



# **INDEPENDENT AUDITOR REPORT**

on the financial statements concluded on  
31 DECEMBER 2021

by  
CHIMCOMPLEX S.A.

## INDEPENDENT AUDITOR'S REPORT

To:

The shareholders of **CHIMCOMPLEX S.A.**

### Unqualified opinion

We audited the financial statements of **CHIMCOMPLEX S.A. ("The Company")**, with registered office in Onești, 3 Industriilor Street, identified by the unique identification code 960322, which include the balance sheet as of 31 December 2021 and the profit and loss account, the statement of changes in equity and the statement of cash flows related to the year ended on that date, and the notes to the financial statements, including a summary of significant accounting policies.

The individual financial statements referred to relate to:

<b>1. Total assets:</b>	<b>1,556,375,513 lei</b>
<b>2. Total equity:</b>	<b>869.394.119 lei</b>
<b>3. Profit or loss for the financial year - Profit:</b>	<b>543.061.015 lei</b>

In our view, the attached financial statements present faithfully, in all material respects, the financial position of the Company as of 31 December 2021, and its financial performance and cash flows for the year ended on that date, in accordance with Order No 1802 of 29 December 2014 for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements and the requirements contained in Law no. 82/1991.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described in detail in *the Auditor's Responsibilities in an Audit of the Financial Statements* section of our report. We are independent of the Company, according to *the Code of Ethics of Professional Accountants (IESBA Code)* issued

by the International Ethical Standards Board for Accountants, corroborated with the ethical requirements relevant for the audit of financial statements in Romania and we have fulfilled our other ethical responsibilities, according to these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit issues**

The key audit aspects are those aspects which, based on our professional reasoning, were of the utmost importance for the audit of the financial statements in the current period. These issues have been addressed in the context of auditing the financial statements as a whole and in forming our opinion on them, and we do not provide a separate opinion on these issues.

- Income recognition;
- The impact of the coronavirus pandemic.

Key issues	How our audit addressed the key issues
<p><b><i>Recognition of revenue</i></b></p> <p>The main business segments from which the Company derives revenue are:</p> <ul style="list-style-type: none"> <li>- Sale of finished products;</li> <li>- Sale of semi-finished products and waste products;</li> <li>- Provision of services;</li> <li>- Rents;</li> <li>- Various activities;</li> <li>- Sale of goods;</li> </ul> <p>From a percentage point of view, the revenues from the sale of finished products represent 97% of the turnover, those from the sale of semi-finished products and residual products represent 0.002%, those from the provision of services represent 0.1%,</p>	<p>Our audit tests and procedures included, among other things:</p> <ul style="list-style-type: none"> <li>- analysis of the accounting policies regarding the recognition of incomes in order to determine whether they are in accordance with the provisions of Order no. 1802 of December 29, 2014 for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements;</li> <li>- requesting and analyzing, by sampling, the supporting documents related to the transactions, as well as the correlation with the statements of sales and registered receivables ;</li> </ul>

those from rents represent 0.1%, those from various activities represent 1%, and the income from the sale of goods represents 2% of the turnover.

Information on income recognition is presented in Note 4.1 – Analysis of operating result, as well as in Note 6 – Accounting principles, policies and methods to the financial statements.

These revenues are significant in the context of the overall result of the financial year, which is why they are important for our audit and their recognition is considered a key issue.

---

### ***The impact of the coronavirus pandemic***

The coronavirus pandemic, which started in Romania in February 2020, triggered a series of events at national and international level that restricted the activity of the population and companies in most fields of activity.

In this context, it is necessary to analyze the impact that the pandemic has had on the company's business model, on its ability to fulfill its obligations, on the changes in the personnel structure, etc.

An assessment is also required of the Company's ability to continue its activity under as normal conditions as possible.

- verification of the correct preparation of the accounting notes;

- verification of compliance with the principle of independence of the exercises;

- verification of the adequate coverage of income in the profit and loss account and disclosure in the notes to the individual financial statements.

Our audit tests and procedures included, among other things:

- analysis of income and cash flows;

- requesting and analysing a situation regarding access to government aid schemes;

- analysis of how the Company has paid its debts to the state budget.

- calculation and analysis of the main indicators, such as liquidity and solvency;

- analysis of personnel scheme changes and investigation of how the human resource has carried

Information on how the coronavirus pandemic has affected the company's activity is presented in the non-financial statement prepared in accordance with the provisions of OMFP 1802/2014.

At the time of this report, Chimcomplex S.A. is not in a situation of uncertainty regarding the continuity of the activity.

out its activity and whether remote work has affected productivity;

- analysis of the evolution of receipts and payments compared to previous periods;

- analysis of changes regarding the main customers and suppliers.

- analysis of the management of financing contracts and of the capacity to honour obligations;

- holding discussions with the management on how to carry out the activity in the pandemic context and the impact on the continuity of the activity.

We have dealt with these key audit issues through proper testing and by expanding investigations on the topics presented, through discussions with the management and the financial-accounting department.

### **Other information**

Management is responsible for other information. That other information includes information on the management report and the non-financial statement.

The administrators are responsible for drawing up and presenting the administrators' report in accordance with the requirements of Order no. Order of the Minister of Public Health no. 1802 of 29 December 2014 for the approval of the Accounting Regulations on individual annual financial statements and consolidated annual financial statements, Annex 1, Chapter 7, paragraphs 489-4926, which do not contain material misstatements, and for that internal control that management deems necessary to allow the preparation of the management report that does not contain material misstatements, due to fraud or error.

According to point 4921, para. (1) of Order no. 1802 of 29 December 2014, Annex 1, Chapter 7, entities that have an average number of more than 500 employees during the financial year shall include in the management report a non-financial statement.

The management report and the non-financial statement are not part of the individual financial statements.

Our view on the individual financial statements does not cover the management report and the non-financial statement.

In connection with our audit of the individual financial statements, we have read the management report attached to the individual financial statements and report that:

- a) in the management report we have not identified information that is not consistent, in all material matters, with the information presented in the attached individual financial statements.
- b) the administrators' report identified above includes, in all material aspects, the information required by Order 1802/2014, Chapter 7, paragraphs 489-4926;
- c) based on our knowledge and understanding acquired during the audit of the individual financial statements for the financial year ended 31 December 2021 regarding CHIMCOMPLEX S.A. and its environment, we did not identify information included in the management report that was significantly erroneous.

### **Responsibilities of management and those responsible for governance for the financial statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Order no. 1802 of December 29, 2014 for the approval of the Accounting Regulations on the individual financial statements and the consolidated annual financial statements and the requirements contained in Law no. 82/1991 and for that internal control that the management considers necessary to allow the preparation of financial statements without significant distortions, caused by either fraud or error.

In preparing the financial statements, management is responsible for appreciating the Company's ability to continue its business, presenting, where appropriate, business continuity

aspects and using going concern-based accounting, unless management either intends to liquidate the Company or stop operations, or has no realistic alternative other than them.

Those responsible for governance are responsible for overseeing the Company's financial reporting process.

### **Responsibilities of the auditor in an audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, caused either by fraud or error, and to issue a report by the auditor that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the ISAs will always detect significant distortion, if any. Distortions may be caused either by fraud or error and shall be considered material if it can reasonably be expected that they, individually or cumulatively, will influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit under the ISAs, we exercise professional reasoning and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misrepresentation of the financial statements, caused by either fraud or error, we design and execute audit procedures in response to those risks, and we obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a significant distortion caused by fraud is higher than that of not detecting a significant distortion caused by error, as fraud can involve collusion, forgery, intentional omissions, false statements and the avoidance of internal control.
- We understand the internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- We draw a conclusion on the adequacy of management's use of accounting based on business continuity and determine, on the basis of the audit evidence obtained, whether there is significant uncertainty as to events or conditions that could raise significant

doubts about the Company's ability to continue its business. If we conclude that there is significant uncertainty, we must draw the attention in the auditor's report to the related presentations in the financial statements or, if these presentations are inappropriate, to change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on the basis of the business continuity principle.

- We evaluate the presentation, structure and general content of financial statements, including disclosures, and the extent to which financial statements reflect underlying transactions and events in a manner that achieves fair presentation.

We communicate to those responsible for governance, among other aspects, the planned area and time programming of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, that we identify during the audit.

We also provide those responsible for governance with a statement that we have complied with the relevant ethical requirements on independence and that we have communicated to them all relations and other issues that could reasonably be assumed to affect our independence and, where appropriate, the related safeguards.

Of the issues communicated with the people in charge of governance, we determine which issues are most important for the audit of the financial statements in the current period and which are therefore key audit issues. We describe these issues in the auditor's report, unless laws or regulations prohibit the public presentation of the matter or where, in extremely rare circumstances, we believe that an issue should not be disclosed in our report as the benefits of the public interest are reasonably expected to be outweighed by the negative consequences of this communication.

### **Report on other legal and regulatory provisions**

We were appointed to audit the financial statements of CHIMCOMPLEX S.A. for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022. The total uninterrupted duration of our commitment is 6 years, covering the financial years ending from 31 December 2016 to 31 December 2021.

We confirm that:

- Our audit opinion is consistent with the additional report to the Company's Audit Committee, which we issued on the same date that we issued this report. Also, in carrying out our audit, we have maintained our independence from the audited entity;
- We have not provided to the Company any of the prohibited non-audit services referred to in Article 5 para. (1) of EU Regulation No 537/2014.

#### **Other issues**

This report by the independent auditor is addressed exclusively to the shareholders of the Company as a whole. Our audit was carried out in order to be able to report to the shareholders of the Company those aspects that we need to report in a financial audit report, and not for other purposes. To the extent permitted by law, we accept and assume no responsibility except to the Company and its shareholders as a whole for our audit, for this report or for the opinion formed.

Cluj-Napoca, 31.03. 2022

The mission partner of the audit that prepared this report of the independent auditor is,

Gheorghe Alexandru MAN, financial auditor

Registered with the Authority for Public Supervision of the Statutory Audit Activity  
with registration number AF1242

for and on behalf of G5 CONSULTING S.R.L.

Registered with the Authority for Public Supervision of the Statutory Audit Activity  
with registration number FA223

Address of the auditor:

G5 Consulting S.R.L.

## **G5 Consulting**

Limited Liability Company  
405200 Dej, str. Alecu Russo, nr. 24/2  
J12/943/2002 ; 14650690  
Share capital: 500 lei  
+40 264 214 434  
+40 744 583 031  
office@proceduriaudit.ro

---

405200 Dej, str. Alecu Russo, nr. 24/2, jud. Cluj, Romania

Ord. Reg. Com.: J12/943/2002, FISCAL CODE: 14650690

Phone/Fax: +40 264 214 434

Mobile: +40 744 583 031

Mail: office.g500@yahoo.com