



HALF-YEARLY REPORT

on the standalone interim financial statements of S.C. Chimcomplex S.A. Borzesti prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 and prepared in accordance with Annex 14 of Regulation no. 5/2018 issued by the Financial Supervisory Authority for the six-month period ending on 30 June 2023

Overview of the nature of the Company's activity

Current report according to	ASF Regulation. No 5/2018 on issuers of financial instruments and market operations
Date of report	August 31, 2023
Company name	CHIMCOMPLEX SA Borzești
Registered office	Str. Industriilor, nr.3, Onești, Bacău county, Romania
Telephone/fax number	0234/302100; 0234/302102
Website	http://www.chimcomplex.com
Email	ir@chimcomplex.com
Unique registration code with the JRB	RO960322
Serial No in Reg. of Commerce	J04/493/1991
Subscribed and paid-in share capital	304.907.851 lei
The main characteristics of securities	Nominative shares, dematerialized, whose records are kept by the Central Depository SA Bucharest Nominal value, lei/share: 1 leu/share Number of shares: 304,907,851
The regulated market on which the issued securities are traded	BVB, standard category, symbol CRC
The accounting standard applied:	Order of the Minister of Public Finance no.2844/2016

The main object of activity is 2013 NACE code - manufacture of basic inorganic chemicals, in accordance with the provisions of the Articles of Association of the Company.

The activity that holds the largest share in the income achieved by the company in January-June 2023, according to NACE coding, is 2014 - manufacture of other basic organic chemicals.

The separate financial statements of S.C. CHIMCOMPLEX S.A. BORZEȘTI (the "Company") on and for the period ended 30 June 2023 were prepared in accordance with IAS 34 Interim Financial Reporting using the going concern principle.

CHIMCOMPLEX S.A. BORZEȘTI

St. Industriilor nr. 3, Onești, jud. Bacau, Romania
Phone 0234/302.250; Fax 0234/302.102
Email: office@chimcomplex.com
Web: www.chimcomplex.com

Reg. J04/493/1991, unique code 960322
Subscribed and paid-in share capital: 304907851 RON
Account: RO60BUCU1111215962132
ALPHA BANK BUCHAREST



RO2021.055.061Q RO2021.055.061E RO2018.055.061



Elements of overall evaluation

As of June 30, 2023, the share capital is worth RON 304,907,851, representing 304,907,851 shares (as of December 31, 2022 the same number) with a nominal value of RON 1 per share.

The shareholding structure is as follows:

30 June 2023	Ordinary shares	Percentage holding
Shareholders		
CRC Alchemy Holding BV	259.151.301	84,99%
AAAS	27.305.181	8,96%
Legal entities	14.363.583	4,71%
Individuals	4.087.786	1,34%
Total	304.907.851	100%

The condensed separate interim financial statements for the six-month period ended 30 June 2023 are not audited and have not been reviewed by an external auditor.

Key events from January to June 2023

- On 27 April 2023, the Extraordinary General Meeting of Shareholders (AGEA) approved the coverage of the carrying forward accounting loss from 2022 arising from the application of IAS 29, with the full amounts recorded in the account "Share capital adjustments" (account in which the value of RON 886,083,318 arising from hyperinflation was recorded).
- On April 27, 2023, the Extraordinary General Meeting of Shareholders (AGEA) approved the Income and Expenditure Budget of Chimcomplex Borzești for the financial year 2023, with investments estimated at EUR 116.5 million.
- At the General Meeting of Shareholders on June 21, 2023, the shareholders of Chimcomplex SA Borzesti approved the distribution of dividends for the financial year 2022 in a gross amount of RON 27 million (gross dividend per share amounting to RON 0.088551) to be paid starting July 28, 2023.
- At the OGMS of July 31, 2023, the shareholders approve the appointment of 6 statutory members to the Board of Directors of Chimcomplex SA Borzești, starting with 01.08.2023, taking into account the expiration of the mandates of the existing directors and the co-optation of new directors.

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Financial aspects

The financial results of the company in the period January - June 2023 compared to the period January - June 2022 are presented in the table below:

Economic and financial indicators	6 MONTHS 2023	6 MONTHS 2022	Differences	%
	thousand lei	thousand lei	thousand lei	
1	2	3	4 = 2-3	5=4/3*100
Turnover	790,334	1,210,211	-419,877	-34.7
Operating income	757,759	1,318,652	-560,894	-42.5
Operating expenses	678,868	1,129,395	-450,527	-39.9
Operating result	78,891	189,257	-110,367	-58.3
Financial result	-17,393	-5,572	-11,821	*
Income tax expenses	11,846	31,535	-19,689	-62.4
Deferred tax revenue	0	1,480	-1,480	-100.0
Net result	49,652	153,630	-103,979	-67.7

Performance analysis

The company managed in the first half of 2023 to achieve an operating profit margin of 10% despite the reduction in turnover compared to the same period of the previous year generated by maintaining the downward trend of consumption started in the second half of 2022, which we will detail below.

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

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

We would like to draw attention to the efforts made by the company's management to reduce costs with utilities and main raw materials in H1 2023, as highlighted in the table below.

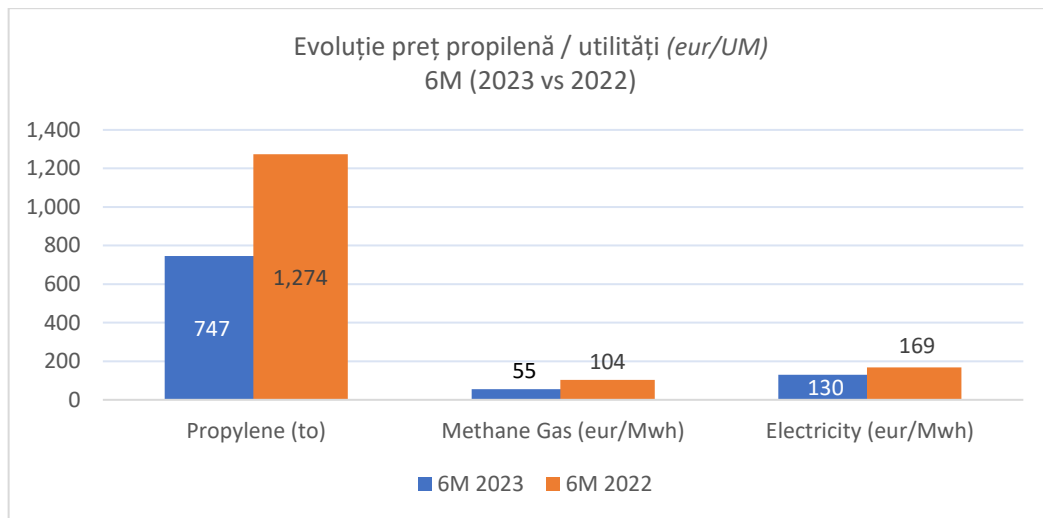
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The average purchase prices for the main raw material (propylene), natural gas and electricity decreased in the first 6 months of 2023 compared to 6 months 2022, as shown in the chart below:



The company ended the first semester with a **net profit of RON 49.65 million**.

Analyzing the physical production by product categories achieved in the first semester of 2023 compared to the first semester of 2022, we find a decrease especially for chlorosodium and polyether polyols. The market for these products was affected in the first 3 months of the year by significant volumes imported from non-European areas, especially China and the Middle East. This phenomenon occurred at the end of 2022 amid rising prices of chlorosodium products in the Mediterranean and has moderated significantly since April 2023 as a result of lower sales prices amid lower production costs.

Completed productions	6M 2023 -Tons-	6M 2022 -Tons-	Differences -Tons-	%
Chlorosodium	163,151	205,185	-42,034	-20%
Propenoxide	37,094	50,194	-13,100	-26%
Polyols	43,408	58,842	-15,434	-26%
Plasticizers	1,585	9,302	-7,717	-83%
Inorganic chlorides	4,328	6,565	-2,238	-34%
Methylamines	684	1,127	-443	-39%
Total	250,250	331,215	-80,965	-24%

In the first semester of 2023, the company mainly produced and delivered two product categories:

- **Polyols – polyethers** with a share of 47.6% in total sales;
- **Chlorosodium products** with a share of 48.6% in total sales.

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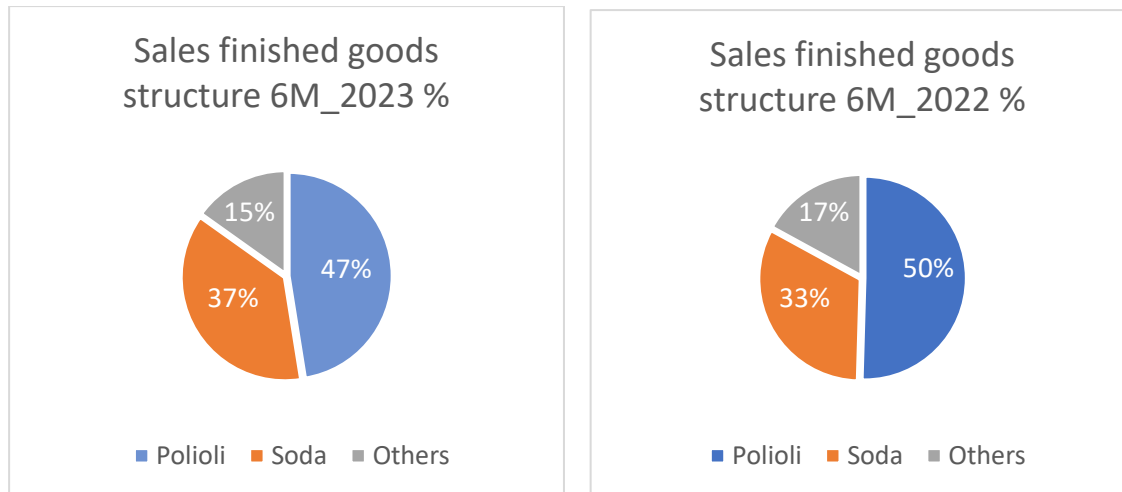
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Chimcomplex focused its activity on polyols/polyethers and caustic soda sectors, which are the most profitable.



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

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

Some alumina producers (customers of chlorosodium products) have closed or reduced their operating rates to levels between 20 and 40 %. Alum Tulcea in Romania closed in July 2022 and did not restart in 2023, SviloceIII in Bulgaria reduced its activity from February 2023 to September 2023, Alumina Zvornik in Bosnia and Herzegovina due to lack of ore reduced its activity to 20%.

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

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

Data	Caustic Soda Price FOB MED monthly USD/dmt	Caustic Soda Price FOB MED quaterly USD/dmt	Caustic Soda Price FOB MED year USD/dmt
Jan. 2023	604	532	447
Feb. 2023	533		
Mar. 2023	459		
Apr. 2023	446	409	
Mai 2023	415		
Jun. 2023	365		

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

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

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

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

Compared to the production capacity of the two Chimcomplex electrolysis plants, totaling 208,000 tons / year, in 6 months 77,210 tons of lye were produced and sold, which represents 73%, above the European average.

While Europe recorded a decrease in demand for caustic soda of about 18%, Chimcomplex recorded a decrease of 21% compared to 2022, generated by the temporary closure of some production facilities and the reduction of capacities of others, located near the Chimcomplex plant in Ramnicu Valcea.

The outlook in Europe for 2023, H2, shows that with increasing demand for chlorine derivatives, chlorosodium markets are rebounding. This can keep operating rates stable or generate a slight increase.

Chlorine production and capacity utilisation - EU 27+ Norway/Switzerland/UK

Month	Production (tons)			Capacity utilised (%)	
	2022	2023	%	2022	2023
January	851,956	590,791	-30.7%	85.8%	59.1%
February	775,241	612,993	-20.9%	86.4%	67.8%
March	737,568	608,195	-17.5%	74.2%	60.8%
April	708,577	600,389	-15.3%	73.7%	62.0%
May	748,474	622,028	-16.9%	75.3%	62.2%
June	682,760	597,178	-12.5%	71.0%	61.7%
Sem. 1	4,504,576	3,631,573	-19.4%	77.7%	62.2%

Caustic soda - stocks (tons)

	2022	2023
January	226,493	291,138
February	250,434	317,909
March	210,522	311,070
April	192,315	293,686
May	193,168	267,745
June	193,054	207,417

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The recovery of caustic soda consumption is generated by the recovery of the alumina, pulp and paper and water treatment industries, but also by the recovery of chlorine derivatives consumption – mainly PVC and polyurethanes. We expect the recovery to be gradual, starting in **September, 2023**.

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

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

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

The low consumption of polyethers has generated a continuous decline in prices. Price pressure was accentuated by massive imports in Q1 from China and Korea, at prices well below the level of European producers (the price difference coming from the different cost of utilities).

Prices on the polyether market fell by about 400 euros/ton between January and June 2023, well below the level recorded in the same period last year.

