CHIMCOMPLEX S.A.

STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

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

AT AND FOR THE YEAR ENDED AT
DECEMBER 31, 2023

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

	Note	December 31 2023	December 31, 2022 restated[1]	December 31, 2021 restated[1]
ASSETS				
Non-current assets				
Property, plant and equipment	**15**	1,966,231,101	1,940,317,720	1,839,331,897
Right of use asset	**23.b**	16,900,411	13,844,826	5,906,799
Investment property	**17**	29,226,468	31,452,222	14,424,776
Intangible assets	**16**	118,217,815	122,419,867	126,621,140
Investments	**18**	51,372,913	41,469,451	13,130,334
Other long term assets		5,467,193	6,718,514	5,093,759
Total non-current assets		**2,187,415,901**	**2,156,222,601**	**2,004,508,705**
Current assets				
Inventories	**19**	145,935,414	239,200,319	157,905,520
Trade and other receivables	**20**	246,018,612	473,668,117	301,795,180
Short term loans granted		5,741,291	5,327,386	3,536,799
Cash and bank balances	**21**	146,209,462	45,539,597	148,351,765
Total current assets		**543,904,777**	**763,735,419**	**611,589,264**
Total assets		**2,731,320,679**	**2,919,958,019**	**2,616,097,969**
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	**22**	304,907,851	304,907,851	304,907,851
Own shares	**22**	(26,657,863)	(26,336,354)	(142,454)
Share premium	**22**	4,669,565	4,669,565	4,669,565
Legal reserves		109,898,098	109,516,233	90,273,573
Retained earnings		688,340,947	843,010,141	689,373,740
Revaluation reserve		651,527,661	653,382,560	654,500,420
Non-controlling interest	**30**	566,806	395,866	-
Equity attributable to owners of the Group		**1,733,253,064**	**1,889,545,862**	**1,743,582,694**
LIABILITIES				
Non-current liabilities				
Subsidies	**25**	30,633,918	13,778,664	15,450,076
Lease liabilities	**23.b**	9,501,672	8,705,286	3,444,122
Deferred tax liability	**14**	142,373,861	149,390,129	160,662,159
Provisions	**26**	16,171,444	16,302,643	28,272,350
Long term loans	**23.a**	377,508,899	460,024,477	294,521,275
Other payables	**24**	208,301	1,547,368	598,685
Total non-current liabilities		**576,398,095**	**649,748,567**	**502,948,666**

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

	Note	December 31 2023	December 31, 2022 restated[1]	December 31, 2021 restated[1]
Current liabilities				
Subsidies	**25**	2,062,121	2,270,660	2,541,998
Trade and other payables	**24**	140,966,683	277,315,541	270,546,293
Lease liabilities	**23.b**	8,043,226	5,949,300	3,465,451
Corporate income tax liability		592	17,477,686	20,101,199
Provisions	**26**	755,805	30,565,117	43,428,431
Short term loans	**23.a**	269,841,092	47,085,287	29,483,235
Total current liabilities		**421,669,519**	**380,663,590**	**369,566,607**
Total liabilities		**998,067,615**	**1,030,412,158**	**872,515,274**
Total equity and liabilities		**2,731,320,679**	**2,919,958,019**	**2,616,097,969**

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

These consolidated financial statements were authorized to be issued by the management as at March 28, 2024 and signed on its behalf by:

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

	Note	Year ended December 31, 2023	Year ended December 31, 2022 restated[1]
Revenue	**5**	1,404,388,043	2,263,583,705
Investment income		11,151,151	10,177,822
Other gains and losses	**6**	43,098,696	13,315,457
Cost of commodities sold		(39,057,889)	(85,184,950)
Increase in finished goods and production in progress		(76,320,965)	74,766,067
Raw materials and consumables	**7**	(462,203,714)	(737,478,771)
Employees benefits	**8**	(176,286,091)	(191,825,295)
Depreciation and amortization	**9**	(147,581,908)	(165,150,010)
Distribution costs		(38,460,679)	(41,309,258)
Water and energy expenses		(368,914,872)	(711,587,035)
Other third party services	**10**	(42,551,557)	(52,216,005)
Maintenance and repair expenses		(7,824,153)	(27,887,088)
Other income	**11**	2,624,803	5,234,455
Impairment of property, plant and equipment	**15**	114,510	-
Other expenses	**12**	(48,125,501)	(57,536,672)
Finance costs	**13**	(38,159,398)	(21,615,668)
Share of profit of equity-accounted investees		(3,068,769)	5,187,867
Profit before tax		**12,821,710**	**280,474,621**
Income tax expense	**14**	(662,400)	(52,300,183)
Income tax expense	**14**	6,448,755	11,799,722
Profit for the year		**18,608,065**	**239,974,160**
Earnings per share			
Basic and diluted earnings per share		0.061	0.787

