

CHIMCOMPLEX S.A.

STATUTORY STANDALONE FINANCIAL STATEMENTS

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

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

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

	Note	December 31 2023	December 31, 2022 restated ¹	December 31, 2021 restated ¹
ASSETS				
Non-current assets				
Property, plant and equipment	15	1,960,400,057	1,931,882,657	1,839,331,230
Right of use asset	23.b	16,900,411	13,844,826	5,906,799
Investment property	17	29,226,468	31,452,222	14,424,776
Intangible assets	16	118,212,264	122,407,778	126,621,140
Investments	18	67,412,502	57,509,039	14,206,422
Other long term assets		5,467,193	6,718,514	5,093,759
Total non-current assets		2,197,618,895	2,163,815,037	2,005,584,126
Current assets				
Inventories	19	144,440,401	237,998,985	157,905,520
Trade and other receivables	20	243,339,608	464,340,250	301,786,647
Short term loans granted		5,411,291	5,327,386	3,536,799
Cash and bank balances	21	139,761,858	40,466,919	147,994,841
Total current assets		532,953,157	748,133,540	611,223,807
Total assets		2,730,572,052	2,911,948,576	2,616,807,933
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	22	304,907,851	304,907,851	304,907,851
Own shares	22	(26,657,863)	(26,336,354)	(142,454)
Share premium	22	4,669,565	4,669,565	4,669,565
Legal reserves		109,435,476	109,435,476	90,207,136
Retained earnings		693,760,574	850,800,837	688,145,520
Revaluation reserve		651,527,661	653,382,560	654,500,420
Equity attributable to owners		1,737,643,263	1,896,859,935	1,742,288,037
LIABILITIES				
Non-current liabilities				
Subsidies	25	30,633,918	13,778,664	15,450,076
Lease liabilities	23.b	9,501,672	8,705,286	3,444,122
Deferred tax liability	14	142,373,862	149,420,130	161,901,853
Provisions	26	16,171,144	16,302,643	28,272,350
Long term loans	23.a	375,876,794	457,459,739	294,521,275
Other payables	24	921,138	1,547,368	598,685
Total non-current liabilities		575,478,828	647,213,830	504,188,360

Notes attached form an integral part of these financial statements.

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

	December 31 2023	December 31, 2022	December 31, 2021
Note		restated ¹	restated ¹
Current liabilities			
Subsidies	25	1,990,801	2,541,998
Trade and other payables	24	137,937,336	271,533,176
Lease liabilities	23.b	8,043,226	3,465,451
Corporate income tax liability		-	17,406,339
Provisions	26	570,137	43,215,206
Short term loans	23.a	268,908,461	29,483,235
Total current liabilities		417,449,961	370,331,534
Total liabilities		992,928,789	874,519,895
Total equity and liabilities		2,730,572,052	2,616,807,932

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

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

STAIKU DUMITRU-FLORIAN,
GENERAL DIRECTOR



STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR



Notes attached form an integral part of these financial statements.

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

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

Notes attached form an integral part of these financial statements.

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

	<u>Note</u>	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022 restated¹</u>
Profit for the year		15,273,803	238,872,119
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Impact of revaluation	15	-	-
Deferred tax related to revaluation	15	-	-
Impact of disposal of non-current assets	15	-	(1,117,860)
Other comprehensive income, net of tax		-	(1,117,860)
Total comprehensive income		15,273,803	237,754,260

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

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

	Share capital	Own shares	Share premium	Legal reserve	Retained earnings	Revaluation reserve	Total
Balance at January 1, 2022							
Restated	304,907,851	(142,454)	4,669,565	90,207,136	688,145,520	654,500,420	1,742,288,037
Profit for the year	-		-	-	238,872,119	-	238,872,119
Dividends distribution (note 20)	-		-	-	(60,000,000)	-	(60,000,000)
Other comprehensive income – revaluation for disposed assets	-		-	-	1,117,860	(1,117,860)	-
Legal reserves	-		-	19,228,340	(19,228,340)	-	-
Redemption of own shares (note 22)	-	(47,652,341)	-	-	-	-	(47,652,341)
Benefits granted to employees in the form of equity instruments-stage I (note 8)	-	21,458,441	-	-	465,959	-	21,924,400
Other movement	-	-	-	-	1,427,719	-	1,427,719
Balance at December 31, 2022							
Restated	304,907,851	(26,336,354)	4,669,565	109,435,476	850,800,837	653,382,560	1,896,859,935

Notes attached form an integral part of these financial statements.

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

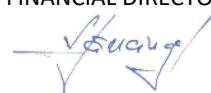
	Share capital	Own shares	Share premium	Legal reserve	Retained earnings	Revaluation reserve	Total
Balance at January 1, 2023 Restated	304,907,851	(26,336,354)	4,669,565	109,435,476	850,800,837	653,382,560	1,896,859,935
Profit for the year	-	-	-	-	15,273,803	-	15,273,803
Dividends distribution (note 20)	-	-	-	-	(194,000,000)	-	(194,000,000)
Revaluation reserve	-	-	-	-	-	(2,422,411)	(2,422,411)
Legal reserves	-	-	-	-	-	-	-
Redemption of own shares (note 22)	-	(321,510)	-	-	-	-	(321,510)
Benefits to be granted to employees in the form of equity instruments-stage II (note 8)	-	-	-	-	23,387,871	-	23,387,871
Deferred tax	-	-	-	-	-	567,512	567,512
Other movement	-	-	-	-	(1,701,938)	-	(1,701,938)
Balance at December 31, 2023	304,907,851	(26,657,863)	4,669,565	109,435,476	693,760,574	651,527,661	1,737,643,263

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

STAIKU DUMITRU-FLORIAN,
GENERAL DIRECTOR



STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR



Notes attached form an integral part of these financial statements.