	Flexible polyol in EURO per mt			Rigid polyol in EURO per mt		
	Minimum price	Maximum price	Average	Minimum price	Maximum price	Average
2023						
Jan	1700	1950	1825	2400	2700	2550
Feb	1650	1900	1775	2300	2600	2450
Mar	1550	1800	1675	2200	2500	2350
Apr	1600	1750	1675	2200	2400	2300
May	1550	1700	1625	2100	2400	2250
Jun	1450	1600	1525	2000	2300	2150
2022						
Jan	2330	2530	2430	2830	2980	2905
Feb	2300	2530	2415	2830	2980	2905
Mar	2300	2530	2415	2830	2980	2905
Apr	2530	2730	2630	2930	3080	3005
May	2480	2610	2545	2800	3000	2900
Jun	2330	2580	2455	2700	2900	2800

Looking ahead, recent economic data from Oxford Economics estimate that eurozone GDP grew by 0.3% q/q in Q2 2023 and GDP growth for 2023 is now forecast at 0.6%. In addition, the industrial sector in particular remains the weak spot for the euro area, and the final manufacturing PMI for June 2023 was at

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its lowest value since the beginning of 2020. Currently, market participants have dropped forecasts of receiving substantial orders in 2023 and shifted their focus to 2024.

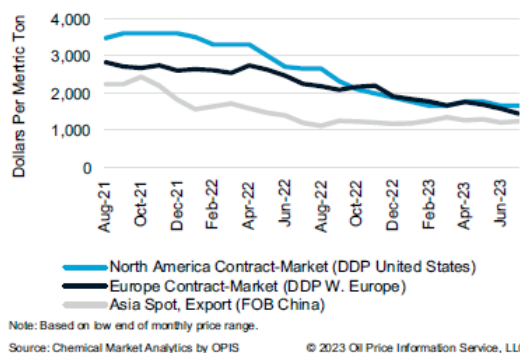
This was visible in the various financial reports and guidelines of companies close to the field of polyurethane (plastics) for the second half of this year. Another threat to the recovery of the economy is the restrictive financial environment, with a further tightening of monetary and fiscal policy set by the European Central Bank. However, an easing of inflation in the second half of the year will be felt in the euro area, which will lead to a reduction in the cost of financing, with a positive impact on consumption.

Not all indicators have negative forecasts. Unemployment remains low in various European countries, and inflation fell to 5.5% in June. Looking ahead, underlying inflation is expected to decline further, albeit at a moderate pace. The full-year forecast for car production is still positive, at more than 8% in Europe, and this could help foam manufacturers in the second half of this year. The automotive industry will grow further, and in 2025 it will return to the level of 2019.

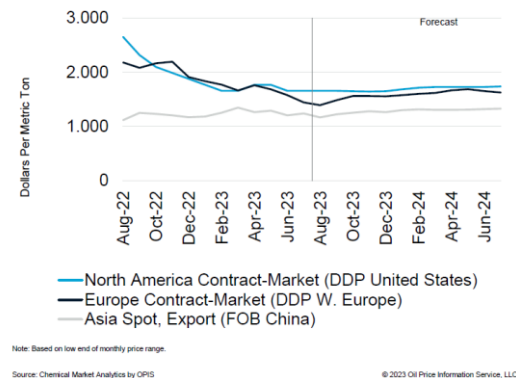
Prolonged shutdowns by local polyether polyol producers (prolonged revisions, reduced uptime) will reduce availability in conjunction with lower imports as price corrections recorded in recent months have led to a closure of arbitrage in the Middle East and Asia. Even more important, however, will be the role of demand recovery when private households start spending their money again on furniture, mattresses, appliances and all other household items. Another key factor that could lead to a recovery in consumption would be the start of reconstruction in the earthquake-affected area (Turkey) or the cessation of the war in Ukraine.

Analysis of the chemical market predicts low demand in the short term and therefore low operating rates. Large price declines, as seen in previous months, are unlikely as there are no margins left in the petrochemical industry, including the polyurethane industry. Low operating rates will persist this year as manufacturers and users alike try to survive in this challenging environment. Forecasts show a trend change starting in September, after the holiday period ends.

Flexible Polyether Polyols Price History



Flexible Polyether Polyols Price Forecast



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The evolution of sales, by geographical areas, in the first semester of 2023 compared to the same period of 2022, is shown below:

	FIRST SEMESTER 2023			FIRST SEMESTER 2022		
	- thousand lei-			- thousand lei-		
Europe	745.694	94,35%		1.097.696	90,70%	
Middle East	42.783	5,41%		99.150	8,19%	
America	881	0,11%		3.820	0,32%	
Asia-Pacific	932	0,12%		8.144	0,67%	
Africa	44	0,01%		1.401	0,12%	
TOTAL	790.334	100,00%		1.210.211	100,00%	

Chimcomplex has aligned itself with the market situation by correlating polyether production with sales possibilities, in parallel with customer loyalty actions on key markets (Poland, Romania, Benelux) and attracting new customers, especially in the area of special polyethers. Sales in very low priced markets were limited due to massive imports from China (especially Turkey). Input prices were renegotiated in order to reduce production costs.

1. ECONOMIC AND FINANCIAL SITUATION

1.1. Balance sheet items as at 30 June 2023 compared to 31 December 2022:

	30 June 2023	31 December 2022
ACTIVE	thousand lei	thousand lei
Non-current assets	2.136.550	2.085.951
Current assets	546.011	778.660
Total assets	2.682.561	2.864.611
EQUITY AND DEBT		
Total equity	1.687.657	1.832.794
Long-term liabilities	713.528	643.205
Current liabilities	281.376	388.611
Total equity and debt	2.682.561	2.864.611

Compared to the beginning of the year it is observed:

- The **increase of fixed assets** by 50,599 thousand lei, mainly due to the increase in investments carried out for the 49MW cogeneration plant in Ramnicu Valcea;
- **Current assets** decreased under the influence of the following factors:
 - The elimination of RON 167 million from receivables, together with the decision of the GSM of April 28, 2023 approving the coverage of interim dividends distributed during 2022 in the amount of RON 167 million from the profit distributed in other reserves for 2022, which also led to a decrease in equity in H1 2023.

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- The decrease of stocks of finished products by 53 million lei compared to the beginning of the year - the company made a destocking corroborated with the resizing of production, aligning with the situation on the profile market.
 - Reducing advances paid for electricity and natural gas, along with the decrease in purchase prices, but also as a result of management's efforts to negotiate better conditions in terms of payment terms.
- Long-term debts increased mainly by contracting a bank loan from UBS Switzerland to finance stage II (final) of the investment in the 49Mw high-efficiency cogeneration plant in Rm. Valcea.

1.2. Profit and loss account as at 30.06.2023 - main indicators compared to the same period of the previous year:

Indicators economic and financial	6 MONTHS 2023	6 MONTHS 2022	Differences	%	Q2/2023	Q2/2022	%
	thousand lei	thousand lei	thousand lei		thousand lei	thousand lei	
Turnover	790.334	1.210.211	-419.877	-34,69	364.962	605.221	-39,70
Total revenue	769.802	1.324.771	-554.969	-41,89	373.060	720.784	-48,24
-operating income	757.759	1.318.652	-560.894	-42,54	367.684	716.948	-48,72
-financial income	12.044	6.119	5.925	96,83	5.376	3.836	40,14
Total expenses	708.305	1.141.086	-432.781	-37,93	305.426	609.014	-49,85
-operating expenses	678.868	1.129.395	-450.527	-39,89	291.629	603.668	-51,69
-financial expenses	29.437	11.690	17.746	151,80	13.797	5.346	158,09
Gross result	61.497	183.685	-122.188	-66,52	67.635	111.771	-39,49
-operating result	78.891	189.257	-110.367	-58,32	76.055	113.280	-32,86
-financial result	-17.393	-5.572	-11.821	*	-8.420	-1.509	*
Income tax expenses	11.846	31.535	-19.689	-62,44	9.690	17.366	-44,20
Deferred tax revenue	0	1.480	-1.480	-100,00	0	-750	-100,00
Net result	49.652	153.630	-103.979	-67,68	57.945	93.655	-38,13

In the 1st semester of 2023, investment expenses amounting to 89,700 thousand lei were made, mainly on the Ramnicu Valcea platform, in high-efficiency cogeneration installations of 49.5 + 8 MW, in the connection to the National Energy System (SEN), to the National Gas Transmission System (SNTGN) and in modernization works of power stations. These cogeneration installations (of which 33 MW will be commissioned in 2023) will use natural gas and will ensure, through a state-of-the-art technological process, the electricity needs for the Ramnicu Valcea platform. These investments were partly financed by bank loans approved in the previous year.

From the investment program approved for 2023, modernization, arrangement and other facilities were also carried out in the first six months of the year. Acquisitions / replacements of equipment are envisaged to continue modernization, capacity extensions and ensure the modernization, efficiency and reliability of the operation of manufacturing and commercial flows, as well as investments for environmental protection.

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In the next period, the company aims to develop by continuing the strategic investment program started in the previous year and aims to increase energy efficiency and stability.

Compared to the provisions of BVC, the company exceeded the level of net profit budgeted for the first 6 months of 2023, the prospects by the end of the year being within the profitability target set by BVC.

1.3. Cash flows

Item	thousand lei 30.06.2023
Cash availability at the beginning of the period	40.467
Cash flow from operating activity (A)	160.422
Cash flow from investment activity (B)	(153.866)
Cash flow from financial activity (C)	64.194
Net cash flow (A+B+C)	70.750
Effects of exchange rate changes on foreign currency cash balance	(281)
Cash availability at the end of the period	110.936

The cash generated by operating activity in the first half of 2023, namely RON 160,422, is almost at the same level as that generated for the entire year 2022 (RON 164,329), mainly due to storage, especially for finished products, and the decrease in amounts paid in advance for utilities due to improvements in payment conditions negotiated with suppliers.

Also, cash availabilities on 30.06.2023 total MDL 110,936 thousand, significantly increasing compared to 31.12.2022, when they registered MDL 40,467 thousand.

The company continued with determination the assumed investment program, the cash used in investment activities in H1 2023 amounting to 155,370 thousand lei, compared to 183,260 thousand lei for the entire year 2022. The investments made in H1 2023 were financed at a rate of 70% from bank loans.

ANALYSIS OF THE COMPANY'S ACTIVITY

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

The scope of activity of Chimcomplex SA Borzesti, both existing and planned, as well as the markets in which it operates, expose the company to risks such as price risk of tradable commodities, currency risk, operational risk and strategic risks.

The main uncertainties that may influence the company's results remain those related to the price risk of tradable commodities, operational risks, as well as political and regulatory risk.

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By the nature of the processing, transport and sale of products, Chimcomplex SA is inherently exposed to safety and environmental risks. Through its HSE and risk management programs, the company remains committed to remaining aligned with industry standards.

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

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

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

2. CHANGES AFFECTING THE CAPITAL AND MANAGEMENT OF THE COMPANY

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

This is not the case.

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

This is not the case.

3. RELATED PARTY TRANSACTIONS

Information on material transactions entered into with related parties is set out below.

(i) Related Party Transactions

	6 months 2023	6 months 2022
Sales	55	67
Purchases of goods and services	46.898	37.541

(ii) Related party balances

	30 June 2023	31 December 2022
Customers and other receivables	19.564	24.497
Suppliers and other payables	4.255	4.370

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Outlook for the full year 2023

Chimcomplex, the only producer of polyols for polyurethanes in Romania, has oriented its development strategy towards technological and energy efficiency and green and sustainable chemistry, this is our direction and we are fast moving forward.

The optimisation and modernisation of existing technological facilities and the ongoing monitoring of our energy and carbon reduction plans aim to guarantee the operational excellence of our processes, which is fundamental to progress towards the goal of reducing greenhouse gas emissions by 2030 and total elimination by 2050.

A high-performance chemical platform needs a lot of expertise and energy. If on the expertise side we have everything we need, in terms of energy, we decided to build inside the platform a cogeneration plant that will provide us with sustainable energy for all sections. The new plant will provide, in the first phase, 33 MW and was commissioned in the first half of 2023. That's 60% of what the entire platform needs today.

This new component of the system will not only meet our energy needs while reducing CO2 emissions by more than 88,000 tonnes per year in the first phase, but will also help us to be even more economically competitive in an increasingly dynamic European market.

The Chimcomplex strategy sets concrete objectives for decarbonization, harnessing hydrogen energy, developing and integrating renewable green energy, ensuring a circular economy through chemical recycling of plastic waste and last but not least diversification of production.

In the medium and long term, we will focus on increasing the production capacity of polyols, developing projects for obtaining methanol, ethylene oxide, monoethylene glycol, glycols as well as modernizing the existing PVC plant. Also, diversifying production by including new chemicals that Romania imports at this time is another strategic objective of our company.

4. OTHER INFORMATION

Chimcomplex is a company listed on the Bucharest Stock Exchange, on the regulated market, Standard category, symbol CRC starting with 17.01.2022.

From 21.07.2015 to 17.01.2022, the Company was listed in the alternative trading system, financial instruments section listed on ATS, Equity sector, share category, symbol CHOB.