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

	Note	Year ended December 31, 2023	Year ended December 31, 2022 restated[1]
Profit for the year		**18,608,065**	**239,974,160**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Impact of revaluation	**15**	-	-
Deferred tax related to revaluation	**15**	-	-
Impact of disposal of non-current assets	**15**	-	(1,117,860)
Other comprehensive income, net of tax		**-**	**(1,117,860)**
Total comprehensive income		**18,608,065**	**238,856,301**
Total comprehensive income attributable to:			
Owners		18,437,125	238,763,074
Non-controlling interest		170,940	93,227

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

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GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

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

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

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

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

These consolidated financial statements were authorized to be issued by the management as at March 28, 2024 and signed on its behalf by:

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STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

CHIMCOMPLEX S.A.
CONSOLIDATED 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	**12,821,710**	**280,474,621**
Adjustments for non-cash items:		
Interest expense (note 13)	34,167,833	20,123,112
Impairment loss/(gain) on investments (note 18)	(13,972,231)	(4,205,329)
Impairment loss/(gain) on property, plant and equipment (note 15,17)	(114,510)	-
Interest revenue (note 5)	(4,616,407)	(3,302,825)
Loss/(gain) on disposal of non-current assets (note 6)	394,896	171,926
Net loss/(gain) from provisions (note 6)	(30,161,199)	(24,489,761)
Foreign exchange loss/(gain) (note 6,13)	5,671,680	1,130,178
Impairment loss/(gain) on inventories (note 6)	(1,376,570)	5,608,961
Depreciation and amortization (note 9)	147,581,908	165,150,011
Impairment loss/(gain) on trade receivables and other assets (note 6)	64,243	-
Expenses with remuneration in equity instruments (note 8)	23,387,871	21,924,400
Share of loss/(profit) of equity-accounted investee	3,068,769	(5,187,867)
Subsidies income (note 11)	(1,490,027)	(1,939,752)
	175,427,964	**455,457,674**
Movements in working capital:		
Decrease/(increase) in inventory	94,646,007	(108,102,431)
Decrease/(increase) in trade and other receivables	78,034,640	1,746,014
Increase/ (decrease) in trade and other liabilities	(69,878,618)	(163,019,623)
Cash generated from operating activities	**278,229,993**	**186,081,633**
Interest paid	(33,201,234)	(19,124,019)
Income tax paid	(1,115,776)	(729,791)
Net cash generated by/(used) in operating activities	**243,912,984**	**166,227,823**
Cash flows from investing activities:		
Interest received	4,616,407	3,302,825
Proceeds from sale of non-current assets	-	1,666,252
Acquisition of non-current assets	(231,000,020)	(164,752,434)
Payment to acquire financial assets	-	(18,945,921)
Payments for participation in Sistemplast, net of purchased cash	-	(758,415)
Net cash used in investing activities	**(226,383,613)**	**(179,487,693)**

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

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Cash flow from financing activities:		
Proceeds from borrowings (note 23)	191,203,956	218,306,795
Lease liabilities repayments	(9,300,404)	(8,081,443)
Dividends paid (of the current year and the previous year)	(38,341,339)	(214,280,638)
Repayment of borrowings (note 23)	(59,029,674)	(38,438,416)
Purchase of own shares (note 22)	(321,503)	(47,652,341)
Net cash (used in)/generated by financing activities	**84,211,037**	**(90,146,043)**
Net (decrease) / increase in cash and cash equivalents	**101,740,407**	**(103,405,913)**
Cash and cash equivalents at beginning of the year	**45,539,597**	**148,351,765**
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,070,542)	593,745
Cash and cash equivalents at end of the year	**146,209,462**	**45,539,597**

These consolidated financial statements were authorized to be issued by the management as at March 28, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,
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STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

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

1. GENERAL INFORMATION

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

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

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

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

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

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

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

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

- **Amendments to IFRS 16 "Leases"** - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024),

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).

