.

Other matter related to comparative information

6. The separate financial statements of the Company as at and for the year ended 31 December 2022, excluding the retrospective adjustments described in note 3.1 to the separate 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 separate financial statement as at and for the year ended 31 December 2023, we audited the retrospective adjustments described in note 3.1 to the separate 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 separate financial statements. Accordingly, we do not express an opinion or any other form of assurance on comparative information. However, in our opinion, the retrospective adjustments described in note 3.1 to the separate 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 Annual Report, including the Administrators' Report on the activity of the Company ("Board of Directors' Separate Report") and the Remuneration Report, which we obtained prior to the date of this auditors' report. The other information does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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.

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

With respect to the Board of Directors' Separate Report we read and report whether the Board of Directors' Separate Report is prepared, in all material respects, in accordance with OMFP no. 2844/2016, articles 15 – 19 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 separate financial statements, in our opinion:

- a) The information given in the Board of Directors' Separate Report for the financial year for which the separate financial statements are prepared is consistent, in all material respects, with the separate financial statements;
- b) The Board of Directors' Separate Report has been prepared, in all material respects, in accordance with OMFP no. 2844/2016, articles 15 – 19 of the accounting regulations in accordance with International Financial Reporting Standards.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Board of Directors' Separate 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 Separate Financial Statements

8. Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with OMFP no. 2844/2016 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the separate financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Separate Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Company'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 Company'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 separate 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 Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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 separate 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 separate financial statements authorized for issue on 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 separate financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes the preparation of the separate financial statements in the applicable xHTML format, including ensuring consistency between the digital format and the signed separate 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 separate 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 evaluating the appropriateness of the digital format of the separate financial statements and assessing consistency between the digital format and the signed and audited separate 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 separate financial statements of the Company, 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.

Report on Other Legal and Regulatory Requirements

20. We were appointed by the General Shareholders' Meeting on 16 November 2023 to audit the separate 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 Company, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
- we have not provided to the Company 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.:

SOARE PAULA RALUCA

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

Bucharest, 15 April 2024

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: **SOARE PAULA RALUCA**
Registrul Public Electronic: **AF1518**

KPMG Audit SRL

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

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 STANDALONE FINANCIAL STATEMENTS

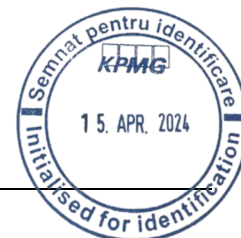
**Prepared in accordance with
Order of the Minister of Public Finance
no. 2844/2016 for the approval of Accounting Regulations in accordance with the Standards
International Financial Reporting Standards as adopted by EU.**

**AT AND FOR THE YEAR ENDED AT
DECEMBER 31, 2023**

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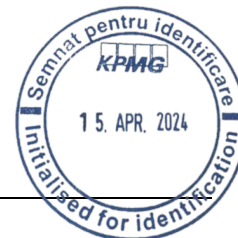
CHIMCOMPLEX S.A.
STANDALONE STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



		December 31 2023	December 31, 2022 restated ¹	December 31, 2021 restated ¹
ASSETS				
Non-current assets				
Property, plant and equipment	15	1,960,400,057	1,931,882,657	1,839,331,230
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	118,212,264	122,407,778	126,621,140
Investments	18	67,412,502	57,509,039	14,206,422
Other long term assets		5,467,193	6,718,514	5,093,759
Total non-current assets		2,197,618,895	2,163,815,037	2,005,584,126
Current assets				
Inventories	19	144,440,401	237,998,985	157,905,520
Trade and other receivables	20	243,339,608	464,340,250	301,786,647
Short term loans granted		5,411,291	5,327,386	3,536,799
Cash and bank balances	21	139,761,858	40,466,919	147,994,841
Total current assets		532,953,157	748,133,540	611,223,807
Total assets		2,730,572,052	2,911,948,576	2,616,807,933
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		109,435,476	109,435,476	90,207,136
Retained earnings		693,760,574	850,800,837	688,145,520
Revaluation reserve		651,527,661	653,382,560	654,500,420
Equity attributable to owners		1,737,643,263	1,896,859,935	1,742,288,037
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	142,373,862	149,420,130	161,901,853
Provisions	26	16,171,144	16,302,643	28,272,350
Long term loans	23.a	375,876,794	457,459,739	294,521,275
Other payables	24	921,138	1,547,368	598,685
Total non-current liabilities		575,478,828	647,213,830	504,188,360

Notes attached form an integral part of these financial statements.

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



	December 31 2023	December 31, 2022	December 31, 2021
Note		restated ¹	restated ¹
Current liabilities			
Subsidies	25	1,990,801	2,541,998
Trade and other payables	24	137,937,336	271,533,176
Lease liabilities	23.b	8,043,226	3,465,451
Corporate income tax liability		-	20,092,468
Provisions	26	570,137	43,215,206
Short term loans	23.a	268,908,461	29,483,235
Total current liabilities		417,449,961	370,331,534
Total liabilities		992,928,789	874,519,895
Total equity and liabilities		2,730,572,052	2,616,807,932

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

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

STAIKU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

Notes attached form an integral part of these financial statements.

CHIMCOMPLEX S.A.
STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

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



	Note	Year ended December 31, 2023	Year ended December 31, 2022 restated ¹
Revenue	5	1,399,298,512	2,258,532,411
Investment income		11,101,938	10,173,263
Other gains and losses	6	43,108,123	13,088,996
Cost of commodities sold		(39,024,008)	(85,016,214)
Increase in finished goods and production in progress		(76,334,265)	74,765,385
Raw materials and consumables	7	(456,689,428)	(732,826,457)
Employees benefits	8	(161,790,448)	(184,814,223)
Depreciation and amortization	9	(145,828,657)	(164,157,384)
Distribution costs		(38,436,453)	(41,182,892)
Water and energy expenses		(368,848,660)	(711,524,833)
Other third party services	10	(52,519,517)	(54,521,831)
Maintenance and repair expenses		(20,186,454)	(36,763,622)
Other income	11	2,587,813	5,234,168
Impairment of property, plant and equipment	15	114,510	-
Other expenses	12	(46,863,483)	(56,950,723)
Finance costs	13	(37,795,708)	(21,325,737)
Share of profit of equity-accounted investees		(3,068,769)	5,187,867
Profit before tax		8,825,048	277,898,173
Income tax expense	14	-	(51,537,779)
Deferred tax	14	6,448,755	12,511,725
Profit for the year		15,273,803	238,872,119
Earnings per share:			
Basic and diluted earnings per share	22	0.050	0.783

Notes attached form an integral part of these financial statements.

CHIMCOMPLEX S.A.
STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)

	<u>Note</u>	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022 restated¹</u>
Profit for the year		15,273,803	238,872,119
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
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		15,273,803	237,754,260



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

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

STAIU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

CHIMCOMPLEX S.A.
STANDALONE 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	Total
Balance at January 1, 2022							
Restated	304,907,851	(142,454)	4,669,565	90,207,136	688,145,520	654,500,420	1,742,288,037
Profit for the year	-		-	-	238,872,119	-	238,872,119
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	-		-	19,228,340	(19,228,340)	-	-
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
Other movement	-	-	-	-	1,427,719	-	1,427,719
Balance at December 31, 2022							
Restated	304,907,851	(26,336,354)	4,669,565	109,435,476	850,800,837	653,382,560	1,896,859,935



Notes attached form an integral part of these financial statements.

CHIMCOMPLEX S.A.
STANDALONE 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	Total
Balance at January 1, 2023 Restated	304,907,851	(26,336,354)	4,669,565	109,435,476	850,800,837	653,382,560	1,896,859,935
Profit for the year	-	-	-	-	15,273,803	-	15,273,803
Dividends distribution (note 20)	-	-	-	-	(194,000,000)	-	(194,000,000)
Revaluation reserve	-	-	-	-	-	(2,422,411)	(2,422,411)
Legal reserves	-	-	-	-	-	-	-
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
Deferred tax	-	-	-	-	-	567,512	567,512
Other movement	-	-	-	-	(1,701,938)	-	(1,701,938)
Balance at December 31, 2023	304,907,851	(26,657,863)	4,669,565	109,435,476	693,760,574	651,527,661	1,737,643,263

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

STAIKU DUMITRU-FLORIAN,
GENERAL DIRECTOR



STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR




Notes attached form an integral part of these financial statements.

CHIMCOMPLEX S.A.
STANDALONE STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023
(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	8,825,048	277,898,173
Adjustments for non-cash items:		
Interest expense (note 13)	33,872,110	19,899,778
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)	(4,567,194)	(3,298,266)
Loss/(gain) on disposal of non-current assets (note 6)	394,896	149,715
Net loss/(gain) from provisions (note 6)	(30,169,543)	(24,253,860)
Foreign exchange loss/(gain) (note 6,13)	5,670,596	1,122,088
Impairment loss/(gain) on inventories (note 6)	(1,376,570)	5,529,253
Depreciation and amortization (note 9)	145,828,657	164,117,384
Impairment loss/(gain) on trade receivables and other assets (note 6)	64,243	(7,953)
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)	(1,453,916)	(1,324,683)
	169,458,226	452,362,834
Movements in working capital:		
Decrease/(increase) in inventory	94,939,686	(108,752,984)
Decrease/(increase) in trade and other receivables	72,126,166	248,022
Increase/ (decrease) in trade and other liabilities	(61,104,125)	(160,627,773)
Cash generated from operating activities	275,419,953	183,230,098
Interest paid	(32,905,512)	(18,900,685)
Income tax paid	-	-
Net cash generated by/(used) in operating activities	242,514,441	164,329,413
Cash flows from investing activities:		
Interest received	4,567,194	3,298,266
Proceeds from sale of non-current assets	-	766,958
Acquisition of non-current assets	(231,860,857)	(164,381,486)
Payments for investment in an associate	-	(18,943,421)
Acquisition of subsidiary	-	(4,000,000)
Net cash used in investing activities	(227,293,663)	(183,259,683)



CHIMCOMPLEX S.A.
STANDALONE STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Cash flow from financing activities:		
Proceeds from borrowings (note 23)	191,203,956	218,309,765
Lease liabilities repayments	(9,300,404)	(8,085,242)
Dividends paid (of the current year and the previous year)	(38,341,339)	(214,254,817)
Repayment of borrowings (note 23)	(58,097,042)	(37,508,762)
Purchase of own shares (note 22)	(321,503)	(47,652,341)
Net cash (used in)/generated by financing activities	85,143,668	(89,191,397)
Net (decrease) / increase in cash and cash equivalents	100,364,447	(108,121,666)
Cash and cash equivalents at beginning of the year	40,466,919	147,994,841
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,069,507)	593,744
Cash and cash equivalents at end of the year	139,761,858	40,466,919



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

STAIKU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



1. GENERAL INFORMATION

These financial statements are the standalone financial statements of CHIMCOMPLEX S.A. BORZESTI (“the Company”) as at and for the year ended 31 December 2023.

The Company is the parent of Chimcomplex Group, the consolidated financial statements will be published together with these separate financial statements. Chimcomplex Group includes the following subsidiaries and associates:

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

The Company was established in 1990, based on Government Decision no. 1200/12.11.1990, through division of the Borzesti Petrochemical Combine and subsequently the full takeover of the assets of the Borzesti Chemical Combine.

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

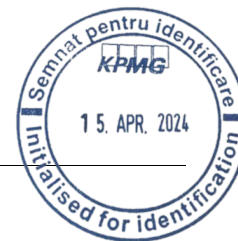
The company was privatized in 2003, S.C A2 IMPEX SRL Ploiesti taking over from Authority for the Administration of the State Assets (AAAS) 94.7465% of the Company's share capital at that date.

The registered office is in Onești, street Industriilor no. 3, Bacău county.

The main activity of the Company, according to CAEN 2013 codification, is the manufacture of other basic inorganic chemical products.

On December 7, 2018, the Company acquired from Olchim SA the assets (intellectual property rights, land, constructions, equipments, and investments in progress) related to the sodium chloride, propene oxide, polyol-polyether, oxo-alcohol, monomer, PVC I, utilities, the wagon park, from the Râmnicu Vâlcea industrial platform.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



1. GENERAL INFORMATION (continued)

The Company has a branch and seven work points, respectively:

Branch:

- Râmnicu Vâlcea branch, with headquarters in the Municipality of Râmnicu Vâlcea, Uzinei street no. 1, Vâlcea county;

Working points:

- ✓ Work point in the village of Cazaci, Tarcau commune, Neamt county;
- ✓ Work point in Pitesti Municipality, Caminelor street, no. 7, Arges county;
- ✓ Work point in the town of Dej, Bistritei street, no. 63 (room no. 1), Cluj county ;
- ✓ Work point Bucharest, Bd. Ficusului, no. 44, Bucharest City, sector 1;
- ✓ Tarcau Fishing Complex work point located in the village of Cazaci, Tarcau commune, Neamt county;
- ✓ Work point Bucharest Sector 1, Piata PRESEI LIBERE, No. 3-5, City Gate South Tower, Floor 17.

Ownership structure

The Company is listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, Symbol CRC starting with January 17, 2022.

From July 21, 2015 until January 17, 2022, the Company was listed on the Alternative Trading System, Financial Instruments Section listed on ATS, Equity Sector, Shares Category, Symbol CHOB.

The shareholding structure is as follows:

December 31, 2023	Ordinary shares	Percent
Shareholders		
CRC Alchemy Holding BV	259,152,119	84.99%
AAAS	27,305,181	8.96%
Legal persons	14,423,411	4.73%
Individuals	4,027,140	1.32%
Total	304,907,851	100%

Activities carried out by the Company

The main object of activity is 2013 CAEN code - the manufacture of basic inorganic chemical products, in accordance with the provisions of the Company's Constitutive Act.

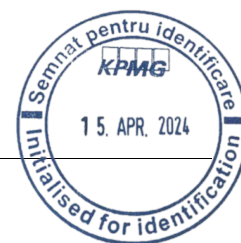
The activity that holds the largest share in the income achieved by the Company in the period January-December 2022, according to the CAEN codification, is 2014 - the manufacture of other basic organic chemical products.

The main products manufactured by Chimcomplex SA Borzesti are:

- **Macromolecular products:** polyethers - polyols for polyurethane foams;
- **Chlorosodium products :** caustic soda solution 50%, caustic soda flakes, technical sodium hypochlorite, synthetic hydrochloric acid, liquid chlorine, bottled liquid chlorine;
- **Organic synthesis products:** propylene oxide, propylene glycol, oxo-alcohols, isopropylamine, methylamines;
- **Inorganic chlorides :** calcium chloride solution, technical calcium chloride, lime chloride, ferric chloride;

Other products : demineralized water, concentrated sulfuric acid, ammonia water, chlorocholine chloride

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

These standalone annual 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 Company has elected not to adopt the new standard and amendments to existing standards in advance of their effective dates. The Company anticipates that the adoption of the standard and amendments to existing standards will have no material impact on the financial statements of the Company 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):

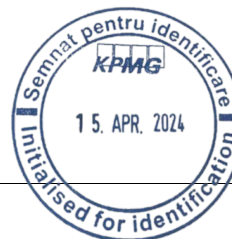
- **Amendments to IAS 1 “Presentation of Financial Statements”** - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IFRS 16 “Leases”** - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 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 Company 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 Company 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 Company’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.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's standalone 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 standalone 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 Company has adequate resources to continue in operational existence for the foreseeable future. This reasonable expectation is based on the following:

- The Company recorded net profit in the amount of RON 15,273,803 for 2023 (2022: RON 238,872,119);
- As disclosed in Note 23A. the Company is compliant with the financial covenants as stated in the borrowing agreements and expects to be compliant with them in 2023 as well.

Thus management continues to adopt the going concern basis of accounting in preparing the standalone 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

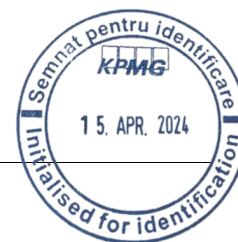
When an item of tangible assets is revalued, the accumulated depreciation is eliminated against the gross carrying amount of that item, and the net amount is restated to the revalued amount of the asset.

The cost of assets internally constructed by the Company 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 Company 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.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



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 Company 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 live
Buildings / special installations	30-50 years
Plant and machinery	2-30 years
Fixtures and fittings	2-15 years

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.

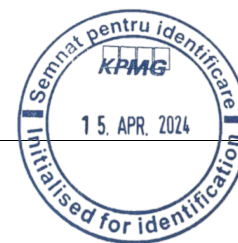
The estimated useful lives, residual values and depreciation method are reviewed periodically to be ensured their consistency with the estimated period of economic benefits that will result from the use of assets.

(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 Company '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 Company reclassifies elements of plant, property and equipment as investment property or elements of investment property to plant, property and equipment when:

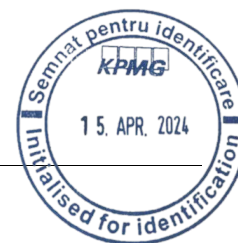
- when there is a change in use, a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use;
- end of owner-occupation, for a transfer from owner-occupied property to investment property

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.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



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

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 a Company.

The Company'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

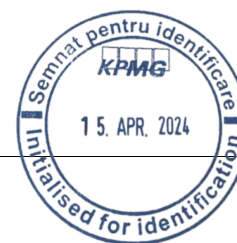
The Company's operations are in Romania and the functional currency is RON.

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company'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.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)



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 amount 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 Company recognizes lifetime expected credit losses on trade receivables. The Company 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.

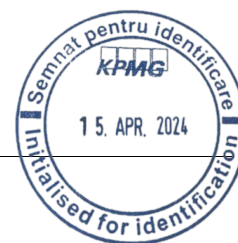
Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

If the Company 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 Company 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 Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company 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 Company'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 Company 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 Company, in full (without taking into account any collateral held by the Company).

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

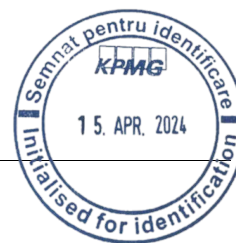
ii. Credit-impaired financial assets

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 Company 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 Company'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 Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company 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.

Derecognition of financial assets

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

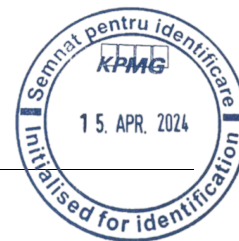
(i) Trade and other payables

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 Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company 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 Company 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 Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the standalone 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 Company 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 Company 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 standalone statement of financial position.

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

(l) Employee benefits

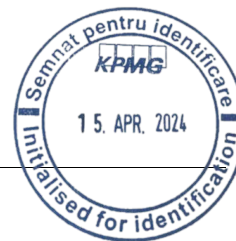
i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. The Company, 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits (continued)

iii Defined benefit plans

The Company pays employees retirement benefits, benefits which are defined in the Collective Labor Agreement of the Company.

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.³

(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 Company 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 Company 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 Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 Company 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.

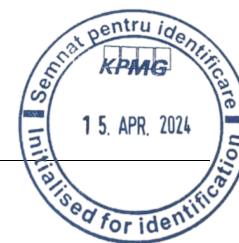
CO2 emissions provisions

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 Company 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 Bacău, the Company should dismantle the equipment when the activity will be ceased, and restore the land to its initial condition. As at December 31, 2023, the Company have no plans to cease totally or partially the Company'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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions (continued)

However, the Company 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 reverse 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, and the Company 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.

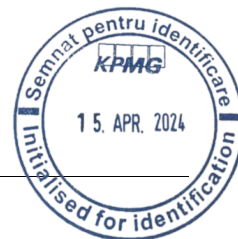
(q) Revenues

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 payment 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 fulfills a 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 Company 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 Company to the external clients and once the advance is received the goods are delivered in less than 30 days.

The Company does not apply applies 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 Company 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 Company 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 Company does not provide transportation services as a standalone service and these are done in connection with the sale of goods to certain customers.

The Company 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 Company 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 Company expects to be entitled in a contract with a customer. The Company recognises revenue when it transfers control of a service to a customer. The services provided by the Company are recognized monthly once the service is performed. The Company applies a typical 30-day payment terms

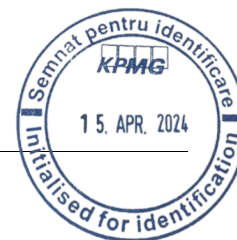
(r) Financial income and expenses

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 Company'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 standalone 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 standalone financial statements, but disclosed when an inflow of economic benefits is probable but not remote and the amount cannot be reliably estimate

(t) Fair value

Certain accounting policies of the Company 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 standalone 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) Investments in subsidiaries

Investments in subsidiaries represent the shares held in these entities.

These investments are initially recorded at the acquisition cost and subsequently at the cost less the accumulated impairment.

At each date of the financial statements, the Company evaluates whether there are indications of loss of value of investments in subsidiaries.

These indicators refer to important changes that have occurred in the economic environment in which the respective entities operate, or important changes in the evolution of the financial position, respectively the financial performance of the entities in which the Company holds interests.

In the situation where there are indications of impairment, the Company performs an impairment test and calculates the amount of value losses as the difference between the recoverable amount and the net book value.

The loss of value resulting from the impairment tests represents an expense of the current year and is recognized in the profit and loss account.

(v) Investments in associates

An associate is an entity over which the Company 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.

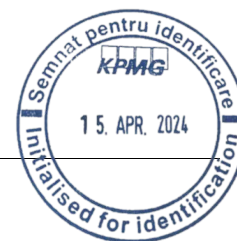
These investments are initially recorded at the acquisition cost and subsequently at the cost less the accumulated impairment.

At each date of the financial statements, the Company evaluates whether there are indications of loss of value of investments in associates.

These indicators refer to important changes that have occurred in the economic environment in which the respective entities operate, or important changes in the evolution of the financial position, respectively the financial performance of the entities in which the Company holds interests.

In the situation where there are indications of impairment, the Company performs an impairment test and calculates the amount of value losses as the difference between the recoverable amount and the net book value.

The loss of value resulting from the impairment tests represents an expense of the current year and is recognized in the profit and loss account.