The Financial Statements as at 30 June 2023 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS-EU").

The report can be consulted at the company's headquarters on Industriilor Street no. 3 in Onești, Bacau County or in electronic format on the <https://www.chimcomplex.com/docs/rapoarte-financiare> company's website and on the Bucharest Stock Exchange website: www.bvb.ro.

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RO2021.055.061Q RO2021.055.061E RO2018.055.061



Management statement

According to the best information available, we confirm that the unaudited condensed individual interim financial statements prepared for the six-month period ended June 30, 2023 provide a true and fair view of the assets, liabilities, financial position and income and expense statement of Chimcomplex S.A. Borzesti, as required by the applicable accounting standards, and that the Executive Board Report provides a true and accurate view and be consistent with the reality of important events that occurred during the first six months of financial year 2023 and their impact on Standalone interim financial statements, as well as a description of the principal risks and uncertainties.

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

**Financial Director,
Nicolae Stanciugel**

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CHIMCOMPLEX SA BORZESTI

STANDALONE INTERIM FINANCIAL STATEMENTS

prepared in accordance with the Order of the Minister of Public Finance nr. 2844/2016 for approval of Accounting Regulations in accordance with International Financial Reporting Standards (unaudited)

**ON AND FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2023**

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CONTAINED

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INTERIM STATEMENT OF FINANCIAL POSITION as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30, 2023	December 31, 2022
ACTIVE		
Non-current assets		
Property, plant and equipment	1.902.257.137	1.851.483.903
Other rights of use assets	16.096.869	13.844.826
Real estate investments	30.918.061	31.452.222
Intangible assets	120.476.753	122.407.778
Investments in associates and other equity investments	60.043.968	60.043.968
Other long-term financial assets	6.757.163	6.718.514
Total non-current assets	2.136.549.952	2.085.951.211
Current assets		
Stocks	163.997.542	237.998.985
Trade receivables and other receivables	265.712.445	494.866.553
Short-term loans to shareholders	5.365.004	5.327.386
Cash and cash equivalents	110.936.243	40.466.919
Total current assets	546.011.234	778.659.843
Total assets	2.682.561.185	2.864.611.054
EQUITY AND DEBT		
Capital and reserves		
Share capital	304.907.851	1.190.991.169
Own shares	(26.336.361)	(47.794.795)
Capital premiums	4.669.565	4.669.565
Legal reserves	109.435.476	109.435.476
Retained earnings	717.757.364	(1.729.903)
Revaluation reserves	577.222.870	577.222.870
Total equity	1.687.656.766	1.832.794.382

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INTERIM STATEMENT OF FINANCIAL POSITION as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30, 2023	December 31, 2022
DEBT		
Long-term liabilities		
Subsidies	12.879.027	13.778.664
Leasing	10.183.585	8.705.286
Deferred tax liabilities	136.669.379	136.699.379
Provisions	16.337.094	16.302.643
Long-term loans	529.322.683	457.459.739
Other long-term liabilities	8.136.629	10.259.628
Total long-term liabilities	713.528.397	643.205.339
Current liabilities		
Subsidies	26.992.237	27.230.691
Trade and other payables	161.190.965	268.916.021
Leasing	8.221.709	5.949.300
Income tax liabilities	9.690.202	21.787.658
Provisions	19.195.078	18.575.007
Short-term loans	56.085.831	46.152.656
Total current liabilities	281.376.023	388.611.333
Total liabilities	994.904.420	1.031.816.672
Total equity and debt	2.682.561.185	2.864.611.054

**VUZA STEFAN,
GENERAL MANAGER**

**STĂNCIUGEL NICOLAE,
CHIEF FINANCIAL OFFICER**

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INTERIM STATEMENT OF COMPREHENSIVE INCOME as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

	<u>30 June 2023</u>	<u>30 June 2022</u>
Sales	790.333.856	1.210.210.659
Investment income	4.751.697	4.042.729
Other gains or (losses)	8.032.832	1.455.085
Cost of goods sold	(20.242.219)	(35.730.617)
Change in stocks	(52.930.745)	93.940.997
Expenses with raw materials and consumables	(264.301.231)	(468.579.977)
Salary expenses	(68.135.472)	(76.964.526)
Depreciation charges on fixed assets	(68.465.608)	(41.764.060)
Distribution costs	(20.329.102)	(24.125.397)
Energy and water costs	(209.159.133)	(413.462.398)
Expenditure on services performed by third parties	(20.370.052)	(20.390.330)
Maintenance and repair costs	(6.227.659)	(16.201.141)
Other income	1.624.539	3.264.094
Gain / (Loss) on impairment adjustments for fixed assets	23.169.169	-
Other expenses	(19.065.069)	(24.469.719)
Financing costs	(17.188.333)	(7.540.062)
Profit / (Loss) before tax	61.497.471	183.685.337
Corporate income tax	(11.845.853)	(30.055.047)
Profit / (Loss) of the period	49.651.618	153.630.290
Other comprehensive income	-	-
Profit / (Loss) per share	0,163	0,504

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INTERIM CASH FLOW STATEMENT as of June 30, 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30 - 2023	31 December 2022
Cash flows from operating activities:		
Profit before tax	61.497.471	311.255.153
Adjustments for non-monetary items:		
Interest expenses	15.082.525	19.899.778
Loss/(gain) on impairment of investments	-	(4.205.329)
Impairment loss/(gain) on property, plant and equipment	(23.169.169)	-
Interest income	(1.503.830)	(3.298.266)
Loss/(gain) on disposal of fixed assets	486.352	149.715
Loss/(gain) on provisions	654.522	(17.082.434)
Foreign exchange loss, net	3.035.515	1.122.088
Impairment losses on stocks, net	3.381.921	5.529.253
Amortization	68.465.608	152.955.779
Impairment gain on trade receivables and other assets, net	-	(7.953)
Revenue from subsidies	(1.138.090)	(1.324.683)
	126.792.824	464.993.101
Working capital movements:		
Decreases/(increases) in inventories	70.619.522	(108.752.984)
Decreases/(increases) in trade receivables and other receivables	55.617.540	(37.615.046)
Increases/(decreases) in trade and other liabilities	(84.271.261)	(167.799.199)
Subsidy received for electricity costs	-	32.404.226
Investment subsidies received	5.595.702	-
Cash generated by operating activities	174.354.327	183.230.098
Interest paid	(13.932.156)	(18.900.685)
Corporate income tax paid	-	-
Net cash generated by/(used in) operating activities	160.422.172	164.329.413
Cash flows from investment activities:		
Interest received	1.503.830	3.298.266
Proceeds from the sale of non-current assets	-	766.958
Acquisition of non-current assets	(155.369.885)	(164.381.486)
Payments for investments in the associate	-	(18.943.421)
Acquisition of the subsidiary	-	(4.000.000)
Net cash used in investment activities	(153.866.055)	(183.259.683)

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INTERIM CASH FLOW STATEMENT as of June 30, 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30 - 2023	31 December 2022
Cash flows from financing activities:		
Proceeds from loans	109.388.289	218.309.765
Repayment of lease debts	(4.426.580)	(8.085.242)
Dividends paid	(11.483.978)	(214.254.817)
Repayment of loans	(29.283.968)	(37.508.762)
Acquisition of own shares	-	(47.652.341)
Net cash (used in)/generated by financing activities	64.193.763	(89.191.397)
(Subtraction) / net increase in cash and cash equivalents	70.749.880	(108.121.666)
Cash and cash equivalents at the beginning of the year	40.466.919	147.994.841
Effects of changes in foreign exchange rates on the balance of cash held in foreign currency	(280.556)	593.744
Year-end cash and cash equivalents	110.936.243	40.466.919

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STATEMENT OF CHANGES IN EQUITY as of June 30, 2023

(All amounts are given in LEI, unless otherwise specified.)

	Share capital	Own shares	Issue premiums	Legal reserves	Retained earnings	Revaluation reserves	Total
Balance on January 1, 2022	1.182.587.379	(142.454)	4.669.565	90.207.136	(191.109.065)	578.340.730	1.672.957.081
Profit for the year	-	-	-	-	153.630.290	-	153.630.290
Dividend distribution	-	-	-	-	(60.000.000)	-	(60.000.000)
Redemption of own shares	-	(23,869,867)	-	-	-	-	(23.869.867)
Balance as at June 30, 2022	1.190.991.169	(24.012.321)	4.669.565	90.207.136	(97.478.775)	578.340.730	1.742.717.504
Balance on January 1, 2023	1.190.991.169	(47.794.795)	4.669.565	109.435.476	(1.729.903)	577.222.870	1.832.794.382
Profit for the year	-	-	-	-	49.651.618	-	49.651.618
Dividend distribution	-	-	-	-	(194.000.000)	-	(194.000.000)
Granting own actions to management	-	21.458.435	-	-	(21.458.435)	-	-
Undo hyperinflation adjustment	(886.083.318)	-	-	-	886.083.318	-	-
Other movements	-	-	-	-	(789.228)	-	(789.228)
Balance as at June 30, 2023	304.907.851	(26.336.361)	4.669.565	109.435.476	717.757.364	577.222.870	1.687.656.766

**VUZA STEFAN,
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Notes to financial statements as of June 30, 2023

(All amounts are given in LEI, unless otherwise specified.)

NOTE 1. GENERAL INFORMATION AND MAIN ACTIVITIES

The company is the parent company of Chimcomplex Group and the consolidated financial statements will be published together with these standalone financial statements. Chimcomplex Group includes the following subsidiaries and associated entities:

Name	Activity	Type	URC	Headquarters	Investment amount	% holding	
						June 30 - 2023	31 December 2022
Greencomplex Onesti SRL	Manufacture of other basic inorganic chemicals	Subsidiary	16030164	Onesti	4.733.030 lei	99.9998%	99.9998%
A5 Invest	Intermediation in the sale of machinery, industrial equipment, ships and aircraft	Subsidiary	17701390	Onesti	6.100.000 lei	100%	100%
A6 Impex SA	Electricity production	Associate	21381692	Dej	57.213.521 lei	49.4497%	49.4497%
Sistemplast SA	General mechanical operations	Subsidiary	11438007	Râmnicu Vâlcea	14.966.000 lei	94,4000%	94,4000%

The company was founded in 1990, based on Government Decision no. 1200 of 12.11.1990, by dividing the Borzesti Petrochemical Plant and subsequently by taking over the entire assets of the Borzesti Chemical Plant.

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

The company was privatized in 2003, A2 IMPEX SRL Ploiesti taking over from the Authority for State Assets Management (AAAS) 94.7465% of the share capital of the company at that time.

The registered office is in Onesti, str. Industriilor nr. 3, Bacau county.

The main activity of the company according to NACE code 2013 is Manufacture of other basic inorganic chemicals. On December 7, 2018, the Company acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable property, ongoing investments) related to chlorosodium, propenoxide, polyol-polyether, oxo-alcohols, monomer, PVC I, utilities, wagon park, on the industrial platform Rm.Valcea.

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Notes to financial statements as of June 30, 2023

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The company has a branch and seven working points:

Branch:

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

Working points:

- ✓ The working point in Cazaci village, Tarcău commune, jud. Neamț;
- ✓ The working point in Pitesti, str. Căminelor nr. 7, jud. Arges;
- ✓ The working point in Dej, str. Bistritei nr. 63 (Chamber no. 1), jud. Cluj;
- ✓ The working point in Bucharest, Bd. Ficusului nr. 44, Bucharest, sector 1;
- ✓ The working point Complex Piscicol Tarcău from Cazaci village, Tarcău commune, jud. Neamț;
- ✓ The working point in Bucharest Sector 1, Piața Presei Libere nr. 3-5, City Gate South Tower, 17th floor.

Shareholding structure

CHIMCOMPLEX SA BORZESTI is a company listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, CRC symbol starting with 17.01.2022.

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

The shareholding structure is as follows:

30 June 2023

Shareholders	Ordinary shares	Percentage holding
CRC Alchemy Holding BV	259.151.301	84,99%
AAAS	27.305.181	8,96%
Legal entities	14.363.583	4,71%
Individuals	4.087.786	1,34%
Total	304.907.851	100%

Activities carried out by the Company

The main object of activity is 2013 NACE code - manufacture of basic inorganic chemicals, in accordance with the provisions of the Articles of Association of the Company.

The activity that holds the largest share in the income achieved by the company during January-March 2023, according to NACE coding, is 2014 - manufacture of other basic organic chemicals.