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

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

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

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

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

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),

- **Amendments to IFRS 16 "Leases"** - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024),

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

Going concern

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

- The Group recorded net profit in the amount of RON 18,608,065 for 2023 (2022: RON 239,974,160);

- As disclosed in Note 23A. the Group is compliant with the financial covenants as stated in the borrowing agreements and expects to be compliant with them in 2023, as well.

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

(a) Property, plant and Equipment and intangible assets

PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

(ii) Subsequent expenditures

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

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

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

(iii) Depreciation

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

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

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

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

(iv) Revaluation reserve

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

(v) Impairment of non-financial assets

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

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

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

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

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

(vi) Reclassification to and from investment property

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

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

INTANGIBLE ASSETS

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

INTANGIBLE ASSETS (continued)

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

Category	Useful 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 an Group.

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

(c) Foreign currencies

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign currencies (continued)

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

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

(d) Trade receivables and other receivables

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

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

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

(e) Inventories

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

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

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

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

(f) Bank deposits, cash and cash equivalents

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets

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

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

i. Definition of default

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

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

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

ii. Credit-impaired financial assets

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

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

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

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

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

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

iii. Write-off policy

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets (continued)

iv. Measurement and recognition of expected credit losses

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

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

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

Derecognition of financial assets

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

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

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

(h) Share capital

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

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

(i) Trade and other payables

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

(j) Interest bearing loans

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leasing

The Group as lessee

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

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

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

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

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

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

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

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

(l) Employee benefits

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits (continued)

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

(m) Governmental Grants

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

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

(n) Provisions

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

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

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

Onerous contracts

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

CO2 emmissions provisions

During the financial year, in relation to the production program, in the event that a deficit of CO_2 emission certificates is estimated at the end of the year, the Company can set up provisions.

Decommissioning provisions

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions (continued)

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

(o) Income tax

Income tax expenses comprise current tax and deferred tax.

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

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

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

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

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

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

(p) Related parties

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

(q) Revenues

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenues (continued)

Revenues from sales of goods

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

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

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

The Group does not 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 Group charges extra for shipping if the customer requires delivery services and the delivery fees are included in the price of products sold. Thereby delivery necessarily occurs before control of the goods transfers to the customer and the Group policy is to consider that the delivery fees are not a separate service provided to the customer and are included in the transaction price. The Group does not provide transportation services as a standalone service and these are done in connection with the sale of goods to certain customers.

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

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

Revenues from service

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

(r) Financial income and expenses

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Contingencies

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

(t) Fair value

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

(u) Business combinations

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Business combinations (continued)

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

(v) Investments in associates

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

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

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

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

(w) Consolidation of entities under common control

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

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

3.1. Restatement for comparison and error correction

Certain comparative amounts in the consolidated statements of financial position, of profit or loss and OCI have been restated, reclassified or re-presented, as a result of corrections of prior-period errors, reclassifications for comparison purposes (described below) and changes in the classification of certain expenses during the current year.

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

R-1 On April 27, 2023, prior to the approval of the financial statements for the year 2022, the General Meeting of Shareholders approved offsetting of the amounts recorded in the account loss carried forward resulting from the application of IAS 29, with the corresponding amounts recorded in the "Adjustments of social capital" account in which the value from hyperinflation was recorded. 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 Group discovered that it recorded the obligations for the closure of waste deposits taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018 as deferred income in the prior periods statement of financial position. Consequently, the Group presented these amounts as decommissioning provisions, 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

E-1 In December 2021, the Group initiated equity-settled share-based payment transactions with employees. In 2023 management discovered that the share-based payment expense had not been recognized over the vesting period, which was the 2022 year and recorded a prior period error in 2023.

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

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, revaluation reserve and deferred tax liabilities on January 1, 2022 and recorded the additional related depreciation expense for 2022.