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

Restatement for comparison purposes

During 2023, the Company 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.

R-2 During the year 2023, the Company 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 Company 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 standalone financial statements, disclosed below. The errors have been corrected by restating each of the affected standalone financial statements line items for prior periods, where applicable.

E-1 In December 2021, the Company 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 Company 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 canceled 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 and recorded the additional related depreciation expense for 2022 (11,161,605 RON).

E-4 During 2023, the Company 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 Company identified that there was a similar error in the prior period balances. 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 Company 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 Company 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.

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

Correction of errors (continued)

E-6 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-7 Profit tax effect for the year ended December 31, 2022 following the above adjustments.

E-8 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 Company's standalone financial statements.



CHIMCOMPLEX S.A.
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3.1. Restatement for comparison and error correction (continued)

	Correction Notes	Impact of correction of error 1 January 2022			Impact of correction of error 31 December 2022		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
ASSETS							
Non-current assets							
Property, plant and equipment	E-3	1,747,770,870	91,560,360	1,839,331,230	1,851,483,903	80,398,754	1,931,882,657
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	122,407,778	-	122,407,778
Investments in associates and other equity investments	E-4	21,929,218	(7,722,796)	14,206,422	60,043,968	(2,534,929)	57,509,039
Other long term assets		5,093,759	-	5,093,759	6,718,514	-	6,718,514
Total non-current assets		1,921,746,562	83,837,564	2,005,584,126	2,085,951,211	77,863,826	2,163,815,037
Current assets							
Inventories		157,905,520	-	157,905,520	237,998,985	-	237,998,985
Trade and other receivables	E-2, E-6	301,786,647	-	301,786,647	494,866,553	(30,526,303)	464,340,250
Short term loans granted		3,536,799	-	3,536,799	5,327,386	-	5,327,386
Cash and bank balances		147,994,841	-	147,994,841	40,466,919	-	40,466,919
Total current assets		611,223,807	-	611,223,807	778,659,843	(30,526,503)	748,133,540
Total assets		2,532,970,369	83,837,564	2,616,807,933	2,864,611,054	47,337,522	2,911,948,576



CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(all amounts are expressed in RON, unless specified otherwise)

3.1. Restatement for comparison and error correction (continued)

	Correction Notes	Impact of correction of error 1 January 2022			Impact of correction of error 31 December 2022		
		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		90,207,136	-	90,207,136	109,435,476	-	109,435,476
Retained earnings	R-1, E-4	(191,109,065)	879,254,585	688,145,520	(1,729,903)	852,530,740	850,800,837
Revaluation reserve	E-3, E-8	578,340,730	76,159,690	654,500,420	577,222,870	76,159,690	653,382,560
Non-controlling interest		-	-	-	-	-	-
Total equity		1,672,957,081	69,330,956	1,742,288,037	1,832,794,382	64,065,553	1,896,859,935
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-8	147,395,245	14,506,608	161,901,853	136,699,379	12,720,751	149,420,130
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	457,459,739	-	457,459,739
Other payables		598,685	-	598,685	10,259,628	(8,712,260)	1,547,368
Total non-current liabilities		477,868,967	26,319,393	504,188,360	643,205,339	4,008,491	647,213,830
Current liabilities							
Subsidies	E-2	2,541,998	-	2,541,998	27,230,691	(25,067,462)	2,163,229
Trade and other payables	R-2	290,517,388	(18,984,212)	271,533,176	268,916,021	(3,100,526)	265,815,495
Lease liabilities		3,465,451	-	3,465,451	5,949,300	-	5,949,300
Corporate income tax liability	E-7	20,092,468	-	20,092,468	21,787,658	(4,381,319)	17,406,339
Provisions	R-2	36,043,780	7,171,426	43,215,206	18,575,007	11,812,786	30,387,793
Short term loans		29,483,235	-	29,483,235	46,152,656	-	46,152,656
Total current liabilities		382,144,320	(11,812,786)	370,331,534	388,611,333	(20,736,521)	367,874,812
Total liabilities		860,013,287	14,506,608	874,519,895	1,031,816,672	(16,728,030)	1,015,088,642
Total equity and liabilities		2,532,970,369	83,837,564	2,616,807,932	2,864,611,054	47,337,522	2,911,948,576



CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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3.1. Restatement for comparison and error correction (continued)

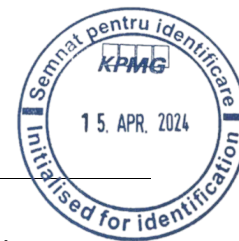
	Correction Notes	Impact of correction of error 31 December 2022		
		As previously reported	Adjustments	As restated
Revenue		2,258,532,411	-	2,258,532,411
Investment income		10,173,263	-	10,173,263
Other gains and losses	R-2	5,917,570	7,171,426	13,088,996
Cost of commodities sold		(85,016,214)	-	(85,016,214)
Increase in finished goods and production in progress		74,765,385	-	74,765,385
Raw materials and consumables		(732,826,457)	-	(732,826,457)
Employees benefits	E-1	(162,889,823)	(21,924,400)	(184,814,223)
Depreciation and amortization	E-3	(152,995,779)	(11,161,605)	(164,157,384)
Distribution costs		(41,182,892)	-	(41,182,892)
Water and energy expenses	E-5, E-6	(738,470,218)	26,945,385	(711,524,833)
Other third party services	R-2	(47,350,405)	(7,171,426)	(54,521,831)
Maintenance and repair expenses		(36,763,622)	-	(36,763,622)
Other income	E-5	37,638,394	(32,404,226)	5,234,168
Net revaluation loss of property, plant and equipment		-	-	-
Other expenses		(56,950,723)	-	(56,950,723)
Finance costs		(21,325,737)	-	(21,325,737)
Share of profit of equity-accounted investees	E-4	-	5,187,867	5,187,867
Profit before tax		311,255,153	(33,356,980)	277,898,173
Income tax expense	E-7, E-8	(45,193,230)	6,167,176	(39,026,054)
Profit for the year		266,061,923	(27,189,804)	238,872,119
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
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		264,944,063	(27,189,804)	237,754,260



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company'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 Company'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 Company'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 Company 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 Company 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 Company 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 Company 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 Company determine the fair value for impairment analysis specifically for each item of intangible assets with indefinite useful life.

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 Company applies this to determine whether the asset may be impaired.

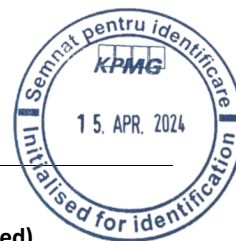
When measuring the fair value of tangible and intangible assets, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- 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 Company 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 Company 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 Company 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 Company 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 of deferred tax assets

The Company 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 Company 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 Company, 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.

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5. REVENUES

The following is an analysis of the Company'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	2,377,643	3,027,029
Sale of goods purchased for resale	43,025,070	89,020,112
Sales of residual products	51,566	541,526
Revenues from transportation services	29,018,368	31,293,513
Total	1,399,298,512	2,258,532,411



Presentation of revenue on business lines:

	Year ended December 31, 2023	Year ended December 31, 2022
Petrochemicals	684,537,343	1,095,896,741
Chloralkali	650,943,769	995,302,505
Oxo-alcohols	5,561,156	66,746,104
Goods for resale	43,025,070	89,020,113
Other	15,231,174	11,566,948
Total	1,399,298,512	2,258,532,411

Presentation of revenues on geographical segments:

	Year ended December 31, 2023	Year ended December 31, 2022
Europe	1,324,337,061	2,087,888,423
Middle East	71,537,959	153,819,813
Asia-Pacific	1,876,469	10,105,614
America	1,484,053	5,317,899
Africa	62,969	1,400,662
Total	1,399,298,512	2,258,532,411

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5. REVENUES (continued)

Presentation of revenue on countries:

	Year ended December 31, 2023	Year ended December 31, 2022
Total sales	1,399,298,512	2,258,532,411
Domestic sales	460,662,205	631,509,149
Export sales	938,636,307	1,627,023,262
<i>Out of which:</i>		
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 Company 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	30,169,543	14,465,266
Net (loss)/gain from foreign exchange	(1,948,812)	93,590
Net (loss)/gain from impairments of current assets	1,312,325	(5,521,300)
Net (loss)/gain on disposed fixed assets	(394,896)	(149,715)
Net (loss)/gain from impairments of financial assets	13,972,231	4,205,329
Other gains and (losses)	-	1,893
Total	43,108,123	13,088,996

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.

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7. RAW MATERIALS AND CONSUMABLES

	Year ended December 31, 2023	Year ended December 31, 2022
Raw materials	433,005,451	698,663,708
Other consumables and inventories	23,683,977	34,162,749
Total	456,689,428	732,826,457



8. EMPLOYEE BENEFITS EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Wages and salaries	117,433,377	139,752,751
<i>out of which:</i>		
- 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	10,807,918	9,000,833
Holiday tickets expenses	1,474,496	4,478,600
Social security expenses	8,686,786	9,657,639
Total	161,790,448	184,814,223

The average number of employees of the Company in 2023 was 1,449 compared to 1,688 in 2022.

The Company 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.

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9. DEPRECIATION AND AMORTISATION

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Depreciation of right of use asset	8,523,766	8,859,888
Depreciation of investment property	1,987,837	1,893,860
Depreciation of property plant and equipment	131,390,961	148,953,217
Amortization of intangible assets	3,926,094	4,450,419
Total	145,828,657	164,157,384



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:	52,052,255	53,689,460
<i>Logistic services</i>	11,713,415	10,809,980
<i>Security services</i>	5,809,196	4,150,420
<i>Consulting services</i>	397,050	1,047,861
<i>Monitoring of waste water</i>	1,517,078	946,904
<i>Decommissioning waste warehouses</i>	9,191,057	7,171,426
<i>Other services</i>	23,424,460	29,562,869
Total	52,519,517	54,521,831

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	1,453,918	2,178,343
Other income	1,023,065	3,005,258
Total	2,587,813	5,234,168

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12. OTHER EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022
Penalty expenses*	24,214,386	19,785,878
Sponsorship granted	2,745,763	14,075,929
Other taxes, duties and similar expenses	5,904,774	5,605,333
Insurance premiums	3,176,262	2,521,919
Royalties and rental expenses	5,705,181	4,511,909
Other operating expenses	763,175	5,292,648
Entertaining, promotion and advertising	2,238,696	1,617,642
Travel and accommodation expenses	1,143,444	1,334,107
Compensations, fines and penalties	90,768	1,397,092
Transportation expenses	452,744	445,578
Post and telecommunication expenses	277,138	269,003
Materials not stored	151,149	93,685
Total	46,863,483	56,950,723



*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	201,813	210,281
Interest expense	33,872,110	19,899,778
Effects of foreign exchange rate changes on the balance of loans held in foreign currencies	3,721,784	1,215,678
Total	37,795,708	21,325,737

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14. INCOME TAX EXPENSE

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Current income tax expense	-	51,537,779
Deferred tax (gain) / expense	(6,448,755)	(12,511,725)
Income tax expense/(revenue)	(6,448,755)	39,026,054
Profit before tax from continuing operations	8,825,048	277,898,173
Tax using the domestic tax rate	1,412,008	44,463,708
Tax effect of:		
- Share of profit of equity-accounted investees reported	(491,003)	830,059
- Non-deductible expenses	16,638,543	26,012,674
- Tax-exempt income	(6,163,347)	(9,059,452)
- Tax incentives	(11,396,200)	(10,709,209)
Current Income Tax Expense	-	51,537,780



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	34,877,650	5,580,424	34,877,650	5,580,424
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	24,693,483	3,950,957	24,693,483	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	6,328,506	1,012,561	6,328,506	1,012,562
TOTAL	(889,836,640)	(142,373,862)	(933,688,311)	(149,420,130)
Impact in the income statement		(6,448,755)		(12,511,725)
Impact in other comprehensive income		-		-
Variation in deferred tax liability		7,016,268		12,511,725



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15. PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plant, machinery and equipment</u>	<u>Furniture and fittings</u>	<u>Assets in progress</u>	<u>Total</u>
COST						
At January 1, 2022 restated	114,153,236	614,393,299	1,065,505,171	4,572,190	142,230,655	1,940,854,551
Increase, out of which:						
<i>Additions</i>	5,528,249	20,122,563	40,965,446	1,143,687	221,842,337	289,602,282
<i>Transfers</i>	5,528,249	-	11,343,591	-	221,842,337	238,714,177
<i>Transfers from investment property</i>	-	15,485,363	29,621,855	1,143,687	-	46,250,904
Decrease, out of which:						
<i>Transfers</i>	-	4,637,200	-	-	-	4,637,200
<i>Transfers</i>	-	588,062	6,368,292	56,712	47,148,434	54,161,500
<i>Transfers</i>	-	-	-	-	46,250,904	46,250,904
At December 31, 2022 restated	119,681,485	633,927,800	1,100,102,325	5,659,164	316,924,557	2,176,295,332
Increase, out of which:						
<i>Additions</i>		43,690,124	146,019,897	826,190	167,719,329	358,255,539
<i>Transfers</i>		26,565	-	-	167,719,329	167,745,894
Decrease, out of which:						
<i>Transfers</i>		43,663,559	146,019,897	826,190	-	190,509,645
<i>Transfers</i>		3,478,181	21,023	-	195,110,178	198,609,382
<i>Transfers</i>	-	-	-	-	194,735,274	194,735,274
At December 31, 2023	119,681,485	674,139,743	1,246,101,197	6,485,353	289,533,708	2,335,941,485



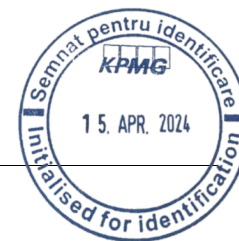
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15. PROPERTY, PLANT AND EQUIPMENT (continued)

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plant, machinery and equipment</u>	<u>Furniture and fittings</u>	<u>Assets in progress</u>	<u>Total</u>
DEPRECIATION AND IMPAIRMENT						
At January 1, 2022 restated	<u>-</u>	<u>55,684,246</u>	<u>42,498,631</u>	<u>103,099</u>	<u>3,235,865</u>	<u>101,522,651</u>
Increase	-	40,472,849	107,983,867	496,500	-	148,953,216
Decrease	-	63,520	5,999,555	117	-	6,063,193
At December 31, 2022 restated	<u>-</u>	<u>96,093,574</u>	<u>144,482,943</u>	<u>600,292</u>	<u>3,235,865</u>	<u>244,412,675</u>
Increase	-	42,266,761	90,048,467	479,135	-	132,794,363
Decrease	-	1,636,744	28,421	446	-	1,665,611
At December 31, 2023	<u>-</u>	<u>136,723,592</u>	<u>234,502,989</u>	<u>1,078,981</u>	<u>3,235,865</u>	<u>375,541,428</u>
NET BOOK VALUE						
At December 31, 2022 restated	<u>119,681,485</u>	<u>537,834,226</u>	<u>955,619,381</u>	<u>5,058,872</u>	<u>313,688,693</u>	<u>1,931,882,657</u>
At December 31, 2023	<u>119,681,485</u>	<u>537,416,150</u>	<u>1,011,598,208</u>	<u>5,406,371</u>	<u>286,297,843</u>	<u>1,960,400,057</u>



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15. PROPERTY, PLANT AND EQUIPMENT (continued)

Measurement of fair value

The Company'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 Company'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 Authorized 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 Company'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 Company 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 Company identified impairment indicators in respect of its property, plant and equipment, including primarily decrease of revenue and profitability.

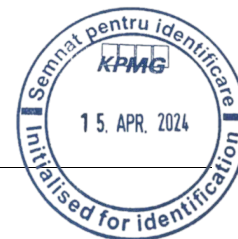
The company performed the profitability test of its activity (impairment test), defining a single cash-generating unit: the entire activity of the Company.

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 Company. The tangible immobilized assets of the nature of buildings, special constructions and equipment from the Company'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	150,626,182
Additions	203,388	20,297	223,685
Disposals	247,855	9,619	257,474
At December 31, 2022	149,780,779	811,614	150,592,393
Additions	194,550	261,967	456,517
Disposals	935,644	4,361	940,005
At December 31, 2023	149,039,685	1,069,220	150,108,905
ACCUMULATED AMORTIZATION			
At January 1, 2022	23,997,617	7,424	24,005,041
Amortization expense	4,423,318	13,731	4,437,049
Eliminated on disposals of assets	247,855	9,619	257,474
At December 31, 2022	28,173,080	11,535	28,184,615
Amortization expense	3,863,533	62,560	3,926,094
Eliminated on disposals of assets	209,707	4,361	214,068
At December 31, 2023	31,826,906	69,734	31,896,641
NET BOOK VALUE			
At December 31, 2022	121,607,699	800,079	122,407,778
At December 31, 2023	117,212,778	999,486	118,212,264

The Company 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 Company 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

	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

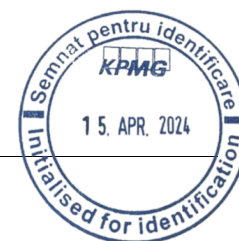


The investments property comprises land, buildings and the related furniture and equipment which are located in Onești, Bacău county and Râmnicu Vâlcea and rented to third parties and related parties.

The value of revenues from rent for 2023 was RON 6,534,744 and for 2022 was RON 6,874,997. The Company 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 IN SUBSIDIARIES AND ASSOCIATES

The Company's investments as at December 31, 2023 and December 31, 2022 have been the following:

December 31, 2022	Registration Number	Investment Value	No. Shares Acquired	Nominal Share Value	% of Shares	Type
A6 Impex SA	21381692	50,609,823	6,089,521	10.0	49.45%	Associate
Sistemplast SA	11438007	14,966,000	2,138	1036.6	94.40%	Subsidiary
A5 Invest SRL	17701390	6,100,000	610,000	10	100%	Subsidiary
Greencomplex SRL	16030164	4,733,030	473,303	10	99.99%	Subsidiary
	1343554					Other equity instruments
Uzuc SA		1,680,000	26,880	2.5	0.57%	Other equity instruments
	39511957					Other equity instruments
Asociația Vâlcea Dual Learning		24,000	-	-	16.61%	Other equity instruments
	10443641					Other equity instruments
AISA Invest SA		19,900	8,000	2.5	20.00%	Other equity instruments
Asociația Producătorilor de produse de uz fitosanitar	15593836	1,000	-	-	12.50%	Other equity instruments
TOTAL COST		78,133,753				

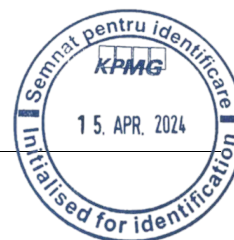
December 31, 2022	Registration Number	Investment Value	No. Shares Acquired	Nominal Share Value	% of Shares	Type
A6 Impex SA	21381692	53,678,593	6,089,521	10.0	49.45%	Associate
Sistemplast SA	11438007	15,966,000	2,138	1036.6	94.40%	Subsidiary
A5 Invest SRL	17701390	6,100,000	610,000	10	100%	Subsidiary
Greencomplex SRL	16030164	4,733,030	473,303	10	99.99%	Subsidiary
	1343554					Other equity instruments
Uzuc SA		1,680,000	26,880	2.5	0.57%	Other equity instruments
	39511957					Other equity instruments
Asociația Vâlcea Dual Learning		24,000	-	-	16.61%	Other equity instruments
	10443641					Other equity instruments
AISA Invest SA		19,900	8,000	2.5	20.00%	Other equity instruments
Asociația Producătorilor de produse de uz fitosanitar	15593836	1,000	-	-	12.50%	Other equity instruments
TOTAL COST		82,202,523				

The following allowances are recorded in relation to financial assets:

	December 31, 2023	December 31, 2022 restated
Denumire companie		
A6 Impex SA	-	13,972,231
A5 Invest SRL	4,730,302	4,730,302
Greencomplex SRL	4,375,302	4,375,302
Uzuc SA	1,615,648	1,615,648
Impairment Adjustments	10,721,252	24,693,483
Net Book Value	67,412,502	57,509,039

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

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19. INVENTORIES

	December 31, 2023			December 31, 2022		
	Cost	Write-Down Adjusments	Net Book Value	Cost	Write-Down Adjusments	Net Book Value
Raw material	33,075,781	(935,726)	32,140,055	42,719,708	(3,486,398)	39,233,309
Consumables	19,949,278	(8,962,763)	10,986,515	23,841,211	(7,060,907)	16,780,304
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	7,429,560	(1,369,651)	6,059,909	12,116,662	(848,479)	11,268,187
TOTAL	156,480,462	(12,040,061)	144,440,401	251,415,615	(13,416,630)	237,998,985

20. TRADE AND OTHER RECEIVABLES

a) **Trade and other receivables**

	December 31, 2023	December 31, 2022 restated
Advance payments to suppliers	19,194,352	67,528,663
Other receivables	5,357,100	1,430,472
Receivables from interim dividends	-	167,000,000
Trade receivables	85,376,249	76,806,503
Tax receivable against state budget	17,731,797	-
VAT Receivable	21,257,409	37,378,202
VAT not due	4,302,760	33,758,757
Subsidies	7,058,473	918,300
Grants related to emission certificates costs	67,988,698	58,714,467
Related parties receivables	16,040,270	21,816,066
Sundry debtors	197,503	66,071
Prepayments	573,647	597,157
Less: allowance for doubtful debts	(1,378,100)	(1,313,857)
Less: allowance for sundry debtors	(17,929)	(17,929)
Less: allowance for group receivables	(342,622)	(342,622)
TOTAL	243,339,608	464,340,250

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 Company 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 fulfillment 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 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 company 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
	<i>Lifetime ECLs</i>	<i>Lifetime ECLs</i>
Balance at the beginning of the year	1,674,408	1,682,362
Increase	66,943	28,687
Decrease	2,700	36,641
Balance at end of year	1,738,651	1,674,408



The average credit period on sales of goods is 21 days in 2023. No interest is charged on outstanding trade receivables. The Company 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 Company 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	14,110,578	10,175,630
Short-term bank deposits	124,922,165	28,312,166
Cheques	717,897	1,953,464
Cash advances	845	2,595
Petty cash	9,871	22,698
Cash equivalents	502	366
TOTAL	139,761,858	40,466,919

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

	December 31, 2023	December 31, 2022 restated
Ordinary Shares		
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
Share capital – RON	309,577,416	309,577,416



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 company 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.