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Notes to financial statements as of June 30, 2023

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The main products manufactured by Chimcomplex SA Borzesti are:

- **Macromolecular products:** polyethers - polyols for polyurethane foams;
- **Chlorosodium products:** caustic soda 50% solution, caustic soda flakes, technical sodium hypochlorite, synthetic hydrochloric acid, liquid chlorine, bottled liquid chlorine;
- **Organic synthetic 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, reconcentrated sulfuric acid, ammonia water, chlorcholine chloride

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

Borzesti:

- Chlorosodium products: caustic soda flakes and solution, liquid chlorine, hydrochloric acid, sodium hypochlorite;
- Inorganic chlorides: ferric chloride, calcium chloride, lime chloride;
- Alkylamines: methylamines, isopropylamines;
- Other products: chlorcholine chloride

Chlorosodium products

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

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

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

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

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

Inorganic chlorides

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

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

CHIMCOMPLEX S.A. BORZEȘTI

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Web: www.chimcomplex.com

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

Alkylamines

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

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

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

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

Chlorcholine chloride – plant growth stimulator.

Valcea Branch:

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

Macromolecular products

Polyether-polyols are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, antifoams, lubricants and brake fluids. Their most important use is the manufacture of flexible or rigid polyurethane foams. Polyurethane foams are obtained by a block or linear foaming process. They are used in the furniture industry for tapestries, in the automotive industry at various parts (dashboard, steering wheel), car tapestries. They are also used for low-temperature thermal insulation (refrigerators, cold rooms). Polyurethane foams are used to obtain foam core for sandwich panels.

Synthetic organic products:

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

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

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

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

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The main suppliers of Chimcomplex are:

PRODUCT	SUPPLIERS
Salt solution	Societatea Nationala a Sarii SA Bucharest through Rm.Valcea Mining Exploitation Branch and Tg. Ocna Salt Mine Branch
Industrial lime	Carmeuse Holding Brasov
Limestone	MEZEI TRANS SRL
Liquid nitrogen	Linde Gas Romania
Propylene	LITASCO SA GENEVA Suc.PLOIESTI, HIP-Petrohemija Serbia, Rompetrol Bucharest, OMV PETROM SA BUCHAREST
Natural gas	PREMIER ENERGY TRADING SRL BUCHAREST, ENTREX SERVICES SRL BUCHAREST, PREMIER ENERGY SRL BUCHAREST, SNGN ROMGAZ SA MEDIAS, TRANSGAZ SA MEDIAS
Electricity	ALIVE CAPITAL SA, GETICA 95 COM SRL, Distributie Energie Oltenia SA, A6 IMPEX SA, DELGAZ GRID SA TG MURES, TRANSELECTRICA SA BUCHAREST
Acetone	BRENNTAG SRL CHIAJNA, POLSKI KONCERN NAFTOWY ORLEN POLAND
Soda ash	SOLVAY CHEMICALS INTERNATIONAL
Ammonia	NEOCHIM PLC BULGARIA

Aspects related to the company's employees/staff

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

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

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

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

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

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Management of the company

During the period 01.01.2023-30.06.2023, the administration and management of the company were ensured by a Board of Directors consisting of 7 members, as follows:

1. STEFAN VUZA	Chairman of the Board of Directors
2. PLATINUM ADVISORY SERVICES SRL, represented by MADELINE ALEXANDER	Member of the Board of Directors
3. VERONICA PRIESTESS	Member of the Board of Directors
4. GABRIEL TISCHER	Member of the Board of Directors
5. WITOLD URBANOWSKI	Member of the Board of Directors
6. IULIAN LIVIU SHELL	Member of the Board of Directors
7. COMAN DUMITRU	Member of the Board of Directors

The executive management of Chimcomplex SA Borzesti in the first semester of 2023 was ensured by a team consisting of:

• Vuza Stefan	CEO/CEO
• Baiu Cosmin	CEO/Deputy CEO
• Stanciugel Nicolae	CFO/CFO
• Coman Dumitru	CTO/Technical Director/Deputy General Manager
• Priestess Veronica	CCO/Commercial Director
• Moldovan Dan	CCO/Deputy Commercial Director
• Balaiță Maria Luminița	COO/Director of Operations Borzesti
• Staicu Florian	COO/Interim Chief Operating OFFICER Suc. Rm.Valcea
• Dumitru Mihai	Production Manager Borzesti
• Tălpașanu Mihail	Interim Production Manager
• Onofrei Caesar	Production Manager (starting with 22.06.2023)
• Michael Negrița	Maintenance Director (starting with 22.06.2023)

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Legal principles

The Individual Interim Financial Statements as at and for the 6-month period ended June 30, 2023 were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards ("IFRS"), as subsequently amended ("OMFP 2844/2016"). For the purposes of OMFP 2844/2016, International Financial Reporting Standards are those adopted according to the procedure provided by the European Commission Regulation no. Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ("IFRS adopted by the European Union").

The standalone interim financial statements do not include all information and items published in the annual financial statements and must be read in conjunction with the Company's annual standalone financial statements prepared on December 31, 2022.

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The Company's first standalone financial statements prepared in accordance with IFRS standards were concluded on 31.12.2022.

The Company's individual financial statements for the first half of 2023 contained in this report are not audited and have not been reviewed by an external auditor.

Presentation of financial statements

The individual interim financial statements of S.C. CHIMCOMPLEX S.A. BORZEȘTI (the "Company") on and for the period ended 30 June 2023 were prepared in accordance with IAS 34 Interim Financial Reporting using the going concern principle.

Business continuity

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

- The company is constantly preparing operating scenarios that take into account the main risks of the activity and market uncertainties, seeking to adapt and find optimal operating solutions. Based on this information, the management considers that the amount of attracted financing and the capital structure of the company provide the capital necessary for the operation of the business for at least 12 months from the date of this reporting. Also, the Company's management is permanently concerned with streamlining its activity, diversifying its product range and identifying new markets, under strict control of related expenses.
- The company complies with all indicators stipulated in the financing contracts, constantly monitors the fulfillment of contractual obligations and expects to continue to comply.

Thus, management continues to adopt the going concern accounting basis in the preparation of individual financial statements

General accounting policies

The accounting policies in effect as of December 31, 2022 remain largely unchanged. The amendments effective January 1, 2023 did not have a material effect on the individual interim financial statements.

Basis of assessment

Statutory standalone financial statements have been prepared on a going concern basis and at historical cost, except for certain classes of financial instruments and property, plant and equipment that are measured at revalued amounts or fair amounts. Historical cost is generally based on the fair value of the consideration for assets.

The accounts shall be kept in the Romanian language and in national currency. The items included in these financial statements are expressed in Romanian lei.

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NOTE 3. STATEMENT OF NON-CURRENT ASSETS

As of June 30, 2023, the Company holds the following categories of non-current assets, at net value:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Land and buildings	601.536.183	577.570.450
Technical installations and machines	1.050.381.947	955.166.257
Other installations, machinery and furniture	4.862.743	5.058.499
Real estate investments	30.918.061	31.452.222
Ongoing investments	219.814.119	279.234.998
Rights to use leased assets	16.096.869	13.844.826
Intangible assets	120.476.753	122.407.778
Financial assets	66.801.131	66.762.482
Advances on fixed tangible assets	25.662.145	34.453.698
Total	<u>2.136.549.952</u>	<u>2.085.951.211</u>

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are presented in the "Statement of Financial Position" at cost or revalued amount, less depreciation and adjustments for impairment or loss of value in accordance with IAS 16 "Property, plant and equipment" and IAS 36 "Impairment of assets".

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

The fair value valuations of the Company's tangible assets as at 31 December 2021 were carried out by Darian DRS S.A., an independent valuer. Darian DRS S.A. is a member of the National Association of Licensed Valuers in Romania and has appropriate qualifications and recent experience in measuring properties at fair value in relevant locations. The valuation is in line with international valuation standards and has been based on recent arm's-length market transactions for similar properties, wherever possible, and on the discounted cash flow method.

The tangible assets located on the Onești industrial platform and part of the assets on the Ramnicu Valcea industrial platform were mortgaged for bank loans, and the insurance policies were transferred to the creditor banks (CEC Bank, Alpha Bank and Garanti Bank).

INTANGIBLE ASSETS

Separately acquired intangible assets are measured at initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The depreciation period and depreciation method for an intangible asset with a fixed useful life shall be reviewed at least every financial year-end.

REAL ESTATE INVESTMENT

Real estate investments include land, buildings, furniture and related equipment that are located in Onești, Bacău County and Ramnicu Valcea and are leased to third parties and related parties.

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Non-current assets recorded an increase of RON 50,598,741 in the first semester of 2023, mainly driven by:

- investments for the main ongoing projects: replacement of membranes at some electrolyzers in the Chlorosodium section
- Electrolysis plant, 49Mw high efficiency cogeneration from Rm. Vâlcea, Special Polyols plant;
- resume on income, adjustments of functional fixed assets in Onesti.

NOTE 4. STOCK STATEMENT

Inventories are presented at net realisable value, less by depreciation adjustments, obtaining the following values:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Finished products	101.666.594	154.903.384
Raw	30.156.120	39.233.309
Materials	10.718.922	16.780.304
Packaging	1.971.099	2.102.171
Mouldings	13.974.175	15.813.801
Goods	36.311	185.031
Inventory items	577.127	754.166
Stocks in transit	1.569.102	4.896.990
Other stocks	3.328.093	3.329.829
Total	<u>163.997.542</u>	<u>237.998.985</u>

During the six-month period ended June 30, 2023, there were no significant value adjustments for inventories.

The decrease in the value of stocks of finished products by 53 million lei compared to the beginning of the year was mainly due to destocking, corroborated with the sizing and permanent adaptation of production to the situation on the profile market.

NOTE 5. STATEMENT OF RECEIVABLES

	<u>30 June 2023</u>	<u>31 December 2022</u>
Clients	79.077.432	76.806.503
Customer impairment adjustments	(1.313.857)	(1.313.857)
Advances paid for services	21.583.054	67.528.664
Receivables representing distributed interim dividends during the year	-	167.000.000
Subsidies - State aid for CO2	103.802.945	64.173.308
Grants receivable - financing projects	20.424.834	25.985.762
VAT recoverable	17.321.756	37.378.202
VAT not chargeable	4.566.145	33.758.757
Trade receivables with related parties	16.285.205	21.473.444
Advance expenses	1.792.938	597.157
Other receivables	2.171.993	1.478.612
Total	<u>265.712.446</u>	<u>494.866.553</u>

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The average period of collection of trade receivables remained at a low level, namely 18 days in the first semester.

The company has ongoing investment projects with non-reimbursable financing, from European and Norwegian funds for: cogeneration installations, polyol installation, high efficiency trigeneration plant of 8 Mw, the subsidies to be received on June 30, 2023 totaling 20,424,834 lei.

In April 2023, it was approved to cover the amount of RON 167,000,000 as interim dividends (gross amount), according to the decision of the Ordinary General Meeting of Shareholders of Chimcomplex SA dated April 28, 2023, from the profit distributed in other reserves for 2022.

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

The measure covers indirect emission costs incurred in 2022 amounting to RON 64,173,308, an amount that will be collected in 2023. On June 30, 2023, the company registered the subsidy for compensation of greenhouse gas emission costs for the first 6 months of 2023 in the amount of RON 39,629,637.

NOTE 6. DEBT STATEMENT

	30 June 2023	31 December 2022
Suppliers	89.622.371	203.466.571
Credits	583.262.438	502.358.214
Interest rates on loans	2.146.076	1.254.181
Customers charged in advance	7.130.070	11.812.041
Payroll liabilities	9.087.933	8.977.567
Duties and taxes related to salaries	4.550.792	8.106.930
Other fees	218.590	413.368
Deferred tax liabilities	136.669.379	136.699.379
Income tax liabilities	9.690.202	21.787.660
Subsidies	39.871.265	41.009.355
Provisions	35.532.172	34.877.650
Dividends to be distributed during the financial year	29.173.286	12.879.396
Accrued income*	9.952.642	11.976.361
Payments to be made in respect of shares held at affiliated entities	10.966.000	10.966.000
Trade liabilities to related parties	4,255,411	4.369.468
Financial lease liabilities	18.405.295	14.654.586
Other debts	4.370.498	6.207.946
Total	994.904.420	1.031.816.672

* Accrued revenues represent cash received from Oltchim S.A. as part of the 2018 business acquisition for decommissioning obligations for two warehouses purchased from Oltchim S.A.

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On June 21, 2023, the Ordinary General Meeting of Shareholders approved the distribution of dividends from the profit of 2022 in the amount of RON 27,000,000, which will be paid on July 28, 2023, in accordance with the provisions of Regulation no. 5/2018.

Chimcomplex SA pays the obligations to the consolidated State Budget by:

- compensation with negative VAT (VAT to be recovered registered by the company on 30.06.2023: 17,321,756 lei)
- bank transfer.

CREDITS

	30 June 2023	31 December 2022
CEC Bank	269.863.241	272.601.382
Alpha Bank	107.224.539	116.633.319
UBS Swizerland	140.888.935	68.913.588
Garanti Bank	67.400.199	45.432.506
Others	31.600	31.600
Total	585.408.514	503.612.395

As of June 30, 2023, the value of medium and long-term loans increased by 16% compared to December 31, 2022, mainly by contracting a bank loan from UBS Swizerland to finance the 49Mw High Efficiency Cogeneration investment.