E-4 During 2023, the Group identified an error in the application of the equity method for the investment in the associate A6 Impex SA. Based on the retrospective analysis performed, the Group identified that there was a similar error in the prior period balances. As a result, the entity corrected the balances as of 31 December 2022 and 2021.

E-5 During 2023, the Group identified a misalignment of the impairment recorded for the investment in the associate A6 Impex SA between individual and consolidated reporting, which led to an overestimation of the investment impairment in the consolidated financial statements. As a result, the entity corrected the balances previously reported.

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

E-7 During 2023, Chimcomplex SA retrospectively corrected the amount receivable recognized for the state aid for CO2 emissions for the year 2022, as a result of an error from the previous period resulting from using an inappropriate annual average cost of the previous period for emission certificates.

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

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

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

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

3.1. Restatement for comparison and error correction (continued)

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

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

3.1. Restatement for comparison and error correction (continued)

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

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

3.1. Restatement for comparison and error correction (continued)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Critical judgements in applying the Group's accounting policies

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

Impairment of tangible and intangible assets

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

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

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

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

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

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

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

Key sources of estimation uncertainty

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

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

Impairment test of tangible and intangible assets

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

Subsidy for CO2 emission certificate recognition

The judgment applied by the Group consists in applying the average percentage (92%) of collection of the amounts to which it was entitled in 2019-2022 on the amount to which it is entitled for the year 2023.

Recognition of deferred tax assets

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

Recognition and measurement of provisions and contingencies

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

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

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

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

5. REVENUES

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

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

Presentation of revenue on business lines:

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

Presentation of revenues on geographical segments:

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

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

5. REVENUES (continued)

Presentation of revenue on countries:

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

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

6. OTHER GAINS AND (LOSSES)

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

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

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

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

7. RAW MATERIALS AND CONSUMABLES

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

8. EMPLOYEE BENEFITS EXPENSES

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

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

On December 2, 2021, the Group established share option programmes that entitle key management personnel and employees to purchase shares in the Company. On December 2, 2022, a further grant on similar terms was offered to key management personnel and employees.

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: for the first grant, 929,000 shares were allocated with a total value of RON 21,924,400 and for the second grant, 1,144,050 shares were allocated with a total value of RON 26, 541,960.

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

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

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

9. DEPRECIATION AND AMORTISATION

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

10. OTHER THIRD PARTY SERVICES

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

11. OTHER INCOME

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

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

12. OTHER EXPENSES

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

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

13. FINANCE COSTS

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

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

14. INCOME TAX EXPENSE

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Current income tax expense	662,400	52,300,183
Deferred tax (gain) / expense	(6,448,755)	(11,799,722)
Income tax expense/(revenue)	**(5,786,355)**	**40,500,461**
Accounting profit before tax	**12,821,710**	**280,474,621**
Income tax expense/(gain) calculated at 16%	2,051,474	44,875,939
Sponsorship	(284,095)	(377,880)
Effect of reinvested profit	(867,336)	(463,253)
Effect of non-deductible expenses	4,351,998	5,008,456
Effect of other permanent differences	(11,814,159)	4,401,809
Effect of other fiscal facilities	755,765	(9,868,076)
Legal reserve	-	(3,076,534)
Income tax expense/(gain) for the year	**(5,786,355)**	**40,500,461**

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.

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

14. INCOME TAX EXPENSE (continued)

Components of deferred tax liability:

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

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

15. PROPERTY, PLANT AND EQUIPMENT

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

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

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Measurement of fair value

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

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

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

Property, plant and equipment located on Onesti 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 Onesti and assignment of the insurance policy.

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

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

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

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

Since the value in use of its assets is higher than their net accounting value, it follows that it is not necessary to register an external depreciation for loss of profitability.

As part of the impairment test, the Company also performed sensitivity analysis to assess how changes in certain key variables affect the financial or operational results of the business. Since the net accounting value of the tested assets is lower than the value of the invested capital, the sensitivity analysis showed that it is not necessary to register an external impairment for loss of profitability.

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

16. INTANGIBLE ASSETS

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

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

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

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 Onesti, Bacau county and Ramnicu Valcea and rented to third parties and related parties.