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

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Cash flows from operating activities		
Profit before tax	8,825,048	277,898,173
Adjustments for non-cash items:		
Interest expense (note 13)	33,872,110	19,899,778
Impairment loss/(gain) on investments (note 18)	(13,972,231)	(4,205,329)
Impairment loss/(gain) on property, plant and equipment (note 15,17)	(114,510)	-
Interest revenue (note 5)	(4,567,194)	(3,298,266)
Loss/(gain) on disposal of non-current assets (note 6)	394,896	149,715
Net loss/(gain) from provisions (note 6)	(30,169,543)	(24,253,860)
Foreign exchange loss/(gain) (note 6,13)	5,670,596	1,122,088
Impairment loss/(gain) on inventories (note 6)	(1,376,570)	5,529,253
Depreciation and amortization (note 9)	145,828,657	164,117,384
Impairment loss/(gain) on trade receivables and other assets (note 6)	64,243	(7,953)
Expenses with remuneration in equity instruments (note 8)	23,387,871	21,924,400
Share of loss/(profit) of equity-accounted investee	3,068,769	(5,187,867)
Subsidies income (note 11)	(1,453,916)	(1,324,683)
	169,458,226	452,362,834
Movements in working capital:		
Decrease/(increase) in inventory	94,939,686	(108,752,984)
Decrease/(increase) in trade and other receivables	72,126,166	248,022
Increase/ (decrease) in trade and other liabilities	(61,104,125)	(160,627,773)
Cash generated from operating activities	275,419,953	183,230,098
Interest paid	(32,905,512)	(18,900,685)
Income tax paid	-	-
Net cash generated by/(used) in operating activities	242,514,441	164,329,413
Cash flows from investing activities:		
Interest received	4,567,194	3,298,266
Proceeds from sale of non-current assets	-	766,958
Acquisition of non-current assets	(231,860,857)	(164,381,486)
Payments for investment in an associate	-	(18,943,421)
Acquisition of subsidiary	-	(4,000,000)
Net cash used in investing activities	(227,293,663)	(183,259,683)

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


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

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

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

1. GENERAL INFORMATION

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

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

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

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

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

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

The registered office is in Onesti, street Industriilor no. 3, Bacau county.

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

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

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

1. GENERAL INFORMATION (continued)

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

Branch:

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

Working points:

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

Ownership structure

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

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

The shareholding structure is as follows:

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

Activities carried out by the Company

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

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

The main products manufactured by Chimcomplex SA Borzesti are:

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

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

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

Going concern

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

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

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

(a) Property, plant and Equipment and intangible assets

PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

(ii) Subsequent expenditures

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

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

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

(iii) Depreciation

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

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

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

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

(iv) Revaluation reserve

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

(v) Impairment of non-financial assets

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

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

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

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

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

(vi) Reclassification to and from investment property

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

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

INTANGIBLE ASSETS

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

INTANGIBLE ASSETS (continued)

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

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

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

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

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

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

(b) Investment property

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

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

(c) Foreign currencies

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign currencies (continued)

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

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

(d) Trade receivables and other receivables

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

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

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

(e) Inventories

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

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

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

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

(f) Bank deposits, cash and cash equivalents

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets

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

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

i. Definition of default

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

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

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

ii. Credit-impaired financial assets

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

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event (see (ii) above);
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

iii. Write-off policy

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets (continued)

iv. Measurement and recognition of expected credit losses

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

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

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

Derecognition of financial assets

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

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

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

(h) Share capital

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

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

(i) Trade and other payables

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

(j) Interest bearing loans

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leasing

The Company as lessee

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

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

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

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

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

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

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

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

(l) Employee benefits

i. Short-term employee benefits

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

ii. Share-based payment arrangements

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits (continued)

iii Defined benefit plans

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified.**3.**

(m) Governmental Grants

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

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

(n) Provisions

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

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

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

Onerous contracts

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

CO2 emissions provisions

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

Decommissioning provisions

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions (continued)

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

(o) Income tax

Income tax expenses comprise current tax and deferred tax.

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

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

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

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

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

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

(p) Related parties

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

(q) Revenues

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenues (continued)

Revenues from sales of goods

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

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

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

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

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

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

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

Revenues from services

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

(r) Financial income and expenses

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Contingencies

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

(t) Fair value

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

(u) Investments in subsidiaries

Investments in subsidiaries represent the shares held in these entities.

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

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

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

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

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

(v) Investments in associates

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

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

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

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

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

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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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3.1. Restatement for comparison and error correction

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

Restatement for comparison purposes

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

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

R-2 During the year 2023, the Company discovered that it recorded the obligations for the closure of waste deposits taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018 as deferred income in the prior periods statement of financial position. Consequently, the Company presented these amounts as decommissioning provisions, consistently with other similar obligations and retroactively adjusted the balances to 2022 and 2021 to ensure comparability with the amounts presented in the financial statements of the current period.

Correction of errors

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

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

E-3 The Company discovered that it did not recognize all of the revaluation reserve related to a set of assets that were subject to revaluation at the end of 2021. Following an analysis carried out by the entity in 2023, it emerged that those assets had been in use and the revaluation surplus should have been recorded as of 31 December 2021. As a result, the Company has corrected the opening balances of property plant and equipment, revaluation reserve and deferred tax liabilities on January 1, 2022 and recorded the additional related depreciation expense for 2022.

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

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

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

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

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

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

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

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3.1. Restatement for comparison and error correction (continued)

	Correction Notes	Impact of correction of error 1 January 2022			Impact of correction of error 31 December 2022		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
ASSETS							
Non-current assets							
Property, plant and equipment	E-3	1,747,770,870	91,560,360	1,839,331,230	1,851,483,903	80,398,754	1,931,882,657
Right of use asset		5,906,799	-	5,906,799	13,844,826	-	13,844,826
Investment property		14,424,776	-	14,424,776	31,452,222	-	31,452,222
Intangible assets		126,621,140	-	126,621,140	122,407,778	-	122,407,778
Investments in associates and other equity investments	E-4	21,929,218	(7,722,796)	14,206,422	60,043,968	(2,534,929)	57,509,039
Other long term assets		5,093,759	-	5,093,759	6,718,514	-	6,718,514
Total non-current assets		1,921,746,562	83,837,564	2,005,584,126	2,085,951,211	77,863,826	2,163,815,037
Current assets							
Inventories		157,905,520	-	157,905,520	237,998,985	-	237,998,985
Trade and other receivables	E-2, E-7	301,786,647	-	301,786,647	494,866,553	(30,526,303)	464,340,250
Short term loans granted		3,536,799	-	3,536,799	5,327,386	-	5,327,386
Cash and bank balances		147,994,841	-	147,994,841	40,466,919	-	40,466,919
Total current assets		611,223,807	-	611,223,807	778,659,843	(30,526,503)	748,133,540
Total assets		2,532,970,369	83,837,564	2,616,807,933	2,864,611,054	47,337,522	2,911,948,576

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3.1. Restatement for comparison and error correction (continued)

	Correction Notes	Impact of correction of error 1 January 2022			Impact of correction of error 31 December 2022		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
EQUITY AND LIABILITIES							
Capital and reserves							
Issued capital	R-1	1,190,991,169	(886,083,318)	304,907,851	1,190,991,169	(886,083,318)	304,907,851
Own shares	E-1	(142,454)	-	(142,454)	(47,794,795)	21,458,441	(26,336,354)
Share premium		4,669,565	-	4,669,565	4,669,565	-	4,669,565
Legal reserves		90,207,136	-	90,207,136	109,435,476	-	109,435,476
Retained earnings	R-1, E-4	(191,109,065)	879,254,585	688,145,520	(1,729,903)	852,530,740	850,800,837
Revaluation reserve	E-3, E-9	578,340,730	76,159,690	654,500,420	577,222,870	76,159,690	653,382,560
Non-controlling interest		-	-	-	-	-	-
Total equity		1,672,957,081	69,330,956	1,742,288,037	1,832,794,382	64,065,553	1,896,859,935
LIABILITIES							
Non-current liabilities							
Subsidies		15,450,076	-	15,450,076	13,778,664	-	13,778,664
Lease liabilities		3,444,122	-	3,444,122	8,705,286	-	8,705,286
Deferred tax liability	E-9	147,395,245	14,506,608	161,901,853	136,699,379	12,720,751	149,420,130
Provisions	R-2	16,459,564	11,812,786	28,272,350	16,302,643	-	16,302,643
Long term loans		294,521,275	-	294,521,275	457,459,739	-	457,459,739
Other payables		598,685	-	598,685	10,259,628	(8,712,260)	1,547,368
Total non-current liabilities		477,868,967	26,319,393	504,188,360	643,205,339	4,008,491	647,213,830
Current liabilities							
Subsidies	E-2	2,541,998	-	2,541,998	27,230,691	(25,067,462)	2,163,229
Trade and other payables	R-2	290,517,388	(18,984,212)	271,533,176	268,916,021	(3,100,526)	265,815,495
Lease liabilities		3,465,451	-	3,465,451	5,949,300	-	5,949,300
Corporate income tax liability	E-8	20,092,468	-	20,092,468	21,787,658	(4,381,319)	17,406,339
Provisions	R-2	36,043,780	7,171,426	43,215,206	18,575,007	11,812,786	30,387,793
Short term loans		29,483,235	-	29,483,235	46,152,656	-	46,152,656
Total current liabilities		382,144,320	(11,812,786)	370,331,534	388,611,333	(20,736,521)	367,874,812
Total liabilities		860,013,287	14,506,608	874,519,895	1,031,816,672	(16,728,030)	1,015,088,642
Total equity and liabilities		2,532,970,369	83,837,564	2,616,807,932	2,864,611,054	47,337,522	2,911,948,576

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3.1. Restatement for comparison and error correction (continued)

	Correction Notes	Impact of correction of error 31 December 2022		
		As previously reported	Adjustments	As restated
Revenue		2,258,532,411	-	2,258,532,411
Investment income		10,173,263	-	10,173,263
Other gains and losses	R-2	5,917,570	7,171,426	13,088,996
Cost of commodities sold		(85,016,214)	-	(85,016,214)
Increase in finished goods and production in progress		74,765,385	-	74,765,385
Raw materials and consumables		(732,826,457)	-	(732,826,457)
Employees benefits	E-1	(162,889,823)	(21,924,400)	(184,814,223)
Depreciation and amortization	E-3	(152,995,779)	(11,161,605)	(164,157,384)
Distribution costs		(41,182,892)	-	(41,182,892)
Water and energy expenses	E-6, E-7	(738,470,218)	26,945,385	(711,524,833)
Other third party services	R-2	(47,350,405)	(7,171,426)	(54,521,831)
Maintenance and repair expenses		(36,763,622)	-	(36,763,622)
Other income	E-6	37,638,394	(32,404,226)	5,234,168
Net revaluation loss of property, plant and equipment		-	-	-
Other expenses		(56,950,723)	-	(56,950,723)
Finance costs		(21,325,737)	-	(21,325,737)
Share of profit of equity-accounted investees	E-4	-	5,187,867	5,187,867
Profit before tax		311,255,153	(33,356,980)	277,898,173
Income tax expense	E-8, E-9	(45,193,230)	6,167,176	(39,026,054)
Profit for the year		266,061,923	(27,189,804)	238,872,119
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Impact of revaluation		-	-	-
Deferred tax related to revaluation		-	-	-
Impact of disposal of non-current assets		(1,117,860)	-	(1,117,860)
Other comprehensive income, net of tax		(1,117,860)	-	(1,117,860)
Total comprehensive income		264,944,063	(27,189,804)	237,754,260

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Critical judgements in applying the Company's accounting policies

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

Impairment of tangible and intangible assets

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

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

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

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

Therefore, the revalued asset will be impaired if its fair values less cost to sell is less than its revalued amount. In this case, after the revaluation requirements have been applied, the Company applies this to determine whether the asset may be impaired.

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

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

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

Key sources of estimation uncertainty

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

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

Impairment test of tangible and intangible assets

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

Subsidy for CO2 emission certificate recognition

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

Recognition of deferred tax assets

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

Recognition and measurement of provisions and contingencies

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

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

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

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5. REVENUES

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

	Year ended December 31, 2023	Year ended December 31, 2022
Sales of finished goods	1,324,825,865	2,134,650,231
Services rendered	2,377,643	3,027,029
Sale of goods purchased for resale	43,025,070	89,020,112
Sales of residual products	51,566	541,526
Revenues from transportation services	29,018,368	31,293,513
Total	1,399,298,512	2,258,532,411

Presentation of revenue on business lines:

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

Presentation of revenues on geographical segments:

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

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5. REVENUES (continued)

Presentation of revenue on countries:

	Year ended December 31, 2023	Year ended December 31, 2022
Total sales	1,399,298,512	2,258,532,411
Domestic sales	460,662,205	631,509,149
Export sales	938,636,307	1,627,023,262
<i>Out of which:</i>		
Poland	234,680,883	375,375,331
Ukraine	89,689,155	68,118,694
Hungary	83,879,293	125,482,910
Italy	72,387,608	134,002,652
Turkey	70,422,057	153,045,518
Bulgary	66,434,201	147,469,036
Czech Republic	41,454,078	61,860,992
Netherlands	34,735,159	61,296,494
Belgium	33,844,421	57,963,726
Germany	33,675,502	68,423,055
Other	177,433,950	344,513,789

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

6. OTHER GAINS AND (LOSSES)

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Net (loss)/gain from bad debts written off	(2,269)	(6,067)
Net (loss)/gain from provisions	30,169,543	14,465,266
Net (loss)/gain from foreign exchange	(1,948,812)	93,590
Net (loss)/gain from impairments of current assets	1,312,325	(5,521,300)
Net (loss)/gain on disposed fixed assets	(394,896)	(149,715)
Net (loss)/gain from impairments of financial assets	13,972,231	4,205,329
Other gains and (losses)	-	1,893
Total	43,108,123	13,088,996

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

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

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7. RAW MATERIALS AND CONSUMABLES

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

8. EMPLOYEE BENEFITS EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Wages and salaries	117,433,377	139,752,751
<i>out of which:</i>		
- amount paid to management	4,161,333	22,339,330
- amount paid to board of directors	10,058,122	11,282,590
Benefits granted to employees in the form of equity instruments	23,387,871	21,924,400
Meal tickets expenses	10,807,918	9,000,833
Holiday tickets expenses	1,474,496	4,478,600
Social security expenses	8,686,786	9,657,639
Total	161,790,448	184,814,223

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

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

Under these programmes, holders of vested options are entitled to receive shares at nil consideration. All options are to be settled by the physical delivery of shares.

The key terms and conditions related to the grants under these programmes are as follows: for the first grant, 929,000 shares were allocated with a total value of RON 21,924,400 and for the second grant, 1,144,050 shares were allocated with a total value of RON 26,541,960.

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

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

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9. DEPRECIATION AND AMORTISATION

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

10. OTHER THIRD PARTY SERVICES

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Consulting expenses	467,262	832,371
Other third party out of which:	52,052,255	53,689,460
<i>Logistic services</i>	11,713,415	10,809,980
<i>Security services</i>	5,809,196	4,150,420
<i>Consulting services</i>	397,050	1,047,861
<i>Monitoring of waste water</i>	1,517,078	946,904
<i>Decommissioning waste warehouses</i>	9,191,057	7,171,426
<i>Other services</i>	23,424,460	29,562,869
Total	52,519,517	54,521,831

11. OTHER INCOME

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Compensations, fines and penalties	110,831	50,567
Amortization of investment grants	1,453,918	2,178,343
Other income	1,023,065	3,005,258
Total	2,587,813	5,234,168

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12. OTHER EXPENSES

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

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

13. FINANCE COSTS

	Year ended December 31, 2023	Year ended December 31, 2022
Commissions and fees paid	201,813	210,281
Interest expense	33,872,110	19,899,778
Effects of foreign exchange rate changes on the balance of loans held in foreign currencies	3,721,784	1,215,678
Total	37,795,708	21,325,737

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14. INCOME TAX EXPENSE

	Year ended December 31, 2023	Year ended December 31, 2022 restated
Current income tax expense	-	51,537,779
Deferred tax (gain) / expense	(6,448,755)	(12,511,725)
Income tax expense/(revenue)	(6,448,755)	39,026,054
Accounting profit before tax	8,825,048	277,898,173
Income tax expense/(gain) calculated at 16%	1,412,008	44,463,708
Sponsorship	(284,095)	(377,880)
Effect of reinvested profit	(867,336)	(463,253)
Effect of non-deductible expenses	4,373,765	5,008,456
Effect of other permanent differences	(11,858,861)	3,339,633
Effect of other fiscal facilities	775,765	(9,868,076)
Legal reserve	-	(3,076,534)
Income tax expense/(gain) for the year	(6,448,755)	39,026,054

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

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14. INCOME TAX EXPENSE (continued)

Components of deferred tax liability:	Cumulative temporary differences 2023	Deferred tax (asset) / liability 2023	Cumulative temporary differences 2022 restated	Deferred tax (asset) / liability 2022 restated
Provisions and retirement benefit obligation	34,877,650	5,580,424	34,877,650	5,580,424
Property, plant and equipment	(843,615,065)	(134,978,410)	(887,466,735)	(141,994,678)
Other intangible assets	(121,473,111)	(19,435,698)	(121,473,111)	(19,435,698)
Right of use and lease liability	762,731	122,037	762,731	122,037
Impairment allowances for financial investments	24,693,483	3,950,957	24,693,483	3,950,957
Impairment allowances for inventories	5,597,608	895,617	5,597,608	895,617
Impairment allowances for trade and other receivables	2,991,558	478,649	2,991,558	478,649
Trade and other payables	6,328,506	1,012,561	6,328,506	1,012,562
TOTAL	(889,836,640)	(142,373,862)	(933,688,311)	(149,420,130)
Impact in the income statement		(6,448,755)		(12,511,725)
Impact in other comprehensive income		-		-
Variation in deferred tax liability		7,016,268		12,511,725

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15. PROPERTY, PLANT AND EQUIPMENT

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

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

Measurement of fair value

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

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

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

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

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

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

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

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

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

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

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16. INTANGIBLE ASSETS

	Concessions, patents, licenses, trademarks and similar rights and assets	Other intangible assets	Total
COST			
At January 1, 2022	149,825,246	800,936	150,626,182
Additions	203,388	20,297	223,685
Disposals	247,855	9,619	257,474
At December 31, 2022	149,780,779	811,614	150,592,393
Additions	194,550	261,967	456,517
Disposals	935,644	4,361	940,005
At December 31, 2023	149,039,685	1,069,220	150,108,905
ACCUMULATED AMORTIZATION			
At January 1, 2022	23,997,617	7,424	24,005,041
Amortization expense	4,423,318	13,731	4,437,049
Eliminated on disposals of assets	247,855	9,619	257,474
At December 31, 2022	28,173,080	11,535	28,184,615
Amortization expense	3,863,533	62,560	3,926,094
Eliminated on disposals of assets	209,707	4,361	214,068
At December 31, 2023	31,826,906	69,734	31,896,641
NET BOOK VALUE			
At December 31, 2022	121,607,699	800,079	122,407,778
At December 31, 2023	117,212,778	999,486	118,212,264

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

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17. INVESTMENT PROPERTY

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

The investments property comprises land, buildings and the related furniture and equipment which are located in Onesti, Bacau county and Ramnicu Valcea and rented to third parties and related parties.

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

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

18. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

December 31, 2023	Investment Value	Number of Shares Acquired	Nominal value per Share	% of detention	Type
Greencomplex SRL Onesti	4,733,030	473,303	10	99.99%	Subsidiary
Aisa Invest SRL Cluj-Napoca	19,900	8,000	2.5	19.51%	Other equity instruments
Uzuc SA Ploiesti	1,680,000	26,880	2.5	0.57%	Other equity instruments
A5 Invest SRL Onesti	6,100,000	610,000	10	100%	Subsidiary
A6 Impex SA Dej	50,609,823	6,089,521	10	49.45%	Associate
Sistemplast SA Rm.Valcea	14,966,000	2,138	1,036.6	94.40%	Subsidiary
Asociatia Valcea Dual Learning	24,000	-	-	16.61%	Other equity instruments
Asociatia producatorilor de produse de uz fitosanitar	1,000	-	-	12.50%	Other equity instruments
TOTAL COST	78,133,753				

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18. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

December 31, 2022 restated	Investment Value	Number of Shares Acquired	Nominal value per Share	% of detention	Type
Greencomplex SRL Onesti	4,733,030	473,303	10	99.99%	Subsidiary
Aisa Invest SRL Cluj-Napoca	19,900	8,000	2.5	19.51%	Other equity instruments
Uzuc SA Ploiesti	1,680,000	26,880	2.5	0.57%	Other equity instruments
A5 Invest SRL Onesti	6,100,000	610,000	10	100%	Subsidiary
A6 Impex SA Dej	53,678,593	6,089,521	10	49.45%	Associate
Sistemplast SA Rm.Valcea	15,966,000	2,138	1,036.6	94.40%	Subsidiary
Asociatia Valcea Dual Learning	24,000	-	-	16.61%	Other equity instruments
Asociatia producatorilor de produse de uz fitosanitar	1,000	-	-	12.50%	Other equity instruments
TOTAL COST	82,202,523				

The following allowances are recorded in relation to financial assets:

Company name	December 31, 2023	December 31, 2022
Greencomplex SRL Onesti	4,375,302	4,375,302
Aisa Invest SRL Cluj-Napoca	-	-
Uzuc SA Ploiesti	1,615,648	1,615,648
A5 Invest SRL Onesti	4,730,302	4,730,302
A6 Impex SA Dej	-	13,972,231
Sistemplast SA Rm.Valcea	-	-
Impairment allowance	10,721,252	24,693,483
Total net value	67,412,502	57,509,039

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

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19. INVENTORIES

	December 31, 2023			December 31, 2022		
	Cost	Write-Down Adjusments	Net Book Value	Cost	Write-Down Adjusments	Net Book Value
Raw material	33,075,781	(935,726)	32,140,055	42,719,708	(3,486,398)	39,233,309
Consumables	19,949,278	(8,962,763)	10,986,515	23,841,211	(7,060,907)	16,780,304
Semi-finished goods	10,371,713	(590,451)	9,781,262	16,264,539	(450,737)	15,813,801
Finished goods	85,654,131	(181,470)	85,472,660	156,473,495	(1,570,110)	154,903,384
Other inventories	7,429,560	(1,369,651)	6,059,909	12,116,662	(848,479)	11,268,187
TOTAL	156,480,462	(12,040,061)	144,440,401	251,415,615	(13,416,630)	237,998,985

20. TRADE AND OTHER RECEIVABLES

a) **Trade and other receivables**

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

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

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

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20. TRADE AND OTHER RECEIVABLES (continued)

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

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

b) Allowances for trade receivables

	December 31, 2023	December 31, 2022
	<i>Lifetime ECLs</i>	<i>Lifetime ECLs</i>
Balance at the beginning of the year	1,674,408	1,682,362
Increase	66,943	28,687
Decrease	2,700	36,641
Balance at end of year	1,738,651	1,674,408

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

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

21. CASH AND BANK BALANCES

	December 31, 2023	December 31, 2022
Bank accounts	14,110,578	10,175,630
Short-term bank deposits	124,922,165	28,312,166
Cheques	717,897	1,953,464
Cash advances	845	2,595
Petty cash	9,871	22,698
Cash equivalents	502	366
TOTAL	139,761,858	40,466,919

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

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22. CAPITAL AND RESERVES

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

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

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

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

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

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

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22. CAPITAL AND RESERVES (continued)

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

December 31, 2023	Ordinary shares	Shareholding	Share capital nominal value
Shareholders			
CRC Alchemy Holding B.V.	259,152,119	84.99%	259,152,119
AAAS	27,305,181	8.96%	27,305,181
Legal entities	14,423,411	4.73%	14,423,411
Individuals	4,027,140	1.32%	4,027,140
Total	304,907,851	100%	304,907,851
December 31, 2022			
	Ordinary shares	Shareholding	Share capital nominal value
Shareholders			
CRC Alchemy Holding B.V.	259,151,301	84.99%	259,151,301
AAAS	27,305,181	8.96%	27,305,181
Legal entities	14,363,583	4.71%	14,363,583
Individuals	4,087,786	1.34%	4,087,786
Total	304,907,851	100%	304,907,851

23. BORROWINGS AND LEASING

23.A BORROWINGS	December 31, 2023	December 31, 2022
LONG TERM LOANS		
CEC Bank	55,112,432	262,930,536
Alpha Bank	112,422,229	97,028,326
UBS Swizerland	132,055,363	58,417,535
Garanti Bank	76,286,770	39,083,342
TOTAL LONG TERM PORTION (net of borrowing costs)	375,876,794	457,459,739
	December 31, 2023	December 31, 2022
SHORT TERM LOANS		
CEC Bank	210,017,176	9,670,846
Alpha Bank	19,982,011	19,604,993
UBS Swizerland	26,170,057	10,496,053
Garanti Bank	12,708,017	6,349,164
Other	31,200	31,600
TOTAL SHORT TERM LOANS PORTION (net of borrowing costs)	268,908,461	46,152,656
TOTAL	644,785,255	503,612,395

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

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23. BORROWINGS AND LEASING (continued)

23.A BORROWINGS (continued)

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

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

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

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

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

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

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

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

- Sublimit A in amount of EUR 7,000,000 for: working capital financing, LCs opening, LGs issuance; the final maturity is on July 7, 2025, and the closing balance as at 31 December 2023 is EUR 7,000,000 representing long term loan; the interest is EURIBOR 3M +2.45%
- Sublimit B in amount of EUR 3,000,000 (non-cash facility) for LCs opening, bank guarantees issuance; the final maturity is on July 7, 2025, and the the amount utilised as at 31 December 2023 is EUR equiv. 1,189,52. The costs are: issuance fee 0.13% per quarter and risk fee 0.75% per annum.

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

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

- investment facility in maximum amount of EUR 4,500,000 for financing 100% of the Company's contribution to the project with non-reimbursable funds regarding the construction of a high-efficiency trigeneration plant of maximum 8MWe on the chemical site from Rm.Valcea; the facility is to be repaid in monthly instalments in maximum 60 months from the date of each utilization and with the final maturity on December 31, 2028. The interest is EURIBOR 3M +2.5%. The closing balance as at 31 December 2023 is EUR 4,289,326 out of which short term EUR 122,869 and long term EUR 4,166,457.

- revolving facility in maximum amount of EUR 1,600,000 for financing 100% of the non-eligible VAT related to the invoices issued under the financed project; the facility is to be repaid in maximum 26 months from the date of each utilization and with the final maturity on December 28, 2026. The interest is EURIBOR 3M +2.5%. The closing balance as at 31 December 2023 is EUR 1,500,000 representing long term loan.

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

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

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

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23. BORROWINGS AND LEASING (continued)

23.A BORROWINGS (continued)

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

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

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

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

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

Table of movements net debts

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

23.B RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

- i) did not recognize any right-of-use assets or lease liabilities for contracts which expire within 12 months since implementation date; and
- ii) did not recognize any right-of-use assets or lease liabilities for lower value contracts (of less than USD 5,000).

The weighted average lessee's incremental borrowing rate used by the Company as at Dec 31, 2023 is 5.38%. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

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23. BORROWINGS AND LEASING (continued)

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

Right-of-use assets

Cost	Buildings	Vehicles	Total
At 1 January 2022	6,923,299	7,554,956	14,478,255
Additions	-	16,889,081	16,899,081
Disposals	1,129,331	-	1,129,331
At 31 December 2022	5,793,968	24,454,037	30,248,005
Additions	6,518,710	5,060,641	11,579,351
Disposals	-	-	-
At 31 December 2023	12,312,678	29,514,678	41,827,356
Accumulated depreciation			
At 1 January 2022	3,371,534	5,199,922	8,571,456
Additions	1,176,304	7,784,750	8,961,054
Disposals	1,129,331	-	1,129,331
At 31 December 2022	3,418,507	12,984,672	16,403,179
Additions	1,068,540	7,455,225	8,523,765
Disposals	-	-	-
At 31 December 2023	4,487,047	20,439,897	24,926,944
Carrying amount			
At 31 December 2022	2,375,461	11,469,365	13,844,826
At 31 December 2023	7,825,631	9,074,780	16,900,411

Lease liabilities

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

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

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

	December 31, 2023	December 31, 2022 restated
Trade payables	91,248,525	203,466,571
Related parties payables	6,425,334	4,369,468
Advances from clients	8,289,144	11,812,041
Salaries and other related payables	9,095,948	8,977,567
Tax on salaries	6,229,552	8,106,930
Other taxes	283,306	413,374
Other payables	4,841,163	6,207,941
Payments to be made regarding the shares held at Sistemplast	9,966,000	10,966,000
Deferred income	163,575	163,575
Amounts due to shareholders representing interim dividends distributed until year end (please see note 20)	2,315,926	12,879,396
TOTAL	138,858,473	267,362,863

Advances from clients

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

25. SUBSIDIES

Subsidies Long Term

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

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25. SUBSIDIES (continued)

Subsidies Short Term

Project	December 31, 2023	December 31, 2022 restated
Cogeneration installation II	465,460	732,842
Improving efficiency of energy	24,758	130,112
POPAM subsidy	125,712	129,688
Energy consumption monitoring systems	-	951,540
Cogeneration station 8 Mwe	1,141,420	-
Other subsidies	233,451	219,047
TOTAL	1,990,801	2,163,229

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

26. PROVISIONS

Provisions Long Term

Description	December 31, 2023	December 31, 2022 restated
Retirement provision	2,345,918	2,591,719
Decommissioning provision ²	13,825,526	13,710,924
TOTAL Provisions Long Term	16,171,444	16,302,643

Provisions Short Term

Description	December 31, 2023	December 31, 2022 restated
Retirement provision ⁴	542,068	531,859
Commercial litigations ³	-	16,258,522
Decommissioning provision ²	-	13,379,071
Co2 emissions provision	-	-
Other claims	28,069	218,341
Provision for SCR guarantee commission ¹	-	-
TOTAL provisions Short Term	570,137	30,387,793
TOTAL	16,741,581	46,690,436

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26. PROVISIONS (continued)

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

- 1) The provision recorded in relation to SCR payment was recorded in relation to the commitment taken by SCR to guarantee for Chimcomplex SA obligations in respect of the borrowings received from VTB Bank and Credit Suisse. The Company considered to record a provision in relation to the payment through the whole period of the contracted loan, based on the loans maturities, as the loans were prepaid during the year the remaining value was recorded during the year and part of the amount was invoiced and paid.
- 2) The decommissioning provision was recorded in relation to 2 warehouses of non hazardous substances used by both Onesti and Ramnicu Valcea branches. During the year 2023, the Company identified as liabilities elements regarding the obligations for the closure of waste deposits taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018, they are presented partly as provisions, partly as deferred income. Consequently, the Company retroactively adjusted the balances to 2022 and 2021 to ensure an uniform treatment and comparability with the amounts presented in the financial statements of the current period.
- 3) The Company is involved in a litigation as a defendant whereby the plaintiff claims the payment of success fee and related delay penalties (in total amount of USD 3,039,150) related to the advisory services provided by the latter. Based on the fact that on the first decision of the court the Company lost, management assessed that this litigation had an adverse effect on the financial performance and the financial position of the Company as of 31 December 2021, and, as a result, a provision had been recorded in this respect. The Company won the Appeal in 2022 but maintained the provision because the plaintiff filed a recourse at the High Court of Justice. In 2023 the High Court ruled that the case should be sent for retrial at the Court of Appeal for judging on the substance of the case. Management, with the support of legal opinion from the Company's lawyers, assessed that the defence will more likely than not be successful, and the previously established provision was reversed in 2023.
- 4) According with the Company collective labor agreement, each employee is entitled to receive a compensation in the moment of retirement equal with one average salary. The retirement provisions represent the best estimate made by the management for the employees.

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27. FINANCIAL INSTRUMENTS (continued)

b) Interest rate risk management (continued)

Interest rate sensitivity

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

If interest rates for financial liabilities at variable rate would be higher / lower by 1% (100 basis points) and all other variables are held constant, the Company's net loss for 2023 would increase / decrease by RON 6,447,853 (2022: RON 5,036,124). This is mainly attributable to the Company's exposure to interest rates on its variable interest rate EUR denominated borrowings.

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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management

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

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

2023	RON	EUR - RON equivalent of EUR balance	Other currencies -RON equivalent of other currencies	Total
Monetary assets				
Other long term assets	4,326,550	1,140,643	-	5,467,193
Cash and bank balances	136,790,087	1,712,526	1,259,246	139,761,859
Trade and other receivables	204,469,923	38,869,685	-	243,339,608
Short term loans granted	5,411,291	-	-	5,411,291
	350,997,850	41,722,854	1,259,246	393,979,950
Monetary liabilities				
Finance lease liabilities	(17,544,899)	-	-	(17,544,899)
Trade and other payables	(124,729,309)	(12,817,408)	(390,618)	(137,937,336)
Other long term payables	(921,138)	-	-	(921,138)
Borrowings	(31,200)	(644,754,055)	-	(644,785,255)
	(143,226,546)	(657,571,463)	(390,618)	(801,188,627)
Net balance sheet exposure	207,771,304	(615,848,609)	868,628	(407,208,677)

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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

2022 restated	RON	EUR - RON equivalent of EUR balance	Other currencies -RON equivalent of other currencies	Total
Monetary assets				
Other long term assets	5,645,951	1,072,564	-	6,718,514
Cash and bank balances	32,378,481	7,102,539	985,900	40,466,920
Trade and other receivables	401,127,645	63,212,604	-	464,340,250
Short term loans granted	5,327,386	-	-	5,327,386
	444,479,463	71,387,707	985,900	516,853,070
Monetary liabilities				
Finance lease liabilities	(14,654,586)	-	-	(14,654,586)
Trade and other payables	(187,866,359)	(73,603,373)	(4,345,763)	(265,815,495)
Other long term payables	(1,547,368)	-	-	(1,547,368)
Borrowings	(31,600)	(503,580,795)	-	(503,612,395)
	(204,099,913)	(577,184,168)	(4,345,763)	(785,629,844)
Net balance sheet exposure	240,379,550	(505,796,463)	(3,359,863)	(268,776,774)

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27. FINANCIAL INSTRUMENTS (continued)

c) Foreign currency risk management (continued)

Sensitivity analysis to exchange rate variations

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

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

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

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

d) Liquidity risk management

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

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

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

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less than 1 year	Between 1 and 2 years	Over 2 years	TOTAL
At December 31, 2023				
Financial assets				
Other long term assets	-	5,467,193	-	5,467,193
Trade and other receivables	243,339,608	-	-	243,339,608
Short term loans granted	5,411,291	-	-	5,411,291
Cash and bank balances	139,761,858	-	-	139,761,858
	388,512,757	5,467,193	-	393,979,949
Financial liabilities				
Trade and other payables	(8,043,226)	(9,501,672)		(17,544,899)
Finance lease liabilities	(137,937,336)	-	-	(137,937,336)
Other long term payables		(921,138)	-	(921,138)
Loans	(268,908,461)	(119,940,103)	(255,936,691)	(644,785,254)
	(414,889,023)	(130,362,913)	(255,936,691)	(801,188,626)
Net	(26,376,266)	(124,895,721)	(255,936,691)	(407,208,677)

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

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

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

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27. FINANCIAL INSTRUMENTS (continued)

e) Credit risk

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

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

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

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

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

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

f) Price risk

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

g) Accounting classifications and fair values

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

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

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

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

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

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27. FINANCIAL INSTRUMENTS (continued)

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

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

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28. RELATED PARTY TRANSACTIONS

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

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28. RELATED PARTY TRANSACTIONS (continued)

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

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28. RELATED PARTY TRANSACTIONS (continued)

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

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28. RELATED PARTY TRANSACTIONS (continued)

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

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28. RELATED PARTY TRANSACTIONS (continued)

Advances	December 31, 2023	December 31, 2022
SOMES LOGISTIC SRL DEJ	233,837	233,837
CAROMET SA CARANSEBES	6,395	6,395
UZUC SA PLOIESTI	910,396	910,396
NOVA TEXTILE BUMBAC SRL PITESTI	63,732	80,154
SISTEMPLAST SA RM.VALCEA	488,883	2,233,518
CRC EXPLORATION&BUSINESS SRL ONESTI	148,812	148,812
TOTAL	1,852,056	3,613,113

Guarantees	December 31, 2023	December 31, 2022
SISTEMPLAST SA RM.VALCEA	3,298,345	2,611,124
TOTAL	3,298,345	2,611,124

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

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

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

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

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

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

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

The remuneration of executives and directors

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

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

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

30. COMMITMENTS AND CONTINGENCIES

Litigations

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

Environment

The regulations regarding the environment are in a development phase in Romania and the Company did not record any liabilities as at December 31, 2022 and December 31, 2021 for any anticipated costs, including legal and consulting fees, design and implementation of remedial plans regarding the environment.

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

Climate changes

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

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

Taxation

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

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30. COMMITMENTS AND CONTINGENCIES (continued)

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

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

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

Acquisitions

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

Others

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

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

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

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

31. SUBSEQUENT EVENTS

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

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

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

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

STAIU DUMITRU-FLORIAN,
GENERAL DIRECTOR



STANCIUGEL NICOLAE,
FINANCIAL DIRECTOR