All loan agreements concluded contain clauses on financial indicators that the Company is obliged to fulfill, the verification being carried out on a semi-annual basis. The company complied on June 30, 2023 with all indicators stipulated in the contracts, continuously monitors the fulfillment of contractual obligations and expects to continue to comply.

NOTE 7. CAPITAL AND RESERVES

	30 June 2023	31 December 2022
Share capital	304.907.851	304.907.851
Share capital adjustment*	-	886.083.318
Capital premiums	4.669.565	4.669.565
Own shares repurchased	(26.336.361)	(47.794.795)
Revaluation reserves	577.222.870	577.222.870
Legal reserves	109.435.476	109.435.476
Retained earnings	668.105.747	(267.791.826)
Result of the period	49.651.618	266.061.923
Total	1.687.656.766	1.832.794.382

*On April 27, 2023, the Extraordinary General Meeting of Shareholders (AGEA) approved the coverage of the accounting loss carried forward from 2022 arising from the application of IAS 29, with the full amounts recorded in the account "Share capital adjustments" (account in which the value of RON 886,083,318 arising from hyperinflation was recorded).

By shareholders' decision of June 30, 2021, the redemption of 7,059,620 own shares was approved. In 2022, the Company repurchased a number of 2,087,562 shares worth 47,652,341 lei. Own shares are presented as a separate line in the statement of changes in equity and on the balance sheet.

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NOTE 8. REPORTING TURNOVER BY OPERATING SEGMENTS

The company comprises the following operating segments:

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

Presentation of turnover by types of markets:

	30 June 2023	(%)	30 June 2022	(%)
Internal market	257.786.937	33	337.888.756	28
Foreign market	532.546.919	67	872.321.903	72
Total	790.333.856	100	1.210.210.659	100

Presentation of turnover by product types:

	30 June 2023	(%)	30 June 2022	(%)
Polyols – polyethers	376.341.154	47,6	660.103.667	54,5
Chlorosodium	383.793.542	48,6	458.188.847	37,9
Oxo-alcohols	2.142.996	0,3	47.360.635	3,9
Goods (mainly utility resales)	22.082.057	2,8	37.872.922	3,1
Various	5.974.107	0,8	6.684.588	0,6
Total	790.333.856	100,0	1.210.210.659	100,0

Presentation of turnover by geographical segments:

	30 June 2023	30 June 2022
Europe	745.693.647	1.097.695.823
Middle East	42.782.559	99.149.574
America	881.456	3.820.465
Asia-Pacific	932.353	8.144.136
Africa	43.841	1.400.662
Total	790.333.856	1.210.210.659

Chimcomplex has aligned itself with the market situation, which is facing low demand, correlating the production of polyethers and chlorosodium with sales possibilities in parallel with customer loyalty actions in key markets (Poland, Romania, Benelux) and attracting new customers especially in the area of special polyethers. Sales were limited in markets with very low prices caused by massive imports from China (especially Turkey).

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

On the domestic market, product sales were worth RON 258 million in the first half of 2023 (33% of total sales), compared to RON 338 million in the first half of 2022 (28% of total sales).

On the foreign market, product deliveries amounted to 532 million lei. Sales on the foreign market accounted for approximately 67% of total product sales in the first half of 2023, compared to 72% in the same period of 2022.

NOTE 9. SALES

	30 June 2023	30 June 2022
Income from the sale of finished products	754.588.347	1.152.950.751
Income from the sale of goods	22.082.057	37.872.922
Revenue from services provided	1.075.922	1.680.750
Income from various activities	12.587.345	17.339.662
Revenue from the sale of waste products	185	366.574
Total	790.333.856	1.210.210.659

NOTE 10. INVESTMENT INCOME

	30 June 2023	30 June 2022
Rental income	3.247.867	3.452.709
Interest income	1.503.830	590.020
Total	4.751.697	4.042.729

NOTE 11. OTHER GAINS OR LOSSES

	30 June 2023	30 June 2022
Income from the production of fixed assets	13.459.504	-
Earning / (loss) on changes in provisions	(654.522)	9.622.786
earning / (loss) on exchange rate differences	(1.015.680)	1.416.561
Earning / (loss) on impairment adjustments current assets	(3.381.922)	(7.655.948)
earning / (loss) on sale of non-current assets	(374.732)	(2.806.892)
Earning / (loss) from impairment adjustments financial assets	-	875.591
earning / (loss) from various receivables and debtors	-	2.970
Other earnings or (losses)	183	17
Total	8.032.832	1.455.085

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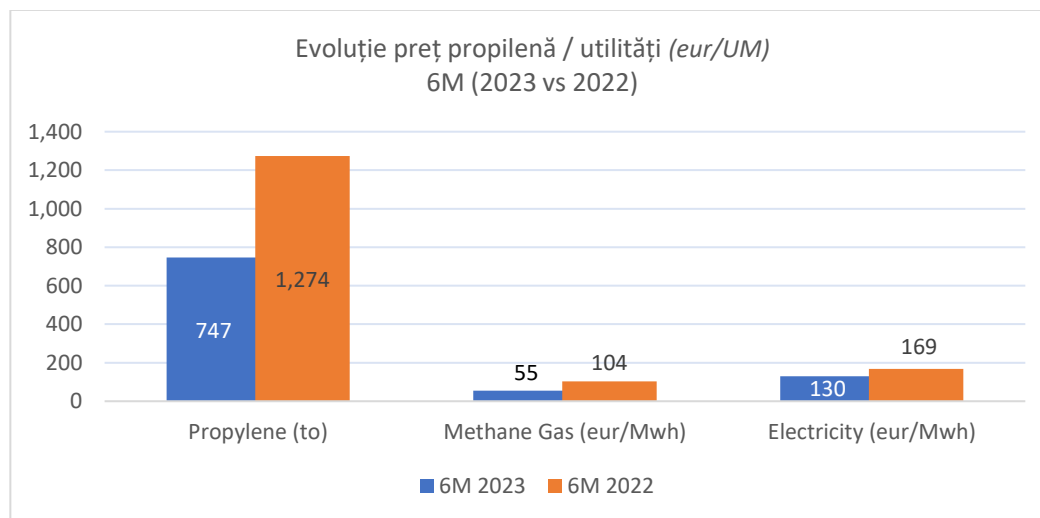
Notes to financial statements as of June 30, 2023

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NOTE 12. EXPENDITURE ON RAW MATERIALS AND CONSUMABLES, GOODS, ENERGY AND WATER

	30 June 2023	30 June 2022
Raw materials and consumables	248.758.593	450.818.895
Other material expenses	15.542.637	17.761.082
Energy and water costs	209.159.133	413.462.398
Cost of goods sold	20.242.219	35.730.617
Total	493.702.583	917.772.992

The average purchase prices for the main raw material (propylene), natural gas and electricity decreased in the first 6 months of 2023 compared to 6 months 2022, as shown in the chart below:



Utility costs decreased under the influence, to the same extent, of reducing consumption and decreasing purchase prices.

NOTE 13. SALARY EXPENSES

Staff costs related to the first semester of 2023 compared to the same period of 2022:

	30 June 2023	30 June 2022
Gross wages and salaries	58.940.204	67.867.900
Social security expenses employer	4.259.532	4.668.923
Meal vouchers	4.935.736	3.343.103
Gift vouchers	-	-
Holiday vouchers	-	1.084.600
Total	68.135.472	76.964.526

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Notes to financial statements as of June 30, 2023

(All amounts are given in LEI, unless otherwise specified.)

The average number of employees in the first half of 2023 was 1,444 compared to 1,904 in the first half of 2022.

Social insurance is paid for all employees.

The employees of the company are included in the state pension plan.

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

This measure was taken from the need to increase efficiency and effectiveness at the level of the organization in the current economic and geopolitical context and took into account the optimization of operational and operating costs and the efficiency of the activity in order to use with maximum efficiency the human and financial resources, the synergies between the industrial platforms in Ramnicu Valcea and Onesti.

In December 2022, the collective dismissal of a number of 19 employees took place, and in the first quarter of 2023, the collective dismissal of a number of 157 employees took place, with the granting of compensatory wages according to the provisions of the Collective Labor Agreement in force.

NOTE 14. OTHER INCOME

	30 June 2023	30 June 2022
Compensation, fines and penalties	11.149	32.890
Depreciation of investment subsidies	1.138.092	1.076.860
Other operating income	475.298	2.154.344
Total	1.624.539	3.264.094

NOTE 15. OTHER EXPENSES

	30 June 2023	30 June 2022
ABA Olt penalties - exceeding pollutant concentrations from wastewater	9.265.183	11.984.357
Donation and sponsorship expenses	655.485	579.547
Expenses with taxes and fees	2.812.874	2.807.129
Insurance charges	1.475.745	1.425.854
Expenditure on rents	2.732.211	1.838.056
Environmental protection expenses	209.900	3.716.337
Travel expenses	516.615	447.160
Entertainment expenses, advertising, advertising	912.236	189.116
Expenditure relating to fines and penalties	11.879	683.106
Expenditure relating to staff transport	83.776	316.515
Expenditure on post and telecommunications	142.596	140.078
Other expenses	246.569	342.464
Total	19.065.069	24.469.719

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NOTE 16. COST OF FINANCING

	30 June 2023	30 June 2022
Bank fees and similar costs	85.972	132.588
Interest expenses	15.082.525	7.616.514
Foreign exchange expenses / (income) related to loans	2.019.835	(209.040)
Total	17.188.333	7.540.062

The economic and financial results recorded by Chimcomplex SA in the first semester of 2023 compared to the same period of 2022:

No.	Economic and Financial Indicators	6 MONTHS 2023 thousand lei	6 MONTHS 2022 thousand lei	Differences thousand lei	%
0	1	2	3	4 = 2 - 3	5=4/3*100
1	Turnover	790.334	1.210.211	-419.877	-34,69
2	Total revenue	769.802	1.324.771	-554.969	-41,89
	-operating income	757.759	1.318.652	-560.894	-42,54
	-financial income	12.044	6.119	+5.925	+96,83
3	Total expenses	708.305	1.141.086	-432.781	-37,93
	-operating expenses	678.868	1.129.395	-450.527	-39,89
	-financial expenses	29.437	11.690	+17.746	+151,80
4	Gross result	61.497	183.685	-122.188	-66,52
	-operating result	78.891	189.257	-110.367	-58,32
	-financial result	-17.393	-5.572	-11.821	*
5	Income tax expenses	11.846	31.535	-19.689	-62,44
6	Deferred tax revenue	0	1.480	-1.480	-100,00
7	Net result	49.652	153.630	-103.979	-67,68

In the first half of 2023, compared to the same period of 2022:

- The decrease in turnover was influenced by 65% by the decrease in the quantities sold by the company, amid the maintenance of the downward trend of consumption started in the second half of 2022, and 35% by the decrease in sales prices;
- The operating result is lower than in the same period of the previous year. Chimcomplex aligned itself with the situation in the sales markets, correlating production with sales possibilities and operated in the first semester of 2023 at a reduced capacity, especially with the departments that consume electricity and natural gas, making efforts to reduce costs, including staff layoffs;
- The company managed to achieve an operating profit margin of 10% **in the first half of 2023**.

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In the first semester of 2023, the financial loss of -17,393 thousand lei consists of:

- Interest in loans and other financial expenses in the amount of -14,358 thousand lei, costs that increased with the variable interest margin of EURIBOR;
- Loss from exchange rate differences in the amount of -3,035 thousand lei, of which -1,395 thousand lei are actually realized losses, and -1,640 thousand lei are unrealized, resulting from the revaluation of loan balances, receivable/debt accounts and treasury accounts.

NOTE 17. SIGNIFICANT TRANSACTIONS

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

(i) Related party transactions

	6 months 2023	6 months 2022
Sales		
SC A6 Impex SA DEJ	14.553	9.798
SC Uzuc SA	-	4.770
SC Sistemplast SA	13.152	21.456
SC Somes Logistic SRL	26.139	26.348
C.R.C. Impex Chemicals SRL	1.171	-
SC Caromet SA	-	5.116
Total	55.014	67.488
Acquisitions		
SC Caromet SA	151.345	1.860.290
SC Novatextile Bumbac SRL	16.422	17.493
SC Inav SA Bucharest	64.574	193.447
SC Sistemplast SA	18.318.091	32.114.590
SC Uzuc SA	17.721	112.572
Romanian Commercial Services	-	1.281.940
A5 Invest SRL	3.625.531	1.913.228
Greencomplex Ltd.	17.850	17.850
SC A6 Impex SA Dej	24.686.154	-
CRC Exploration & Business	-	29.430
Total	46.897.688	37.540.839

(ii) Related party balances

	30 June 2023	31 December 2022
Clients		
Vitoria Serv SRL	41.400	41.400
Somes SA Dej	117.185	117.185
Sinterom SA Cluj	1.984	1.984

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(All amounts are given in LEI, unless otherwise specified.)