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

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

18. INVESTMENTS

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

December 31, 2023	Investment Value	Number of Shares Acquired	Nominal value per Share	% of detention
AISA Invest SRL Cluj Napoca	19,900	8,000	2.5	20%
Uzuc SA Ploiesti	1,680,000	26,880	2.5	0.57%
A6 Impex SA DEJ	50,609,823	6,089,521	10	49.45%
Uzuc SA Ploiesti – through A5 Invest SRL Onesti	6,000,000	96,000	2.5	2%
Somes SA Dej - through Greencomplex SRL Onesti	4,493,989	1,227,422	2.1	10%
Contactoare SA Buzau – through Greencomplex SRL Onesti	32,330	12,200	2.5	0.4%
Asociatia Valcea Dual Learning	24,000	-	-	16.61%
Asociatia producatorilor de produse de uz fitosanitar	1,000	-	-	12.50%
Asociatia Sportiva Sistemplast	2,500	-	-	-
TOTAL COST	**62,863,542**			

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

18. INVESTMENTS (continued)

December 31, 2022 restated	Investment Value	Number of Shares Acquired	Nominal value per Share	% of detention
AISA Invest SRL Cluj Napoca	19,900	8,000	2.5	20%
Uzuc SA Ploiesti	1,680,000	26,880	2.5	0.57%
A6 Impex SA DEJ	54,678,593	6,089,521	10	49.45%
Uzuc SA Ploiesti – through A5 Invest SRL Onesti	6,000,000	96,000	2.5	2%
Somes SA Dej - through Greencomplex SRL Onesti	4,493,989	1,227,422	2.1	10%
Contactoare SA Buzau – through Greencomplex SRL Onesti	32,330	12,200	2.5	0.4%
Asociatia Valcea Dual Learning	24,000	-	-	16.61%
Asociatia producatorilor de produse de uz fitosanitar	1,000	-		12.50%
Asociatia Sportiva Sistemplast	2,500	-	-	-
TOTAL COST	**66,932,312**			

The following allowances are recorded in relation to financial assets:

Company name	December 31, 2023	December 31, 2022 restated
Uzuc SA Ploiesti	1,303,840	1,303,840
Uzuc SA Ploiesti – through A5 Invest SRL Onesti	5,692,800	5,692,800
A6 Impex SA Dej	-	13,972,231
Somes SA Dej - through Greencomplex SRL Onesti	4,493,989	4,493,989
Impairment allowance	**11,490,629**	**25,462,860**
Total net value	**51,372,913**	**41,469,451**

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

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

18. INVESTMENTS (continued)

A6 Impex SA Dej

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

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

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

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

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

18. INVESTMENTS (continued)

A6 Impex SA (continued)

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

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

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

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

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

19. INVENTORIES

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

20. TRADE AND OTHER RECEIVABLES

a) Trade and other receivables

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

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

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

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

20. TRADE AND OTHER RECEIVABLES (continued)

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

The measure covers the indirect costs of the emissions for the year 2022, recorded in the financial statements of 2022 at the value of RON 64,173,308, calculated based on the algorithm written in the legislative act, with the 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 Consolidated Statement of Profit or loss under Water and energy expenses, considered as a change in the estimate for the grant receivable. On December 31, 2023, the Group registered the subsidy for the compensation of greenhouse gas emission costs for the year 2023 in the amount of RON 67,988,698, considering the collection percentage from previous years.

b) Allowances for trade receivables

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

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

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

21. CASH AND BANK BALANCES

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

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

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

22. CAPITAL AND RESERVES

Ordinary Shares	**December 31, 2023**	**December 31, 2022 restated**
Ordinary shares in issue	304,907,851	304,907,851
Nominal value per share – RON	1.00	1.00
Statutory share capital – RON	**304,907,851**	**304,907,851**
Share Premium RON	4,669,565	4,669,565
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 Group repurchased 17,143 shares with a total transaction value of RON 321,503. The own shares are presented as a separate line in the statement of change in equity and in the statement of financial position.

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

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

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

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

23. BORROWINGS AND LEASING

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
OTP Bank	1,632,105	2,564,738
TOTAL LONG TERM PORTION (net of borrowing costs)	**377,508,899**	**460,024,477**

SHORT TERM LOANS	December 31, 2023	December 31, 2022
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
OTP Bank	932,631	932,631
Other	31,200	31,600
TOTAL SHORT TERM LOANS PORTION (net of borrowing costs)	**269,841,092**	**47,085,287**
TOTAL	**647,349,993**	**507,109,764**

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

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 Onesti 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 Onesti 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 Rm.Valcea and Onesti, with mortgage on trade receivables and with assignment of the insurance policy.