	December 31, 2023	December 31, 2022 restated
Own shares		
Own shares	26,657,863	26,336,354
Earnings per share		
Profit/ (Loss) for the year	15,273,803	238,872,119
Number of shares	304,907,851	304,907,851
Earnings per share	0.050	0.783

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22. CAPITAL AND RESERVES (continued)

Shareholding's 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			
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

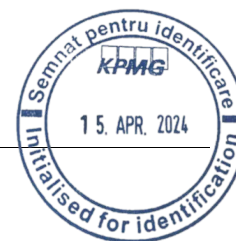


23. BORROWINGS AND LEASING

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 Swizerland	132,055,363	58,417,535
Garanti Bank	76,286,770	39,083,342
TOTAL LONG TERM PORTION (net of borrowing costs)	375,876,794	457,459,739
SHORT TERM LOANS		
CEC Bank	210,017,176	9,670,846
Alpha Bank	19,982,011	19,604,993
UBS Swizerland	26,170,057	10,496,053
Garanti Bank	12,708,017	6,349,164
Other	31,200	31,600
TOTAL SHORT TERM LOANS PORTION (net of borrowing costs)	268,908,461	46,152,656
TOTAL	644,785,255	503,612,395

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 the amount utilised as at 31 December 2023 is EUR equiv. 1,189,52. 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 Company'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.

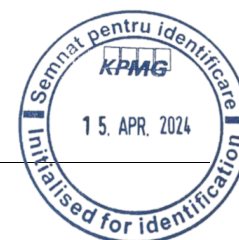
- revolving facility in maximum amount of EUR 1,600,000 for financing 100% of the non-eligible VAT related to the invoices issued under the financed project; the facility is to be repaid in maximum 26 months from the date of each utilization and with the final maturity on December 28, 2026. The interest 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 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 Borzesti, 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. BORROWINGS AND LEASING (continued)

23.A BORROWINGS (continued)

- Facility 2 in amount of EUR 7,000,000 for refinancing CAPEX expenditures done by the company, 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 Company is required to meet certain financial indicators. The Company has complied as at December 31, 2023 with all the indicators required in the contracts.

Table of movements net debts

	<u>2023</u>	<u>2022</u>
Balance Loans at January 1	503,612,395	324,004,510
Withdrawals	191,203,956	218,454,094
Repayments	(58,097,042)	(37,505,784)
Foreign exchange difference	3,718,892	1,121,284
Other financial expenses	4,347,054	(2,461,709)
Balance Loans at December 31	644,785,255	503,612,395

23.B RIGHT OF USE ASSETS AND LEASE LIABILITIES

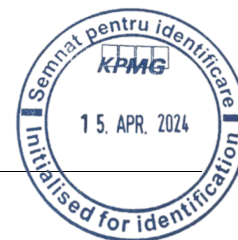
The Company has taken into consideration the following aspects for the contracts that fall under IFRS 16 incidence:

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

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23. BORROWINGS AND LEASING (continued)

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

Right-of-use assets

Cost	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
At 1 January 2022	6,923,299	7,554,956	14,478,255
Additions	-	16,889,081	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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
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	91,248,525	203,466,571
Related parties payables	6,425,334	4,369,468
Advances from clients	8,289,144	11,812,041
Salaries and other related payables	9,095,948	8,977,567
Tax on salaries	6,229,552	8,106,930
Other taxes	283,306	413,374
Other payables	4,841,163	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	138,858,473	267,362,863



Advances from clients

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	11,812,041	10,270,382
Settlement of advances	270,662,879	469,119,493
Advances recorded	267,139,982	470,661,152
Balance at end of year	8,289,144	11,812,041

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

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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	233,451	219,047
TOTAL	1,990,801	2,163,229



In 2023, the Company 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 Company estimates that it will fulfill all the necessary conditions after the completion of the audit of this work.

26. PROVISIONS

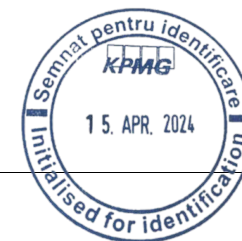
Provisions – Non-Current Portion

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	542,068	531,859
Commercial litigations ³	-	16,258,522
Decommissioning provision ²	-	13,379,071
Co2 emissions provision	-	-
Other claims	28,069	218,341
Provision for SCR guarantee commission ¹	-	-
TOTAL Provisions – Current Portion	570,137	30,387,793
TOTAL	16,741,581	46,690,436

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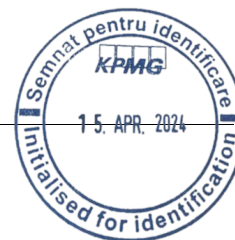


26. PROVISIONS (continued)

Description	<u>Decommissioning</u>	<u>Co2 emissions</u>	<u>Retirement provision</u>	<u>Other claims</u>	<u>Provision for SCR guarantee</u>	<u>Commercial litigations</u>	<u>Total</u>
Balance at January 1, 2022							
Restated	34,193,123	9,425,788	3,492,238	840,401	9,737,468	13,798,538	71,487,556
Increase	68,298	367,775	634,218	218,341	-	2,923,831	4,212,463
Decrease	7,171,426	9,793,563	1,002,878	840,401	9,737,468	463,847	29,009,583
Balance at December 31, 2022							
Restated	27,089,995	-	3,123,578	218,341	-	16,258,522	46,690,436
Increase	69,104	-	602,892	28,069	-	1,686,926	2,386,991
Decrease	13,333,573	-	838,484	218,341	-	17,945,448	32,335,846
Balance at December 31, 2023	13,825,526	-	2,887,986	28,069	-	-	16,741,581

- 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 Company 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 Company 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 Company 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 Company 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 Company lost, management assessed that this litigation had an adverse effect on the financial performance and the financial position of the Company as of 31 December 2021, and, as a result, a provision had been recorded in this respect. The Company 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 Company'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 Company collective labor 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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NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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27. FINANCIAL INSTRUMENTS

a) Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 Company.

Consistent with others in the industry, the Company 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:

	December 31, 2023	December 31, 2022 restated
Gearing Ratio		
Debt (i)	992,928,789	1,015,088,642
Equity (ii)	1,737,643,263	1,896,859,935
Debt to equity ratio	0.57	0.54

b) Interest rate risk management

The Company is exposed to interest rate risk because entities in the Company 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 Company's interest-bearing financial instruments was:

	Carrying amount	
	December 31, 2023	December 31, 2022
Financial assets at fixed rate		
Short term loans granted	5,411,291	5,327,386
Cash and bank balances	139,761,858	40,466,919
Financial liabilities at fixed rate		
Leases	(17,544,899)	(14,654,586)
Financial liabilities at variable rate		
Borrowings	(644,785,255)	(503,612,395)
Total	(517,157,005)	(472,472,676)

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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 Company's net loss for 2023 would increase / decrease by RON 6,447,853 (2022: RON 5,036,124). This is mainly attributable to the Company'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 Company is mainly exposed to the EURO and USD. The Company is exposed to foreign exchange rate fluctuations in trade and finance. Currency risk arising from recognized assets and payables including loan denominated in foreign currency. The Company does not use derivative financial instruments to mitigate this risk.

The carrying amounts of the Company'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	136,790,087	1,712,526	1,259,246	139,761,859
Trade and other receivables	204,469,923	38,869,685	-	243,339,608
Short term loans granted	5,411,291	-	-	5,411,291
	350,997,850	41,722,854	1,259,246	393,979,950
Monetary liabilities				
Finance lease liabilities	(17,544,899)	-	-	(17,544,899)
Trade and other payables	(124,729,309)	(12,817,408)	(390,618)	(137,937,336)
Other long term payables	(921,138)	-	-	(921,138)
Borrowings	(31,200)	(644,754,055)	-	(644,785,255)
	(143,226,546)	(657,571,463)	(390,618)	(801,188,627)
Net balance sheet exposure	207,771,304	(615,848,609)	868,628	(407,208,677)



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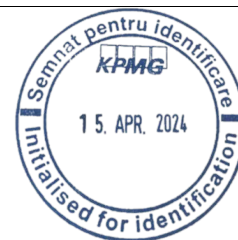
27. FINANCIAL INSTRUMENTS (continued)

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	32,378,481	7,102,539	985,900	40,466,920
Trade and other receivables	401,127,645	63,212,604	-	464,340,250
Short term loans granted	5,327,386	-	-	5,327,386
	444,479,463	71,387,707	985,900	516,853,070
Monetary liabilities				
Finance lease liabilities	(14,654,586)	-	-	(14,654,586)
Trade and other payables	(187,866,359)	(73,603,373)	(4,345,763)	(265,815,495)
Other long term payables	(1,547,368)	-	-	(1,547,368)
Borrowings	(31,600)	(503,580,795)	-	(503,612,395)
	(204,099,913)	(577,184,168)	(4,345,763)	(785,629,844)
Net balance sheet exposure	240,379,550	(505,796,463)	(3,359,863)	(268,776,774)



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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

Sensitivity analysis to exchange rate variations

The Company is exposed to the exchange rate EUR/RON mainly. The following table details the Company 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.

	<u>+10%</u>	<u>-10%</u>
Year ended December 31, 2023		
Liabilities	65,796,208	(65,796,208)
Assets	4,298,210	(4,298,210)
Net profit or loss	61,497,998	(61,497,998)
	<u>+10%</u>	<u>-10%</u>
Year ended December 31, 2022		
Liabilities	58,152,993	(58,152,993)
Assets	7,237,361	(7,237,361)
Net profit or loss	50,915,633	(50,915,633)
	<u>+10%</u>	<u>-10%</u>

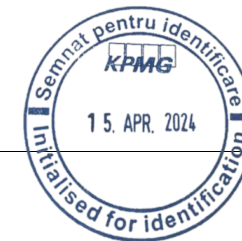
d) Liquidity risk management

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 Company's short, medium and long-term funding and liquidity management requirements. The Company 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 analyzes 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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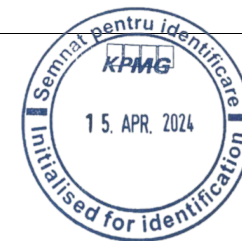
27. FINANCIAL INSTRUMENTS (continued)

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	243,339,608	-	-	243,339,608
Short term loans granted	5,411,291	-	-	5,411,291
Cash and bank balances	139,761,858	-	-	139,761,858
	388,512,757	5,467,193	-	393,979,949
Financial liabilities				
Trade and other payables	(8,043,226)	(9,501,672)		(17,544,899)
Finance lease liabilities	(137,937,336)	-	-	(137,937,336)
Other long term payables		(921,138)	-	(921,138)
Loans	(268,908,461)	(119,940,103)	(255,936,691)	(644,785,254)
	(414,889,023)	(130,362,913)	(255,936,691)	(801,188,626)
Net	(26,376,266)	(124,895,721)	(255,936,691)	(407,208,677)

The Company has a negative net amount, this is principally given by the long-term loans. These loans were obtained for investments purposes therefore, the Company 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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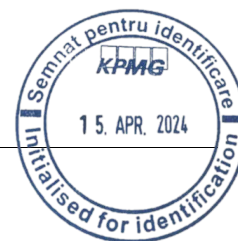


27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	<u>TOTAL</u>
At December 31, 2022 restated				
Financial assets				
Other long term assets	-	6,718,514	-	6,718,514
Trade and other receivables	464,340,250	-	-	464,340,250
Short term loans granted	5,327,386	-	-	5,327,386
Cash and bank balances	40,466,919	-	-	40,466,919
	510,134,555	6,718,514	-	516,853,069
Financial liabilities				
Trade and other payables	(265,815,495)	-	-	(265,815,495)
Finance lease liabilities	(5,949,300)	(8,705,286)	-	(14,654,586)
Other long term payables	-	(1,547,368)	-	(1,547,368)
Loans	(46,152,655)	(248,268,576)	(209,191,164)	(503,612,395)
	(317,917,450)	(258,521,230)	(209,191,164)	(785,629,844)
Net	192,217,105	(251,802,716)	(209,191,164)	(268,776,774)

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27. FINANCIAL INSTRUMENTS (continued)

e) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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 Company has no significant concentrations of credit risk. The Company 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 Company request advance payments. Due dates depend are usually up to 30 days, 90 days are only for a 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 Company 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 Company consider that the Company'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 Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company 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 Company 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 Company 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 Company 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.

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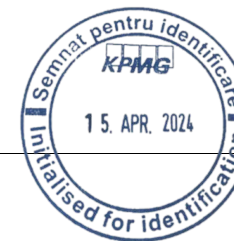
27. FINANCIAL INSTRUMENTS (continued)

Financial assets measured at amortized cost include all assets with contractual terms that give rise to cash flows on specific dates. The Company 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 PARTY TRANSACTIONS

<u>Receivables</u>	<u>Information about Transactions</u>	<u>Nature of the relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
VITORIA SERV SRL BUCURESTI	revenues from services rendered	related party, entity under common control	41,400	41,400
SOMES SA DEJ	revenues from services rendered	related party, entity under common control	117,185	117,185
SINTEROM SA CLUJ-NAPOCA	revenues from services rendered	related party, entity under common control	1,984	1,984
A6 IMPEX SA DEJ	revenues from services rendered, borrowing and interest	associate	4,106,012	4,090,067
CRC IMPEX CHEMICALS SRL PLOIESTI	revenues from sales of finished products and commodities	related party, entity under common control	13,923,402	18,923,402
NOVA TEXTILE BUMBAC SRL PITESTI	revenues from services rendered	related party, entity under common control	1,000	1,000
SISTEMPLAST SA RÂMNICU VÂLCEA	revenues from third party services	subsidiary	3,109	-
CAROMET SA CARANSEBES	revenues from third party services, borrowing and interest	related party, entity under common control	1,191,602	1,115,676
CRC EXPLORATION&BUSINESS SRL ONEȘTI	advances for consumables and interest	related party, entity under common control	11,861	11,861
IASITEX SA IASI	revenues from services rendered	related party, entity under common control	1,423	1,423
UZUC SA PLOIESTI	advances for investment	related party, entity under common control	-	-
CRC ZEUS AMSTERDAM	borrowing and interest	related party, entity under common control	200,526	192,547
DAFCOCHIM DISTRIBUTION SRL TG.MURES	revenues from sales of finished products	related party, entity under common control	11,062,657	-
Total			30,662,161	24,496,544

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28. RELATED PARTY TRANSACTIONS (continued)

<u>Payables</u>	<u>Information about transactions</u>	<u>Nature of the Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
CRC EXPLORATION&BUSINESS SRL ONEȘTI	acquisition of fixed assets, consumables and packaging materials	related party, entity under common control	-	49,177
AISA INVEST SA CLUJ-NAPOCA	acquisition of other services	related party, entity under common control	6,664	6,664
CAROMET SA CARANSEBES	acquisition of fixed assets and third party services	related party, entity under common control	733,188	340,666
INAV SA BUCURESTI	acquisition of rental services	related party, entity under common control	-	4,528
CRC IMPEX CHEMICALS SRL PLOIESTI	acquisition of third party services	related party, entity under common control	833	833
IASITEX SA IASI	acquisition of third party services	related party, entity under common control	75,842	75,842
SOMES SA DEJ	acquisition of rental services	related party, entity under common control	3,131	3,131
SISTEMPLAST SA RÂMNICU VÂLCEA	maintenance services	subsidiary	4,799,825	2,913,571
UZUC SA PLOIESTI	acquisition of fixed assets and third party services	related party, entity under common control	72,856	398,660
A5 INVEST SRL ONEȘTI	maintenance expenses	subsidiary	727,760	573,421
GREENCOMPLEX SRL ONEȘTI	acquisition of other services	subsidiary	5,235	2,975
Total			6,425,334	4,369,468

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts are expressed in RON, unless specified otherwise)

28. RELATED PARTY TRANSACTIONS (continued)

Sales during the period	Information about transactions	Nature of the Relationship	Year ended December 31, 2023	Year ended December 31, 2022
A6 IMPEX SA DEJ	revenues from third party services	associate	15,946	23,712
UZUC SA PLOIESTI	revenues from third party services	related party, entity under common control	-	4,770
SISTEMPLAST SA RÂMNICU VÂLCEA	revenues from third party services	subsidiary	40,207	38,774
SOMES LOGISTIC SRL DEJ	revenues from rental services	related party, entity under common control	55,415	55,624
CRC IMPEX CHEMICALS SRL PLOIESTI	revenues from sales of finished products	related party, entity under common control	1,171	-
CAROMET SA CARANSEBES	revenues from third party services	related party, entity under common control	-	5,116
DAFCOCHIM DISTRIBUTION SRL TG.MURES	revenues from sales of finished products	related party, entity under common control	84,440,750	98,368,635
VEDRA SRL RÂMNICU VÂLCEA	revenues from sales of finished products	related party, entity under common control	7,815,683	1,690,241
Total			92,369,172	100,186,871



CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS (continued)

<u>Purchases during the period</u>	<u>Information about Transactions</u>	<u>Nature of the Relationship</u>	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
CAROMET SA CARANSEBES	acquisition of fixed assets and third party services	related party, entity under common control	983,203	2,549,819
NOVA TEXTILE BUMBAC SRL PITESTI	acquisition of third party services	related party, entity under common control	17,596	34,986
INAV SA BUCURESTI	acquisition of rental services, fixed assets	related party, entity under common control	64,574	389,030
SISTEMPLAST SA RÂMNICU VÂLCEA	maintenance expenses	subsidiary	38,714,154	56,931,205
CRC IMPEX CHEMICALS SRL PLOIESTI	acquisition of packaging materials	related party, entity under common control	-	123,589
UZUC SA PLOIESTI	acquisition of fixed assets, third party services	related party, entity under common control	90,578	709,062
SERVICIILE COMERCIALE ROMANE SA PIATRA NEAMT	acquisition of other services	related party, entity under common control	-	19,495,480
A5 INVEST SRL ONEȘTI	maintenance expenses	subsidiary	7,195,251	3,983,939
GREENCOMPLEX SRL ONEȘTI	acquisition of other services	subsidiary	54,740	35,700
A6 IMPEX SA DEJ	revenues from third party services	associate	45,239,710	7,029,137
CRC EXPLORATION&BUSINESS SRL ONEȘTI	acquisition of other services	related party, entity under common control	99,972	-
SINTEROM SA CLUJ-NAPOCA	acquisition of other services	related party, entity under common control	15,719	-
Total			92,475,498	91,281,947



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

28. RELATED PARTY TRANSACTIONS (continued)

	December 31, 2023	December 31, 2022
Advances		
SOMES LOGISTIC SRL DEJ	233,837	233,837
CAROMET SA CARANSEBES	6,395	6,395
UZUC SA PLOIESTI	910,396	910,396
NOVA TEXTILE BUMBAC SRL PITESTI	63,732	80,154
SISTEMPLAST SA RÂMNICU VÂLCEA	488,883	2,233,518
CRC EXPLORATION&BUSINESS SRL ONEȘTI	148,812	148,812
TOTAL	1,852,056	3,613,113
Guarantees		
SISTEMPLAST SA RÂMNICU VÂLCEA	3,298,345	2,611,124
TOTAL	3,298,345	2,611,124
Payables regarding shares purchased		
UZUC SA PLOIESTI	9,966,000	10,966,000
TOTAL	9,966,000	10,966,000



Transactions with key management personnel

In 2022, the Company 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 Company 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.

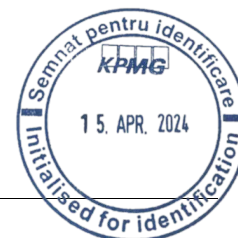
The transactions in net value made with Mr. Vuza Stefan, as president of the Company's Board of Directors are:

	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.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(all amounts are expressed in RON, unless specified otherwise)



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 Company, except for work related travel advances, and they do not owe any amounts to the Company from such advances.

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
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.

30. COMMITMENTS AND CONTINGENCIES

Litigations

The Company 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 Company were recorded, please see Note 26. Additionally, the Company is involved in a litigation with its former management, the claims are estimated at RON 45,000,000. The Company considers this a contingent liability.

Environment

The regulations regarding the environment are in a development phase in Romania and the Company did not record any liabilities as at December 31, 2022 and December 31, 2021 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 Bacău County issued an environmental authorization with permanent validity with an annual visa for Onești Branch. As per this authorization, the Company has the obligation to dismantle the equipment when the Company'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 Company's activity.

Climate changes

The Company is also interested in environmental problems that may arise for its customers due to the products manufactured by Company. In order to limit the impact on the environment when using our products, the Company 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 Company 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.

CHIMCOMPLEX S.A.
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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30. COMMITMENTS AND CONTINGENCIES (continued)

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

Others

The Company 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.

31. SUBSEQUENT EVENTS

The Company 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.

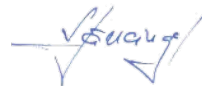
The tender for the design and execution of the Cogeneration installation in the centralized heating sector of Rm. Vâlcea has been published, with a total estimated value of 516,865,836.46 lei.

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

STAIU DUMITRU-FLORIAN,
GENERAL DIRECTOR



STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR



MANAGEMENT REPORT
ON THE ACTIVITY OF THE COMPANY
CHIMCOMPLEX SA BORZEȘTI
IN 2023

Drawn up in accordance with the provisions of Law nr. 24/2017 on issuers of financial instruments and market operations, republished and Annex no. 15 of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations and Bucharest Stock Exchange Code,

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

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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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1. IDENTIFICATION DATA OF CHIMCOMPLEX SA BORZEȘTI

Company name: CHIMCOMPLEX S.A. BORZEȘTI

Headquarters : Onești, 3 Industriilor Street, Bacău county

Phone: 0234/302100

Fax: 0234/302102

Unique registration code: RO 960322

No. of order in the Trade Registry: J04/493/1991

RON code : 549300FCIHJZOG56WD36

Market on which the issued securities are traded: Bucharest Stock Exchange -

- **Standard category:** CRC symbol

Object of activity: Manufacture of other basic inorganic chemicals

Subscribed and paid up share capital according to the Trade Register: 304,907,851 RON

The main characteristics of securities issued by the company:

the share capital is divided into 304,907,851 shares with a nominal value of RON 1/share

2. SHAREHOLDING STRUCTURE

CHIMCOMPLEX S.A. BORZEȘTI is a Romanian legal entity, a joint stock company of the open company type. The registered office is in Onești, str. Industriilor nr. 3, Bacău county.