A6 Impex SRL Dej	4.104.619	4.090.067
CRC Impex Chemicals SRL	13.923.402	18.923.402
SC Novatextile Bumbac SRL	1.000	1.000
SC Sistemplast SA	9.411	-
Caromet Caransebes	1.153.294	1.115.676
CRC Exploration& Business	11.861	11.861
Iasitex	1.423	1.423
CRC Zeus	192.547	192.547
Somes Logistic SRL	5.822	-
Total	19.563.948	24.496.544
Suppliers	30 June 2023	31 December 2022
CRC Exploration& Business	-	49.177
Aisa Invest SA	6.664	6.664
Caromet Caransebes	162.259	340.666
Inav Bucharest	-	4.528
CRC Impex Chemicals SRL	833	833
SC Iasitex SA Iasi	75.842	75.842
Somes Sa Dej	3.131	3.131
SC Sistemplast SA	3.380.668	2.913.571
Uzuc SA	-	398.660
A5 Invest SRL	623.040	573.421
Greencomplex Ltd.	2.975	2.975
Total	4.255.412	4.369.468
Advances	30 June 2023	31 December 2022
Somes dej	233.837	233.837
Caromet	6.395	6.395
Uzuc sa	910.396	910.396
Nova Textile	63.732	80.154
Sistemplast SA	1.172.212	2.233.518
CRC Exploration& Business	148.812	148.812
Total	2.540.386	3.613.113
Warranties	30 June 2023	31 December 2022
Sistemplast SA	2.681.230	2.611.124
Total	2.681.230	2.611.124

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Notes to financial statements as of June 30, 2023

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NOTE 18. OTHER INFORMATION

The Financial Statements as of June 30, 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and are unaudited.

For the conversion into lei of receivables and debts in foreign currency, the exchange rates of June 30, 2023 communicated by the National Bank of Romania were used.

The closing price of one CRC share on June 30, 2023 was RON 17.9 and the market capitalization recorded on this date was RON 5,457,850,533

Litigation

The company is the subject of several legal actions arising in the ordinary course of business. Management believes that all disputes have been registered that will have a material negative effect on the financial performance and financial position of the Company. In addition, the Company is involved in a dispute with the former management, the claims being estimated at 43,322,000 lei. The company considers this to be a contingent liability.

Main risks and uncertainties

Obviously, knowledge of threats allows them to be ranked according to the possibility of their materialization, the magnitude of the impact on objectives and costs involved in measures aimed at reducing the chances of occurrence or limiting undesirable effects.

The sphere of activity of Chimcomplex, both existing and planned, as well as the markets on which it operates, expose the company to risks that could influence its results such as price risk of traded commodities, currency risk, operational risk as well as political and regulatory risks.

The price risk of tradable commodities is continuously monitored and, if necessary, appropriate cash flow safeguards are taken.

Regarding regulatory risk, the Company is in dialogue with the Romanian authorities on topics relevant to the industry. In recent years we have seen a significant number of tax and regulatory initiatives implemented. This increases legislative volatility and influences the entire business environment.

At the level of the Company, the risks related to the development of its own activities are periodically and systematically analyzed, developing the register of identified risks and the plan of appropriate measures to limit the possible consequences of these risks, in accordance with the legal provisions.

Factors that may influence issuer liquidity

As risk factors that affect or could affect the liquidity of the company, we mention the evolution of international quotations for the main products sold by the company, the decrease in market demand due to the downward trend of consumption in European economies negatively affected by the war in Ukraine, as well as the alarming increase in prices for energy products (electricity and methane gas), products with a significant share in the structure of production costs.

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

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Notes to financial statements as of June 30, 2023

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Other information

These financial statements have been prepared based on the going concern principle, which implies that the Company will continue its activity for the foreseeable future. In order to assess the applicability of this presumption, management shall, inter alia, consider forecasts of future cash inflows.

Based on these analyses, management believes that the Company will be able to continue its activities for the foreseeable future and therefore the application of the going concern principle in the preparation of financial statements is justified.

Subsequent events

At the General Meeting of Shareholders on June 21, 2023, the shareholders of Chimcomplex SA Borzesti approved the distribution of dividends for the financial year 2022 in a gross amount of RON 27 million (gross dividend per share amounting to RON 0.088551) to be paid starting July 28, 2023.

At the OGMS of July 31, 2023, the shareholders approve the appointment of 6 statutory members of Chimcomplex SA Borzesti, starting with 01.08.2023, considering the expiration of the mandates of the existing directors, or by co-opting new directors.

Management statement

According to the best information available, we confirm that the unaudited individual interim financial statements prepared for the six-month period ended June 30, 2023 provide a true and fair view of the Company's assets, liabilities, financial position and income and expense statement as required by applicable accounting standards, and that the Executive Board Report provides a true and accurate view of events important issues that occurred during the first six months of financial year 2023 and their impact on the individual interim financial statements.

The Financial Statements as of June 30, 2023 and the Related Notes are available and can be consulted on the company's website at <https://www.chimcomplex.com/docs/rapoarte-financiare/> and the Bucharest Stock Exchange website, www.bvb.ro.

VUZA STEFAN,
GENERAL MANAGER

STĂNCIUGEL NICOLAE,
CHIEF FINANCIAL OFFICER

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RO2021.055.061Q RO2021.055.061E RO2018.055.061



HALF-YEARLY REPORT

on the consolidated interim financial statements of Chimcomplex Group prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 and drafted in accordance with Annex 14 of Regulation no. 5/2018 issued by the Financial Supervisory Authority for the six-month period ending on 30 June 2023

The consolidated financial statements of CHIMCOMPLEX SA ended June 30, 2023 refer to the Company and its subsidiaries: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%) (together being defined as the "Group") and to the Group's interests in associated companies: A6 Impex SA (49.4497%).

The consolidated financial statements mainly comprise the activity of Chimcomplex Borzesti S.A., which is predominant within the Group, its activity in detail being presented in the Report to the Individual Financial Statements. This report contains only additional data as a result of the consolidation of the financial statements at Group level.

1. IDENTIFICATION DATA OF CHIMCOMPLEX SA BORZEȘTI

Current report according to	FSA Regulation no. 5/2018 on issuers of financial instruments and market operations
Date of report	August 31, 2023
Company name	CHIMCOMPLEX SA Borzești
Registered office	Str. Industriilor, nr.3, Onești, Bacău county, Romania
Telephone/fax number	0234/302100; 0234/302102
Website	http://www.chimcomplex.com
Email	ir@chimcomplex.com
Unique registration code with the JRB	RO960322
Serial No in Reg. of Commerce	J04/493/1991
Subscribed and paid-in share capital	304.907.851 lei
The main characteristics of securities	Nominative shares, dematerialized, whose records are kept by the Central Depository SA Bucharest Nominal value, lei/share: 1 leu/share Number of shares: 304,907,851
The regulated market on which the issued securities are traded	BVB, standard category, symbol CRC

CHIMCOMPLEX SA BORZEȘTI was founded in 1990, based on Government Decision no. 1200 of 12.11.1990, by division from Borzesti Petrochemical Plant and full takeover of the patrimony of Borzesti Chemical Plant.



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

The company was privatized in 2003 by signing the share sale-purchase agreement on June 9, A2 IMPEX SRL Ploiesti taking over from APAPS (AAAS) a number of 63,240,247 shares, at a nominal value of 2.5 lei (ron), representing 94.7465% of the share capital of the company at that date.

On December 7, 2018 Chimcomplex SA Borzești acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable property, ongoing investments) related to chlorosodium, propenoxide, polyol-polyether, oxo-alcohols, monomer, PVC I, utilities, wagon park, on the industrial platform Rm.Vâlcea . The value of the transaction was 589,328,986 lei, without VAT.

For the activity in Rm. Vâlcea, the Rm. Vâlcea Branch was established, without legal personality.

The company CHIMCOMPLEX SA Borzești is organized and operates according to the statute and based on Law nr. 31/1991 republished, in compliance with the Capital Market Law no. 297/2004 and the Issuers Law no. 24/2017.

As of June 30, 2023, the share capital of Chimcomplex SA Borzești is RON 304,907,851, divided into 304,907,851 shares with a nominal value of RON 1/share, according to the records from the Trade Registry attached to the Bacau Court.

C.R.C. Holding Alchemy B.V. Amsterdam NLD is the main shareholder. The nominal subscribed and paid-up share capital as of December 31, 2022 is RON 259,760,272 divided into 259,760,272 shares, each with a nominal value of RON 1. Each share entitles its holder to one vote.

Chimcomplex SA Borzești as a company whose shares are admitted to a regulated market (Bucharest Stock Exchange, Standard category, symbol CRC) has adopted IFRS (International Financial Reporting Standard) starting with the financial year 2022.

The consolidated financial statements of S.C. CHIMCOMPLEX S.A. BORZEȘTI (the "Company") on and for the period ended 30 June 2023 were prepared in accordance with IAS 34 Interim Financial Reporting, using the going concern principle.



The company prepares consolidated financial statements as the parent company of a group of companies.

As of June 30, 2023 and December 31, 2022, the subsidiaries and associates of the Parent Company are as follows:

Name	Activity	Bloke	NAIL	Headqu arters	Investment amount	% holding	
						June 30 2023	December 31 2022
Greencomplex Onești SRL	Manufacture of other basic inorganic chemicals	Subsidiary	16030164	Onesti	4.733.030 lei	99.9998%	99.9998%
A5 Invest	Intermediary in the sale of machinery, industrial equipment, ships and aircraft	Subsidiary	17701390	Onesti	6.100.000 lei	100%	100%
A6 Impex SA	Electricity production	Associate	21381692	Dej	57.213.521 lei	49.4497%	49.4497%
Sistemplast SA	General mechanical operations	Subsidiary	11438007	Râmnicu Vâlcea	14.966.000 lei	94,4000%	94,4000%

Description of controlled subsidiaries or companies during the financial year

Greencomplex SRL Onești - The company was founded in 2004. The headquarters of the company is in Str. Industrielor nr. 3, Onești, Bacău county. The main object of activity according to registration with the Trade Register is the manufacture of other basic inorganic chemicals.

SC A5 INVEST SRL Onești - The company was founded in 2012. The headquarters of the company is in Str. Industrielor nr. 3, Onești, Bacău county. The main object of activity according to registration with the Trade Register is intermediation in the trade of machinery, industrial equipment, ships and airplanes.

Sistemplast SA - The company was founded on 12.02.1999. The headquarters of the company is in Râmnicu Vâlcea, Str. Uzinei, nr. 1. The main object of activity starting with 2016 consists of activity "general mechanics operations", CAEN code 2562, and the range of services offered includes maintenance, design, construction, assembly, repair and verification of equipment, installations and automation.

A6 Impex SA - The company was founded in 2013. The headquarters of the company is in Dej, Cluj. The main object of activity is the production and marketing of electricity from renewable sources, energy obtained with a thermal power plant with a production capacity of 9.5 MWh / hour.



2. GROUP STRUCTURE for the six-month period ending 30 June 2023

On 30.06.2023 the group consists of the following companies, which were introduced into the consolidation perimeter:

Company name	Registered office	% control	% interest	Consolidation by
CHIMCOMPLEX	Onești, Bacău			Parent company
Greencomplex Ltd.		100.00%	100.00%	Global integration
A5 INVEST SRL		100.00%	100.00%	Global integration
Sistemplast		94.40%	94.40%	Global integration
A6 IMPEX SA		49.4497%	49.4497%	Equivalence

3. OVERVIEW OF THE GROUP'S WORK

3.1. Parent company overview

The main activity of the parent company according to NACE coding is 2013 – manufacture of other basic inorganic chemicals. The largest share in the income achieved by the company in the first semester of 2023, according to NACE codification, is 2014 the manufacture of other basic organic chemicals, mainly: production of chlorosodium products, polyols-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their domestic and export marketing from Râmnicu Vâlcea Branch.

In the chemical field, it is an integrated Group, which starts from primary raw materials: salt, water, electricity and continues with advanced processing until obtaining finished products.

The Group's core production is structured in two sites: the Chemical Platform – Râmnicu Vâlcea Branch and the Borzesti Chemical Platform.

The main products manufactured by Chimcomplex SA Borzești are:

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



3.2. Subsidiary overview

Greencomplex SRL Onești is a limited liability company headquartered in Str.Industrielor nr.3, Onești, Bacău County, registration number at the Trade Registry J4 / 2/2004, having as object of activity the manufacture of other basic inorganic chemicals, and the activity mainly carried out consists of "Business and management consulting activities".

Currently, the subsidiary's revenues are realized from consulting and management activity.

A5 Invest SRL Onești is a limited liability company headquartered in Str. Industrielor no. 3, Onești, Bacău County, registration number at the Trade Register J4 / 1096/2012, having as object of activity intermediation in the trade of machinery, industrial equipment, ships and airplanes CAEN code 4614, and the activity mainly carried out consists of general mechanics operations CAEN code 2562.

Currently, the subsidiary's revenues are realized from the activity of providing services general mechanical works, the main client being the parent company Chimcomplex SA Borzesti.