A new revolving credit facility in total amount of EUR 10,000,000 was contracted from Alpha Bank on July 7, 2023, consisting of two facilities, as follows:
- Sublimit A in amount of EUR 7,000,000 for: working capital financing, LCs opening, LGs issuance;
the final maturity is on July 7, 2025, and the closing balance as at 31 December 2023 is EUR 7,000,000 representing long term loan; the interest is EURIBOR 3M +2.45%
- Sublimit B in amount of EUR 3,000,000 (non-cash facility) for LCs opening, bank guarantees issuance; the final maturity is on July 7, 2025, and the amount utilised as at 31 December 2023 is EUR equiv. 1,189,522. The costs are: issuance fee 0.13% per quarter and risk fee 0.75% per annum.
Both facilities are secured with mortgage on property, plant and equipment located on the industrial platform from Rm.Valcea, with mortgage on trade receivables and with assignment of the insurance policy.

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

- investment facility in maximum amount of EUR 4,500,000 for financing 100% of the Group's contribution to the project with non-reimbursable funds regarding the construction of a high-efficiency trigeneration plant of maximum 8MWe on the chemical site from Rm.Valcea; 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 Rm.Valcea 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 Ramnicu Valcea 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%.

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

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 Group, fully drawn on 31 August 2022; the facility is to be repaid in 60 monthly instalments which started in September 2022, with the final maturity on August 31, 2027. The closing balance as at 31 December 2023 is EUR 5,250,000 out of which short term EUR 1,516,667 and long term EUR 3,733,333. The interest is EURIBOR 3M +2.5%.
Both credit facilities are secured with mortgage on property, plant and equipment located on the industrial platform from Rm.Valcea 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 Rm Valcea (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 Rm Valcea (Stage 2). The facility is covered by a buyer's credit insurance issued by the Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 semi-annual instalments starting from April 15, 2024, with the final maturity on October 15, 2030. The closing balance as at 31 December 2023 is EUR 14,258,903 out of which short term EUR 2,036,986 and long term EUR 12,221,917. The interest is EURIBOR 6M +1.7%.

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

Table of movements net debts

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

23.B RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

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

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

The weighted average lessee's incremental borrowing rate used by the Group as at Dec 31, 2021 is 5.38%. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

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

23. BORROWINGS AND LEASING (continued)

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

Right-of-use assets

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

Lease liabilities

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

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

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

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

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

Advances from clients

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

25. SUBSIDIES

Subsidies Long Term

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

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

25. SUBSIDIES (continued)

Subsidies Short Term

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

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

26. PROVISIONS

Provisions Long Term

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 Long Term	**16,171,444**	**16,302,643**

Provisions Short Term

Description	December 31, 2023	December 31, 2022 restated
Retirement provision[4]	542,069	531,859
Commercial litigations[3]	-	16,258,522
Decommissioning provision[2]	-	13,379,071
Co2 emissions provision	-	-
Other claims	213,736	395,665
Provision for SCR guarantee commission[1]	-	-
TOTAL provisions Short Term	**755,805**	**30,565,117**
TOTAL	**16,927,249**	**46,867,760**

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

26. PROVISIONS (continued)

Description	Decommissioning	Co2 emissions	Retirement provision	Other claims	Provision for SCR guarantee	Commercial litigations	Total
Balance at January 1, 2022 restated	**34,193,123**	**9,425,788**	**3,492,238**	**1,053,626**	**9,737,468**	**13,798,538**	**71,700,781**
Increase	68,298	367,775	634,218	235,130	-	2,923,831	4,229,252
Decrease	7,171,426	9,793,563	1,002,878	893,091	9,737,468	463,847	29,062,273
Balance at December 31, 2022 restated	**27,089,995**	**-**	**3,123,577**	**395,665**	**-**	**16,258,522**	**46,867,760**
Increase	69,104	-	602,892	53,202	-	1,686,926	2,412,124
Decrease	13,333,573	-	838,484	235,130	-	17,945,448	32,352,635
Balance at December 31, 2023	**13,825,526**	**-**	**2,887,986**	**213,736**	**-**	**-**	**16,927,249**