The company is listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, CRC symbol starting with 17.01.2022.

From 21.07.2015 until 17.01.2022, **CHIMCOMPLEX SA BORZEȘTI** was listed under the Alternative Trading System, Financial Instruments Section on ATS, Equity Sector, Share Category, CHOB Symbol.

The shareholding structure is as follows:

Shareholders	31 December 2023		31 December 2022	
	Number of Shares	%	Number of Shares	%
C.R.C. Alchemy Holding B.V. The Romanian State through A.A.A.S.	259.152.119	84,9936%	259.151.301	84.9933%
Legal entities	27.305.181	8,9552%	27.305.181	8.9552%
Individuals	14.423.411	4,7304%	14.363.583	4.7108%
	4.027.140	1,3208%	4.087.786	1.3407%
TOTAL	304.907.851	100%	304.907.851	100%

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3. COMPANY OVERVIEW

CHIMCOMPLEX was established in 1990, based on Government Decision nr. 1200 of 12.11.1990, by division from Borzești Petrochemical Plant and full takeover of the patrimony of Borzesti Chemical Plant.

On March 15, 1991 it 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) 94.7465% of the share capital of the company at that time.

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

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, DOF, monomer, PVC I, utilities, wagon park, on the industrial platform Rm.Valcea.

The company has a branch and six working points, respectively:

Branch:

- Chimcomplex SA Borzești Ramnicu Valcea Branch, headquartered in Ramnicu Valcea Municipality, Uzinei Street nr. 1, Vâlcea county;

Working points:

- ✓ Work point in Cazaci village, Tarcău village, Neamt county;
- ✓ Work point in Pitesti, Caminelor Street, no.7, Arges County;
- ✓ Work point in Dej, Bistritei Street, no. 63 (room no.1), Cluj county;
- ✓ Working point Bucharest, Bd. Ficusului, nr 44, Bucharest, sector 1;
- ✓ Tarcău Fish Complex working point located in Cazaci village, Tarcău, Neamt county;
- ✓ Bucharest Sector 1 working point, 3-5 PRESEI LIBERE Square, City Gate South Tower, 17th floor.

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3.1. Mission, vision, values

The mission of the management from the highest level to that of Chimcomplex SA employees is to provide high-performance products based on new technologies, in order to fully satisfy customers, promoting a sustainable and sustainable development with emphasis on social responsibility and environmental friendliness, while taking into account the interest of its shareholders.

In the assumed vision of the company's management, it is essential to develop products and methods resulting from its own research activity, thus pursuing expansion in complementary areas, with high growth potential, which ensure the superior capitalization of research and development resources and its technological base.

Also, SC Chimcomplex SA assumes responsibility for everything it produces, in full respect for the law, customers and other interested parties.

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

The values that permanently define and shape the company's identity and organizational culture are:

Creativity	We are innovative and we seek to apply every time the latest technologies and the most appropriate solutions;
Business ethics	It is the foundation of our commercial relations, based on honesty, integrity, communication and mutual trust;
Social responsibility	We consider our employees as one of the most important resources and we seek to motivate them and provide them with the best working conditions as well as continuous training;
Environmental protection	We act responsibly to protect the environment, both by promoting efficient products and by selective collection and recycling measures provided in production sites;
Adaptability	We are constantly adapting to market requirements, looking for and discovering new opportunities, but constantly remaining focused on the needs and expectations of shareholders.

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3.2. Description of the company's core business

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

The activity that holds the largest share in the company's income in 2023, according to NACE codification, is 2014 "Manufacture of other basic organic chemicals".

The main products manufactured by Chimcomplex SA Borzești are:

1. **Macromolecular products:** polyether polyols for polyurethane foams;
2. **Chlorosodium products:** caustic soda solution 50%, 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 utilization rate of the operating installations was **53.84%** and includes the following: Membrane Electrolysis Plant, Propenoxide, Polyol-Polyether Sections, Oxo-Alcohols Section.

The Oxo-alcohols section was shut down for 11 months during 2023.

3.3. Description of any significant merger or reorganisation of the company, subsidiaries or controlled companies during the financial year

The group of companies within which CHIMCOMPLEX SA is the parent company consists of: Greencomplex SRL, A5 Invest SRL, Sistemplast SA, these representing mainly service providers in order to streamline activities.

There were no liquidations, mergers or reorganizations within the group in 2023.

3.4. Events with significant impact on the functioning of the company

The chlorosodium products market faced a tumultuous year in 2022 and was impacted by Russia's invasion of Ukraine. This led to skyrocketing oil and gas prices just as the market was starting to stabilise following the pandemic.

The main lye-consuming industries (alumina, pulp and paper, detergents, water treatment, chemical synthesis) reacted in correlation with demand that depreciated from month to month. Some alumina producers (customers of chlorosodium products) have closed or reduced their operating rates to levels between 20 and 40 %.

The spot price of caustic soda amounted to EUR 1500/dmt in December 2022, after which, from January 2023, the decline began, generated on the one hand by significant volumes imported from China, Egypt, Saudi Arabia, etc., but also due to the reduction of utility costs (and consequently also production costs) in the EU area.

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The main challenge we faced in 2023 was the decrease in demand for caustic soda and the struggle to maintain market segments in all European countries.

A very high availability of the product led to the galloping depreciation of the price.

All chlorine derivatives (PVC, Polyethers, ECH, etc.) suffered as a result of reduced demand, high inflation and high interest rates on financing.

Compared to the production capacity of the two Chimcomplex electrolysis, totaling 217,500 tons / year, in 2023 161,100 tons of lye of 33% were produced, of which 150,083 tons of lye and 7,875 tons of solid caustic soda were sold, which represents 69%, above the European average.

During the analyzed period, Chimcomplex registered a decrease in demand of 10% compared to 2022, generated by the temporary closure of some production facilities and the reduction of the capacities of others, located near the Chimcomplex plant in Ramnicu Valcea.

The recovery in caustic soda consumption is generated by the recovery of the alumina, pulp and paper and water treatment industries, but also by the recovery of chlorine derivatives – mainly PVC and polyurethanes.

In addition, the cessation of the conflict in Ukraine and the start of Turkey's reconstruction will lead to a repositioning of consumption and an increase in the operating rates of production capacities.

European caustic soda production will remain largely stable at the low level observed in 2023. Apart from replenishment for some chlorinated derivatives after the seasonal slowdown, there are still no signs of a real recovery of the industry and therefore no significant changes in caustic soda production are expected in the first quarter of 2024.

Revisions scheduled in spring will bring a temporary reduction in supply, but unless there are unforeseen changes in demand for chlorine or caustic soda, this will be manageable in the market. There is more uncertainty in the second half of the year, but there are signs of a recovery in the industry, although it is unlikely to be a quick one.

High transport quotations and the Panama and Suez Canal crisis will limit Europe's import and export opportunities in the short term, but the impact on domestic supply will be limited and local chlorine demand will remain the main driver of caustic soda availability.

The polyether market, in the first half of 2023, continued the downward trend of consumption, started in the second half of 2022. Inflation and high interest rates on loans, still high energy and gas prices led to a sharp decrease in the consumption of durable goods (consumption that had increased significantly during the pandemic). Demand fell further in July and August as the holiday period began.

Demand for polyethers returned to growth in September after the holiday period, a trend that continued in Q4 leading to a return to growth in sales prices.

Low unemployment, falling inflation and rising household consumption will drive an increase in demand for polyethers in 2024.

Chimcomplex has continuously made efforts to reduce the share of these influences by permanently negotiating prices for the main categories of utilities with the main suppliers in the profile market.

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3.5. Description of the main results of the valuation of the company's activity

3.5.1. Elements of overall assessment

The structure of the main indicators achieved is as follows:

Indicators	YEAR 2023	YEAR 2022 restated	Differences	Year 2021 Restated
	thousand RON	thousand RON	%	thousand RON
Turnover	1.399.299	2.258.532	-38,04	2.235.205
Total revenue	1.366.632	2.382.808	-42,65	2.312.495
-operating income	1.343.854	2.353.345	-42,90	2.302.904
-financial income	22.778	29.463	-22,69	9.591
Total expenses	1.357.807	2.104.910	-35,49	1.863.768
-operating expenses	1.309.448	2.064.694	-36,58	1.750.341
-financial expenses	48.360	40.216	20,25	113.427
Gross result	8.825	277.898	-96,82	448.726
-operating result	34.406	288.652	-88,08	552.563
-financial result	-25.581	-10.754	*	-103.836
Income tax expenses	0	51.538	-100,00	-70.619
Deferred tax revenue	6.449	12.512	-48,46	9.937
Net result	15.274	238.872	-93,61	388.044

In 2023, compared to 2022:

- The 38% decrease in turnover compared to the same period of 2022 was caused by 64% of the decrease in quantities sold by the company, amid low demand in the European market, the remaining 36% being caused by lower sales prices.
- The operating result is at a level of 12% of that obtained in the same period of the previous year. Affected by the situation in the markets, the Company correlated production with sales possibilities and operated in 2023 at a reduced capacity, especially with the sections that consume large electricity and natural gas, making efforts to reduce costs.
- The financial result in 2023 of -25,581 thousand RON consists of:
 - Interest on loans and other financial expenses in the amount of -19,939 thousand RON, costs that increased with the variable interest margin of EURIBOR and with the contracting of new loans;
 - Exchange rate loss in the amount of -5,642 thousand RON, of which -2,214 thousand RON are actually realized losses, and -3,428 thousand RON are unrealized, resulting from the revaluation of loan balances, receivable/debt accounts and treasury accounts.

The financial loss in 2023 registered a significant increase by RON 15 million, mainly due to higher interest expenses generated by loans contracted in the last 12 months, but also under the influence of the increase in the variable interest margin, namely EURIBOR.

- The net profit achieved in January-December 2023 in the amount of 15,274 thousand RON is lower than that achieved in the same period of 2022 by 94%.

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3.5.2. Market share held by the company

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

- Chlorosodium: between 60% - 87%
- Inorganic chlorides: between 40% - 60%
- Oxo-alcohols: 26%
- Polyols: 26%
- MPG: 11%

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

- Chlorosodium: between 20% - 55%
- Inorganic chlorides: 25%
- Polyols: 20%

3.6. Assessment of the technical level of the company

Description of the main products produced and/or services provided:

Borzești:

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

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

Alkylamines: methylamines, isopropylamines;

Other products: chlorcholine chloride

Brief overview of the main products manufactured:

Chlorosodium products

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

Caustic flake soda has similar uses to caustic soda solttie, 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 pulp and paper industry as a bleach, in the textile industry, in the chlorination of water.

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

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

Inorganic chlorides

Ferric chloride is used as a dephosphorizer and coagulant in the treatment and treatment of drinking, wastewater 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 the transport and winter storage of ores as an antifreeze agent, as a refrigerant in cold technology, 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, in water treatment.

Alkylamines

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

Dimethylamine is used in organic syntheses, to obtain emulsifiers, corrosion inhibitors, 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 – is a product that is used as a plant growth stimulator.

Valcea Branch:

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.

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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 antifoamants; 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 nitrocellulose 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.

3.6.1. Main outlets, share of major products in these markets in 2023 and distribution methods

The company capitalizes 67% of its turnover on export and intra-Community market.

The sale of products is made by the method of direct delivery to end users (consumers) or by the method of selective distribution to trading firms, specialized in the distribution of chemicals, which in turn sell to end users. Carrying out sales through the second method ensures logistical conditions (warehouses, means of motor transport, in accordance with the legislation in force, which regulates the sale of chemicals, including dangerous chemicals), helps reduce the costs of selling products on markets in more remote geographical areas, advance payment, prospecting and promotion of products (depending on the market).

3.6.2. Share of each product category in the company's turnover for the last three years

Revenues from the sale of Rm.Vâlcea products	%		
	2023	2022	2021
chlorosodium	28.2	28	11
polyols - polyethers	66.4	62	71
oxo-alcohols	0.5	4	13
other income	4.9	6	5

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The value of the production of the goods made in 2023, broken down by production sections, is as follows:

LOCATION	Year 2023	
	VPM (thousand RON)	%
Borzești	374.548	28%
Soda M	194.291	14%
Chlorine	133.524	10%
Organic	29.651	2%
Inorganic chlorides	17.082	1%
Rm. Valcea Branch	973.912	72%
Chlorosodium	291.398	22%
Polyols	672.474	50%
Oxo-alcohols	-	0%
Other products	10.040	1%
TOTAL	1.348.460	100%

Borzești:

The value of merchandise production achieved in 2023 was 374.548 thousand RON, compared to 534.669 thousand RON in 2022.

Rm. Vâlcea Branch

The value of merchandise production achieved in 2023 was 973.912 thousand RON, compared to 1.727.014 thousand RON in 2022.

The degree of utilization of production capacities at the level of Chimcomplex SA in 2023 is:

Product group	%
-Polyols	70%
-Liquid soda	74%
-Oxo-alcohols	0%

3.6.3. New products envisaged and affected by a substantial amount of assets in the next financial year and the state of development of these products

This is not the case.

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3.7. Evaluation of the technical-material supply activity (indigenous sources, import sources)

The main suppliers of Chimcomplex are:

PRODUCT	SUPPLIERS
Salt solution	Societatea Nationala a Salt SA (Salina Tg. Ocna, Suc. Rm.Valcea Mining Exploitation)
Industrial lime	Carmeuse Holding Brasov, CELCO SA
Glycerin	BIOAGRA OIL S.A., OLEON NV BELGIUM, PETER CREMER CENTRAL EUROPE S.R.O., OHPLUS GMBH GERMANY, GREEN OLEO
Liquid nitrogen	Linde Gas Romania
Propylene	LITASCO SA GENEVA, HIP-Petrohemija Serbia, Rompetrol Rafinare SA, OMV PETROM SA, PETROTEL LUKOIL SA, EURO GAS DOO, HELM AG
Ethylene oxide	CLARIANT SE, POLSKI KONCERN NAFTOWY ORLEN S.A., SIBUR INTERNATIONAL GmbH
Natural gas	PREMIER ENERGY SRL, ENTREX SERVICES SRL BUCHAREST, PREMIER ENERGY TRADING SRL BUCHAREST, ROMGAZ SA MEDIAS, TRANSGAZ SA MEDIAS, ROMANIAN COMMODITIES EXCHANGE BUCHAREST
Electricity	CET Govora SA, GETICA 95 COM SRL, Delgaz Grid SA, Distributie Energie Oltenia SA, ALIVE CAPITAL SA BUCURESTI, TRANSELECTRICA SA BUCURESTI, A6 IMPEX SA DEJ, OPCOM BUCURESTI, PHOTOVOLTAIC GREEN PROJECT SRL

The procurement activity of Chimcomplex SA Borzești is carried out through the Procurement Service (for the purchase of raw materials, auxiliary materials, maintenance works and services) and the Logistics Office (for the procurement of transport services), based on the Internal Procedural Rules regarding the award of contracts.

Out of the total staff involved in the procurement process of Chimcomplex SA Borzesti, 100% were staff with higher education. The functioning of the procurement system is constantly evolving.

The ex-ante control was carried out by the head of the Procurement Service, the Legal Service and the Accounting Service – who verified the quality and regularity of the documents drawn up by the personnel involved in the procurement activity. Ex-post control of procurement procedures was carried out by financial control and internal audit.

In terms of procurement activity, 2023 was a year of development of the company's position on the domestic and foreign markets. Chimcomplex SA Borzești continued its ties with old partners and initiated new contacts, expanding more and more the coverage area in terms of sources of acquisition of necessary goods and services.

For all raw materials essential to the technological process, firm supply contracts were concluded for the entire quantity of necessary (propylene, ethylene oxide, etc.), which guaranteed the stability of the company.

Relations with suppliers are proceeded within the integrated quality management system - environment ISO 9001:2015, ISO 14001:2015.

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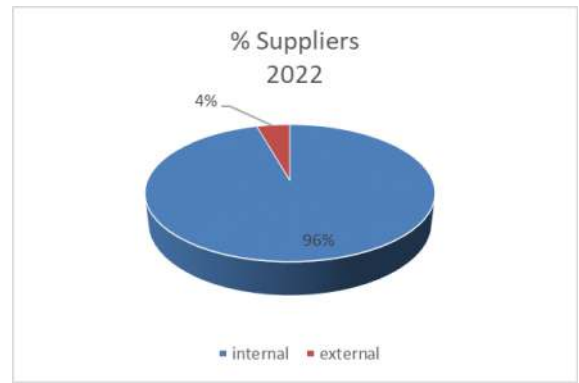
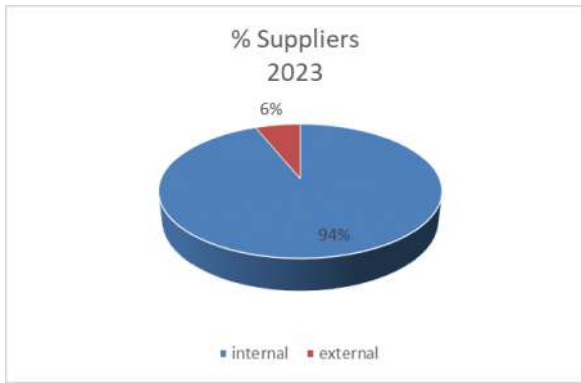
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3.8. Evaluation of sales activity

3.8.1. Description of sequential sales evolution on the domestic and/or external market and medium and long-term sales prospects

The basic products of the Borzești chemical platform are chlorosodium products: caustic soda, chlorine, hydrochloric acid, sodium hypochlorite.

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

The basic products of the chemical platform from Rm Valcea are:

- Inorganic products - chlorosodium: *caustic soda, chlorine, hydrochloric acid, sodium hypochlorite*;
- Synthetic macromolecular and organic products: *polyethers-polyols, propylene oxide, propylene glycol*;
- Oxo-alcohols products: *octanol, iso-butanol, n-butanol*.

In 2023, sales on both the domestic and foreign markets registered a historic increase in prices, amid the energy crisis and the increase in electricity and natural gas prices, with an effect on increasing production costs.

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

On the domestic market, Chimcomplex SA Borzesti, in its field of activity, became the sole producer, consolidating its position on the market, after the acquisition of the assets of Olchim SA Rm.Valcea, which owns similar technologies for obtaining chlorosodium products.

Chlorosodium products:

Globally, Chimcomplex holds a small market share for chlorosodium products, the main markets being the domestic market and the other countries in Eastern Europe and the Balkan area. Among the most important customers of liquid caustic soda are: alumina plant in Bosnia, Petrotel Lukoil, OMV Petrom, Rompetrol.

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The chlorosodium products market faced a tumultuous year in 2022 and was impacted by Russia's invasion of Ukraine. This led to skyrocketing oil and gas prices just as the market was starting to stabilise following the pandemic.

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

Given the important role of transport costs in determining the price at final destination, the target export market for chlorosodium products is composed of countries in Europe, North Africa and the Middle East.

The main lye-consuming industries (alumina, pulp and paper, detergents, water treatment, chemical synthesis) reacted in correlation with demand that depreciated from month to month.

Some alumina producers (customers of chlorosodium products) have closed or reduced their operating rates to levels between 20 and 40 %.

The spot price of caustic soda amounted to EUR 1500/dmt in December 2022, after which, from January 2023, the decline began, generated on the one hand by significant volumes imported from China, Egypt, Saudi Arabia, etc., but also due to the reduction of utility costs (and consequently also production costs) in the EU area.

The main challenge we faced in 2023 was the decrease in demand for caustic soda and the struggle to maintain market segments in all European countries. A very high availability of the product led to the galloping depreciation of the price.

All chlorine derivatives (PVC, Polyethers, ECH, etc.) have suffered as a result of reduced demand, high inflation and high interest rates on financing.

Europe has 62 electrolysis plants in 19 countries, with a capacity of 12,108,000 tonnes of chlorosodium products. (source: EUROCHLOR)

Compared to the production capacity of the two Chimcomplex electrolysis, totaling 217,500 tons / year, in 2023 there were 161,100 tons of lye of 33%, of which 150,083 tons of lye and 7.875 tons of solid caustic soda were sold, which represents 69%, above the European average.

The revival of caustic soda consumption is generated by the recovery of the alumina, pulp and paper and water treatment industries, but also by the recovery of chlorine derivatives consumption – mainly PVC and polyurethanes. In addition, the cessation of the conflict in Ukraine and the start of Turkey's reconstruction will lead to a repositioning of consumption and an increase in the operating rates of production capacities.

European caustic soda production will remain largely stable at the low level observed in 2023. Apart from replenishment for some chlorinated derivatives after the seasonal slowdown, there are still no signs of a real recovery of the industry and therefore no significant changes in caustic soda production are expected in the first quarter of 2024.

Revisions scheduled in spring will bring a temporary reduction in supply, but if there are no unforeseen changes in demand for chlorine or caustic soda, this will be manageable in the market.

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There is more uncertainty in the second half of the year, but there are signs of a recovery in the industry, although it is unlikely to be a quick one.

High transport quotations and the Panama and Suez Canal crisis will limit Europe's import and export opportunities in the short term, but the impact on domestic supply will be limited and local chlorine demand will remain the main driver of caustic soda availability.

Polyethers:

Chimcomplex's production capacity, namely 126,500 tons/year, represents about 1% of global production capacities.

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

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

The polyether market, in the first half of 2023, continued the downward trend of consumption, started in the second half of 2022. Inflation and high interest rates on loans, still high energy and gas prices led to a sharp decrease in the consumption of durable goods (consumption that had increased significantly during the pandemic).

Demand for polyethers returned to growth in September after the holiday period, a trend that continued in Q4 leading to a return to growth in sales prices.

Low unemployment, falling inflation and rising household consumption will drive an increase in demand for polyethers in 2024.

The most affected industries consuming polyols were construction, comfort (mattresses, chairs, furniture) and home appliances.

Low consumption of polyethers generated a continuous decrease in prices in the first 9 months of 2023. The pressure on prices was accentuated by massive imports from China and Korea, at prices well below the level of European producers (the price difference coming from the different cost of utilities).

In the fourth quarter, polyether prices increased on average by EUR 100/tonne compared to September. And the quantities sold by Chimcomplex increased by 10% compared to the third quarter.

Total sales 2023 polyethers - 80,138 tons, respectively 95% of the sales volume achieved in 2022.

Currently, arbitrage with China and Korea is closed to flexible polyols, which will cause a significant decrease in imports, but remains open to rigid polyols and SEAC.

According to reports by Chemical Market Analytics, prices on the polyether market decreased by 425-450 euros/ton between January and December 2023, being well below the level recorded in the same period last year.

Chimcomplex produces a wide range of polyethers both for flexible foams (mattresses, furniture industry, automotive industry) and for rigid applications (panels, polyurethane systems) and special

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applications (adhesives, coatings, seals, elastomers). Chimcomplex has a large portfolio of clients in each field of use, there being no dependence on a particular client.

Oxo Alcohols:

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

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

The main market for Chimcomplex is Turkey, a country that has no local producer and imports about 7000 tons of octanol monthly. The market share of Chimcomplex in Turkey is in the range of 10-15%. Other important markets are Italy, Poland and Ukraine.

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

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

3.8.3. Description of any significant dependence of the company on a single customer or group of customers whose loss would have a negative impact on the company's revenues.

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

The company's clients fall into two categories:

-Strategic;

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

3.9. Assessment of issues related to company employees/staff

3.9.1. Specifying the number and level of training of employees as well as the degree of unionization of the workforce

The organizational structure of Chimcomplex is hierarchically functional, consisting of compartments sized according to the volume and complexity of activities, grouped on the criterion of company functions.

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

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

The activities carried out are structured on the following fields of activity: General Management, Economic, Commercial, Production, Investment - Business Development, Procurement and Logistics.

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

Borzești Platform

The staff structure on 31.12.2023, by categories, is as follows:

Total staff	543 of which:
Skilled workers	387
Unskilled workers	9
Band Chiefs	28
Total TESA, of which	119
-direction	33
-execution	86, of which: 64 with higher education 22 with secondary education

Ramnicu Valcea Branch

The staff structure on 31.12.2023, by categories, is as follows:

Total staff	1.036, of which:
Workers	746
Unskilled workers	4
Band Chiefs	41
Total TESA, of which:	245
-direction	75
-execution	170, of which: 140 with higher education 30 with secondary education

The consolidated structure shall be as follows:

CHIMCOMPLEX employees	Total, of which:	Borzești	Râmnicu Vâlcea
Total number, of which:	1.579	543	1.036
- skilled workers	1.133	387	746
- unskilled workers	13	9	4
- Band chiefs	69	28	41
- TESA	364	119	245
Expenditure on salaries	153.103.662 RON	68.167.742 RON	84.935.920 RON
Social security costs	8.686.786 RON	1.870.229 RON	6.816.557 RON

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The trade unions within Chimcomplex that activated in 2023 are:

- in Borzești: The Chemist Union;
- at the Rm. Valcea Branch two unions: Oltchim Rm.Valcea Chemistul Trade Union and Unirea Trade Union (January 2023 – April 2023).

3.9.2. Description of the relations between manager and employees, as well as of any conflicting elements characterizing these relationships;

The relationship of the four unions with the management of the company is based on dialogue whose purpose is to harmonize employees' expectations with the possibilities of society, compliance with the provisions of the Collective Labor Agreement, consultation and negotiation in the parity commission.

There were no protests related to the collective redundancy procedure.

3.9.3. Annual remuneration report of the directors of Chimcomplex S.A. Borzești

The remuneration policy is posted on the company's website www.chimcomplex.com.

Name	Function	Fixed remuneration - RON, net -	Variable remuneration - RON, net -	Remuneration for executive functions - RON, net -	Advantages in nature -RON, net-	Remuneration from affiliates -RON, net-	Total RON, net	Proportion remuneration fixed vs variable
Vuza Stefan	President of the BoD; CEO in 10.11.2022-30.10.2023	1,129,055	69,460	-	342,778	-	1,541,293	274%
Coman Dumitru	Member of the BoD in 25.10.2022-31.07.2023 and CTO	69,188	3,707	194,948	-	1,440	269,283	7164%
Cojoc Iuliu Liviu	Member of the BoD	118,847	14,878	-	-	-	133,725	799%
Preoteasa Veronica	Member of the BoD starting with 01.08.2022; CCO in 10.11.2022-30.09.2023	118,847	14,878	327,652	-	-	461,377	3001%
Tischer Gabriel	Member of the BoD from 01.08.2022	118,846	44,586	-	-	-	163,432	267%
Urbanowski Wiltold Piotr	Member of the BoD from 01.08.2022	118,729	18,594	-	-	-	137,323	639%
Luca Florin	Member of the BoD from 01.08.2023	49,660	6,520	-	-	-	56,180	762%
Alexander Madeline	Member of the BoD from 01.08.2022	281,256	-	-	-	-	281,256	
Staicu Dumitru Florian	CEO starting with 31.10.2023	-	-	460,996	-	-	460,996	
Total - RON, net -		2,004,428	172,623	983,596	342,778	1,440	3,504,865	

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Compared to the previous year, the variable revenues of the Board of Directors were reduced in 2023 by 70% as a result of cost optimizations made in the economic context of the company. The variable remuneration is final and cannot be recovered from the beneficiary. There are no deviations from the implementation of the remuneration policy.

For the year 2023, option contracts were signed for the free grant of shares of the Company in the amount of 859,000 shares worth 19,928,800 lei, the main grant conditions being a vesting period of at least one year from the date of granting, as well as criteria for the Company's financial performance, the fulfillment of which will be evaluated by the Board of Directors.

Comparative information regarding the change in remuneration and performance

Indicator	2023 versus 2022	2022 versus 2021	2021 versus 2020	2020 versus 2019
Turnover - %	-38%	1%	94%	-10%
Net Profit - %	-94%	-38%	978%	-182%
Average annual gross salary of employees - %	102%	121%	122%	103%
The annual change in management remuneration (members of the board of directors, excluding their executive functions)	93%	51%	142%	114%

In the previous year, there were no comments regarding the preparation of the remuneration report. The remuneration granted to the management complies with the remuneration policy of the company and aims to ensure the long-term performance of the company.

3.10. Assessment of aspects related to the environmental impact of the core activity

Summary description of the impact of the issuer's core activities on the environment as well as of any existing or expected litigation regarding the violation of environmental protection legislation:

CHIMCOMPLEX SA BORZEȘTI is a representative unit of the Romanian chemical industry in the field of manufacturing and marketing of chemical products: chlorosodium, polyols, inorganic chlorides, alkylamines, compressed gases, carrying out its activity on the platforms of **Onești, Ramnicu Valcea and Chimcomplex SA Borzești - Work Point Dej**.

Industrial platforms are certified **according to ISO 14001:2015** Environmental management systems. There is a permanent concern to improve environmental performance, so the main objectives of environmental management are:

- Increasing satisfaction and maintaining the trust of customers and stakeholders, employees and shareholders, through involvement, continuous adaptation to specified requirements, in compliance with the legal provisions and other requirements applicable in our field of activity; dynamic identification and assessment of risks in the processes of the activities carried out, as an integral part thereof, risk management proactively, in close correlation with the achievement of objectives and performance indicators;
- Permanent identification, evaluation and control of environmental aspects associated with own activities, products and services, in order to ensure an adequate quality of environmental factors and to protect the human factor;
- Efficient management of available resources, focusing on the development of basic processes, optimizing specific consumption of raw materials, materials and utilities and ensuring energy efficiency by controlling the share of energy costs in production costs;

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- Full involvement and commitment of all staff, at all levels, for the efficient development of the activity, with full professional and social responsibility, allowing obtaining quality, profit and external appreciation of achievements, in conditions of continuous improvement of environmental performance;
- Communication of performance to the community and stakeholders;
- Continuous evaluation and updating of the management system, so that any changes are made in a controlled manner, the integrity of the system is permanently maintained;

The industrial platforms operate on the basis of the following authorizations:

Chimcomplex SA Borzești - Onești platform:

- Integrated environmental authorization no.1 / 20.03.2023, permanent validity with annual visa
- Water management permit nr. 9/13.02.2023, valid until 13.02.2028;
- Greenhouse gas emissions permit for the period 2021-2030, no.19/05.01.2021.
- Environmental authorization no.28/2018 – rev.1/2020 for the pilot plant for the manufacture of chlorocholine chloride, permanent validity with annual visa (Annual visa decision no.113/27.02.2023, for the period 2023-2024)
- Environmental authorization no. 82/2019 for metal treatment and coating (corrosion protection), permanent validity with annual visa (Annual visa decision no. 189/31.03.2023 for the period 2023-2024).

Chimcomplex SA Borzești - Rm. Valcea Branch:

- Integrated environmental permit no.1 / 13.01.2023, permanent validity with annual visa (in the revision procedure with the commissioning of new cogeneration capacities and closures of battalions).
- Water management permit nr. 1/08.01.2024, valid until 08.01.2025;
- Greenhouse gas emissions permit for the period 2021-2030, no.106/29.03.2021.

Chimcomplex SA Borzești - Work point Dej:

- Environmental authorization no. 189/30.06.2020, permanent validity with annual visa (Annual visa decision no. 681/23.08.2023 granted for the period 23.08.2023-30.06.2024).
- Water management permit nr. 12/CJ of 16/02/2022, valid until 16/02.2025;

During 2023, the following regulatory acts were obtained:

Chimcomplex SA Borzești - Onești platform:

1. Water management permit nr. 9/13.02.2023,
2. Integrated Environmental Permit no.1 / 20.03.2023,
3. NATURA 2000 declaration for the project "Production of green hydrogen from water by alkaline electrolysis of brine with ion exchange polymer membranes at Chimcomplex S.A. Borzești
4. NATURA 2000 declaration for the project "Installation of photovoltaic power plant at Chimcomplex SA Borzești in Onești".

Chimcomplex SA Borzești - Rm. Valcea Branch:

- 1) NATURA 2000 declaration No. 164 of 11.01.2023 for the project: "Production of green hydrogen from water by alkaline electrolysis of brine with ion-exchange polymer membranes at Chimcomplex S.A. Borzești – Ramnicu Valcea Branch";
- 2) Integrated Environmental Permit no. 1/13.01.2023;

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3) Annex no. 8750/26.05.2033 to the classification decision no. 377/15.07.2019 – "Construction of a High Efficiency Cogeneration Plant of max. 8 MWe at Chimcomplex. S.A. Borzești – Ramnicu Valcea Branch";

4) Decision classification stage No. 465 of 09.06.2023 for the project "Investment in innovative green technology for the production of new ecological polyols at Chimcomplex";

5) Decision classification stage No. 466 of 09.06.2023 for the project "Dismantling constructions C1 and C5 located on the lot with cadastral number 51216".

6) Decision classification stage No. 544 of 06.07.2023 for the project "Realization of high-efficiency, flexible gas cogeneration in the district heating sector Ramnicu Valcea";

7) NATURA 2000 declaration No. 11838 of 27.07.2023 for the project "Realization of high-efficiency, flexible gas cogeneration in the district heating sector Ramnicu Valcea".

Chimcomplex SA Borzești - Work point Dej:

There was no need to obtain or update regulatory acts.

During 2023, the following documents and documentation have been developed:

Chimcomplex SA Borzești - Onești platform:

- Elaboration of the air emission inventory for 2022 - in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2022 - in the SIM application (Integrated Environmental System);
- Reporting on waste statistics for 2022 - in the SIM application (Integrated Environmental System);
- Reporting on the situation of dangerous substances produced/used/export/import (SCP) for 2022, in the SIM application (Integrated Environmental System);
- GFS management reporting for 2022 – in the SIM application;
- Reporting on PCB equipment management in 2022 – in the SIM application;
- Annual Environmental Report for 2022;
- 2022 greenhouse gas emissions monitoring report;
- Report on the level of activity for the years 2021 and 2022, with a view to allocating allowances for the year 2023;
- INEGES questionnaires – Industrial Processes and Product Use Sector, regarding the collection of data necessary for the construction of the National Inventory of Greenhouse Gas Emissions, with data from 2022 for the soda ash questionnaire;
- Statistical questionnaire on wastewater management for 2022 – to SGA Bacau;
- Calculation of the amounts due to the Environmental Fund, according to the legal provisions in force;
- Reporting to ANCEX-Bucharest, according to Law 56/1997 on the application of the Convention on the prohibition of development, production, storage of chemical weapons;
- Quarterly reporting of shipments of hazardous waste;
- Statistical reporting on environmental protection expenditures for 2022;
- A contract has been concluded with MIHOC OIL S.R.L. for the takeover, transport, processing and recovery of waste oil from both platforms Onești and Rm Valcea

Chimcomplex SA Borzești - Ramnicu Valcea Branch:

- Reporting on waste statistics for 2022 - in the SIM application (Integrated Environmental System);
- Reporting on the situation of dangerous substances produced/used/export/import (SCP) for 2022, in the SIM application (Integrated Environmental System);

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- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2022 - in the SIM application (Integrated Environmental System);
- Elaboration of the air emission inventory for 2022 - in the SIM application (Integrated Environmental System);
- Reporting on packaging/packaging waste management for 2022 in the SIM application;
- INEGES questionnaires – Industrial Processes and Product Use Sector, regarding the collection of data necessary for the construction of the National Inventory of Greenhouse Gas Emissions, with data from 2022 for lime, carbonates, soda ash questionnaires;
- Annual Environmental Report for 2022;
- Addenda to the Wastewater Management Services Contracts have been concluded for: S.C. VILMAR S.A., S.C. CET GOVORA S.A., S.C. UZINA MECANICA S.A., CIECH Soda Romania SA, S.C. LOGISERV S.R.L, S.C. SISTEMPLAST S.A for 2023.
- Contract has been concluded with EUROTOTAL COMP SRL - for "Environmental research for 2023 at CHIMCOMPLEX S.A. Borzești – Ramnicu Valcea Branch - sampling, transport, monitoring and interpretation of results through research works".
- A contract has been concluded with EUROTOTAL COMP SRL - for water quality monitoring services from monitoring boreholes located on the closed non-hazardous waste landfill - sampling, transport, monitoring at CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch for 2023".
- Addendum nr. 5/2023 to Contract no. MEA 34 from 05.07.2019 with HOLCIM (Romania) SA for the recovery of polyether filtration cake waste, valid until 31.07.2023;
- Addendum nr. 6/2023 to Contract no. MEA 34 from 05.07.2019 with HOLCIM (Romania) SA for the recovery of polyether filtration cake waste, valid until 31.07.2024;
- Addendum to the Contract with INCD ECOIND Bucharest was concluded - for "Air pollution monitoring services (emissions, immissions and odor) - sampling, transport, monitoring and interpretation of results, related to 2024 at CHIMCOMPLEX SA Borzești - Ramnicu Valcea Branch";
- Addendum to the Contract with EUROTOTAL COMP S.R.L. - for "Environmental research at CHIMCOMPLEX S.A. Borzești – Ramnicu Valcea Branch - sampling, transport, monitoring and interpretation of results through research works" has been concluded, for the period January-February 2024.
- The procurement procedure for the weekly natural gas analyzes for 2024 has been completed at Chimcomplex S.A. Borzești – Ramnicu Valcea Branch;
- 2022 greenhouse gas emissions monitoring report;
- Report on the level of activity for the years 2021 and 2022, with a view to allocating allowances for the year 2023;
- The monitoring report for the first 9 months of 2023 and the report on the level of activity following the audit carried out by COV INSPECT S.R.L. were verified;
- Plan for preventing and combating accidental pollution for 2023;
- Water statistics reporting (SGA) for 2022;
- Statistical reporting on environmental protection expenditures for 2022;
- The Notification of activity at CHIMCOMPLEX S.A Borzești - Ramnicu Valcea Branch has been updated, in accordance with the provisions of Law 59/2016 on the control over major accident hazards involving dangerous substances;
- The Notification of activity at CHIMCOMPLEX S.A Borzești - Ramnicu Valcea Branch was drawn up, in accordance with the provisions of Law 59/2016 on the control over major-accident hazards involving dangerous substances (CET Location);
- The procedure for removing metallic mercury was completed through Batrec company which took over (79,351 tons) from Chimcomplex S.A. Borzești – Ramnicu Valcea Branch the metallic mercury, transformed it into HgS and then finally eliminated it in salt mines;
- The necessary documentation for the revision of the Integrated Environmental Permit related to CHIMCOMPLEX S.A. Borzești – Ramnicu Valcea Branch was submitted to APM Valcea;

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- Additions were made to the documentation for obtaining the Integrated Environmental Permit, filling in the application form and Site Report with the latest completed investments: 8 MWe Cogeneration Plant and Hazardous Waste Landfill closure;
- The documentation necessary for issuing the Water Management Permit related to CHIMCOMPLEX S.A. Borzești – Ramnicu Valcea Branch was submitted to ABA Olt;
- ABA Olt submitted the necessary documentation for issuing the Water Management Permit regarding the post-closure monitoring of the non-hazardous waste landfill belonging to CHIMCOMPLEX S.A. Borzești – Ramnicu Valcea Branch;
- A response was made to ANPM Bucharest regarding the changes that took place on the site in 2023, regarding greenhouse gas emissions;
- The documentation for the revision of the greenhouse gas emissions permit Ramnicu Valcea has been partially drawn up, followed by the completion of the 8 MWe Cogeneration Plant;
- A reply was given to ANPM Bucharest regarding the data of the representatives of the Single European Greenhouse Gas Register;

Chimcomplex SA Borzești - Work Point Dej

- Statistical questionnaire on wastewater management for 2022 – to SGA Cluj
- Reporting on waste statistics for 2022 - in the SIM application (Integrated Environmental System);
- Waste statistics reporting for 2022 – sludge management questionnaire – in SIM app
- Reporting on the situation of dangerous substances produced/used/export/import (SCP) for 2022, in the SIM application (Integrated Environmental System);
- PCB equipment management reporting in 2022 – in SIM app

MONITORING OF ENVIRONMENTAL FACTORS

In 2023, the impact of the activity on environmental factors was as follows:

AIR

Chimcomplex SA Borzești calculates monthly the quantities of pollutants discharged into the atmosphere for which contributions to the environmental fund are paid (dust and pollutants from natural gas combustion) and reports annually the quantities of pollutants discharged into the atmosphere through stationary sources.

The reporting of emissions into the atmosphere is carried out electronically, in SIM and at the request of APM Bacău / APM Vâlcea.

By monitoring and measuring air quality currently, both at fixed sources in manufacturing processes and at emissions at the perimeter limit of Chimcomplex, no non-conformities were recorded on both platforms compared to the limits set by the integrated authorizations in force.

The quantities of pollutants in flue gases are calculated according to the methodology provided by the legal norms in force; for the calculation of the quantity of energy produced, the net calorific value confirmed by the accredited verifier for the validation of the EGES Report shall be used, and for the calculation of emissions, Corinair factors available on the IPCC 2006 website of the European Environmental Protection Agency shall be used.

WATER

The quality of discharged water is monitored by the company with frequency and for indicators specified in regulatory acts. The indicators are analyzed by RENAR accredited laboratories. On a monthly basis, the quality of discharged water is monitored by representatives of water management authorities and semi-annually by representatives of environmental protection authorities. During 2023, there were no differences between the monitoring carried out by the company and those carried out by the authorities.

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On both platforms, plans are applicable and implemented to prevent and combat accidental pollution of water use, in accordance with the legislation in force. The scenarios contained in these plans shall form the basis for periodic exercises simulating an accidental pollution situation of water use.

The quality of the water discharged in 2023 falls within the limits set in the Water Management Permit for the Onești platform.

On the platform from Rm. Valcea, due to the technology of obtaining Propenoxide by chlorhydrination (approx. 50% of European capacities use this technology), results in large volumes of contaminated waters with calcium chloride and organic compounds, a deficiency common to all technologies based on the chlorhydrin route, recognized and accepted by producers and authorities at EU level. For these reasons, the platform from Rm. Valcea pays penalties to ABA Olt for the quantities of contaminants that exceed the limits imposed by the Water Management Authorization. At the same time, for a good management of impacts related to water discharge, the platform at Rm.Vâlcea periodically monitors the influence of discharged wastewater on the quality of the emissary - Olt River, upstream and downstream of discharges from the industrial platform, in distinct sections: OLT Outlet and Cremenari (1 upstream and 1 downstream). The monitoring is carried out by an external laboratory, accredited by RENAR.

Taking into account the fact that the wastewater flows discharged from the platform from Rm.Vâlcea (the flows of water discharged from the platform of 556 l / s up to max.1967 l / s - according to the provisions of the Water Management Authorization in force) are much lower than the flow of the Olt River in the analyzed sections, flows of 90,000 – 150,000 l / s, from the monitoring carried out and reported annually to the environmental authorities, it is observed that, in general, the water quality of the Olt River retains its qualitative parameters downstream of the platform.

GROUNDWATER AND SOIL

The quality of the groundwater is monitored biannually by a RENAR accredited laboratory, and biannually it is also monitored by S.G.A. Bacău / S.G.A. Olt. The groundwater quality indicators shall be kept within the limits of the values recorded in the documentation prepared for the review of integrated environmental permits.

The soil quality is monitored at the points and for the indicators established by the integrated environmental authorizations in force, with a frequency of 1 analysis / 5 years in Onești, respectively 1 analysis / 10 years, in Rm. Vâlcea;

There were no non-conformities compared to the values established by the regulatory acts in force.

WASTE AND PACKAGING MANAGEMENT

The activities carried out in Chimcomplex result in various types and categories of waste, which are properly managed, according to the legal provisions in force.

Annually, Chimcomplex SA Borzești fulfills its obligations regarding the management of packaging and packaging waste, on both platforms.

Also, special importance is given to waste recovery, so that the recovery rate of recoverable waste in 2023 was 90%.

MANAGEMENT OF DANGEROUS SUBSTANCES AND PREPARATIONS

In Chimcomplex there are warehouses for used and marketed products, in which each tank / storage space is marked with hazard statements and related danger signs, according to the provisions of the safety data sheets.

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NOISE

Noise shall be monitored at the perimeter boundary, with the frequency and points established by integrated environmental permits.

From the measurements made by the accredited laboratory, the recorded noise level does not exceed the limitations in force, the recorded values being between 47 – 51 dB (compared to the maximum permissible limit of 65 dB).

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 emissions 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.

The activity of Chimcomplex SA Borzesti resulted in the following quantities of greenhouse gas emissions in 2023:

Direct GHG emissions (scope 1)

This category includes emissions for 2023 from:

- burning natural gas to produce electricity and heat in the cogeneration plants in Onești;
- burning natural gas to produce thermal energy in the thermal power plants of Rm. Valcea and Onesti;
- combustion of natural gas for incineration of chlorinated organic residues in incineration plants in Rm Valcea
- combustion of natural gas as a fuel for heating raw materials;
- the process of obtaining industrial lime at Rm Valcea (process emissions);
- use of fuel for transport with own means of transport (cars, trucks, machinery and vehicles for handling and transporting goods, CF locomotives), for carrying out the company's activity.
- Industrial cooling plants, which use fluorinated greenhouse gases as a coolant.

Indirect GHG emissions (scope 2)

Indirect GHG emissions in 2023 are those related to electricity and heat purchased and used in the company's operations.

No.crt.	Domain	CO2e emissions (tonnes)		Total CO2e emissions (to)
		Onești	Rm.Vâlcea	
1	Goal1 - direct emissions	38.081	18.992	57.073
2	Goal2 - indirect emissions	20.898	165.892	186.790
	Goal 1+2	58.979	184.884	243.863
Total direct GHG emissions = 57073 to CO2e				
Total indirect GHG emissions (scope 2) = 186790 to CO2e				

Direct GHG emissions represent 23% of the total emissions accounted for by Chimcomplex SA Borzești for 2023.

Indirect GHG emissions – scope 2 – related to electricity and heat consumption are the segment with the largest share in the total GHG emissions accounted for by Chimcomplex SA Borzești for 2023 and this is due to the fact that we are a large consumer of energy, electricity and heat.

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Sodium hydroxide manufacturing plants by ultrapure brine electrolysis operated on both platforms use electricity as feedstock and, in this context, GHG emissions related to electricity consumption account for a considerable share of total emissions.

The efficient management of energy consumption, as well as the implementation of energy efficiency measures established by the company's development plans, have the immediate and direct effect of mitigating the climate effects generated by GHG emissions.

Thus, in 2023, Chimcomplex SA Borzești purchased with a large share electricity with a low carbon footprint and renewable energy, which led to a considerable decrease in the scope 2 carbon footprint and implicitly in the intensity of GHG emissions.

GHG intensity

Given the diversity of products manufactured by Chimcomplex SA Borzești on the two locations, we chose to calculate and relate GHG emissions intensity (scope 1 and 2) to turnover.

Therefore, for 2023 – the third year in which we calculate GHG emissions (scope 1 and 2) and relate them to turnover – the GHG emissions intensity was 0.858 tons CO2/thousand euros compared to 1.007 tons CO2/thousand euros in 2022, respectively 1.286 tons CO2/thousand euros in 2021.

The decrease in emission intensity is due, on the one hand, to the activity according to commercial requirements, and on the other hand, to Chimcomplex's concern to purchase green energy or with a low carbon footprint, so that indirect emissions from scope 2 decreased ~ by 50% compared to last year.

Environmental protection expenditures (RON) for 2023

Onesti:

No.crt.	Expenses for environmental protection (RON)	Observations
	Achieved	
1	121.299,40	Environmental taxes (agreements, permits, payments to Romanian Waters)
2	609.990,00	Environmental Fund
3	0	Fines and penalties to Romanian Waters
4	0	Environmental research
5	21.573,19	Waste management
6	2.000,00	Environmental factors monitoring
7	879,60	Staff training
8	0	Investment environment
TOTAL	755.742,19	

Ramnicu Valcea Branch

No.crt.	Expenses for environmental protection (RON)	Observations
	Achieved	
1	1.449.409,50	Environmental taxes (agreements, permits, payments to Romanian Waters)
2	399.701,00	Environmental Fund
3	24.214.360,73	Penalties to Romanian Waters
4	200.806,00	Environmental research

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No.crt.	Expenses for environmental protection (RON)	Observations
	Achieved	
5	449.323,00	Waste management
6	49.600,00	Environmental factors monitoring
7	2.565,00	Staff training
8	7.645.603,00	Investment environment
TOTAL	34.411.368,23	

The company has no registered litigations regarding the violation of environmental protection legislation.

TAXONOMY

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

CHIMCOMPLEX SA BORZEȘTI has identified its activities explicitly nominated in the EU-Taxonomy compass as eligible activities:

- Manufacture of chlorine
- High-efficiency cogeneration of heat/cool and energy from fossil gaseous fuels
- Rail freight transport (by domestic railways)
- Road freight transport services

We are in the process of assessing the compliance of these activities with the criteria contained in the Delegated Acts in order to demonstrate their alignment with environmentally sustainable development.

CONFORMITY ASSESSMENT

The control and regulatory authorities (GNM Bacău, GNM Rm. Vâlcea and APM Bacău, SAPM Rm.Vâlcea) 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.

In 2023, the following inspection and control actions took place in the company: Chimcomplex SA Borzești - Onești platform:

1. Control performed at Chimcomplex S.A. Borzești on 23.02.2023 by GNM Bacău representatives.

The purpose of the unplanned control: to verify compliance with the provisions of the regulatory acts, as well as with the norms in force, regarding the notification sent to APM Bacău, IJSU Bacău and GNM Bacău with no. 272/17.02.2023, registered at GNM Bacău under no. 554/17.02.2023 regarding the occurrence of a leakage on the exhausted brine return saleduct. A Control Note was drawn up by which the commissioners of GNM Bacău noted that the intervention was operative and the leakage did not cause significant damage to environmental factors or the health of the population.

Established measures: Compliance with the provisions of the regulatory act regarding the information flow in case of environmental incidents / accidents.

Term: permanent.

Sanctions: not applied.

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2. Control performed at Chimcomplex S.A. Borzești on 08.05.2023 by GNM Bacău representatives.

The purpose of the unplanned control: to verify compliance with the provisions of the regulatory acts, as well as with the norms in force, regarding the notification sent to APM Bacău, IJSU Bacău and GNM Bacău with no. 318/02.05.2023, registered at GNM Bacău, regarding the intervention on the exhausted brine return pipeline and the remediation of the area for the technical incident occurred on 29.04.2023. A Control Note was drawn up by which the commissioners of GNM Bacău noted that the intervention was operative and the leakage did not cause significant damage to environmental factors or the health of the population.

Measures established:

Start of legal steps for the rehabilitation of the saleduct route (left bank of the river Trotus, 900 m), including the notification of APM Bacău.

Deadline: 26.05.2023.

The steps have begun to replace the brine route, but due to the refusal of the owner of the land on which the brine passes to allow us access, the action of replacing the metal section is delayed.

Sanctions: not applied.

3. Between ÷ 26 and 27.06.2023, the thematic control carried out on site by representatives of GNM Bacău took place,

APM Bacău and IJSU Bacău to verify compliance with the requirements of Law 59/2016 on major-accident hazards involving dangerous substances. Control topics: Ensuring the conditions for safe operation of installations in the context of company reorganization. A SEVESO Inspection Report was drawn up in which all findings and verifications during the control were recorded.

Established measures: not applicable.

Sanctions: not applied.

4. Inspection carried out at Chimcomplex S.A. Borzești on ÷ 24, 25.07.2023 by GNM Bacău representatives.

Purpose of planned inspection: Verification of compliance with current environmental regulations. An Inspection Report was drawn up in which were recorded: the operation of the plant, the monitoring of environmental factors, waste management, the storage mode and the conditions of delivery of chemicals to beneficiaries.

Established measures: Monitoring of environmental factors according to the Integrated Environmental Authorization in force.

Sanctions: not applied.

5. Inspection carried out at Chimcomplex Borzești on 21.09.2023 by representatives of GNM Bacău.

Purpose of planned inspection: planned thematic inspection, according to Circular No. 2145/GM/14.03.2023 on the REACH project – ENFORCE 11, on the enforcement of REACH and CLP obligations, through the issuance by economic operators of safety data sheets in accordance with the new requirements of Annex II of the REACH Regulation, amended by Regulation (EU) 2020/878. The documents for sodium carbonate were checked, respectively method of acquisition, storage and packaging method (field visit), information from the safety data sheet, purchased and existing stocks on site and an Inspection Report was drawn up.

Established measures: not applicable.

Sanctions: not applied.

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6. Inspection carried out at Chimcomplex Borzești on 02.10.2023 by representatives of GNM Bacau.

Purpose of planned inspection: planned thematic inspection, according to Circular No. 2145/GM/14.03.2023 on the REACH project – ENFORCE 11, on the enforcement of REACH and CLP obligations, through the issuance by economic operators of safety data sheets in accordance with the new requirements of Annex II of the REACH Regulation, amended by Regulation (EU) 2020/878. The Inspection Report recorded the list of chemicals used/manufactured with the following data on each substance: no. CAS, No. REACH registration, classification according to CLP and storage mode and location. Also, the documents for hydrochloric acid, respectively method of manufacture, storage mode (field visit), information from the safety data sheet, stocks existing on site were checked and an inspection report was drawn up.

Established measures: not applicable.

Sanctions: not applied.

7. Inspection carried out at Chimcomplex Borzești on 03.10.2023 by representatives of GNM Bacau.

Purpose of planned inspection: planned thematic inspection, according to Circular No. 2145/GM/14.03.2023 on the REACH project – ENFORCE 11, on the enforcement of REACH and CLP obligations, through the issuance by economic operators of safety data sheets in accordance with the new requirements of Annex II of the REACH Regulation, amended by Regulation (EU) 2020/878. The inspection report recorded all chemicals registered with ECHA and the steps for their registration, the list of chemicals used/manufactured with the following data on each substance: CAS, No. REACH registration, classification according to CLP and storage mode and location, compliance with annual CLP reports in SIM to APM Bacau.

Established measures: not applicable.

Sanctions: not applied.

8. Inspection carried out at Chimcomplex S.A. Borzești on 07 ÷ 08.12.2023 by representatives of GNM Bacau.

Purpose of planned inspection: Verification of compliance with current environmental regulations. An Inspection Report was drawn up in which were recorded: the operation of the plant, the monitoring of environmental factors, waste management, the storage mode and the conditions of delivery of chemicals to beneficiaries.

Established measures: not applicable.

Sanctions: not applied.

Chimcomplex SA Borzești - Rm. Valcea Branch:

1. Control performed at Chimcomplex S.A. Borzești - Ramnicu Valcea Branch on 14.06.2023 by representatives of the National Environmental Guard - Valcea County Commissariat. The unplanned control was carried out as a result of the notification sent to the National Environmental Guard - General Commissariat, registered with number 1062 / CRP / 15.05.2023 sent for settlement to the Valcea County Commissariat within the National Environmental Guard, registered under no. 1260/15.05.2023 regarding industrial pollution and white water color in Stuparei, water flowing into Olt River, Valcea County.

Measures established:

- The proper functioning of the final treatment plant will be ensured and corrective measures will be taken to eliminate the risk of contamination of the receiver.

Deadline: 15.06.2023 and permanent ;

Established sanctions: No sanctions or objections have been imposed.

2. Control performed at Chimcomplex S.A. Borzești - Ramnicu Valcea Branch on 27.09.2023 by representatives of the National Environmental Guard - Valcea County Commissariat. The unplanned

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control was carried out on the basis of Circular No. 6901/GM/28.08.2023 ordered by the General Commissariat of the National Environmental Guard, regarding the performance of unplanned controls at filling stations for fuel, liquefied petroleum gas (LPG) and compressed natural gas (CNG). Measures established:

Any incident / accident involving dangerous substances will be notified to the competent environmental authorities in the field.

Deadline: 28.09.2023 and permanent;

Established sanctions: No sanctions or objections are applied.

3. Control carried out at Chimcomplex S.A. Borzești - Ramnicu Valcea Branch on 16.10.2023 by representatives of the National Environmental Guard - Valcea County Commissariat. The unplanned control was carried out based on notifications sent to GNM – General Commissariat, registered under no. 2134/CRP/13.09.2023, submitted for settlement to GNM – Valcea County Commissariat, registered under no. 2338/14.09.2023, extended for settlement by address no. 2689/CJ Valcea/12.10.2023, regarding white dust emissions in the Stolniceni area and water discharges into the Olt River, Valcea County.

Measures established:

- All measures shall be taken so that, on the access road to the landfill of non-hazardous waste, dust particles are not entrained into the atmosphere.

Deadline: 17.10.2023 and permanent;

Established sanctions: No sanctions or objections are applied.

4. Between 06-07.11.2023, at the company Chimcomplex S.A. Borzești – Ramnicu Valcea Branch, the inspection of the competent authorities (ISU Valcea, GNM – CJ Valcea, APPM Valcea – risk secretariat) took place, having as theme the verification of the operator according to the provisions of Law no. 59/2016, on the control of major-accident hazards involving dangerous substances, as amended.

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

During the inspection, no deficiencies were found regarding the managerial act in the management of dangerous substances and prevention of a major accident or in the organization and execution of activities planned and carried out within the objective.

No sanctions or objections were imposed.

Established measures and deadlines for implementation:

- public information has been sent to the competent authorities and on the operator's website can be viewed on the link: <https://chimcomplex.com/docs/informații-seveso/>;

- a training was made on the obligations incumbent on the economic operator and which are contained in the joint order MDRAPFE / MM / MAI nr. 3710/1212/99/2017, regarding the approval of the methodology for establishing distances falling within the provisions of Law no. 59/2016, on the control of major-accident hazards involving dangerous substances'

- an exercise was carried out to test the Internal Emergency Plan to limit and remove the consequences of a major accident involving dangerous substances, at the Special Polyols Section on 01.11.2023, 12:00.

5. Control carried out at Chimcomplex S.A. Borzești - Ramnicu Valcea Branch between 28-29.11.2023 by representatives of the National Environmental Guard - Valcea County Commissariat. The verification shall be carried out as a result of the planned control.

Penalties established:

No sanctions or objections were imposed.

Established measures and deadlines for implementation:

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- the spaces for temporary storage of non-hazardous waste from the landfill of recovered materials will be reorganized, in order to properly manage them, and the pictograms with the application of the related waste code will be restored; DEADLINE: 15.01.2024;
- All necessary measures will be taken to avoid pollution of environmental factors, air and soil, by vehicles transporting waste to landfills belonging to society; DEADLINE: 30.11.2023 and permanent;
- The new regulatory act on water protection will be transmitted to GNM-CJ Valcea; TERM: after obtaining;
- The investment works proposed by the company will be submitted to GNM-CJ Valcea, to be carried out for 2024; DEADLINE: 30.11.2023 and permanently.

Environmental obligations:

1. Closure of non-hazardous waste landfill, objective achieved in the first quarter of 2022, in the post-closure monitoring period;
2. Closure of hazardous waste landfill, objective achieved in the fourth quarter of 2023 in the post-closure monitoring period;
3. Removal of metallic mercury from the mercury cathode electrolysis facility, objective completed in December 2023, follows the receipt of documents regarding the permanent storage of mercury sulfide resulting in the dry salt mine.

At this date there are no more CAPEX expenses on environmental obligations.

Chimcomplex SA Borzești - Work point Dej:

No inspection and control activities took place; The authorized wastewater treatment plant did not operate in 2023.

During 2023, two complaints were registered at Chimcomplex SA Borzești-Rm.Valcea Branch regarding industrial pollution and white water color in Stuparei locality and dust emissions in Stolniceni area, measures were taken to avoid such situations.

At Chimcomplex SA Borzești - platform in Onesti, a complaint was registered regarding the impact of the activity on the environment, consisting in the presence of olfactory discomfort in the residential area of Onești. In dealing with this complaint, we used air quality measurements at the company's perimeter boundary, which showed that we were not the source of the alleged odours, and this complaint was framed as unfounded.

There were no technical accidents or emergencies on any of the platforms.

3.11. R&D evaluation

The research and development activity at the Company is carried out only on the Ramnicu Valcea branch

The research activity at Rm.Valcea is carried out with the staff of the Research Center within the branch, the achievements during 2023 being the following:

1. Polycarbonate polyols (reducing carbon footprint by using CO2 in polyol synthesis)
2. Polyether microproduction plant – Project with Innovation Norway funds
3. Laboratory technology for synthesis of a diol homopolymer with mass 18000-research completion.
4. Evaluation of amine-free stabilization solutions for polyols for flexible foams.
5. Manufacturing samples for product portfolio development.

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6. Recovery / recycling / use of industrial waste - documentation, preliminary tests.
7. Testing raw materials from alternative sources.
8. Tested manufactured polyols / complaints / samples / collaborations.

3.12. Assessment of the integrated management system

As in previous years, in 2023 Chimcomplex SA aims to ensure full compliance with explicit customer requirements and expectations, as well as with regulations and legal provisions,

In line with the principles of the stated policy, the necessary resources have been provided to:

- design, development, execution, marketing and after-sales support of products and services offered that fully meet the requirements and expectations of our customers regarding quality, legal and regulatory requirements as well as reasonable expectations of stakeholders, using clean and safe technologies that lead to improved environmental performance;
- occupational health and safety;
- setting measurable annual objectives and performance indicators appropriate to maintain societal balance and development;
- maintaining the certifications of the Integrated Management System according to the reference standards;
- continuous improvement of the effectiveness of the Integrated Management System for achieving the policy and achieving the proposed objectives;
- monitoring, measuring and continuously improving the level of customer satisfaction;
- Monitoring, measuring and ensuring economic efficiency in all actions undertaken in 2022.

In 2023, all system certifications previously obtained were maintained, to the General Integrated Management System: EN ISO 9001:2015 -" Quality Management Systems. Requirements.>"; EN ISO 14001: 2015 -"Environmental management systems - Requirements with user guide".

3.13. Assessment of the company's risk management activity

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 which, by combining, classifying, ordering, establishing interdependencies, analyzing causes / effects, severity and frequency as well as defining ways to mitigate the impact of all identified risks, represents a main source of information in establishing the company's business strategy.

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

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

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analyze the risks related to carrying out their 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 - the objectives of management are to protect the entity's ability to continue operating to provide benefits to shareholders and 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 losses for the company if the contractual partner 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. At the same time, the Company annually concludes commercial credit insurance policies for customers to whom it grants payment terms.

Another method of credit risk management is the sale of products through distributors, which ensure that the risk of default of the final consumer is taken over.

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 can be covered from current assets (current assets).

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.

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 that the return on an investment in a productive society depends to a large extent on economic conditions in the domestic and international market, on the volume of orders received and the value of contracts concluded, as well as on changes in the prices of raw materials and finished products.

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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 the 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. QIn 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 charges 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 norms, 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.

3.14. Forward-looking elements regarding the company's activity

3.14.1. Disclosure and analysis of any trends, elements, events or uncertainty factors affecting or likely to affect the liquidity of the company, compared to the same period of the previous year

Following the acquisition by Chimcomplex SA Borzești in December 2018 of the five asset packages belonging to Oltchim, the period 2019 - 2023 was dedicated to actions to integrate the activities of the Borzești and Rm.Valcea platforms (administrative/organizational, financial-accounting, production, IT, etc.) and to capitalize on synergies between the two platforms.

Chimcomplex SA Borzești is considering implementing in the coming years an investment program for the chemical platforms in Borzesti and Rm. Valcea, which will ensure the modernization of existing capacities, the development of new capacities with impact on increasing turnover and reducing operating costs.

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

Borzești:

During 2023, investments were made on the **Onești Platform** in the amount of 3,022,927 RON, respectively 611,124 euros, for the following investment objectives:

Investments made by the Onești platform	2023
Calcium Chloride	127.057
Photovoltaic panels 5 MWh - Onești	1.244
Green hydrogen production by alkaline electrolysis	4.825
Sustainable manufacture of epoxy resins	9.902
Others & Maint.	468.097
Total new equipment (eur)	611.124
Total new equipment (ron)	3.022.927

Ramnicu Valcea Branch:

During 2023, investments amounting to 164,691,549 RON, respectively 33,348,635 euros, were made at the Rm. Valcea Branch, the main allocations of funds being for the following investment objectives:

Investments made by the Rm VÂLCEA platform	2023
M electrolysis - membrane change	219.284
Lime SIC 2	197.339
Propenoxides 1 - consolidation	103.889
Polyols	572.260
Ethylene oxide storage	28.909
Ethylene oxide	21.281
Steam Plant	29.197
Cogeneration station 8 Mwe	8.207.036
Oxoalcohols - modernization	109.312
Cogeneration station 49,5 Mwe	17.753.342
OSBL CHP 49 MW works	3.064.014
Environment (Water)	15.013
Green hydrogen production	7.026
Others & Maint.	3.020.732
Total new equipment (eur)	33.348.635
Total new equipment (ron)	164.691.549

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Expected (estimated) investments in 2024 and further until 2025:

Onesti platform:

Investment Program for the Onesti Platform of Chimcomplex SA Borzesti. For 2024 it is estimated at EUR 8.3 million and contains:

- Integrated unit for epichlorohydrin production – epoxy resins – the project represents the realization of a complex of flow-linked and integrated installations so as to fit into the concept of circular, sustainable and non-polluting economy, the investment involves technology acquisitions, equipment and construction-assembly works, being composed of the following modules / installations: HCL gas synthesis, glycerin purification, epichlorohydrin synthesis, epoxy resin synthesis, brine purification, incineration of residues;
- modernization of electricity distribution stations and other modernizations - The proposed objective is to carry out restructuring / modernization works of electricity distribution stations and equipment replacement.
- Other facilities and upgrades - equipment purchases/replacements are envisaged to further modernize, expand capacities and ensure the reliability of the operation of manufacturing and commercial flows.

Rm.Vâlcea Branch:

The Investment Program of Ramnicu Valcea Branch of CHIMCOMPLEX SA Borzesti for 2024 is estimated at EUR 26.1 million and contains the following investments:

- continuing the installation works of the 3000 cubic meters propylene sphere to increase propylene storage capacity and to increase the degree of operational safety;
- CHP plant 49.5 MWe;
- modernization of the 110 kW substation;
- special polyols production plant, including installation for obtaining flexible polyurethane foams, laboratory and monitoring equipment, CHP 108 MWE cogeneration plant - project with PNRR funds for urban heating in Rm.Valcea municipality - ensuring thermal energy, environmental investments - wastewater treatment from the propene oxide department;
- Other & modernization & endowment - equipment acquisitions / replacements are envisaged to continue modernization, capacity extensions and ensure the modernization, efficiency and reliability of the operation of manufacturing and commercial flows.

The investments proposed in the 2024 plan will be physically made and will be promoted for financing depending on the evolution of the economic and legislative environment. approval of projects with non-reimbursable financing and bank financing solutions / investment fund available for Chimcomplex.

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Reg. J04/493/1991, unique code 960322

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Account: RO60BUCU1111215962132

ALPHA BANK BUCHAREST

RO2021.055.061Q RO2021.055.061E RO2018.055.061



4. TANGIBLE ASSETS OF THE COMPANY

4.1. Specification of the location and characteristics of the main production capacity owned by the company

The production capacities of the company have two locations, respectively: the industrial platform of the Chemical Plant in Rm. Valcea and the industrial platform Onești.

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

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

After 1990, emphasis was placed on refurbishing technological processes and replacing energy-intensive technologies, aiming to reduce manufacturing costs and improve product quality.

In order to increase performance and adapt to market requirements, actions were undertaken to modernize and refurbish the installations.

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

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

Acquired assets include land, buildings, investments in course of execution, intellectual property rights and other movable property principally representing machinery, equipment, technology and any other similar assets necessary for the production process.

Land area owned on 31.12.2023:

Total: 4,478,374 sq.m. with a patrimony registration value of 119,681,485 RON, located as follows:

Crt. No.	Location	Surface (sqm)	Accounting value (RON)
1	Onești, str Industriilor nr. 3	1.710.253	42.312.523
2	Sat Cazaci com. Tarcău, Neamt County	41.679	2.041.232
3	Cluj	2.012	144.916
4	Someș Dej, Dealul Tirului, jud. Cluj	409.111	10.712.637
5	Pitești, str. Caminelor, nr. 7, Argeș County	1.222	1.614.436
6	Bucharest, 44A Ficusului Blvd., sector 1	39	105.756
7	Rm.Vâlcea	2.314.058	62.749.985

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In detail, on the two platforms Borzești and Valcea, the tangible assets existing on 31.12.2023 present the following structure:

Active	TOTAL	RON	
		Onesti	Rm.Vâlcea
Land	119.681.485	56.931.500	62.749.985
Construction	667.504.991	293.141.630	374.363.361
Waste closure constructions	6.634.752	1.614.545	5.020.206
Rights to use leased assets	41.827.356	14.920.049	26.907.307
Technological equipment	1.059.226.107	348.720.590	710.505.517
Measuring, controlling and regulating apparatus and installations	117.008.359	41.790.796	75.217.563
Means of transport	69.866.730	20.174.407	49.692.324
Furniture, office equipment, protection equipment	6.485.353	280.051	6.205.302
Real estate investment	34.944.716	6.190.412	28.754.305
Property, plant and equipment under construction	225.476.674	36.482.557	188.994.117
Machinery and equipment for assets in progress	59.901.217	15.968.566	43.932.651
TOTAL	2.408.557.740	836.215.103	1.572.342.636

The company's assets (land, buildings, constructions, technological equipment, ongoing investments, intangible assets) were revalued on December 31, 2021 by an independent specialized company DARIAN SA - member of ANEVAR.

4.2. Description and analysis of the degree of wear and tear of the company's properties

62% of the value of the installations operating within the company are new and were commissioned between 2002 and 2023.

For all installations, periodic overhauls and overhauls are carried out so that they have ensured all conditions for safe operation, given the specificity of particular danger in chemical installations.

From the point of view of the physical condition and maintenance in operation of all installations, the degree of wear established according to the technical books of equipment and machinery is estimated at a level of approximately 30%.

Depreciation shall be calculated at cost, on a straight-line basis, over the estimated useful life in years of the assets, as follows:

Special buildings and constructions	30-50
Technical installations and machinery	2-30
Furniture, appliances, office supplies, others	2-15

For purchases made in 2023, the lifespans are those established by the legal norms in force.

Land is not depreciated because it is assumed to have an unlimited lifespan.

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Fixed assets in progress are not depreciated. Depreciation of fixed assets in progress begins when the assets are ready for their intended use.

Estimated useful lives, residual values and the depreciation method shall be reviewed periodically to ensure consistency with the expected period of economic benefits that will result from the use of the assets.

4.3. Specification of potential problems with ownership of the company's tangible assets

This is not the case.

5. MARKET FOR SECURITIES ISSUED BY THE COMPANY

5.1. Specification of the markets in Romania and other countries where the securities issued by the company are negotiated

Chimcomplex SA Borzești is a Romanian legal entity and operates as a joint stock company in accordance with: Law no. 31/1990 of companies, republished, with subsequent amendments and completions; The articles of incorporation of the company and the addenda thereto, the Organization and Functioning Regulation.

The company Chimcomplex SA Borzești is established by Romanian Government Decision no. 1200/12.11.1990, registered at the Bacau Registry Office under number J04/493 on 15.03.1991 and CUI 960322 on 07.12.1992.

Trading of shares issued by Chimcomplex SA Borzești is done on the Bucharest Stock Exchange starting with January 17, 2022, standard category, ticker symbol CRC.

The company's shares are nominative, indivisible, are issued in dematerialized form and have the ISIN code ROCHOBACNOR8.

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

According to the Certificate of Ascertainment no. 1378830/12.12.2023, on 31.12.2023, the subscribed and paid up share capital is 304,907,851 RON, divided into 304,907,851 registered shares, at the value of 1 leu/share.

Since 21.07.2015, the shares of CHIMCOMPLEX SA BORZEȘTI (CHOB) have been traded on the Securities Market, within the Alternative Trading System, administered by the Bucharest Stock Exchange, Financial Instruments Section located on ATS, Equity Securities Sector, Share Category.

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

On 31.12.2023, according to the records from the Central Depository, the majority shareholder of the company is C.R.C. Alchemy Holding B.V. holding a number of 259,151,119 shares, worth 259,152,119 RON, representing 84.99% of the share capital, and the Romanian State through the Authority for State Assets Management (A.A.A.S.) holds a number of 27,305,181 shares, amounting to 27,305,181 RON, representing 8.96% of the share capital.

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The synthetic structure of shareholders of the company as at 31.12.2023, is as follows:

Shareholders	No. of shares	Value of RON	% of share capital
CRC Alchemy Holding B.V.	259.152.119	259.152.119	84.99%
A.A.A.S	27.305.181	27.305.181	8.96%
LEGAL ENTITIES	14.423.411	14.423.411	4.73%
INDIVIDUALS	4.027.140	4.027.140	1.32%
TOTAL	304.907.851	304.907.851	100%

The company's management believes that a high level of transparency, continuous and real-time communication of important information together with investor protection are the key to long-term support of the company's development strategy by shareholders and maximizing the value of shares.

Strict application of the incident legal framework (Law 31/1990 – Companies Law, republished; Law 297/2004 – capital market law with subsequent amendments and completions; Issuers Law 24/2017; ASF Regulation 5/2018 and Bucharest Stock Exchange Code) provide the premises for compliance with internationally established Corporate Governance requirements.

Statement of participations in other companies as at 31.12.2023:

Units in Group companies	Balance at 31.12.2023 RON	Percentage owned
A6 IMPEX SA	50.609.823	49,45%
SISTEMPLAST SA	14.966.000	94,40%
A5 INVEST SRL	6.100.000	100,00%
GREENCOMPLEX SRL	4.733.030	99,99%
UZUC SA	1.680.000	0,57%
Asociatia Vâlcea Dual Learning	24.000	16,61%
AISA Invest SA	19.900	20,00%
Asociatia producatorilor de produse de uz fitosanitar	1.000	12,50%
Total	78.133.753	

5.2. Description of the company's dividend policy. Specification of dividends due/paid/accrued over the last three years and, where applicable, reasons for any decrease in dividends during the last three years

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.

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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.

According to the capital market legislation, the OGMS fixing the dividend establishes the details regarding the conduct of that event, i.e. ex date (date prior to the registration date with a settlement cycle minus one working day, from which the financial instruments subject to the decisions of the company bodies are traded without the rights deriving from that decision), the registration date (the expressly specified calendar date, respectively dd/mm/year, established by the GMS, which serves to identify the shareholders who are to benefit from dividends or other rights and on whom the effects of the GMS decisions are reflected) and the payment date (the expressly specified calendar date, respectively dd/mm/year, on which the results of a corporate event, related to the holding of financial instruments, are due).

According to the Law on Issuers, the identification of shareholders to benefit from dividends (registration date) will be made by the GMS and will be subsequent at least 10 working days to the date of this GMS. According to the capital market legislation, the date on which dividends will be paid (payment date) is the date set by the OGMS that fixes the dividend, so that this date is on a subsequent working day no later than 15 working days from the registration date, but no later than 6 months from the date of dividend setting OGMS.

The decision of the OGMS for fixing the dividend shall be submitted within 15 days to the Trade Registry to be mentioned in the register and published in the Official Gazette of Romania, Part IV.

According to the Law on Issuers, if the GMS does not set the date of payment of dividends, they are paid within 30 days from the date of publication of the decision of the GMS establishing dividends in the Official Gazette of Romania, Part IV, the date from which the Issuer is rightfully in arrears. The judgment is an enforceable title, under which shareholders can start enforcement against the Issuer, according to the law. If dividends are not paid within the established deadline, the Issuer will pay damages for the delay period, at the level of statutory interest, unless a higher interest rate was established by the decision of the GMS that approved the financial statement for the completed financial year.

Dividends paid contrary to the related provisions shall be returned if the Issuer proves that the shareholders were aware of the irregularity of the distribution or, under the circumstances, should have known about it.

The right to an action for restitution of dividends paid contrary to the related provisions is barred within 3 years from the date set by the GMS for their granting.

Also, the right to demand the payment of dividends is prescribed within 3 years from the date set by the GMS for their granting.

Dividends due after the date of transmission of shares shall belong to the transferee, unless otherwise agreed by the parties.

According to NBR Regulation no. 4/2005 on the foreign exchange regime, republished, with subsequent amendments and completions, the repatriation of net income in the form of dividends from capital operations by non-residents can be made without restrictions. Romanian law does not provide for shares with cumulative dividend.

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

Based on the Resolutions of the Ordinary General Shareholders Meetings of the Company of September 16, 2022 and November 28, 2022, interim dividends of RON 40,000,000 and RON 127,000,000 (gross amount) respectively were approved for distribution. On April 28, 2023, the Ordinary General Meeting of Shareholders approved the coverage of RON 167,000,000 recorded as interim dividends in 2022 from the profit allocated to other reserves for 2022 (retained earnings).

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

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

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

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 gave dividends to shareholders.

In the last three years the situation is as follows: for 2021 - a gross dividend of 0.196780 RON / share was granted, for 2022 - interim dividends were granted - gross dividend value of 0.131187 RON / share, respectively 0.416519 RON / share, 2023 - Gross dividend per share worth 0.088551 RON.

No interim dividends were granted for 2023.

Romanian companies can distribute dividends only from profits according to financial statements prepared in accordance with Romanian accounting regulations.

The dividend policy is available on the company's website, www.chimcomplex.com, section Investor Relations – Corporate Governance – Corporate Governance Documents.

5.3. Description of any activities of the company to acquire its own shares

The company has a plan for the redemption of its own shares approved by the decision of EGM Chimcomplex SA Borzești dated 21.06.2023 in order to fulfill the obligations arising from the Remuneration Policy approved by the OGMS dated 26.04.2021, respectively the distribution of shares as motivational packages (stock option plan) to administrators, managers and employees who will opt for this form of variable remuneration.

In accordance with the decisions of the Company's shareholders, the Board of Directors decided to grant shares in December 2022 regarding the implementation of the option plan applicable to employees and management team.

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The company holds a number of 1,174,236 own shares, with a face value of 1 leu each, representing 0.3851% of the share capital.

5.4. Where the company has subsidiaries, indication of the number and nominal value of shares issued by the parent company held by subsidiaries

This is not the case.

5.5. Where the company has issued obligations and/or other debt securities, a statement of how the company pays its obligations towards the holders of such securities

This is not the case.

6. COMPANY MANAGEMENT

6.1. Presentation of the list of directors of the company and the following information for each director

In 2023, the administration and management of the company was ensured by a Board of Directors consisting of 7 members, as follows:

1. STEFAN VUZA	Chairman of the Board of Directors
2. PLATINUM ADVISORY SERVICES SRL, represented by MADELINE ALEXANDER	Member of the Board of Directors
3. VERONICA PREOTEASA	Member of the Board of Directors
4. GABRIEL TISCHER	Member of the Board of Directors
5. WITOLD URBANOWSKI	Member of the Board of Directors
6. IULIAN LIVIU COJOC	Member of the Board of Directors
7. COMAN DUMITRU	Member of the Board of Directors (until 31.07.2023)
8. LUCA FLORIN	Member of the Board of Directors (starting with 01.08.2023)

The Board of Directors is responsible for establishing the company's strategy and overseeing its implementation.

His main responsibilities include approving the financial statements, appointing the Chairman and preparing the agenda of the Annual Meeting of Shareholders.

Corporate governance policies aim to ensure: transparent and sustainable value creation through clear delineation of responsibilities, management processes and continuous monitoring of board performance and efficiency, appropriate decision-making process regarding policy principles and controls.

The election of the board members was made by majority vote within the OGMS, the candidates being proposed by the shareholders.

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The composition of the board of directors faithfully reflects the equity participation (over 70% of the capital is represented in the CA). There are no family ties between directors or members of executive management with third parties due to whom they were elected/appointed.

The diversity of board members makes it possible to capitalise on complementary skills, experience and professional knowledge from different fields. The majority of board members are non-executive directors, so a balance of authority is ensured. In 2023, the board met on a monthly basis, with all members present in person or using postal voting. The level of allowances of CA members is established by the shareholders' decision in the general meeting.

The convocation, operation, voting method, as well as other provisions regarding the Board of Directors, the Executive Board are detailed in the Articles of Association of the Company and in the Procedure regarding the Organization and Conduct of GMS Meetings, available on website, www.chimcomplex.com, section about us – Investor Relations – Corporate Governance – Corporate Governance Documents.

6.2. Presentation of the list of members of the company's executive management

The executive management of Chimcomplex SA Borzești in 2023 was ensured by a team consisting of:

- Vuza Stefan CEO/CEO (until 30.10.2023)
- Staicu Dumitru Florian Interim CEO (as of 31.10.2023)
- Baiu Cosmin Deputy CEO/Deputy CEO (until 31.10.2023)
- Stanciugel Nicolae CFO/CFO
- Coman Dumitru CTO/ Deputy CEO / Technical Director / Deputy General Manager
- PREOTEASA Veronica CCO/Commercial Director (until 30.09.2023)
- Pop Calin Commercial Director (as of 01.10.2023)
- Moldovan Dan Deputy CCO/Deputy Commercial Director
- Bălăiță Maria Luminița COO/Director of Operations Borzești
- Staicu Dumitru Florian COO/Interim Director of Operations Suc. Rm.Vâlcea
- Dumitru Mihai Production Manager Borzești
- Tălpașanu Mihail Interim Director of Juice Production. Rm.Vâlcea
- Onofrei Caesar Juice Production Manager. Rm.Vâlcea (starting with 22.06.2023)
- Michael Negrila Maintenance Director (starting with 22.06.2023)

No member of the administrative, management or supervisory bodies has been convicted in relation to possible fraud committed in the last five years.

The main management, management and supervisory structures of the company are the Board of Directors, the Directors, the Audit and Risk Committee, the Integrity Committee, the Nomination and Remuneration Committee and the Strategy, Development and Investment Committee. The management experience and professional training of board members allows them to periodically evaluate issues related to the evaluation of directors' work, nomination, remuneration or internal audit. In order to comply with the requirements of audit law 162/2017 and EU regulation 537/2014 on audit, the board of directors decided to amend the state.

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The full CVs of the Executive Board members are presented on the company's website, www.chimcomplex.com the section About Us – Corporate Governance.

Chimcomplex appointed a new executive team, thus strengthening the management structure of the company. The new executive team has the role of implementing the company's development strategy.

The remuneration of directors shall be determined by decision of the Board of Directors.

The annual gross remuneration and other advantages, including that approved by the GMS through BVC due to the management, cannot exceed 5% of the value of the equity capital, established by the annual balance sheet.

In order to comply with the legal obligations introduced by Law nr. 158/2020 amending Law no. 24/2017 on issuers of financial instruments and market operations, the Remuneration Policy for directors, executive directors and members of the Audit Committee was developed and approved at the 2023 GSM.

NOTE: Given that we are a company listed on the Bucharest Stock Exchange (BVB) and we have reporting obligations to both BVB, as well as to ASF, the changes within the Board of Directors, as well as the amendment of the Articles of Association in this regard, were notified to BVB and ASF at that time.

The internal control at SC CHIMCOMPLEX SA in 2023 was carried out based on the plan approved by the Board of Directors, but also having specific actions requested by the company's management. Control activities are an integral part of the management process through which the entity pursues its objectives.

The company has an internal/managerial control system, the design and application of which enable the executive management and the board of directors to provide reasonable assurance that the company's funds, allocated for the purpose of meeting general and specific objectives, have been used in a manner of legality, regularity, effectiveness, efficiency and economy.

The internal/managerial control system includes both self-control mechanisms and subsequent control performed through the Cost Bureau and the Internal Auditor, respectively the Audit Committee, and the application of measures aimed at increasing its effectiveness are based on risk assessment.

The internal accounting and financial control of the Company was applied in order to ensure an accounting management and a financial follow-up of the Company's activity.

Internal audit missions shall cover:

- ✓ ensuring compliance with the legislation in force;
- ✓ implementation of decisions made by the management of the company;
- ✓ the proper functioning of the company's internal activity;
- ✓ reliability of financial information;
- ✓ resource efficiency;
- ✓ risk prevention and control.

The purpose of internal control is to ensure consistency of objectives, identify key success factors and communicate real-time performance and outlook information to the entity's managers.

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In terms of accounting rules, it is considered:

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

During 2023, audit missions were carried out and, following the completed missions, recommendations were developed to improve internal management control, mainly aimed at:

- compliance with applicable laws, regulations/procedures and contracts;
- effectiveness and efficiency of operations;
- management of funds and assets.

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 No. 40/4439/2000

Authorization of the Chamber of Financial Auditors of Romania no.9/25.06.2001

Company headquarters – Bucharest, Sector 1, DN1 Bucharest-Ploiesti Road, no.89A

Phone 021/372.377.800, Fax 021/372.377.700

In accordance with the provisions of audit law 162/2017 and EU regulation 537/2014 on audit and BVB recommendations for listed companies, the Board of Directors decided to set up an Audit and Risk Committee. It is composed of 2 members.

It is an important structure in corporate governance, ensuring in many cases the interface with the financial auditor and playing an important role in the smooth functioning of the company. The Audit and Risk Committee shall establish responsibilities with regard to:

- quality and integrity of the company's financial statements;
- compliance by the company with legal and regulatory requirements;
- the company's risk management process globally;
- performing the internal audit function of the company;
- approves the audit program and coordinates the work of the internal auditor, which is an outsourced service.

The company establishes and publishes annually, on BVB website and on its own website, a financial reporting calendar.

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Account: RO60BUCU1111215962132

ALPHA BANK BUCHAREST

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The company prepares and disseminates periodic and continuous information relevant to the investment decision, information published both on its own website and on the BVB website (symbol "CRC"). The staff dedicated to this activity is permanently trained, trained and professionally trained on aspects regarding the relationship of a company with its shareholders and corporate governance principles. During 2023, the dissemination of information was made in Romanian and English, for those categories of documents provided by the applicable legal framework.

The Company encourages communication with shareholders through the Investors section of its webpage available at <https://chimcomplex.com>

6.3. Specification of any disputes or administrative procedures involving administrative management and management members in the last 5 years

This is not the case.

7. FINANCIAL STATEMENT OF ACCOUNTS

The financial statements were prepared in accordance with the provisions of the Order of the Minister of Public Finance nr. 2844/12.12.2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards and Order no. 5394/2023 on the main aspects related to the preparation and submission of annual financial statements.

The Standalone Financial Statements as at and for the one-year period ended December 31, 2023 were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards ("IFRS"), as subsequently amended ("OMFP 2844/2016"). For the purposes of OMFP 2844/2016, International Financial Reporting Standards are those adopted according to the procedure provided by the European Commission Regulation no. Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ("IFRS adopted by the European Union").

The financial statements were prepared on a going concern basis.

The audit of the company's financial statements prepared on 31.12.2023 is carried out by KPMG Audit S.R.L.

THE ACCOUNTING PRINCIPLES, POLICIES AND METHODS contained in the Accounting Policies and Procedures Manual of SC Chimcomplex SA Borzești and which were the basis for the preparation of the Financial Statements at the end of the financial year 2023 were:

- ✓ The financial year shall run from 1 January to 31 December
- ✓ The financial statements for the year ended December 31, 2023 have been prepared in accordance with the following principles:
 - business continuity - SC CHIMCOMPLEX SA Borzești will continue its normal operation in the foreseeable future without becoming unable to continue the activity considering the portfolio of orders (contracts) for 2024

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- registration in accounting and presentation of patrimonial elements and results, based on supporting and legally drawn up documents, according to the legislation in force, thus ensuring comparability over time of information
- permanence of methods - application of the same rules, methods, rules regarding the valuation, recording and presentation in accounting of patrimonial elements, ensuring comparability in time of accounting information
- prudence - account has been taken of value adjustments due to impairments in the value of assets, as well as of all foreseeable obligations and potential losses that have arisen during the completed financial year or during a financial year
- accrual accounting - the effects of transactions and other events are recognised when transactions and events occur and are recorded in accounting and reported in the financial statements of the related period
- separate valuation of assets and liabilities - in order to determine the total amount corresponding to a balance sheet position, the value of each individual asset or liability item has been determined separately;
- intangibility - the opening balance sheet of 2023 corresponds to the closing balance sheet of the previous year 2022
- non-netting - the values of assets have not been offset against the values of items representing liabilities, i.e. income with expenses, except for set-offs between assets and admitted liabilities
- the prevalence of the economic over the legal – the information presented in the financial statements reflects the economic reality of events and transactions, not only the legal form
- valuation at acquisition cost or production cost according to which items presented in the financial statements are usually measured on the basis of the principle of acquisition cost or production cost
- materiality - any item that has significant value is presented separately in the financial statements.

Accounting treatments:

- a) at the date of entry into patrimony, the goods are valued and recorded in the accounts at the input value, also called book value;
- b) the valuation of the patrimonial elements during the inventory was made at market value taking into account their usefulness and condition;
- c) at the end of the year, patrimonial items shall be valued and reflected in the balance sheet at the value of entry into patrimony, respectively the book value agreed with the inventory results; The closing rate of 31.12.2023 was used for monetary items expressed in foreign currency, at the official rate communicated by the NBR of 4.9746 RON/EUR and 4.4958 RON/USD, published on the website of the Ministry of Public Finance. Exchange differences were recorded on income and expenses, respectively;
- d) on the date of removal from the patrimony or release for consumption, the goods shall be valued and deducted from management at the input value.

Intangible assets - The intangible assets entered in the records consist of licenses, software recorded at cost.

Tangible assets - Tangible assets consist of land, buildings, constructions, technological installations, machinery, measuring and control devices, means of transport, computer equipment, furniture, office equipment, recorded at acquisition cost / own overhead or revalued value or their value increases that aimed to increase productivity by improving the operating parameters of the machines or to create appropriate conditions working environment. Outstanding property, plant and equipment was recorded in accounting at cost.

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Property, plant and equipment are depreciated using the straight-line method over their useful life. The estimated useful lives used for property, plant and equipment shall be determined in accordance with the accounting policy stated in the financial statements.

Repair or maintenance expenses incurred to restore or maintain the value of these assets are recognised in the statement of financial performance at the date they are incurred.

Financial fixed assets - Financial fixed assets consist of equity securities in the share capital of other companies and guarantees to suppliers.

For the cash flow statement, cash and its equivalents include cash in the cash register, bank, receivable amounts and other values.

The company's stocks consist of: raw materials, consumables, inventory items, production in progress, finished products and commodities. Purchased material stocks are recorded at purchase cost, and products at production cost. The cost of inventories is determined by the method of 'first in, first out' (FIFO).

7.1. Statement of financial position

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

RON

	31 December 2023	31 December 2022 restated¹	31 December 2021 restated¹
ASSETS			
Non-current assets			
Property, plant and equipment	1.960.400.057	1.931.882.657	1.839.331.230
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	118.212.264	122.407.778	126.621.140
Investments	67.412.502	57.509.039	14.206.422
Other long-term financial assets	5.467.193	6.718.514	5.093.759
Total non-current assets	2.197.618.895	2.163.815.037	2.005.584.126
Current assets			
Inventories	144.440.401	237.998.985	157.905.520
Trade and other receivables	243.339.608	464.340.250	301.786.647
Short term loans granted	5.411.291	5.327.386	3.536.799
Cash and cash balances	139.761.858	40.466.919	147.994.841
Total current assets	532.953.157	748.133.540	611.223.807
TOTAL ASSETS	2.730.572.052	2.911.948.576	2.616.807.933

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	31 December 2023	31 December 2022 restated¹	31 December 2021 restated¹
EQUITY AND LIABILITIES			
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	109.435.476	109.435.476	90.207.136
Retained earnings	693.760.574	850.800.837	688.145.520
Revaluation reserve	651.527.661	653.382.560	654.500.420
Equity attributable to owners	1.737.643.263	1.896.859.935	1.742.288.037
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	142.373.862	149.420.130	161.901.853
Provisions	16.171.444	16.302.643	28.272.350
Long term loans	375.876.794	457.459.739	294.521.275
Other payables	921.138	1.547.368	598.685
Total non-current liabilities	575.478.828	647.213.830	504.188.360
Current liabilities			
Subsidies	1.990.801	2.163.229	2.541.998
Trade and other payables	137.937.336	265.815.495	271.533.176
Lease liabilities	8.043.226	5.949.300	3.465.451
Corporate income tax liability	-	17.406.339	20.092.468
Provisions	570.137	30.387.793	43.215.206
Short term loans	268.908.461	46.152.656	29.483.235
Total current liabilities	417.449.961	367.874.812	370.331.534
Total liabilities	992.928.789	1.015.088.642	874.519.895
Total equity and liabilities	2.730.572.052	2.911.948.576	2.616.807.932

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.

NON-CURRENT ASSETS

As of December 31, 2023, the Company holds categories of fixed assets at the net value of 2,197,619 thousand RON.

INVENTORIES

The inventories are presented at net realisable value, by decreasing with depreciation adjustments, the value as at December 31, 2023 being 144,440 thousand RON.

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RECEIVABLES AND PAYABLES

Receivables

Chimcomplex benefited from a state aid scheme offered by the Romanian government to support companies in sectors and subsectors exposed to a significant risk of relocation due to the transfer of the cost of greenhouse gas emissions in electricity prices.

The measure covers the indirect costs of emissions incurred in 2022, recorded in the financial statements of 2022 at the value of RON 64,173,308, calculated based on the calculation algorithm written in the legislative act, fulfilling the required eligibility criteria. In the Prodcod Code Declaration 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. Of this value, 45,664,031 RON was collected in 2023. On December 31, 2023, the company registered the subsidy for compensating greenhouse gas emission costs for 2023 in the amount of RON 67,988,698, taking into account the percentage of collection from previous years.

Liabilities

The amount of debts on December 31, 2023 represents obligations towards suppliers of raw materials, materials, utilities and financing institutions.

Credits

As of December 31, 2023, the value of medium and long-term loans increased by 28% compared to December 31, 2022, mainly by contracting bank loans from UBS Switzerland and Garanti Bank to finance the cogeneration and trigeneration plants in Rm. Valcea and the connections to SEN and SNTGN. The company also has an ongoing investment project innovative green technology for the production of ecological polyols financed by Norway Innovation.

All loan agreements concluded contain clauses on financial indicators that the Company is obliged to fulfill, the verification being carried out on a semi-annual basis. As of December 31, 2023, the company complied with all indicators set out in the contracts, continuously monitors the fulfillment of contractual obligations and expects to continue to comply.

Chimcomplex SA pays the obligations to the consolidated budget of the State by:

- compensation with negative VAT (VAT to be recovered registered by the company on 31.12.2023: 21,257,409 RON)
- bank transfer.

EQUITY

According to the financial statements prepared as at December 31, 2023, the amount of equity is 1,737,643,263 RON.

On 27 April 2023, prior to the approval of the 2022 financial statements and with effect on their final form, the General Meeting of Shareholders approved the coverage of carried forward accounting loss arising from the application of IAS 29 with the full amounts recorded in the "Share Capital Adjustments" account (account in which the amount arising from hyperinflation was recorded). The periods 2021 and 2022 are adjusted retrospectively to ensure a complete and comparable view of the amounts presented in the current period's financial statements.

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By shareholders' decision of June 21, 2023, the redemption of a maximum number of 1.000.000 own shares was approved. In 2023, the Company repurchased in the last buy-back program a number of 17.143 shares with a total trading value of RON 321.503. Own shares are presented as a separate line in the statement of changes in equity and in the statement of financial position.

7.2. Profit and loss account

Detail	RON		
	31 December 2023	31 December 2022 restated ¹	31 December 2021 restated ¹
Revenue	1.399.298.512	2.258.532.411	2.235.205.433
Investment income	11.101.938	10.173.263	2.060.902
Other gains or (losses)	43.108.123	13.088.996	(29.106.369)
Cost of commodities sold	(39.024.008)	(85.016.214)	(28.142.995)
Increase in finished goods and production in progress	(76.334.265)	74.765.385	42.726.248
Raw materials and consumables	(456.689.428)	732.826.457	(767.091.768)
Employees benefits	(161.790.448)	(184.814.223)	(176.525.730)
Depreciation and amortization	(145.828.657)	(164.157.384)	(111.120.202)
Distribution costs	(38.436.453)	(41.182.892)	(38.932.655)
Water and energy expenses	(368.848.660)	(711.524.833)	(451.442.533)
Other third party services	(52.519.517)	(54.521.831)	(33.137.259)
Maintenance and repair expenses	(20.186.454)	(36.763.622)	(29.462.915)
Other income	2.587.813	5.234.168	4.965.878
Revaluation of assets	-	-	(48.623.115)
Impairment of property, plant and equipment	114.510	-	35.143.061
Other expenses	(46.863.483)	(56.950.723)	(52.841.247)
Finance costs	(37.795.708)	(21.325.737)	(103.694.808)
Share of profit of equity-accounted investees	(3.068.769)	5.187.867	(1.254.023)
Profit / (Loss) before tax	8.825.048	277.898.173	448.725.904
Income tax expense	-	(51.537.779)	(70.618.719)
Deferred tax	6.448.755	12.511.725	9.936.704
Profit / (Loss) of the year	15.273.803	238.872.119	388.043.889
Other comprehensive income (revaluation reserves)	-	(1.117.860)	367.317.479
Total comprehensive income	15.273.803	237.754.260	755.361.368

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

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TURNOVER

Presentation of turnover by types of markets:

	31 December 2023 (%)		RON 31 December 2022 (%)	
Internal market	460.662.205	33	631.509.149	28
Foreign market	938.636.307	67	1.627.023.262	72
Total	1.399.298.512	100	2.258.532.411	100

Presentation of turnover by product types:

	31 December 2023 (%)		RON 31 December 2022 (%)	
Petrochemistry	684.537.343	48,9	1.095.896.741	48,5
Chlorosodium	650.943.769	46,5	995.302.505	44,1
Oxo-alcohols	5.561.156	0,4	66.746.104	3,0
Goods (mainly utility resales)	43.025.070	3,1	89.020.113	3,9
Others	15.231.174	1,1	11.566.948	0,5
Total	1.399.298.512	100	2.258.532.411	100

Chimcomplex produces a wide range of polyethers, both for flexible foams (mattresses, furniture industry, automotive industry) and for rigid applications (panels, polyurethane systems) and special applications (adhesives, coatings, seals, elastomers).

Between January and December 2023, the company produced and delivered two main categories of finished products:

- ✓ **Polyols – polyethers** with a share of 48.9% in total sales;
- ✓ **Chlorosodium products** with a share of 46.5% in total sales;

Chimcomplex focused its activity on polyols/polyethers and caustic soda sectors, which are the most profitable.

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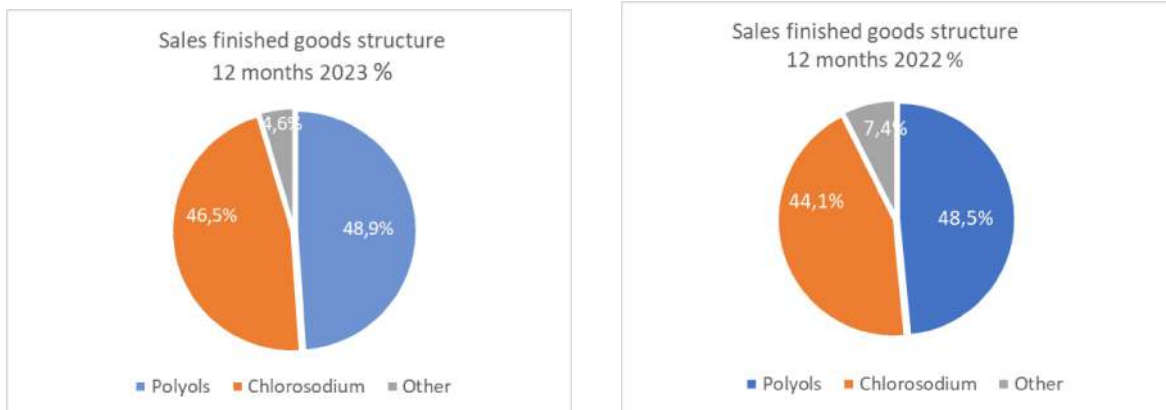
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Share of main products in total sales in 2023 compared to 2022:



Chimcomplex has a large portfolio of clients for each of its products, there being no dependence on a particular customer.

The evolution of sales, by geographical areas, between January and December 2023 compared to the same period of 2022 is shown below:

	Year 2023		Year 2022	
	Year 2023	%	Year 2022	%
Europe	1.324.337.061	94,64%	2.087.888.423	92,45%
Middle East	71.537.959	5,11%	153.819.813	6,81%
Asia-Pacific	1.876.469	0,13%	10.105.614	0,45%
America	1.484.053	0,11%	5.317.899	0,24%
Africa	62.969	0,00%	1.400.662	0,06%
TOTAL	1.399.298.512	100%	2.258.532.411	100%

For 2023, the directions for carrying out the activity of Chimcomplex SA Borzesti were established through the Income and Expenditure Budget, aiming to strengthen the company's position as regional leader in the chemicals market, by capitalizing on the existing synergies between the 2 chemical platforms (Ramnicu Valcea and Onesti).

The downward trend of consumption started in the second half of 2022 was maintained until the end of 2023, which caused the value of Chimcomplex sales to decrease in 2023 by 38%, compared to 2022. Despite this development, the company managed to achieve an operating profit margin of 8% between January and December 2023, following efforts to reduce utility and main raw material costs.

The company correlated production with the sales trend on the profile market, so that the profit margin was eroded by operating at lower capacity, especially with the sections that consume large electricity and natural gas during 2023.

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In order to optimize the allocation of resources at company level and to track performance indicators (production achieved, sales volume, turnover, EBITDA, cash flow, etc.), the management team identified two options for carrying out the activity in the second semester of 2023, having as driver the sale of Polyols manufactured on the Rm. Valcea Platform. The level of production of polyols in the second half of 2023 was dimensioned so as to allow the destocking and, implicitly, the release of the amounts of money immobilized in the stocks accumulated in this product group. In relation to the level of Polyether production, through the liquid chlorine semi-finished product, the production level was dimensioned at the two Electrolysis Platforms (on the Onești and Rm. Vâlcea platforms).

Results from current activity for 2023

As of December 31, 2023, the company recorded an operating profit (operating result) of RON 34,406 thousand. On total activity, the net result was profit of RON 15,274 thousand.

	31 December 2023	RON 31 December 2022 restated
Total gross income, of which:	8.825.048	277.898.173
-operating result	34.406.307	288.651.703
-financial result	(25.581.259)	(10.753.526)
Corporate income tax expenses	-	(51.537.779)
Deferred tax revenue	6.448.755	12.511.725
Net result	15.273.803	238.872.119

In 2023, the Company contracted specialized services to assist the research and development activity in determining the expenses that can be considered as an additional deduction to the profit tax, thus establishing a series of projects that may fall into the eligible category and for the periods 2019-2023.

The expenses reported by the Company for the application of additional deduction tax incentives for the calculation of the tax result, respectively the expenses eligible for research and development based on the technical recommendations of GAC Innovation, are to be fiscally adjusted by ANAF as part of a control action over the Company.

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7.3. Cash-flow statement

thousand RON

	31 December 2023	31 December 2022 restated	31 December 2021 restated
Net cash generated by/(used) in operating activities	242.514.441	164.329.413	504.329.501
Net cash used in investing activities	(227.293.663)	(183.259.683)	(71.797.966)
Net cash (used in)/generated by financing activities	85.143.668	(89.191.397)	(326.459.915)
Net (decrease) / increase in cash and cash equivalents	100.364.447	(108.121.666)	106.071.620
Cash and cash equivalents at beginning of the year	40.466.919	147.994.841	40.785.956
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(1.069.507)	593.744	1.137.265
Cash and cash equivalents at end of the year	139.761.858	40.466.919	147.994.841

Related party transactions

The nature of transactions with related parties is detailed below. The Company participated in transactions with related parties in the ordinary course of business under normal contractual terms.

(i) Related party transactions

Sales	Year 2023	Year 2022
A6 Impex SA Dej	15.946	23.712
Uzuc SA Ploiești	-	4.770
Sistemplast SA Rm.Vâlcea	40.207	38.774
Somes Logistic SRL Dej	55.415	55.624
CRC Impex Chemicals SRL Ploiesti	1.171	-
Caromet SA Caransebeș	-	5.116
Dafcochim Distribution SRL Tg.Mures	84.440.750	93.368.635
Vedra SRL Rm.Valcea	7.815.683	1.690.241
Total	92.369.172	100.186.871

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Purchases	Year 2023	Year 2022
Caromet SA Caransebeş	983.203	2.549.819
Novatextile Bumbac SRL Piteşti	17.596	34.986
Inav SA Bucharest	64.574	389.030
Sistemplast SA Rm.Vâlcea	38.714.154	56.931.205
CRC Impex Chemicals SRL Ploiesti	-	123.589
Uzuc SA Ploieşti	90.578	709.062
Romanian Commercial Services SA Piatra Neamt	-	19.495.480
A5 Invest SRL Oneşti	7.195.251	3.983.939
Greencomplex SRL Oneşti	54.740	35.700
A6 Impex SA Dej	45.239.710	7.029.137
CRC Exploration&Business SRL Oneşti	99.972	-
Sinterom SA Cluj-Napoca	15.719	-
Total	92.475.498	91.281.947

(ii) **Related party balances**

Receivables	31 December 2023	31 December 2022
Vitoria Serv SRL Bucharest	41.400	41.400
Someş SA Dej	117.185	117.185
Sinterom SA Cluj	1.984	1.984
A6 Impex SA Dej	4.106.012	4.090.067
CRC Impex Chemicals SRL Ploiesti	13.923.402	18.923.402
Novatextile Bumbac SRL Piteşti	1.000	1.000
Sistemplast SA Rm.Vâlcea	3.109	-
Caromet SA Caransebeş	1.191.602	1.115.676
CRC Exploration&Business SRL Oneşti	11.861	11.861
Iasitex SA Iasi	1.423	1.423
CRC Zeus Amsterdam	200.526	192.547
Dafcochim Distribution SRL Tg.Mures	11.062.657	-
Total	30.662.161	24.496.544

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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



Payables	31 December 2023	31 December 2022
CRC Exploration&Business SRL Onești	-	49.177
Aisa Invest SA Cluj Napoca	6.664	6.664
Caromet SA Caransebeș	733.188	340.666
Inav SA Bucharest	-	4.528
Crc Impex Chemicals SRL Ploiesti	833	833
Iasitex SA Iasi	75.842	75.842
Someș SA Dej	3.131	3.131
Sistemplast SA Rm.Vâlcea	4.799.825	2.913.571
Uzuc SA Ploiești	72.856	398.660
A5 Invest SRL Onești	727.760	573.421
Greencomplex SRL Onești	5.235	2.975
Total	6.425.334	4.369.468

Advances	31 December 2023	31 December 2022
Someș SA Dej	233.837	233.837
Caromet SA Caransebeș	6.395	6.395
Uzuc SA Ploiești	910.396	910.396
Novatextile Bumbac SRL Pitești	63.732	80.154
Sistemplast SA Rm.Vâlcea	488.883	2.233.518
CRC Exploration&Business SRL Onești	148.812	148.812
Total	1.852.056	3.613.113

Guarantees	31 December 2023	31 December 2022
Sistemplast SA Rm.Vâlcea	3.298.345	2.611.124
Total	3.298.345	2.611.124

Payables regarding shares purchased	31 December 2023	31 December 2022
Uzuc SA Ploiești	9.966.000	10.966.000
Total	9.966.000	10.966.000

In 2022, the Company 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 Company 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.

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8. SUBSEQUENT EVENTS

Exchange rate change

On February 29, 2024, the exchange rate was 4.9690 RON/euro and 4.5823 RON/dollar. This represents an appreciation of the national currency by 0.11% against the euro and a depreciation of 1.89% against the dollar, compared to December 31, 2023 (1 euro = 4.9746 RON; 1 dollar = 4.4958 RON).

Receipts and payments of receivables and payables

Until February 29, 2024, the Company collected the amount of EUR 7,926,197 and RON 28,240,137, corresponding to the outstanding trade receivables on December 31, 2023 and paid trade debts in the amount of EUR 1,104,572 and 54,666,238 of the invoices existing in balance on December 31, 2023.

Management statement

Based on the available information, we confirm that the Separate Financial Statements as of and for the financial year ended December 31, 2023, prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, with subsequent amendments and drawn up in accordance with the provisions of the FSA Regulation no. 5/2018, provides a correct and true picture regarding the assets, obligations, financial position, profit and loss account and cash flows of the Chimcomplex Group provides a correct analysis of the issuer's development and performance, as well as a description of the main risks and uncertainties specific to the activity carried out, available at the date of this report.

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

VUZA
STEFAN

Digitally signed
by VUZA STEFAN
Date: 2024.04.12
17:13:23 +03'00'

**General Manager,
Florian Staicu**



**Financial Director,
Nicolae Stanciugel**



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