

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

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

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

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



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1. IDENTIFICATION DATA OF CHIMCOMPLEX SA BORZEȘTI

Company name: CHIMCOMPLEX S.A. BORZEȘTI

Headquarters : Onești, 3 Industriilor Street, Bacău county

Phone: 0234/302100

Fax: 0234/302102

Unique registration code: RO 960322

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

LEI code : 549300FCIHJZOG56WD36

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

- **Standard category:** CRC symbol

Object of activity: Manufacture of other basic inorganic chemicals

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

The main characteristics of securities issued by the company:

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

2. SHAREHOLDING STRUCTURE

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

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

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

The shareholding structure is as follows:

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

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3. COMPANY OVERVIEW

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

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

The company was privatized in 2003 by signing the share sale-purchase agreement on June 9, A2 IMPEX SRL Ploiesti taking over from APAPS (AAAS) 94.7465% of the share capital of the company at that time.

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

On December 7, 2018 Chimcomplex SA Borzești acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable property, ongoing investments) related to chlorosodium, propenoxide, polyol-polyether, oxo-alcohols, DOF, monomer, PVC I, utilities, wagon park, on the industrial platform Rm.Valcea.

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

Branch:

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

Working points:

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

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3.1. Mission, vision, values

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

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

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

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

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

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

3.2. Description of the company's core business

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

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

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The main products manufactured by Chimcomplex SA Borzești are:

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

The utilization rate of the operating installations was 53.84% and includes the following: Membrane Electrolysis Plant, Propenoxide, Polyol-Polyether Sections, Oxo-Alcohols Section.

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

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

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

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

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

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

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

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

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

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

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

Compared to the production capacity of the two Chimcomplex electrolysis, totaling 208,000 tons / year, in 2023 161,100 tons of lye of 33% were produced, of which 151,670 tons of lye and 7,874 tons of solid caustic soda were sold, which represents 72%, above the European average.

During the analyzed period, Chimcomplex registered a decrease in demand of 8% compared to 2022, generated by the temporary closure of some production facilities and the reduction of the capacities of others, located near the Chimcomplex plant in Ramnicu Valcea.

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

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

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

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

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

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

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

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

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

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

3.5.1. Elements of overall assessment

The structure of the main indicators achieved is as follows:

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

In 2023, compared to 2022:

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

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

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

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3.5.2. Market share held by the company

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

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

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

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

3.6. Assessment of the technical level of the company

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

Borzești:

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

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

Alkylamines: methylamines, isopropylamines;

Other products: chlorcholine chloride

Brief overview of the main products manufactured:

Chlorosodium products

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

Caustic flake soda has similar uses to caustic soda solttie, but has the advantage of lower storage, handling and transportation costs.

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

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

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

Inorganic chlorides

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

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

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

Alkylamines

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

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

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

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

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

Valcea Branch:

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

Macromolecular products

Polyether polyols are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, antifoamers, lubricants and brake fluids. Their most important use is the manufacture of flexible or rigid polyurethane foams. Polyurethane foams are obtained by a block or linear foaming process.

They are used in the furniture industry at tapestries, in the automotive industry at various parts (dashboard, steering wheel), car tapestries. They are also used for low-temperature thermal insulation (refrigerators, cold rooms). Polyurethane foams are used to obtain foam core for sandwich panels.

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Organic synthetic products

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

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

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

Isobutanol and normalbutanol are used in: solvents in the varnish industry based on nitrocellulose and alkyd resins; solvent for the manufacture of artificial leather; extraction agent for oils, medicines, perfumes; raw material in the manufacture of hormones, vitamins; solvent for kiln-dried varnishes based on urea and phenolic resins.

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

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

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

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

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

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

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

Borzești:

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

Rm. Valcea Branch

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

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

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

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

This is not the case.

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

The main suppliers of Chimcomplex are:

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

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

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

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

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

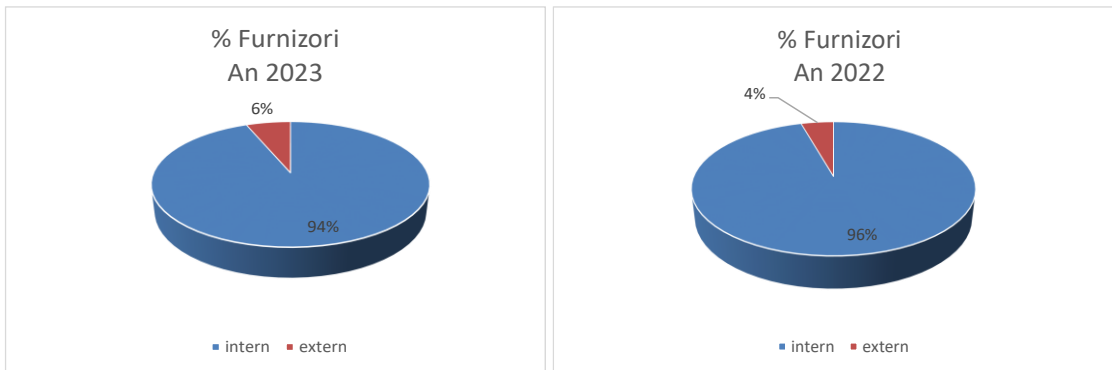
For all raw materials essential to the technological process, firm supply contracts were concluded for the entire quantity of necessary (propylene, ethylene oxide, etc.), which guaranteed the stability of the company.

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

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3.8. Evaluation of sales activity

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

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

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

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

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

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

The evolution of sales, by markets, in 2023 compared to 2022, is presented in the following table:

Product group	Market	2023		2022	
		Quantitative situation	Value situation	Quantitative situation	Value situation
Chlorosodium products	Internal market	40%	42%	44%	38%
	External market	60%	58%	56%	62%
Inorganic chlorides	Internal market	59%	68%	53%	50%
	External market	41%	32%	47%	50%
Alkylamines	Internal market	56%	68%	37%	50%
	External market	44%	32%	63%	50%

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Product group	Market	2023		2022	
		Quantitative situation	Value situation	Quantitative situation	Value situation
Other products - Onești	Internal market	97%	64%	95%	62%
	External market	3%	36%	5%	38%
Polyols	Internal market	22%	19%	19%	18%
	External market	78%	81%	81%	82%
Oxo-Alcohol Products	Internal market	1%	2%	2%	2%
	External market	99%	98%	98%	98%
Other products - Valcea	Internal market	44%	47%	35%	21%
	External market	56%	53%	65%	79%

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

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

Chlorosodium products:

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

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

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

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

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

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

The spot price of caustic soda amounted to EUR 1500/dmt in December 2022, after which, from January 2023, the decline began, generated on the one hand by significant volumes imported from

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China, Egypt, Saudi Arabia, etc., but also due to the reduction of utility costs (and consequently also production costs) in the EU area.

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

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

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

Compared to the production capacity of the two Chimcomplex electrolysis, totaling 208,000 tons / year, in 2023 there were 161,100 tons of lye of 33%, of which 151,670 tons of lye and 7874 tons of solid caustic soda were sold, which represents 72%, above the European average.

Caustic soda stocks (tonnes)

	2022	2023
January	226,493	291,138
February	250,434	317,909
March	210,522	310,749
April	192,315	293,547
May	193,168	267,644
June	193,054	206,733
July	206,008	232,312
August		241,236
September	188,459	261,042
October	186,491	212,656
November	229,497	212,227
December	257,368	221,781

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

European caustic soda production will remain largely stable at the low level observed in 2023. Apart from replenishment for some chlorinated derivatives after the seasonal slowdown, there are still no

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signs of a real recovery of the industry and therefore no significant changes in caustic soda production are expected in the first quarter of 2024.

Revisions scheduled in spring will bring a temporary reduction in supply, but if there are no unforeseen changes in demand for chlorine or caustic soda, this will be manageable in the market. There is more uncertainty in the second half of the year, but there are signs of a recovery in the industry, although it is unlikely to be a quick one.

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

Polyethers:

Chimcomplex's production capacity, namely 120,000 tons/year, represents about 1% of global production capacities.

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

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

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

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

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

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

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

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

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

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

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

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

Oxo Alcohols:

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

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

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

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

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

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

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

The company's clients fall into two categories:

-Strategic;

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

3.9. Assessment of issues related to company employees/staff

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

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

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

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

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

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

Borzești Platform

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

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

Ramnicu Valcea Branch

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

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

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The consolidated structure shall be as follows:

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

The trade unions within Chimcomplex that activated in 2023 are:

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

In 2022, Chimcomplex SA Borzesti started a collective redundancy program, as a result of which a number of 179 employees were affected, from the two industrial platforms in Ramnicu Valcea and Onesti.

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

In December 2022, a collective dismissal of 19 employees took place, with the granting of compensatory wages according to the provisions of the Collective Labor Agreement in force.

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

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

There were no protests related to the collective redundancy procedure.

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

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

Name	Function	Fixed remuneration - lei, net -	Variable remuneration - lei, net -	Remuneration for executive functions - lei, net -	Advantages in nature - lei, net -	Remuneration from affiliates - lei, net -
Vuza Stefan	President of the BoD; CEO in 10.11.2022-30.10.2023	1,129,055	69,460	-	342,778	-
Coman Dumitru	Member of the BoD in 25.10. 2022-31.07.2023 and Technical Director	69,188	3,707	279,103	-	1,440
Cojoc Iuliu Liviu	Member of the BoD	118,847	14,878	-	-	-
Preoteasa Veronica	Member of the BoD starting with 01.08.2022; CCO in 10.11.2022-30.09.2023	118,847	14,878	327,652	-	-
Tischer Gabriel	Member of the BoD from 01.08.2022	118,846	44,586	-	-	-
Urbanowski Wiltold Piotr	Member of the BoD from 01.08.2022	118,729	18,594	-	-	-
Luca Florin	Member of the BoD from 01.08.2023	49,660	6,520	-	-	-
Alexander Madeline	Member of the BoD from 01.08.2022	281,256	-	-	-	-
Staicu Dumitru Florian	CEO starting with 31.10.2023	-	-	460,996	-	-
Avram Victor	CEO until 09.11.2022	-	-	606,696	-	-
Cosmin Baiu	Deputy CEO in 05.09.2022-08.11.2023	-	-	580,907	-	-

Compared to the previous year, the variable revenues of the Board of Directors were reduced in 2023 by 70% as a result of cost optimizations carried out in the economic context of the company. The total fixed and variable remuneration of the President of the company was reduced in 2023 compared to 2022 by 11%. For the year 2023, options were signed for shares in the number of 859,000 shares.

Comparative information regarding the change in remuneration and performance

Indicator	2023 versus 2022	2022 versus 2021	2021 versus 2020	2020 versus 2019
Turnover - %	-38%	1%	94%	-10%
Net Profit - %	-94%	-38%	978%	-182%
Average annual gross salary- %	2%	19%	23%	4%

The average gross salary is calculated as the total of salary expenses, divided by the average number of employees.

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

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

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

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

- Increasing satisfaction and maintaining the trust of customers and stakeholders, employees and shareholders, through involvement, continuous adaptation to specified requirements, in compliance with the legal provisions and other requirements applicable in our field of activity; dynamic identification and assessment of risks in the processes of the activities carried out, as an integral part thereof, risk management proactively, in close correlation with the achievement of objectives and performance indicators;
- Permanent identification, evaluation and control of environmental aspects associated with own activities, products and services, in order to ensure an adequate quality of environmental factors and to protect the human factor;
- Efficient management of available resources, focusing on the development of basic processes, optimizing specific consumption of raw materials, materials and utilities and ensuring energy efficiency by controlling the share of energy costs in production costs;
- Full involvement and commitment of all staff, at all levels, for the efficient development of the activity, with full professional and social responsibility, allowing obtaining quality, profit and external appreciation of achievements, in conditions of continuous improvement of environmental performance;
- Communication of performance to the community and stakeholders;
- Continuous evaluation and updating of the management system, so that any changes are made in a controlled manner, the integrity of the system is permanently maintained;

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

Chimcomplex SA Borzești - Onești platform:

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

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Chimcomplex SA Borzești - Rm. Valcea Branch:

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

Chimcomplex SA Borzești - Work point Dej:

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

During 2023, the following regulatory acts were obtained:

Chimcomplex SA Borzești - Onești platform:

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

Chimcomplex SA Borzești - Rm. Valcea Branch:

- 1) NATURA 2000 declaration No. 164 of 11.01.2023 for the project: "Production of green hydrogen from water by alkaline electrolysis of brine with ion-exchange polymer membranes at Chimcomplex S.A. Borzești – Ramnicu Valcea Branch";
- 2) Integrated Environmental Permit no. 1/13.01.2023;
- 3) Annex no. 8750/26.05.2033 to the classification decision no. 377/15.07.2019 – "Construction of a High Efficiency Cogeneration Plant of max. 8 MWe at Chimcomplex. S.A. Borzești – Ramnicu Valcea Branch";
- 4) Decision classification stage No. 465 of 09.06.2023 for the project "Investment in innovative green technology for the production of new ecological polyols at Chimcomplex";
- 5) Decision classification stage No. 466 of 09.06.2023 for the project "Dismantling constructions C1 and C5 located on the lot with cadastral number 51216".
- 6) Decision classification stage No. 544 of 06.07.2023 for the project "Realization of high-efficiency, flexible gas cogeneration in the district heating sector Ramnicu Valcea";
- 7) NATURA 2000 declaration No. 11838 of 27.07.2023 for the project "Realization of high-efficiency, flexible gas cogeneration in the district heating sector Ramnicu Valcea".

Chimcomplex SA Borzești - Work point Dej:

There was no need to obtain or update regulatory acts.

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

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Account: RO60BUCU1111215962132

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Chimcomplex SA Borzești - Onești platform:

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

Chimcomplex SA Borzești - Ramnicu Valcea Branch:

- Reporting on waste statistics for 2022 - in the SIM application (Integrated Environmental System);
- Reporting on the situation of dangerous substances produced/used/export/import (SCP) for 2022, in the SIM application (Integrated Environmental System);
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2022 - in the SIM application (Integrated Environmental System);
- Elaboration of the air emission inventory for 2022 - in the SIM application (Integrated Environmental System);
- Reporting on packaging/packaging waste management for 2022 in the SIM application;
- INEGES questionnaires – Industrial Processes and Product Use Sector, regarding the collection of data necessary for the construction of the National Inventory of Greenhouse Gas Emissions, with data from 2022 for lime, carbonates, soda ash questionnaires;
- Annual Environmental Report for 2022;
- Addenda to the Wastewater Management Services Contracts have been concluded for: S.C. VILMAR S.A., S.C. CET GOVORA S.A., S.C. UZINA MECANICA S.A., CIECH Soda Romania SA, S.C. LOGISERV S.R.L, S.C. SISTEMPLAST S.A for 2023.
- Contract has been concluded with EUROTOTAL COMP SRL - for "Environmental research for 2023 at CHIMCOMPLEX S.A. Borzești – Ramnicu Valcea Branch - sampling, transport, monitoring and interpretation of results through research works".

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- A contract has been concluded with EUROTOTAL COMP SRL - for water quality monitoring services from monitoring boreholes located on the closed non-hazardous waste landfill - sampling, transport, monitoring at CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch for 2023".
- Addendum nr. 5/2023 to Contract no. MEA 34 from 05.07.2019 with HOLCIM (Romania) SA for the recovery of polyether filtration cake waste, valid until 31.07.2023;
- Addendum nr. 6/2023 to Contract no. MEA 34 from 05.07.2019 with HOLCIM (Romania) SA for the recovery of polyether filtration cake waste, valid until 31.07.2024;
- Addendum to the Contract with INCD ECOIND Bucharest was concluded - for "Air pollution monitoring services (emissions, immissions and odor) - sampling, transport, monitoring and interpretation of results, related to 2024 at CHIMCOMPLEX SA Borzești - Ramnicu Valcea Branch";
- Addendum to the Contract with EUROTOTAL COMP S.R.L. - for "Environmental research at CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch - sampling, transport, monitoring and interpretation of results through research works" has been concluded, for the period January-February 2024.
- The procurement procedure for the weekly natural gas analyzes for 2024 has been completed at Chimcomplex S.A. Borzești - Ramnicu Valcea Branch;
- 2022 greenhouse gas emissions monitoring report;
- Report on the level of activity for the years 2021 and 2022, with a view to allocating allowances for the year 2023;
- The monitoring report for the first 9 months of 2023 and the report on the level of activity following the audit carried out by COV INSPECT S.R.L. were verified;
- Plan for preventing and combating accidental pollution for 2023;
- Water statistics reporting (SGA) for 2022;
- Statistical reporting on environmental protection expenditures for 2022;
- The Notification of activity at CHIMCOMPLEX S.A Borzești - Ramnicu Valcea Branch has been updated, in accordance with the provisions of Law 59/2016 on the control over major accident hazards involving dangerous substances;
- The Notification of activity at CHIMCOMPLEX S.A Borzești - Ramnicu Valcea Branch was drawn up, in accordance with the provisions of Law 59/2016 on the control over major-accident hazards involving dangerous substances (CET Location);
- The procedure for removing metallic mercury was completed through Batrec company which took over (79,351 tons) from Chimcomplex S.A. Borzești - Ramnicu Valcea Branch the metallic mercury, transformed it into HgS and then finally eliminated it in salt mines;
- The necessary documentation for the revision of the Integrated Environmental Permit related to CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch was submitted to APM Valcea;
- Additions were made to the documentation for obtaining the Integrated Environmental Permit, filling in the application form and Site Report with the latest completed investments: 8 MWe Cogeneration Plant and Hazardous Waste Landfill closure;
- The documentation necessary for issuing the Water Management Permit related to CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch was submitted to ABA Olt;
- ABA Olt submitted the necessary documentation for issuing the Water Management Permit regarding the post-closure monitoring of the non-hazardous waste landfill belonging to CHIMCOMPLEX S.A. Borzești - Ramnicu Valcea Branch;
- A response was made to ANPM Bucharest regarding the changes that took place on the site in 2023, regarding greenhouse gas emissions;
- The documentation for the revision of the greenhouse gas emissions permit Ramnicu Valcea has been partially drawn up, followed by the completion of the 8 MWe Cogeneration Plant;
- A reply was given to ANPM Bucharest regarding the data of the representatives of the Single European Greenhouse Gas Register;

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

MONITORING OF ENVIRONMENTAL FACTORS

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

AIR

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

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

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

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

WATER

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

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

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

On the platform from Rm. Valcea, due to the technology of obtaining Propenoxide by chlorhydrination (approx. 50% of European capacities use this technology), results in large volumes of contaminated waters with calcium chloride and organic compounds, a deficiency common to all technologies based on the chlorhydrin route, recognized and accepted by producers and authorities at EU level. For these reasons, the platform from Rm. Valcea pays penalties to ABA Olt for the quantities of contaminants that exceed the limits imposed by the Water Management Authorization.

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At the same time, for a good management of impacts related to water discharge, the platform at Rm.Vâlcea periodically monitors the influence of discharged wastewater on the quality of the emissary - Olt River, upstream and downstream of discharges from the industrial platform, in distinct sections: OLT Outlet and Cremenari (1 upstream and 1 downstream). The monitoring is carried out by an external laboratory, accredited by RENAR.

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

GROUNDWATER AND SOIL

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

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

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

WASTE AND PACKAGING MANAGEMENT

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

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

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

MANAGEMENT OF DANGEROUS SUBSTANCES AND PREPARATIONS

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

NOISE

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

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

CLIMATE CHANGE FIELD

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

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

Direct GHG emissions (scope 1)

This category includes emissions for 2023 from:

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

Indirect GHG emissions (scope 2)

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

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

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

Indirect GHG emissions – scope 2 – related to electricity and heat consumption are the segment with the largest share in the total GHG emissions accounted for by Chimcomplex SA Borzești for 2023 and this is due to the fact that we are a large consumer of energy, electricity and heat. Sodium hydroxide manufacturing plants by ultrapure brine electrolysis operated on both platforms use electricity as feedstock and, in this context, GHG emissions related to electricity consumption account for a considerable share of total emissions.

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

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

GHG intensity

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

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

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compared to 1.007 tons CO2/thousand euros in 2022, respectively 1.286 tons CO2/thousand euros in 2021.

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

Environmental protection expenditures (lei) for 2023

Honest:

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

Ramnicu Valcea Branch

No.crt.	Expenses for environmental protection (lei)	Observations
	Achieved	
1	1.449.409,50	Environmental taxes (agreements, permits, payments to Romanian Waters)
2	399.701,00	Environmental Fund
3	24.214.360,73	Penalties to Romanian Waters
4	200.806,00	Environmental research
5	449.323,00	Waste management
6	49.600,00	Environmental factors monitoring
7	2.565,00	Staff training
8	7.645.603,00	Investment environment
TOTAL	34.411.368,23	

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

TAXONOMY

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

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

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

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

CONFORMITY ASSESSMENT

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

In 2023, the following inspection and control actions took place in the company:

Chimcomplex SA Borzești - Onești platform:

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

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

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

Term: permanent.

Sanctions: not applied.

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

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

Measures established:

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

Deadline: 26.05.2023.

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

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Sanctions: not applied.

3. Between ÷ 26 and 27.06.2023, the thematic control carried out on site by representatives of GNM Bacău took place, APM Bacău and IJSU Bacău to verify compliance with the requirements of Law 59/2016 on major-accident hazards involving dangerous substances. Control topics: Ensuring the conditions for safe operation of installations in the context of company reorganization. A SEVESO Inspection Report was drawn up in which all findings and verifications during the control were recorded.

Established measures: not applicable.

Sanctions: not applied.

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

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

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

Sanctions: not applied.

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

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

Established measures: not applicable.

Sanctions: not applied.

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

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

Established measures: not applicable.

Sanctions: not applied.

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

Purpose of planned inspection: planned thematic inspection, according to Circular No. 2145/GM/14.03.2023 on the REACH project – ENFORCE 11, on the enforcement of REACH and CLP

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

Established measures: not applicable.

Sanctions: not applied.

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

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

Established measures: not applicable.

Sanctions: not applied.

Chimcomplex SA Borzești - Rm. Valcea Branch:

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

Measures established:

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

Deadline: 15.06.2023 and permanent ;

Established sanctions: No sanctions or objections have been imposed.

2. Control performed at Chimcomplex S.A. Borzești - Ramnicu Valcea Branch on 27.09.2023 by representatives of the National Environmental Guard - Valcea County Commissariat. The unplanned control was carried out on the basis of Circular No. 6901/GM/28.08.2023 ordered by the General Commissariat of the National Environmental Guard, regarding the performance of unplanned controls at filling stations for fuel, liquefied petroleum gas (LPG) and compressed natural gas (CNG). Measures established:

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

Deadline: 28.09.2023 and permanent;

Established sanctions: No sanctions or objections are applied.

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

Measures established:

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

Deadline: 17.10.2023 and permanent;

Established sanctions: No sanctions or objections are applied.

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

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

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

No sanctions or objections were imposed.

Established measures and deadlines for implementation:

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

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

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

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

Penalties established:

No sanctions or objections were imposed.

Established measures and deadlines for implementation:

- the spaces for temporary storage of non-hazardous waste from the landfill of recovered materials will be reorganized, in order to properly manage them, and the pictograms with the application of the related waste code will be restored; DEADLINE: 15.01.2024;

- All necessary measures will be taken to avoid pollution of environmental factors, air and soil, by vehicles transporting waste to landfills belonging to society; DEADLINE: 30.11.2023 and permanent;

- The new regulatory act on water protection will be transmitted to GNM-CJ Valcea; TERM: after obtaining;

- The investment works proposed by the company will be submitted to GNM-CJ Valcea, to be carried out for 2024;

DEADLINE: 30.11.2023 and permanently.

Environmental obligations:

1. Closure of non-hazardous waste landfill, objective achieved in the first quarter of 2022, in the post-closure monitoring period;
2. Closure of hazardous waste landfill, objective achieved in the fourth quarter of 2023 in the post-closure monitoring period;

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3. Removal of metallic mercury from the mercury cathode electrolysis facility, objective completed in December 2023, follows the receipt of documents regarding the permanent storage of mercury sulfide resulting in the dry salt mine.

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

Chimcomplex SA Borzești - Work point Dej:

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

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

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

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

3.11. R&D evaluation

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

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

1. Polycarbonate polyols (reducing carbon footprint by using CO2 in polyol synthesis)
2. Polyether microproduction plant – Project with Innovation Norway funds
3. Laboratory technology for synthesis of a diol homopolymer with mass 18000-research completion.
4. Evaluation of amine-free stabilization solutions for polyols for flexible foams.
5. Manufacturing samples for product portfolio development.
6. Recovery / recycling / use of industrial waste - documentation, preliminary tests.
7. Testing raw materials from alternative sources.
8. Tested manufactured polyols / complaints / samples / collaborations.

3.12. Assessment of the integrated management system

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

In line with the principles of the stated policy, the necessary resources have been provided to:
-design, development, execution, marketing and after-sales support of products and services offered that fully meet the requirements and expectations of our customers regarding quality, legal and regulatory requirements as well as reasonable expectations of stakeholders, using clean and safe technologies that lead to improved environmental performance;
-occupational health and safety;

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- setting measurable annual objectives and performance indicators appropriate to maintain societal balance and development;
- maintaining the certifications of the Integrated Management System according to the reference standards;
- continuous improvement of the effectiveness of the Integrated Management System for achieving the policy and achieving the proposed objectives;
- monitoring, measuring and continuously improving the level of customer satisfaction;
- Monitoring, measuring and ensuring economic efficiency in all actions undertaken in 2022.

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

3.13. Assessment of the company's risk management activity

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

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

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

Management has the obligation to permanently monitor the risk register together with the program of measures to minimize them. Thus, at least once a year, process managers will systematically analyze the risks related to carrying out their activities, develop appropriate plans to limit the possible consequences of these risks.

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

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

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

Capital risk management is done with the help of the leverage ratio , which shows the degree to which equity provides financing for the activity, indicating to what extent its medium and long-term

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commitments are guaranteed by equity. It is calculated as the ratio of medium to long-term liabilities to total capital.

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

At the same time, the Company annually concludes commercial credit insurance policies for customers to whom it grants payment terms.

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

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

Market risk The macroeconomic environment in general and the chemicals market in particular continue to be affected by the economic crisis, with negative consequences on the development potential of society.

Market risk for finished products is managed by the Company through several directions of action:

1. First of all, diversifying markets and increasing the number of customers.
The main market is the domestic one, where the Company holds a privileged position, being the sole producer of both chlorosodium and polyols. We are not significantly dependent on any market or customer;
2. The Company's products target a wide range of industries and thus the risk is reduced:
 - Chlorosodium (aluminium, paper and cellulose, food, pharmaceutical, water treatment, energy system)
 - Polyols (furniture, construction, automotive, home appliances, extractive, infrastructure, etc.)
3. Cycles are different for polyols and chlorosodium. High demand for polyols and PVC means an increase in the use of electrolysis to ensure the necessary chlorine, so more caustic soda manufactured and implicitly a decrease in prices. The opposite happens when demand for polyols is low;
4. Conclusion of annual framework contracts with most large clients;
5. Loyalty of key customers by granting volume discounts;
6. Very high flexibility in fulfilling orders / diversifying logistics solutions / direct communication with the consumer, all to become the preferred company in case of "short notice orders";
7. Creating tailor-made products together with our customers;
8. Promoting actions taken in the field of sustainability and reducing carbon footprint

In terms of **market risk for raw materials**, the Company's strategy has several main axes:
- creating long-term partnerships with strategic suppliers (strategic contracts, SRM programs, innovation, technical support, etc.)

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- expanding sources (Asia, Middle East, United States) so that we have a wide range of global suppliers, present on all markets
- we explore the option of hedging on the main raw materials (propylene and ethyleneoxide) for which there is liquidity, there are international quotations (ICIS, Argus) and there are "papers" transactions
- focus on logistics, which makes the difference if the supply is made from remote areas and logistics & transport involves several transport methods (ship, train, car), multiple shipments, intermediate storage and generally medium / long transit terms. Also in the logistics area, we invest in our own fleet of wagons (propylene, chlorine, lye) to minimize the risk with the availability of rented wagons, in maintaining the railway infrastructure at international standards, in modern solutions for washing CF and car tanks, etc.

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

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

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

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

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

Environment - Environmental regulations are in a development phase in Romania and Chimcomplex was not in debt as of December 31, 2023 for any anticipated costs, including legal and consulting fees, design and implementation of environmental remediation plans.

Economic, political and social conditions in Romania or other countries

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

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

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

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

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

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

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

Borzești:

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

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

Ramnicu Valcea Branch:

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

Investments made by the Rm VÂLCEA platform	2023
M electrolysis - membrane change	219.284
Lime SIC 2	197.339
Propenoxides 1 - consolidation	103.889
Polyols	572.260
Ethylene oxide storage	28.909
Ethylene oxide	21.281
Steam Plant	29.197
Cogeneration station 8 Mwe	8.207.036
Oxoalcohols - modernization	109.312

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Cogeneration station 49,5 Mwe	17.753.342
OSBL CHP 49 MW works	3.064.014
Environment (Water)	15.013
Green hydrogen production	7.026
Others & Maint.	3.020.732
Total new equipment (eur)	33.348.635
Total new equipment (ron)	164.691.549

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

Onesti platform:

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

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

Rm.Vâlcea Branch:

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

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

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

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4. TANGIBLE ASSETS OF THE COMPANY

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

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

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

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

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

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

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

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

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

Land area owned on 31.12.2023:

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

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

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

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

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

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

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

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

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

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

Special buildings and constructions	8-60
Technical installations and machinery	2-34
Furniture, appliances, office supplies, others	2-24

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

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

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

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

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

This is not the case.

5. MARKET FOR SECURITIES ISSUED BY THE COMPANY

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

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

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

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

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

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

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

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

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

On 31.12.2023, according to the records from the Central Depository, the majority shareholder of the company is C.R.C. Alchemy Holding B.V. holding a number of 259,151,301 shares, worth 259,152,119 lei, representing 84.9936% of the share capital, and the Romanian State through the

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Authority for State Assets Management (A.A.A.S.) holds a number of 27,305,181 shares, amounting to 27,305,181 lei, representing 8.9552% of the share capital.

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

Shareholders	No. of shares	Value of lei	% of share capital
CRC Alchemy Holding B.V.	259.152.119	259.152.119	84.99%
A.A.A.S	27.305.181	27.305.181	8.96%
LEGAL ENTITIES	14.431.870	14.431.870	4.73%
INDIVIDUALS	4.018.681	4.018.681	1.32%
TOTAL	304.907.851	304.907.851	100%

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

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

Statement of participations in other companies as at 31.12.2023:

Units in Group companies	Balance at 31.12.2023 Lei	Percentage owned
GREENCOMPLEX SRL ONEȘTI	4.733.030	99,99%
AISA INVEST SRL CLUJ NAPOCA	19.900	19,51%
SC UZUC SA PLOIESTI	1.680.000	0,57%
A5 INVEST SRL ONEȘTI	6.100.000	100,00%
A6 IMPEX SA DEJ	50.609.823	49,45%
SISTEMPLAST SA RM.VALCEA	14.966.000	94,40%
Valcea Dual Learning Association	24.000	16,61%
Association of producers of plant protection products	1.000	12,50%
Total	78.133.753	

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

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

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and budget for the current year. The GMS decides on the possibility of distributing the profit for dividends.

If there is a loss of net assets, the share capital will have to be replenished or reduced before a profit distribution or distribution can be made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHIMCOMPLEX SA has always taken into account the interest of shareholders, both in terms of development policy and in terms of granting dividends. When financial results allowed, it gave dividends to shareholders.

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

No interim dividends were granted for 2023.

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

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

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

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

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

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

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

This is not the case.

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

This is not the case.

6. COMPANY MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The main management, management and supervisory structures of the company are the Board of Directors, the Directors, the Audit and Risk Committee, the Integrity Committee, the Nomination and Remuneration Committee and the Strategy, Development and Investment Committee. The management experience and professional training of board members allows them to periodically evaluate issues related to the evaluation of directors' work, nomination, remuneration or internal

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audit. In order to comply with the requirements of audit law 162/2017 and EU regulation 537/2014 on audit, the board of directors decided to amend the state.

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

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

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

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

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

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

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

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

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

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

Internal audit missions shall cover:

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

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

In terms of accounting rules, it is considered:

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

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

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

Following the meeting of the Board of Directors, which met statutorily on November 16, 2023, it was decided to mandate KPMG Audit SRL to audit the financial statements for 2023. The audit company is represented by Mrs. Raluca Soare – Audit Partner.

The identification data of KPMG Audit SRL are as follows:

CIF RO 12997279, Trade Registry No. 40/4439/2000

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

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

Phone 021/372.377.800, Fax 021/372.377.700

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

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

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

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

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

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

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

This is not the case.

7. FINANCIAL STATEMENT OF ACCOUNTS

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

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

The financial statements were prepared on a going concern basis.

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

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

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

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

Accounting treatments:

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

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

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

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

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

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

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

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

7.1. Statement of financial position

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

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	31 December 2023	31 December 2022 restated¹	31 December 2021 restated¹
ASSETS			
Non-current assets			
Property, plant and equipment	1.960.400.057	1.931.882.657	1.839.331.230
Rights of use asset	16.900.411	13.844.826	5.906.799
Investment property	29.226.468	31.452.222	14.424.776
Intangible assets	118.212.264	122.407.778	126.621.140
Investments	67.412.502	57.509.039	14.206.422
Other long-term financial assets	5.467.193	6.718.514	5.093.759
Total non-current assets	2.197.618.895	2.163.815.037	2.005.584.126
Current assets			
Inventories	144.440.401	237.998.985	157.905.520
Trade and other receivables	243.339.608	464.340.250	301.786.647
Short term loans granted	5.411.291	5.327.386	3.536.799
Cash and cash balances	139.761.858	40.466.919	147.994.841
Total current assets	532.953.157	748.133.540	611.223.807
TOTAL ASSETS	2.730.572.052	2.911.948.576	2.616.807.933

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	31 December 2023	31 December 2022 restated¹	31 December 2021 restated¹
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	304.907.851	304.907.851	304.907.851
Own shares	(26.657.863)	(26.336.354)	(142.454)
Share premium	4.669.565	4.669.565	4.669.565
Legal reserves	109.435.476	109.435.476	90.207.136
Retained earnings	693.760.574	850.800.837	688.145.520
Revaluation reserve	651.527.661	653.382.560	654.500.420
Equity attributable to owners	1.737.643.263	1.896.859.935	1.742.288.037
Non-current liabilities			
Subsidies	30.633.918	13.778.664	15.450.076
Lease liabilities	9.501.672	8.705.286	3.444.122
Deferred tax liability	142.373.862	149.420.130	161.901.853
Provisions	16.171.444	16.302.643	28.272.350
Long term loans	375.876.794	457.459.739	294.521.275
Other payables	921.138	1.547.368	598.685
Total non-current liabilities	575.478.828	647.213.830	504.188.360
Current liabilities			
Subsidies	1.990.801	2.163.229	2.541.998
Trade and other payables	137.937.336	265.815.495	271.533.176
Lease liabilities	8.043.226	5.949.300	3.465.451
Corporate income tax liability	-	17.406.339	20.092.468
Provisions	570.137	30.387.793	43.215.206
Short term loans	268.908.461	46.152.656	29.483.235
Total current liabilities	417.449.961	367.874.812	370.331.534
Total liabilities	992.928.789	1.015.088.642	874.519.895
Total equity and liabilities	2.730.572.052	2.911.948.576	2.616.807.932

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

NON-CURRENT ASSETS

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

INVENTORIES

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

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RECEIVABLES AND PAYABLES

Receivables

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

The measure covers the indirect costs of emissions incurred in 2022, recorded in the financial statements of 2022 at the value of RON 64,173,308, calculated based on the calculation algorithm written in the legislative act, fulfilling the required eligibility criteria. In the Prodcom Code Declaration submitted in June 2023, this amount was corrected to RON 58,714,468 by updating the price of CO2 certificates in the state aid calculation formula. Of this value, 45,664,031 lei was collected in 2023. On December 31, 2023, the company registered the subsidy for compensating greenhouse gas emission costs for 2023 in the amount of RON 67,988,698, taking into account the percentage of collection from previous years.

Liabilities

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

Credits

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

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

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

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

EQUITY

According to the financial statements prepared as at December 31, 2023, the amount of equity is 1.737.643.263 lei.

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

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

7.2. Profit and loss account

lei

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

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

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TURNOVER

Presentation of turnover by types of markets:

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

Presentation of turnover by product types:

	31 December 2023 (%)		Lei 31 December 2022 (%)	
	Petrochemistry	684.537.343	48,9	1.095.896.741
Chlorosodium	650.943.769	46,5	995.302.505	44,1
Oxo-alcohols	5.561.156	0,4	66.746.104	3,0
Goods (mainly utility resales)	43.025.070	3,1	89.020.113	3,9
Others	15.231.175	1,1	11.566.947	0,5
Total	1.399.298.512	100	2.258.532.411	100

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

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

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

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

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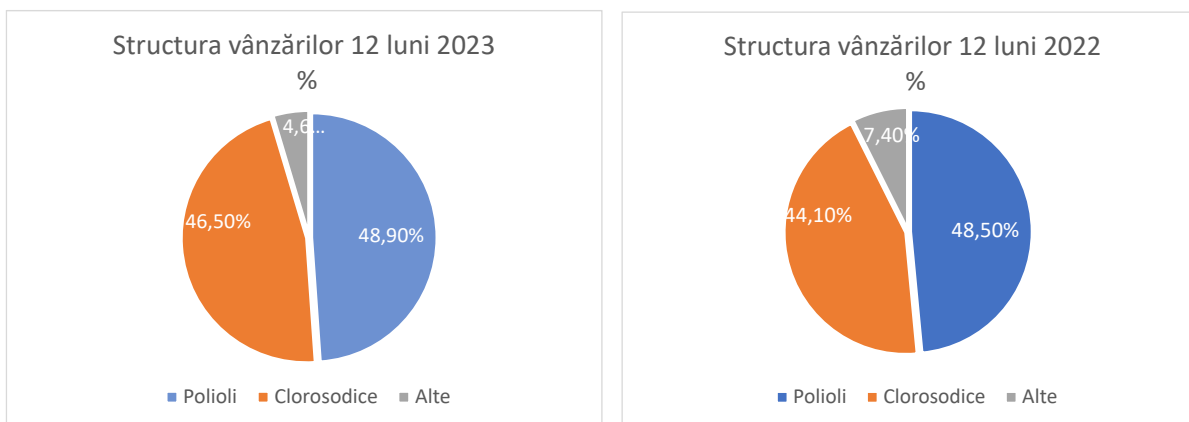
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Share of main products in total sales in 2023 compared to 2022:



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

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

	Year 2023		Year 2022	
	lei	%	lei	%
Europe	1.324.337.061	94,64%	2.087.888.422	92,45%
Middle East	71.537.959	5,11%	153.819.813	6,81%
Asia-Pacific	1.876.469	0,13%	10.105.614	0,45%
America	1.484.053	0,11%	5.317.899	0,24%
Africa	62.969	0,00%	1.400.662	0,06%
TOTAL	1.399.298.513	100%	2.258.532.411	100%

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

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

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

In order to optimize the allocation of resources at company level and to track performance indicators (production achieved, sales volume, turnover, EBITDA, cash flow, etc.), the management team identified two options for carrying out the activity in the second semester of 2023, having as driver

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the sale of Polyols manufactured on the Rm. Valcea Platform. The level of production of polyols in the second half of 2023 was dimensioned so as to allow the destocking and, implicitly, the release of the amounts of money immobilized in the stocks accumulated in this product group. In relation to the level of Polyether production, through the liquid chlorine semi-finished product, the production level was dimensioned at the two Electrolysis Platforms (on the Onești and Rm. Vâlcea platforms).

Results from current activity for 2023

As of December 31, 2023, the company recorded an operating profit (operating result) of RON 34.406 thousand. On total activity, the net result was profit of RON 15.274 thousand.

	31 December 2023	Lei 31 December 2022 restated
Total gross income, of which:	8.825.048	277.898.176
-operating result	34.406.307	288.651.703
-financial result	(25.581.259)	(10.753.526)
Corporate income tax expenses	-	(51.537.779)
Deferred tax revenue	6.448.755	12.511.722
Net result	15.273.803	238.872.119

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

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

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7.3. Cash-flow statement

thousand lei

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

Related party transactions

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

(i) Related party transactions

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

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

(ii) **Related party balances**

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

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

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

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

Payments to be made regarding shares held at Sistemplast	31 December 2023	31 December 2022
Uzuc SA Ploiești	9.966.000	10.966.000
Total	9.966.000	10.966.000

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In 2022, the Company acquired 94,4% of shares held in Sistemplast SA. The debt will be paid within a maximum of one year from the closing of the financial year 2023. The Company has the right to continue to hold the purchased shares and is not obliged to return them to the seller as a result of non-payment of the remaining amounts due.

8. SUBSEQUENT EVENTS

Exchange rate change

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

Receipts and payments of receivables and payables

Until February 29, 2024, the Company collected the amount of EUR 7.359.132 and RON 14.927.202, corresponding to the outstanding trade receivables on December 31, 2023 and paid trade debts in the amount of EUR 1.032.538 and 44.204.336 of the invoices existing in balance on December 31, 2023.

Management statement

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

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

**General Manager,
Florian Staicu**



**Financial Director,
Nicolae Stanciugel**



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