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

2) The decommissioning provision was recorded in relation to 2 warehouses of non hazardous substances used by both Onesti and Ramnicu Valcea branches.
During the year 2023, the Group identified as liabilites elements regarding the obligations for the closure of waste deposits taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018, they are presented partly as provisions, partly as deferred income. Consequently, the Group retroactively adjusted the balances to 2022 and 2021 to ensure an uniform treatment and comparability with the amounts presented in the financial statements of the current period.

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

4) According with the Group collective 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.

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

27. FINANCIAL INSTRUMENTS

a) Capital risk management

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

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

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

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

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

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

b) Interest rate risk management

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

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

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

27. FINANCIAL INSTRUMENTS (continued)

b) Interest rate risk management (continued)

Interest rate sensitivity

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

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

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

27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management

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

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

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

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

27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

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

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

27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

Sensitivity analysis to exchange rate variations

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

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

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

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

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

d) Liquidity risk management

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

Based on the multi-year budget 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.

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

27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

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

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

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

27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

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

27. FINANCIAL INSTRUMENTS (continued)

e) Credit risk

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

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

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

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

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

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

f) Price risk

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

g) Accounting classifications and fair values

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

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

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

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

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

27. FINANCIAL INSTRUMENTS (continued)

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

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

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

28. RELATED PARTY TRANSACTIONS

Receivables	Information about Transactions	Nature of the relationship	December 31, 2023	December 31, 2022
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
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 ONESTI	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			**30,659,052**	**24,496,545**

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

28. RELATED PARTY TRANSACTIONS (continued)

Payables	Information about transactions	Nature of the Relationship	December 31, 2023	December 31, 2022
CRC EXPLORATION&BUSINESS SRL ONESTI	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
UZUC SA PLOIESTI	acquisition of fixed assets and third party services	related party, entity under common control	72,856	398,660
Total			**892,514**	**879,501**

(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
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 RM.VALCEA	revenues from sales of finished products	related party, entity under common control	7,815,683	1,690,241
Total			**92,328,965**	**100,148,098**

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

28. RELATED PARTY TRANSACTIONS (continued)

Purchases during the period	Information about Transactions	Nature of the Relationship	Year ended December 31, 2023	Year ended December 31, 2022
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 (until the date of transaction)	maintenance expenses	subsidiary	-	18,694,802
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
A6 IMPEX SA DEJ	revenues from third party services	associate	45,239,710	7,029,137
CRC EXPLORATION&BUSINESS SRL ONESTI	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			**46,511,353**	**49,025,905**

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

28. RELATED PARTY TRANSACTIONS (continued)

Advances	December 31, 2023	December 31, 2022
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
CRC EXPLORATION&BUSINESS SRL ONESTI	148,812	148,812
TOTAL	**1,363,173**	**1,379,594**

Payments to be made regarding shares held at Sistemplast	December 31, 2023	December 31, 2022
UZUC SA PLOIESTI	9,966,000	10,966,000
TOTAL	**9,966,000**	**10,966,000**

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

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

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

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

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

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

The remuneration of executives and directors

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

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

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

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

30. ACQUISITION OF SUBSIDIARY

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

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

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

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

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

(a) Consideration transferred

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

(b) Net assets at the date of acquisition

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

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

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

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

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

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

31. NON-CONTROLLING INTEREST

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

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

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

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

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

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

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

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

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

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

32. COMMITMENTS AND CONTINGENCIES

Litigations

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

Environment

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

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

Climate changes

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

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

Taxation

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

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

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

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

Acquisitions

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

32. COMMITMENTS AND CONTINGENCIES (continued)

Others

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The entity does not have any significant direct exposure to Ukraine, Russia or Belarus.

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

The impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows, and profitability. Nevertheless, at the date of these financial statements the Group continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

33. SUBSEQUENT EVENTS

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

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

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

These consolidated financial statements were authorized to be issued by the management as at March 28, 2024 and signed on its behalf by:

STAICU DUMITRU-FLORIAN,
GENERAL DIRECTOR

STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR