



To:

**Bucharest Stock Exchange  
Financial Supervisory Authority  
Financial Instruments and Investments Sector**

**Current report prepared in accordance with the FSA Regulation no. 5/2018 on issuers of financial instruments and market operations.**

<b>Date of report</b>	<b>February 29, 2024</b>
<b>Company name</b>	<b>CHIMCOMPLEX SA Borzești</b>
<b>Registered office</b>	<b>Str. Industriilor, nr.3, Onești, Bacău county, Romania</b>
<b>Telephone/fax number</b>	<b>0234/302100; 0234/302102</b>
<b>Website</b>	<a href="http://www.chimcomplex.com">http://www.chimcomplex.com</a>
<b>Email</b>	<b>ir@chimcomplex.com</b>
<b>Unique registration code with the JRB</b>	<b>RO960322</b>
<b>Serial No in the Registry of Commerce</b>	<b>J04/493/1991</b>
<b>Subscribed and paid-in share capital</b>	<b>304.907.851 lei</b>
<b>The main characteristics of securities</b>	<ul style="list-style-type: none"><li>• Nominative shares, dematerialized, whose records are kept by the Central Depository SA Bucharest</li><li>• Nominal value, lei/share: 1 leu/share</li><li>• Number of shares: <b>304,907,851</b></li></ul>
<b>The regulated market on which the issued securities are traded</b>	<b>BVB, standard category, symbol CRC</b>

**CHIMCOMPLEX S.A. BORZESTI**

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Trade Registry J04/493/1991, URC 960322  
Subscribed and paid up share capital: 304907851 RON  
IBAN: RO60BUCU1111215962132  
ALPHA BANK BUCHAREST



RO2021.055.061Q RO2021.055.061E RO2018.055.061



## Presentation of the preliminary financial results, from the current activity, for 2023

- **Revenue:** Total revenues in 2023 were of 1,366,632 thousand lei, of which 1,343,854 thousand lei operating income and 22,778 thousand lei financial income.
- **Costs:** The total expenses recorded in 2023 were of 1,290,728 thousand lei, of which 1,231,465 thousand lei operating expenses and 59,263 thousand lei financial expenses.
- **Profit/Loss:** As of December 31, 2023, the company recorded an operating profit (operating result) of RON 112,389 thousand lei. On total activity, the net result was profit of 75,904 thousand lei.

	Lei	
	December 31st 2023	December 31st 2022
<b>Total gross income, showed separately:</b>	<b>75.904.125</b>	<b>311.255.153</b>
-operating result	112.388.846	327.196.547
-financial result	(36.484.721)	(15.941.394)
Corporate income tax expenses	-	(55.919.098)
Deferred tax revenue	-	10.725.868
<b>Net result</b>	<b>75.904.125</b>	<b>266.061.923</b>

In accordance with the data in the company's financial communication calendar and in compliance with the provisions of the legislation specific to the capital market regarding reporting to capital market institutions and shareholders, CHIMCOMPLEX SA Borzești informs all those interested of the individual preliminary financial statements concluded on 31.12.2023, prepared in accordance with the provisions of Order no. 2844/2016 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, as subsequently amended and supplemented ("OMFP 2844/2016"). These provisions are in accordance with the provisions of International Financial Reporting Standards adopted by the European Union ("EU IFRS").

The unaudited preliminary financial statements for 2023 have been prepared in accordance with the accounting policies that will be used to prepare the annual financial statements for 2023. The audited annual consolidated final financial statements will be published in March 2024.

These preliminary financial statements present the financial results related to the current activity carried out by the company in 2023. Until the approval of the financial statements in final form, changes may occur whose influence cannot be quantified at the date of this report and which we draw attention to, could influence the total financial results for 2023.

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## 1. ECONOMIC AND FINANCIAL SITUATION

### 1.1. Presentation of the financial results for the period January-December 2023

The financial statement related to the activity carried out by the company in the period January-December 2023, compared to the same period of the previous year, is presented below:

<b>Economic and financial</b>	<b>Year 2023</b>	<b>Year 2022</b>	<b>Difference</b>	<b>%</b>
<b>Indicators</b>	<b>thousand lei</b>	<b>thousand lei</b>	<b>thousand lei</b>	
<b>1</b>	<b>3</b>	<b>2</b>	<b>4 = 3 - 2</b>	<b>5=4/2*100</b>
<b>Turnover</b>	<b>1.399.299</b>	<b>2.258.532</b>	<b>-859.234</b>	<b>-38,04</b>
<b>Total revenue</b>	<b>1.366.632</b>	<b>2.415.212</b>	<b>-1.048.580</b>	<b>-43,42</b>
-operating income	1.343.854	2.385.750	-1.041.895	-43,67
-financial income	22.778	29.463	-6.684	-22,69
<b>Total expenses</b>	<b>1.290.728</b>	<b>2.103.957</b>	<b>-813.229</b>	<b>-38,65</b>
-operating expenses	1.231.465	2.058.553	-827.088	-40,18
-financial expenses	59.263	45.404	13.859	30,52
<b>Gross result</b>	<b>75.904</b>	<b>311.255</b>	<b>-235.351</b>	<b>-75,61</b>
-operating result	112.389	327.197	-214.808	-65,65
-financial result	-36.485	-15.941	-20.543	*
Income tax expenses	0	55.919	-55.919	-100,00
Deferred tax revenue	0	10.726	-10.726	-100,00
<b>Net result</b>	<b>75.904</b>	<b>266.062</b>	<b>-190.158</b>	<b>-71,47</b>

The downward trend of consumption that started in the second half of 2022 was maintained until the end of 2023, which caused Chimcomplex's sales value 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.

The negative net financial result in 2023 was mainly influenced by the increase in interest expenses following the increase in the EURIBOR variable margin and the loans contracted in the last 12 months. Exchange differences related to the revaluation of loans also had a significant influence.

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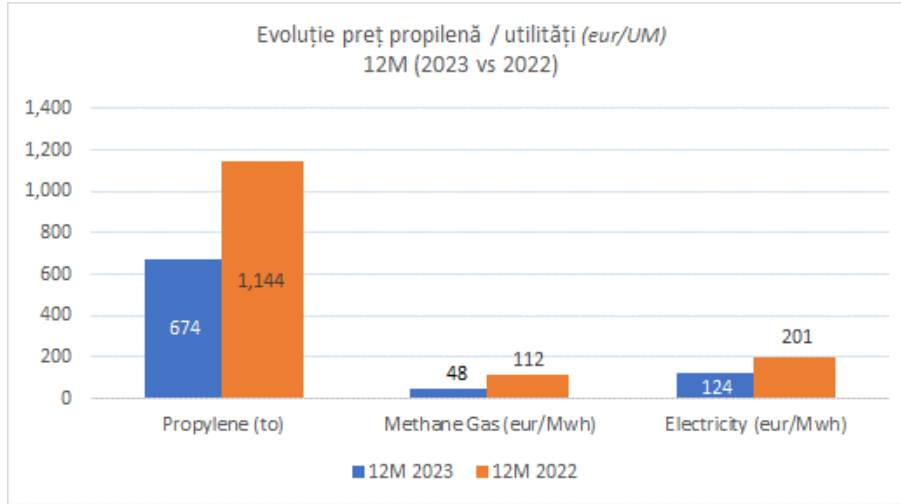
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The company's management has continuously made efforts to reduce the costs of utilities and main raw materials, the evolution of purchase prices being highlighted in the table below:

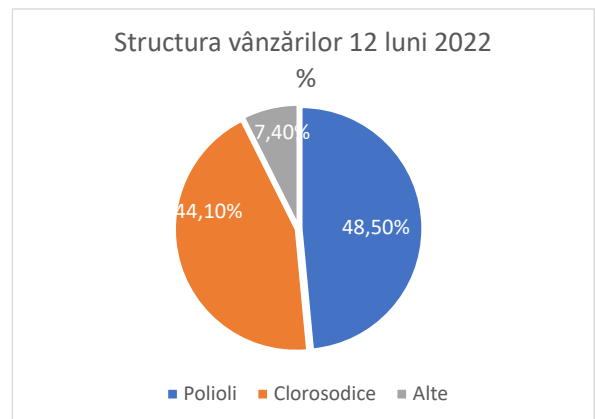
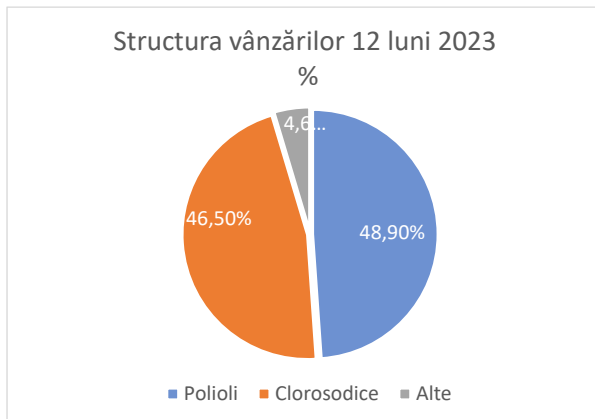


Between January and December 2023, the company produced and delivered two main categories of finished products:

- ✓ **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.

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



**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.

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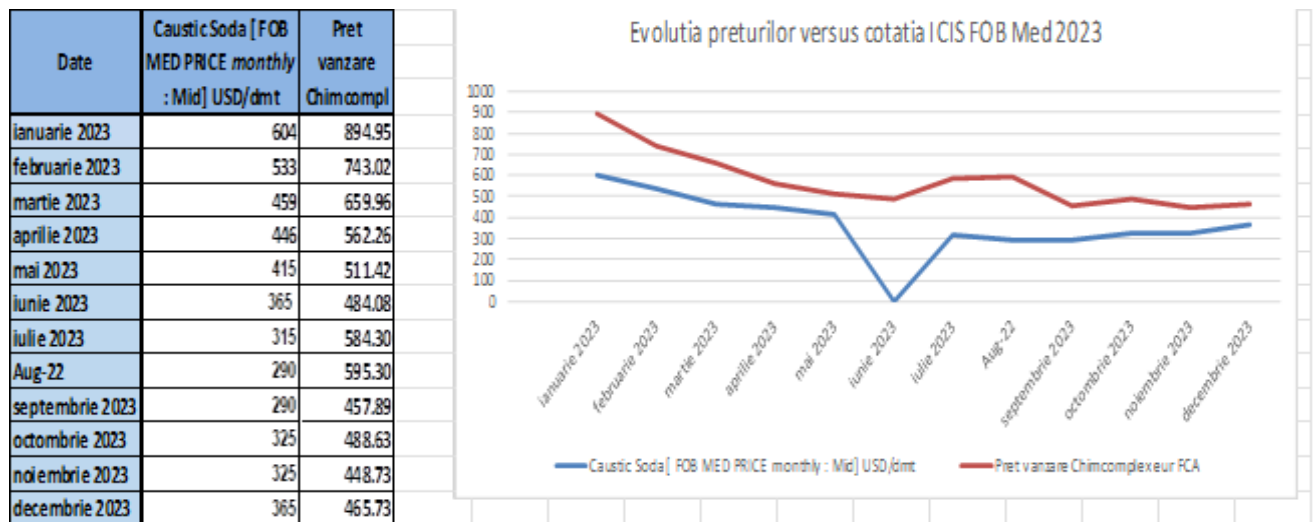


The main lye-consuming industries (alumina, pulp and paper, detergents, water treatment, chemical synthesis) reacted in correlation with demand that depreciated from month to month.

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 evolution of caustic soda quotations according to ICIS in 2023 is shown below:



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.

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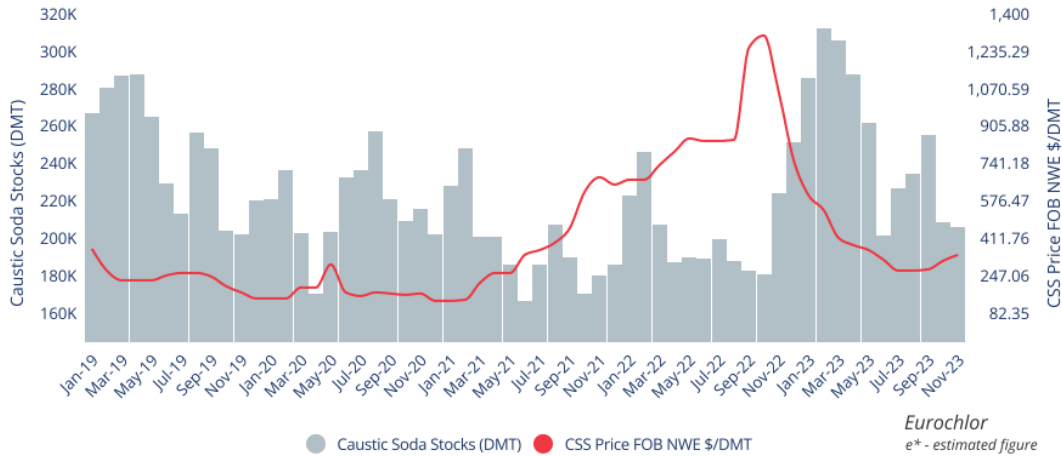




During the analyzed period, Chimcomplex registered a decrease in demand of 8% compared to 2022, generated by the temporary closure of some production facilities and the reduction of the capacities of others, located near the Chimcomplex plant in Ramnicu Valcea.

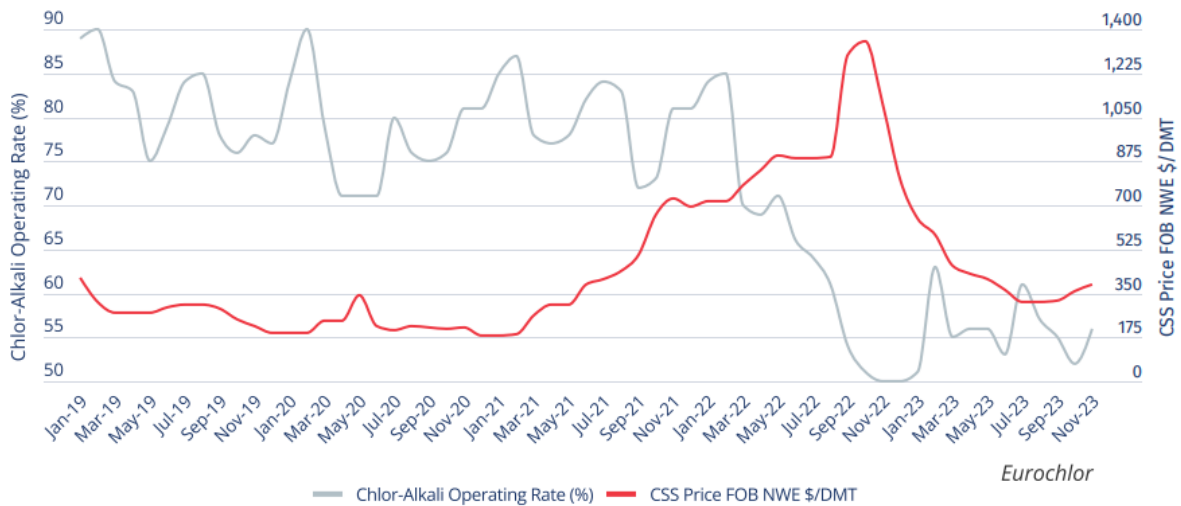
📊 CSS Stocks vs. CSS Price

📊 Operating Rate vs Price



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📊 Operating Rate vs Price



Demand for chlorine in Europe showed no signs of improvement until the end of the year. Producer margins are the lowest due to rising raw material prices, and operating rates remain unchanged, between 58-67%

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### 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 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.

As for 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,

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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 made in 2022.

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

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

	Polyether polyols					
	Flexible in € per Mt		Rigid in € per Mt			
2023	reduced	grown	medium	reduced	grown	medium
Jan	1700	1950	<b>1825</b>	2400	2700	<b>2550</b>
Feb	1650	1900	<b>1775</b>	2300	2600	<b>2450</b>
Mar	1550	1800	<b>1675</b>	2200	2500	<b>2350</b>
Apr	1600	1750	<b>1675</b>	2200	2400	<b>2300</b>
May	1550	1700	<b>1625</b>	2100	2400	<b>2250</b>
Jun	1450	1600	<b>1525</b>	2000	2300	<b>2150</b>
Jul	1300	1450	<b>1375</b>	1900	2200	<b>2050</b>
Aug	1200	1350	<b>1275</b>	1800	2200	<b>2000</b>
Sep	1200	1400	<b>1300</b>	1800	2200	<b>2000</b>
Oct	1275	1400	<b>1338</b>	1800	2200	<b>2000</b>
Nov	1350	1450	<b>1400</b>	1900	2300	<b>2100</b>
Dec	1350	1450	<b>1400</b>	1900	2300	<b>2100</b>

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	Polyether polyols					
	flexible in € per mt			Rigid in € per mt		
2022	reduced	grown	medium	reduced	grown	medium
Jan	2330	2530	<b>2430</b>	2830	2980	<b>2905</b>
Feb	2300	2530	<b>2415</b>	2830	2980	<b>2905</b>
Mar	2300	2530	<b>2415</b>	2830	2980	<b>2905</b>
Apr	2530	2730	<b>2630</b>	2930	3080	<b>3005</b>
May	2480	2610	<b>2545</b>	2800	3000	<b>2900</b>
Jun	2330	2580	<b>2455</b>	2700	2900	<b>2800</b>
Jul	2200	2450	<b>2325</b>	2600	2800	<b>2700</b>
Aug	2150	2350	<b>2325</b>	2600	2800	<b>2700</b>
Sep	2100	2300	<b>2325</b>	2650	2850	<b>2700</b>
Oct	2200	2500	<b>2350</b>	2550	2900	<b>2725</b>
Nov	2150	2450	<b>2300</b>	2500	2900	<b>2700</b>
Dec	1800	2100	<b>1950</b>	2450	2800	<b>2625</b>

The persistent feeling of a sluggish economy in Europe was again reflected by the correction of GDP for this year, which is falling. Compared to the 1.1% expected earlier this year, we are likely to see only 0.5% growth now, at best. There are certainly multiple obstacles, and growth drivers are still lacking from final consumers, as well as a lack of certainty and optimism on the part of the private consumption sector.

Germany, Europe's production engine, entered a technical recession in the second half of 2023.

The construction sector appears to be the weakest of the various end markets and a similar picture can be seen regarding export opportunities for various polyurethane applications. Industrial production is forecast to grow slowly over the next three quarters in all countries and sectors.

There is, however, optimism for polyether polyols in Europe in 2024

- it is based on a record level of savings of individuals / individuals.
- that interest rates will fall, along with inflation.
- pent-up demand in today's automotive sector.
- private consumption is estimated to grow by around 1.5% next year (the upholstery sector is expected to grow again, especially in the tourism area, as investment in this segment was relatively low during the COVID years)
- stronger demand for exports.

## Forecasts

The polyurethane industry remained in crisis, with minor changes or even stagnation in demand in January as private consumption continues to be low in conjunction with weaker activity in the construction sector. The latter is not expected to change significantly in February or March. Q2 is likely to see some positive results with the likelihood of interest rate cuts by the European Central Bank. This will give a boost to the activity of the construction sector in the coming quarters, however, most likely this major change will be felt in 2025.

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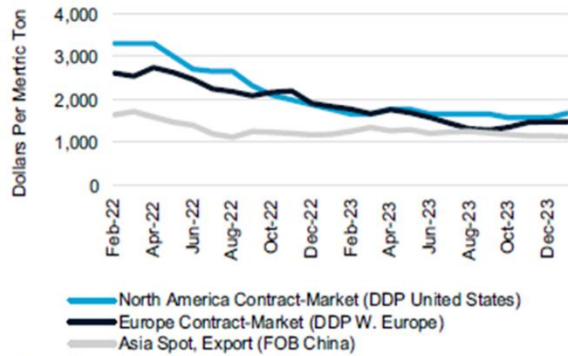
Problems in the Suez Canal and military tensions in the Middle East are estimated to have an impact on Europe's polyol and polyurethane industries. The transport time of Asian polyols, in particular flexible polyols, is expected to be affected by a delay of 14-20 days compared to normal transit time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

Problems with the transportation of goods and services from east to west can also have an impact on certain main raw materials, materials or finished products for other industries that affect the polyurethane industry as well, such as electrical appliances and components, home appliances and automotive components. We may see more local production versus imports of finished products, although it's far from have a direct implication. Some European car manufacturers have reduced production due to shipping delays, while no additional rolling rate has been observed in Europe's upholstery sector.

All in all, polyether quantities have decreased and are likely to continue with a significant decrease in imported quantities, but local production will fall even further due to planned or unplanned production stoppages. Several manufacturers could resume production in February depending on how quickly they complete repairs. This reduction in the availability of polyethers in the market leads to a more balanced situation, and manufacturers will certainly try to regain some of profitability after almost a year of minimal or negative profitability.

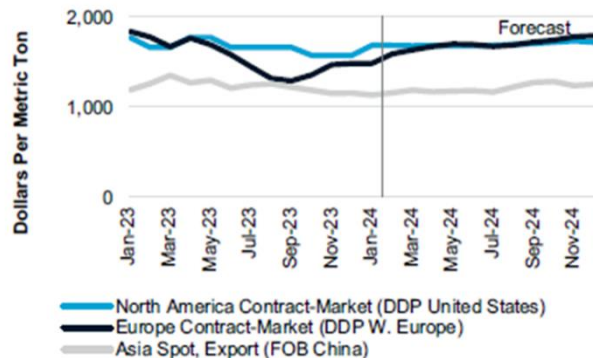
Chemical Market Analytics (CMA) forecasts a price increase for polyether-polyols of around €100-200/tonne in February, and this trend in which futures prices are expected to be higher than spot prices, which we will see in March and April, is further encouraged by the upstream situation of the propene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

Flexible Polyether Polyols Price History



Note: Based on low end of monthly price range.  
Source: Chemical Market Analytics by OPIS © 2024 Oil Price Information Service, LLC.

Flexible Polyether Polyols Price Forecast



Note: Based on low end of monthly price range.  
Source: Chemical Market Analytics by OPIS © 2024 Oil Price Information Service, LLC.

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

	Year 2023 -Lei-		Year 2022 -Lei-	
Europe	1.324.337.062	94,64%	2.087.888.422	92,44%
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%
<b>TOTAL</b>	<b>1.399.298.512</b>	<b>100%</b>	<b>2.258.532.411</b>	<b>100%</b>

## 1.2. Summary of the preliminary statement of financial position (unaudited):

	December 31 <sup>st</sup> , 2023	December 31 <sup>st</sup> , 2022
	thousand lei	thousand lei
<b>ACTIVE</b>		
Non-current assets	2.207.160	2.085.951
Current assets	521.277	778.660
<b>Total assets</b>	<b>2.728.437</b>	<b>2.864.611</b>
<b>EQUITY AND DEBT</b>		
Total equity	1.734.208	1.832.794
Long-term liabilities	551.241	643.205
Current liabilities	442.988	388.611
<b>Total equity and debt</b>	<b>2.728.437</b>	<b>2.864.611</b>

Compared to the beginning of the year it is observed:

- The increase **of fixed assets** by 121,209 thousand lei, generated mainly by the increase in investments carried out for the cogeneration plants in Râmnicu Vâlcea.
- **Current assets** decreased under the influence of the following factors:
  - Elimination of the amount of 167,000 thousand lei from receivables, together with the Decision of the GSM of April 28, 2023, approving the coverage of interim dividends distributed during 2022 in the amount of 167,000 thousand lei from the profit distributed in other reserves for 2022.
  - Decrease of stocks by 96,287 thousand lei compared to the beginning of the year - the company made a destocking corroborated with the resizing of production, aligning with the situation on the sales market.
- **The company's liabilities** remained overall at a level close to that of the beginning of the year, with changes in their structure, as detailed in the financial statements.
- **Equity** decreased on December 31, 2023, compared to December 31, 2022, mainly because of dividend distributions for financial year 2022 and dividends approved in 2023, partially offset by net profit generated in 2023. The total equity to total assets ratio was 63% as of December 31, 2023, slightly lower from 64% as of December 31, 2022.

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 Phone 0234/302.250; Fax 0234/302.102  
 Email: office@chimcomplex.com  
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Trade Registry J04/493/1991, URC 960322  
 Subscribed and paid up share capital: 304907851 RON  
 IBAN: RO60BUCU1111215962132  
 ALPHA BANK BUCHAREST





### 1.3. Cash flow

Item name	thousand lei 31.12.2023
<b>Cash availability at the beginning of the period</b>	<b>40.467</b>
Cash flow from operating activity (A)	242.514
Cash flow from investment activity (B)	(227.309)
Cash flow from financial activity (C)	85.159
<b>Net cash flow (A+B+C)</b>	<b>100.364</b>
<b>Effects of exchange rate changes on foreign currency cash balance</b>	<b>(1.069)</b>
<b>Cash availability at the end of the period</b>	<b>139.762</b>

Cash from operating activity in 2023, namely 242,514 thousand, is generated mainly by destocking of finished products and by decreasing the amounts paid in advance for utilities because of improving the payment conditions negotiated with suppliers and purchasing starting with Q3 2023 quantities, through their own employees, directly from the DAM-OPCOM market (electricity) and from the SPOT-BRM market (natural gas).

Cash availabilities on 31.12.2023 total 139,762 thousand, significantly increasing compared to 31.12.2022, when they registered 40,467 thousand.

The company continued the assumed investment program, cash used in investment activities in 2023 amounting to 227,309 thousand lei, compared to 183,260 thousand lei for 2022.

### 1.4. Presenting and analysing trends, elements, events, or uncertainty factors that affect or could affect the liquidity of the company, compared to the same period last year.

The main uncertainties that may influence the company's results remain those related to the price risk of tradable commodities, operational risks, as well as political and regulatory risk. By the nature of the processing, transport, and sale of products, Chimcomplex SA is inherently exposed to safety and environmental risks. Through its HSSE and risk management programs, the company remains committed to remaining aligned with industry standards.

Regarding regulatory risk, Chimcomplex is in dialogue with the Romanian authorities on topics relevant to the industry. In recent years, several tax and regulatory initiatives have been discussed and/or implemented. This increases legislative volatility and influences the entire business environment.

As risk factors that affect or could affect the liquidity of the company, we mention the evolution of international quotations for the main products marketed by the company, the decrease in market demand as a result of the downward trend of consumption in Europe's economies negatively affected by armed conflicts and high inflation, as well as prices that remain high for energy products (electricity and methane gas), products with a significant share in the structure of production costs.

The company does not limit itself to dealing with the consequences of events that would occur, but adopts a proactive management style, implementing measures designed to mitigate the manifestation of risks.

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## 2. CHANGES AFFECTING THE CAPITAL AND MANAGEMENT OF THE COMPANY

### 2.1 Description of cases where the company was unable to meet its financial obligations during that period.

It is not the case.

### 2.2 Description of any changes to the rights of holders of securities issued by the company.

It is not the case.

## SIGNIFICANT 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 - lei

<b>Sales</b>	<b>Year 2023</b>	<b>Year 2022</b>
A6 Impex SA Dej	15.946	23.712
Uzuc SA Ploiești	-	4.770
Sistemplast SA Rm.Vâlcea	40.207	38.774
Somes Logistic SRL	55.415	55.624
CRC Impex Chemicals SRL Ploiesti	1.171	-
Caromet SA Caransebeș	-	5.116
<b>Total</b>	<b>112.739</b>	<b>127.995</b>

<b>Purchases - lei</b>	<b>Year 2023</b>	<b>Year 2022</b>
Caromet SA Caransebeș	983.203	2.549.819
Novatextile Bumbac SRL Pitești	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 Ploiești	90.578	709.062
Romanian Commercial Services SA Piatra Neamt	-	19.495.480
A5 Invest SRL Onești	7.195.251	3.983.939
Greencomplex SRL Onești	54.740	35.700
A6 Impex SA Dej	45.239.710	7.029.137
CRC Exploration&Business SRL Onești	99.972	-
Sinterom SA Cluj-Napoca	15.719	-
<b>Total</b>	<b>92.475.498</b>	<b>91.281.947</b>

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(ii) **Related party balances**

<b>Claims</b>	<b>December 31st 2023</b>	<b>December 31st 2022</b>
Vitoria Serv SRL Bucharest	41.400	41.400
Someș 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 Pitești	1.000	1.000
Sistemplast SA Rm.Vâlcea	3.109	-
Caromet SA Caransebeș	1.191.602	1.115.676
CRC Exploration&Business SRL Onești	11.861	11.861
Iasitex SA Iasi	1.423	1.423
CRC Zeus Amsterdam	200.526	192.547
<b>Total</b>	<b>19.599.504</b>	<b>24.496.544</b>
	<b>December 31st 2023</b>	<b>December 31st 2022</b>
<b>Debt</b>		
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
<b>Total</b>	<b>6.425.334</b>	<b>4.369.468</b>
	<b>December 31st 2022</b>	<b>December 31st 2021</b>
<b>Downpayments</b>		
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
<b>Total</b>	<b>1.852.056</b>	<b>3.613.113</b>

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## Guarantees

Sistemplast SA Rm.Vâlcea

### Total

	<b>December 31st 2022</b>	<b>December 31st 2021</b>
	3.298.345	2.611.124
<b>Total</b>	<b>3.298.345</b>	<b>2.611.124</b>

## Outlook for the full year 2024

Chimcomplex signed the "Antwerp Declaration" - an urgent call to revitalize European industry, strengthen core industrial sectors and ensure their competitiveness and resilience in the context of geopolitical changes. These are the industries that can and want to deliver the climate solutions Europe needs.

To overcome current challenges, the Antwerp Declaration outlines 10 concrete actions, including integrating the European Industrial Agreement into the European Strategic Agenda, simplifying legislation and the state aid framework. It calls for Europe to become a global leader in low-carbon energy supply through a strategic partnership and robust infrastructure, along with stronger support for EU projects. It stresses the need to empower raw materials, promote demand for sustainable products and encourage innovation and more incentives to attract investment to Europe. The European Single Market is also highlighted as a resource to be harnessed and reactivated, along with the establishment of a new legislative framework to stimulate investment and a cohesive internal structure for effective policy implementation.

The industry makers' warning of Europe's lack of competitiveness vis-à-vis competitors from China and the US comes just months after the EU finalised climate regulations for all sectors of the economy from energy production to transport, with the goal of reducing carbon emissions by 55% by the end of the decade. More recently, the bloc agreed to bring the reduction to 90% by 2040.

At the same time, the energy crisis in Europe and subsidies for US and Chinese companies are calling into question the future of European industry. In fact, the entire continent is in a prolonged period of stagnation, the economic recovery being expected.

The chemical industry is under great pressure for decarbonisation, as the EU's carbon pricing scheme through the Emissions Trading System is massively raising costs.

The decay of the chemical industry is causing concern at the highest level in all European countries. Europe's chemical industry saw an 8.0% drop, the fifth-largest drop in production according to the Cefic Chemical Trends Report, Dec 2023.

Basic chemicals companies continue to report double-digit declines: petrochemical production in 2023 was 13.8% lower compared to the same period a year earlier.

China's chemical production is at its highest levels ever, 9.6% higher in 2023 than in 2022. Surplus supply from China is exported, and Europe is one of the main destinations. The EU chemical industry spent €11 billion on research and innovation (equivalent to 6% of value

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added), the highest levels on record. Capital expenditure amounted to 18% of value added (€32 billion). For reference, in China the CAPEX in 2022 was €125 billion. Without the support of industry at the highest level, all basic industries are jeopardised, and thus the future of Europe!

In this context, Chimcomplex continues its plan of specific measures to reduce emissions, such as increasing energy efficiency and optimizing processes, and focuses on new strategic investments, among the most important are:

1. the project for the construction of a "High efficiency gas cogeneration, flexible, in the district heating sector Rm. Valcea", co-financed by the National Recovery and Resilience Plan Pillar I. Green transition – Component C6 Energy Investment measure 3 - Development of flexible and highly efficient gas-fired production capacities for combined heat and power (CHP) in the district heating sector, with a view to achieving deep decarbonisation.

The project aims to build a high-efficiency cogeneration plant to serve Ramnicu Valcea municipality starting with 2026. The total value of the project is 689,393,524 lei, of which the maximum eligible non-reimbursable value is 405,000,000 lei.

The project is implemented by Chimcomplex S.A Borzești in Ramnicu Valcea, Romania, between 27.01.2023 - 31.12.2025.

The objectives of the project are:

- Reduction by 84,468 tCO<sub>2</sub>/year of greenhouse gases at the level of Ramnicu Valcea municipality
- Increase installed capacity in high-efficiency cogeneration by 108 MW
- Reduction of annual primary energy consumption by 418,105 MWh
- by achieving a flexible and highly efficient 108 MW gas production capacity for combined heat and power (CHP) to supply heat to the inhabitants of Ramnicu Valcea within a period of 36 months from the signing of the financing contract.

2. The establishment of a new, sustainable production unit of epoxy resins based on epichlorhydrin synthesis within Chimcomplex SA Borzești" has as main objective to ensure Romania's total independence from chemical imports through the local manufacture of epoxy resins. Through this investment of 490 mil. We aim to reduce to zero imports of resins and epichlorhydrin, contributing significantly to the security and autonomy of our country in this area. The amount of state aid requested, it amounts to 195.1 million lei, while the total value of the project is 490.2 million lei. Lei. (...) The project will ensure the prospect of continuing the development of other manufacturing and integration of technological processes upstream and downstream, fitting perfectly into the integrated development strategies of the industrial platform in Onesti. It will also facilitate the integration of green hydrogen and high-efficiency energy produced in Onesti.

The Chimcomplex strategy sets concrete objectives for decarbonization, harnessing hydrogen energy, developing and integrating renewable green energy, ensuring a circular economy through chemical recycling of plastic waste and finally diversification of production.

In the medium and long term, we will focus on increasing the production capacity of polyols, developing projects for obtaining methanol, ethylene oxide, mono-ethylene glycol, and glycols. Also, diversifying production by including new chemicals that Romania imports currently is another strategic objective of our company.

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#### 4. OTHER INFORMATION

Starting with January 17, 2022, the shares of Chimcomplex SA Borzesti are freely traded on the Standard category of the Bucharest Stock Exchange, under the market symbol CRC, continuing their journey on the capital market started in 1996 on the Aero Market.

In the next period, the Company pursues development by continuing the strategic investment program and aims to increase energy efficiency and stability.

The preliminary Financial Statements as of December 31, 2023, were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 and are unaudited.

The report can be consulted starting with **29.02.2024**, at the company's headquarters on no. 3 Industriilor Street in Onesti, Bacău County or in electronic format on the company's website: **[www.chimcomplex.com](http://www.chimcomplex.com)** and on the Bucharest Stock Exchange website **[www.bvb.ro](http://www.bvb.ro)**.

#### Management statement

According to the best available information, we confirm that the unaudited preliminary financial statements prepared for the one-year period ended December 31, 2023 provide a true and fair view of the assets, liabilities, financial position and income and expense statement of Chimcomplex SA Borzesti, as required by the applicable accounting standards, and that the Executive Board Report provides a true and fair view of important events that occurred during the financial year 2023 and their impact on the preliminary individual financial statements, as well as a description of the main risks and uncertainties.

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

**General Director,  
Florian Staicu**

**Financial Director,  
Nicolae Stanciugel**

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