Sistemplast S.A. Râmnicu Vâlcea is a joint stock company headquartered in Râmnicu Vâlcea, str. Uzinei, nr. 1, jud. Vâlcea, not being traded on B.V.B.

Currently, the company's revenues come mostly from maintenance and repair activity for the machinery and installations on the Chimcomplex platform in Râmnicu Vâlcea.

Sistemplast SA carries out in relation to the parent company services of:

- Maintenance of equipment, installations, civil and industrial constructions in the mechanical, electrical and automation fields;
- Design, construction, assembly, repair, commissioning, inspection and servicing for mechanical installations under pressure;
- Metrological calibrations for oil gauges, pressure gauges for measuring pressure in oxygen cylinders, ammeters, voltmeters, pressure transducers;
- Repair and technical inspection of electric and hydraulic elevators for people and / or materials;
- Design and execution of interior electrical installations for civil and industrial constructions, aerial and underground connections, at voltages of 0.4 kV;
- Design and execution of overhead or cable power lines with voltages between 0.4 - 20 kV and transformer substations;
- Assembly and maintenance of refrigeration equipment (air conditioners, splitters, blowers, chillers, etc.);
- Execution, inspection and repair of earth sockets;
- PRAM checks;
- Execution and monitoring of fire extinguishing, signaling, alarm and limitation installations

A6 Impex SA is a company founded in 2013. The headquarters of the company is in Dej, Cluj. The main object of activity is the production of electricity.

Currently, the company's revenues come mostly from the electricity production activity.



3.3. Related party transactions of the parent

Sales of goods and services to subsidiaries, totaling 41,863 lei, include deliveries of various materials, rents and utilities, maintenance services. Acquisitions from subsidiaries, totaling MDL 24,936 thousand, mainly include services.

3.4. Contribution of the parent company to comprehensive income

The consolidated financial statements are prepared by summing up the financial statements of the companies: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%) - constituting "Chimcomplex Group SA", and for associated companies only the profit calculated according to the contribution to the share capital is considered.

The results of the group are strongly influenced by the results of the parent company, having the same trend.

3.5. Balance sheet items as at June 30, 2023 compared to December 31, 2022

In the table below you can see the small share of the other companies in the group in the consolidated results:

Indicator	30 June 2023			31 December 2022		
	Group	Mother Company	% Mother Company	Group	Mother Company	% Mother Company
Non-current assets	2.113.877	2.104.273	0,99	2.065.643	2.055.229	0,99
Current assets	556.251	538.248	0,97	794.262	777.633	0,98
Equity	1.669.624	1.655.908	0,99	1.813.293	1.802.600	0,99
Long-term liabilities	714.028	711.930	0,99	645.212	642.648	0,99
Current liabilities	286.475	274.684	0,96	401.400	387.614	0,97

-thousand
lei-

- Compared to December 31, 2022, fixed assets increased by MDL 48,233 thousand, up to MDL 2,113,877 thousand, mainly from the increase in investments carried out for the cogeneration plant and by resuming income adjustments fixed assets put into operation in Onesti;
- Current assets decreased mainly due to lower inventories, trade receivables, advances to suppliers;
- Equity decreased by MDL 143,668 thousand, mainly driven by:
 - covering the amount of MDL 167,000 thousand as interim dividends (gross amount), according to the decision of the Ordinary General Meeting of Shareholders of Chimcomplex SA dated April 28, 2023, from the profit distributed in other reserves for 2022.
 - distribution of dividends from the profit of 2022 in the amount of RON 27,000 thousand, according to the decision of the Ordinary General Meeting of Shareholders of Chimcomplex SA dated June 21, 2023, which will be paid on July 28, 2023, in accordance with the provisions of Regulation no. 5/2018.
 - profit 6 months 2023 in the amount of 51,532 thousand lei.



- Long-term liabilities as of June 30, 2023, increased by RON 68,816 thousand compared to December 31, 2022, mainly by contracting a bank loan from UBS Switzerland to finance the 49Mw high-efficiency cogeneration investment.

3.6. The main economic and financial indicators in the consolidated financial statements according to the International Financial Reporting Standards (IFRS) achieved by Chimcomplex Group as at June 30, 2023, compared to the same period of 2022

No.	Indicators	6 months 2023 thousand lei	6 months 2022 thousand lei	Differences	%
0	1	2	3	4=2-3	5=4/3
1	Turnover	793.527	1.210.509	-416.982	-34,47%
2	Gross result	63.923	183.841	-119.918	-65,23%
3	Net result	51.532	153.773	-102.241	-66,49%

Performance analysis

The value of sales revenue decreased by 34.47% between January and June 2023 compared to the same period last year, mainly influenced by the decrease in the quantities sold by the company, amid a reduction in demand in the European market and also by the decrease in sales prices.

The Group's net result decreased by 66.49% compared to the same period of the previous year, mainly influenced by the results obtained by the parent company holding the share of 99% in total sales revenue.

In the first half of 2023, the polyether market continued the downward trend in consumption started in the second half of 2022. The most affected industries consuming polyols were the comfort industry (mattresses, chairs, furniture), the construction industry and the home appliances industry.

The low consumption of polyethers has generated a continuous decline in prices. Price pressure has been exacerbated by massive imports from China and Korea at prices well below the level of European producers.

In the next period, the Group pursues development by continuing the strategic investment program started in the previous year and aims to increase energy efficiency and stability.

3.7. Group perspective elements

Being mostly dependent on commercial relations with the parent company, the perspective of the group companies depends on its evolution. In the Report of Directors – Individual Statements are described the market trends and commercial policies of Chimcomplex SA Borzești.



4. CHANGES AFFECTING THE CAPITAL AND MANAGEMENT OF THE COMPANY

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

This is not the case.

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

This is not the case.

5. OTHER INFORMATION

In this material are presented only the elements characteristic of the consolidated financial statements, respectively those related to the group of companies controlled by Chimcomplex SA Borzești. The parent company is the only one that carries out production activities. Since the activity of the group is mostly determined by the activity of the parent company (> 98% of revenues), all the other aspects described in the Report of Directors – Individual statements are also valid for the Report of Directors – Consolidated statements, without being repeated in this material.

The Financial Statements as at 30 June 2023 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS-EU").

The report can be consulted at the company's headquarters on 3 Industriilor Street in Onesti, Bacău County or in electronic format on the <https://www.chimcomplex.com/docs/rapoarte-financiare> company's website and on the Bucharest www.bvb.ro Stock Exchange website.

Chairman of the Board of Directors
Stefan Vuza

Financial Director
Nicolae Stanciugel



CHIMCOMPLEX SA BORZESTI

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

prepared in accordance with the Order of the Minister of Public Finance 2844/2016 for approval of Accounting Regulations in accordance with International Financial Reporting Standards (unaudited)

**ON AND FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2023**



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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30, 2023	December 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	1.908.330.398	1.859.918.966
Other rights of use assets	16.096.869	13.844.826
Real estate investment	30.918.061	31.452.222
Intangible assets	120.485.214	122.419.867
Investments in associates and other equity investments	31.288.882	31.288.882
Other long-term financial assets	6.757.163	6.718.514
Total non-current assets	2.113.876.587	2.065.643.277
Current assets		
Stocks	165.083.402	239.200.319
Trade receivables and other receivables	268.926.861	504.194.420
Short-term loans to shareholders	5.695.004	5.327.386
Cash and cash equivalents	116.545.446	45.539.597
Total current assets	556.250.713	794.261.722
Total assets	2.670.127.300	2.859.904.998
EQUITY AND DEBT		
Capital and reserves		
Share capital	304.907.851	1.190.991.169
Own shares	(26.336.361)	(47.794.795)
Capital premiums	4.669.565	4.669.565
Legal reserves	109.882.095	109.516.233
Retained earnings	698.783.235	(21.708.405)
Revaluation reserves	577.222.870	577.222.870
Non-controlling interests	495.210	395.866
Total equity	1.669.624.464	1.813.292.503



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30, 2023	December 31, 2022
DEBT		
Long-term liabilities		
Subsidies	12.879.027	13.778.664
Leasing	10.183.585	8.705.286
Deferred tax liabilities	136.141.686	136.141.686
Provisions	16.337.094	16.302.643
Long-term loans	531.421.104	460.024.477
Other long-term liabilities	7.065.689	10.259.628
Total long-term liabilities	714.028.185	645.212.384
Current liabilities		
Subsidies	27.081.612	27.338.122
Trade and other payables	164.828.022	280.416.067
Leasing	8.221.709	5.949.300
Income tax liabilities	9.960.407	21.859.005
Provisions	19.364.436	18.752.331
Short-term loans	57.018.462	47.085.287
Total current liabilities	286.474.650	401.400.112
Total liabilities	1.000.502.836	1.046.612.496
Total equity and debt	2.670.127.300	2.859.904.998

**VUZA STEFAN,
GENERAL MANAGER**

**STĂNCIUGEL NICOLAE,
CHIEF FINANCIAL OFFICER**



CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME AS OF 30 JUNE 2023

(All amounts are given in LEI, unless otherwise specified.)

	<u>30 June 2023</u>	<u>30 June 2022</u>
Sales	793.527.483	1.210.509.038
Investment income	4.756.087	4.043.978
Other earnings or (losses)	8.040.798	1.497.905
Cost of goods sold	(20.244.331)	(35.730.617)
Change in stocks	(52.931.427)	93.940.997
Expenses with raw materials and consumables	(265.831.650)	(468.582.041)
Salary expenses	(73.832.529)	(78.604.849)
Depreciation charges on fixed assets	(69.332.456)	(41.764.727)
Distribution costs	(20.342.310)	(24.125.397)
Energy and water costs	(209.186.189)	(413.462.398)
Expenditure on services performed by third parties	(16.473.462)	(18.895.180)
Maintenance and repair costs	(2.026.336)	(16.201.142)
Other income	1.643.020	3.264.094
Gain / (Loss) on impairment adjustments for fixed assets	23.169.169	-
Other expenses	(19.623.751)	(24.507.225)
Financing costs	(17.389.185)	(7.541.084)
Profit / (Loss) before tax	63.922.931	183.841.353
Corporate income tax	(12.391.347)	(30.068.079)
Profit / (Loss) of the period	51.531.584	153.773.274
Other comprehensive income	-	-
Total comprehensive income attributable:		
Owners	51.432.240	153.773.274
Non-controlling interests	99.344	-
Profit / (Loss) per share	0,169	0,504

**VUZA STEFAN,
GENERAL MANAGER**

**STĂNCIUGEL NICOLAE,
CHIEF FINANCIAL OFFICER**



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30 2023	December 31 2022
Cash flows from operating activities:		
Profit before tax	63.922.931	318.281.621
Adjustments for non-monetary items:		
Interest expenses	15.248.625	20.123.112
Loss/gain on impairment of investments	-	(8.655.349)
Impairment loss/(gain) on property, plant and equipment	(23.169.169)	-
Interest income	(1.508.221)	(3.302.825)
Loss/gain on disposal of fixed assets	486.352	171.926
Loss/(gain) on provisions	646.556	(17.318.335)
Foreign exchange loss, net	3.035.515	1.130.178
Impairment losses on stocks, net	3.381.921	5.608.961
Amortization	69.332.456	153.988.405
Revenue from subsidies	(1.156.146)	(1.939.752)
	130.220.820	468.087.942
Working capital movements:		
Decreases/increases) in inventories	70.734.997	(108.102.431)
Decreases/increases) in trade receivables and other receivables	61.400.991	(36.117.054)
Increases/decreases) in trade and other liabilities	(93.205.197)	(170.191.049)
Subsidy received for electricity costs	-	32.404.226
Investment subsidies received	5.595.702	-
Cash generated by operating activities	174.747.313	186.081.633
Interest paid	(14.098.255)	(19.124.019)
Corporate income tax paid	(727.023)	(729.791)
Net cash generated by/(used in) operating activities	159.922.035	166.227.823
Cash flows from investment activities:		
Interest received	1.508.221	3.302.825
Proceeds from the sale of non-current assets	-	1.666.252
Acquisition of non-current assets	(153.871.297)	(164.752.434)
Payments for the purchase of financial assets	-	(18.945.921)
Payments for participation in Sistemplast, without purchased cash	-	(758.415)
Net cash used in investment activities	(152.363.077)	(179.487.693)
Cash flows from financing activities:		
Proceeds from loans	109.388.289	218.306.795
Repayment of lease debts	(4.426.580)	(8.081.443)
Dividends paid	(11.483.978)	(214.280.638)
Repayment of loans	(29.750.284)	(38.438.416)
Acquisition of own shares	-	(47.652.341)



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

	June 30 2023	December 31 2022
Net cash (used in)/generated by financing activities	63.727.447	(90.146.043)
(Subtraction) / net increase in cash and cash equivalents	71.286.405	(103.405.913)
Cash and cash equivalents at the beginning of the year	45.539.597	148.351.765
Effects of changes in foreign exchange rates on the balance of cash held in foreign currency	(280.556)	593.745
Year-end cash and cash equivalents	116.545.446	45.539.597

**VUZA STEFAN,
GENERAL MANAGER**

**STĂNCIUGEL NICOLAE,
CHIEF FINANCIAL OFFICER**



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

	<u>Share capital</u>	<u>Own shares</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Retained earnings</u>	<u>Revaluation reserves</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance on January 1, 2022	1.990.991.169	(142.454)	4.669.565	90.273.573	(207.046.362)	578.340.730	-	1.657.086.220
Profit for the year	-	-	-	-	153.773.274	-	-	153.773.274
Dividend distribution	-	-	-	-	(60.000.000)	-	-	(60.000.000)
Redemption of own shares	-	(23,869,867)	-	-	-	-	-	(23.869.867)
Balance as at June 30, 2022	1.190.991.169	(24.012.321)	4.669.565	90.273.573	(113.273.093)	578.340.730	-	1.726.989.622
Balance on January 1, 2023	1.190.991.169	(47.794.795)	4.669.565	109.516.233	(21.708.405)	577.222.870	395.866	1.813.292.503
Profit for the year	-	-	-	-	51.531.584	-	-	51.531.584
Dividend distribution	-	-	-	-	(194.000.000)	-	-	(194.000.000)
Legal reserves	-	-	-	365.862	(365.862)	-	-	-
Granting own actions to management	-	21.458.435	-	-	(21.458.435)	-	-	-
Undo hyperinflation adjustment	(886.083.318)	-	-	-	886.083.318	-	-	-
Minority interests	-	-	-	-	(99.344)	-	99.344	-
Other movements	-	-	-	-	(1.199.615)	-	-	(1.199.615)
Balance as at June 30, 2023	304.907.851	(26.336.361)	4.669.565	109.882.095	698.783.235	577.222.870	495.210	1.669.624.464

**VUZA STEFAN,
GENERAL MANAGER**

**STĂNCIUGEL NICOLAE,
CHIEF FINANCIAL OFFICER**



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

1. GENERAL INFORMATION

These financial statements are the condensed consolidated interim financial statements of S.C. CHIMCOMPLEX S.A. BORZEȘTI (the "Company") and its subsidiaries (together the "Group") at and for the 6-month period ended June 30, 2023.

The company is a limited liability company incorporated in accordance with Romanian legislation and registered in 1991 with the Trade Register.

The headquarters of the company is in 3 Industriilor Street, Onești, Romania.

The Group operates in the chemical industry and its main product groups are: Chlorosodium, Organic Solvents, Inorganic Chlorides, Alkylamines, Polyols and Oxo-Alcohols.

The Group has two production units (Onești and Râmnicu Valcea) representing a single operational segment.

As of June 30, 2023, and December 31, 2022, the subsidiaries and associates of the Company are as follows:

Name	Activity	Bloke	NAIL	Headqu arters	Investment amount	% holding	
						June 30 2023	31 December 2022
Greencomplex Onești SRL	Manufacture of other basic inorganic chemicals	Subsidiary	16030164	Onești	4.733.030 lei	99.9998%	99.9998%
A5 Invest	Intermediation in the sale of machinery, industrial equipment, ships and aircraft	Subsidiary	17701390	Onești	6.100.000 lei	100%	100%
A6 Impex SA	Electricity production	Associate	21381692	Dej	57.213.521 lei	49.4497%	49.4497%
Sistemplast SA	General mechanical operations	Subsidiary	11438007	Râmnicu Vâlcea	14.966.000 lei	94,4000%	94,4000%



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Legal principles

The Individual Interim Financial Statements as at and for the 6-month period ended June 30, 2023 were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards ("IFRS"), as subsequently amended ("OMFP 2844/2016"). For the purposes of OMFP 2844/2016, International Financial Reporting Standards are those adopted according to the procedure provided by the European Commission Regulation no. Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ("IFRS adopted by the European Union")

The consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read together with the Group's consolidated annual financial statements as at 31 December 2022.

The accounting policies adopted in preparing the interim consolidated financial statements are consistent with those followed in preparing the Group's consolidated annual financial statements for the year ended 31 December 2022.

The interim consolidated financial statements comprise the financial statements of Chimcomplex SA Borzesti and its subsidiaries as at June 30, 2023 and are prepared using the principle of business continuity.

2.2. Presentation of financial statements

The individual interim financial statements of S.C. CHIMCOMPLEX S.A. BORZEȘTI (the "Company") on and for the period ended 30 June 2023 were prepared in accordance with IAS 34 Interim Financial Reporting using the going concern principle.

2.3. Business continuity

At the time of approval of the financial statements, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. This reasonable expectation is based on the following:

- The Group recorded net profit of RON 51,531,584 for 6 months 2023 (profit 6 months 2022: RON 153,773,274);
- The Group generated RON 116,545,446 cash from operational activities;
- The Group complies with the financial agreements mentioned in the loan agreements and expects to comply with them also in the next 6-month period.

Thus, the Group continues to adopt the going concern accounting basis in the preparation of interim consolidated financial statements.

These financial statements have been prepared on a going concern basis, which assumes that the Group will continue to operate for the foreseeable future. In order to assess the applicability of this presumption, management shall, inter alia, consider forecasts of future cash inflows.

Based on these analyses, management is satisfied that the Group will be able to continue operating for the foreseeable future and therefore the application of the going-concern principle in the preparation of financial statements is justified.



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

2.4. Basis of assessment

Statutory consolidated financial statements have been prepared on a going concern basis and at historical cost, except for certain classes of financial instruments and property, plant and equipment that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration for assets.

The accounting policies and valuation methods adopted for the preparation of consolidated financial statements are consistent with those used in preparing the Group's consolidated annual financial statements for the year ended 31 December 2022. The amendments effective as of 1 January 2023 did not have a material effect on the Group's interim financial statements.

The Group anticipates that the adoption of these new standards and amendments to existing standards will not have a material impact on the Group's financial statements during the initial application period.

3. STATEMENT OF FIXED ASSETS

As of June 30, 2023, the Group holds the following categories of non-current assets, at net value:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Land and buildings	601.536.183	577.570.451
Technical installations and machines	1.059.596.393	965.191.804
Other installations, machinery and furniture	4.866.473	5.058.500
Real estate investments	30.918.061	31.452.222
Ongoing investments	216.669.204	277.644.516
Rights to use leased assets	16.096.869	13.844.826
Intangible assets	120.485.214	122.419.867
Financial assets	38.046.044	38.007.396
Advances on fixed tangible assets	25.662.145	34.453.698
Total	<u>2.113.876.587</u>	<u>2.065.643.277</u>

On 30.06.2023, the Group recorded commitments for acquisitions of fixed assets mainly for investment projects.

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

The tangible assets located on the Onești industrial platform and part of the assets on the Ramnicu Valcea industrial platform were mortgaged for bank loans, and the insurance policies were transferred to the creditor banks (CEC Bank, Alpha Bank and Garanti Bank).

Separately acquired intangible assets are measured at initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Self-acquired intangible assets, excluding capitalised development costs, are not capitalised and expenses are reflected in the profit and loss account of the year in which the expenditure is incurred. The useful life of intangible assets is assessed as determined or indefinite.



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

The depreciation period and depreciation method for an intangible asset with a fixed useful life shall be reviewed at least every financial year-end.

Real estate investments include land, buildings, furniture and related equipment located in Onesti, Bacău County as well as in Ramnicu Valcea, and are leased to third parties and related parties.

4. STOCK STATEMENT

Inventories are presented at net realisable value, less by depreciation adjustments, obtaining the following values:

	<u>30 June 2023</u>	<u>31 December 2022</u>
Finished products	101.666.594	154.903.384
Raw	30.156.120	39.233.309
Materials	11.760.441	17.748.708
Packaging	1.991.226	2.116.189
Mouldings	13.974.175	15.813.801
Goods	37.050	186.097
Inventory items	593.452	770.932
Stocks in transit	1.575.830	5.096.969
Other stocks	3.328.513	3.330.930
Total	<u>165.083.402</u>	<u>239.200.319</u>

5. STATEMENT OF RECEIVABLES

	<u>30 June 2023</u>	<u>31 December 2022</u>
Clients	81.895.355	86.080.062
Customer impairment adjustments	(1.313.857)	(1.313.857)
Advances paid for services	22.347.738	68.351.469
Receivables representing distributed interim dividends during the year	-	167.000.000
Subsidies - State aid for CO2	103.802.945	64.173.308
Grants receivable - financing projects	20.424.834	25.985.762
VAT recoverable	17.321.756	37.378.202
VAT not chargeable	4.566.145	33.758.757
Trade receivables with related parties	15.701.680	20.536.132
Advance expenses	1.792.938	597.157
Other receivables	2.387.326	1.647.428
Total	<u>268.926.861</u>	<u>504.194.420</u>



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

6. DEBT STATEMENT

	<u>30 June 2023</u>	<u>31 December 2022</u>
Suppliers	96.926.701	214.202.657
Credits	586.293.491	505.855.582
Interest rates on loans	2.146.076	1.254.181
Customers charged in advance	7.405.573	14.611.732
Payroll liabilities	9.810.388	9.550.450
Duties and taxes related to salaries	5.131.887	8.631.376
Other fees	589.253	770.282
Deferred tax liabilities	136.141.687	136.141.687
Income tax liabilities	9.960.407	21.859.005
Subsidies	39.960.640	41.116.786
Provisions	35.701.530	35.054.974
Dividends to be distributed during the financial year	29.173.286	12.879.396
Accrued income	9.952.642	11.976.361
Payments to be made in respect of shares held at affiliated entities	10.966.000	10.966.000
Trade liabilities to related parties	248.729	879.501
Financial lease liabilities	18.405.295	14.654.586
Other debts	1.689.251	6.207.941
Total	<u>1.000.502.836</u>	<u>1.046.612.496</u>

CREDITS

	<u>30 June 2023</u>	<u>31 December 2022</u>
CEC Bank	269.863.241	272.601.382
Alpha Bank	107.224.539	116.633.319
UBS Swizerland	140.888.935	68.913.588
Garanti Bank	67.400.199	45.432.506
OTP Bank	3.031.053	3.497.368
Others	31.600	31.600
Total	<u>588.439.567</u>	<u>507.109.763</u>

As of June 30, 2023, the value of medium and long-term loans increased by 16% compared to December 31, 2022, mainly by contracting a bank loan from UBS Switzerland to finance the 49Mw High Efficiency Cogeneration investment.

All loan agreements concluded contain clauses on financial indicators that the Group is obliged to fulfill, the verification being carried out on a semi-annual basis. The Group complied on June 30, 2023 with all indicators set out in the contracts, continuously monitors the fulfillment of contractual obligations and expects to continue to comply.



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

7. CAPITAL AND RESERVES

	<u>30 June 2023</u>	<u>31 December 2022</u>
Share capital	304.907.851	304.907.851
Share capital adjustment*	-	886.083.318
Capital premiums	4.669.565	4.669.565
Own shares repurchased	(26.336.361)	(47.794.795)
Revaluation reserves	577.222.870	577.222.870
Legal reserves	109.882.095	109.516.233
Retained earnings	647.251.651	(293.322.389)
Result of the period	51.531.584	271.613.984
Minority interests	495.210	395.866
Total	<u>1.669.624.464</u>	<u>1.813.292.503</u>

*On April 27, 2023, the Extraordinary General Meeting of Shareholders (AGEA) of Chimcomplex SA approved the coverage of the accounting loss carried forward from 2022 arising from the application of IAS 29, with the full amounts recorded in the account "Share capital adjustments" (account in which the value of RON 886,083,318 arising from hyperinflation was recorded).

By shareholders' decision of June 30, 2021, the redemption of 7,059,620 own shares was approved. In 2022, the Company repurchased a number of 2,087,562 shares worth 47,652,341 lei. Own shares are presented as a separate line in the statement of changes in equity and on the balance sheet.

8. REPORTING TURNOVER BY OPERATIONAL SEGMENTS

The Group comprises the following operational segments:

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

Presentation of turnover by types of markets:

	<u>30 June 2023</u>	<u>(%)</u>	<u>30 June 2022</u>	<u>(%)</u>
Internal market	260.980.564	33	338.187.135	28
Foreign market	532.546.919	67	872.321.903	72
	<u>793.527.483</u>	<u>100</u>	<u>1.210.509.038</u>	<u>100</u>



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

Presentation of turnover by product types:

	30 June 2023	(%)	30 June 2022	(%)
Polyols – polyethers	376.341.154	47,43	660.103.667	54,53
Chlorosodium	383.793.542	48,37	458.188.847	37,85
Oxo-alcohols	2.142.996	0,27	47.360.635	3,91
Goods (mainly utility resales)	22.082.057	2,78	37.872.922	3,13
Various	9.167.735	1,16	6.982.967	0,58
Total	793.527.483	100	1.210.509.038	100

Presentation of turnover by geographical segments:

	30 June 2023	30 June 2022
Europe	748.887.274	1.097.994.201
Middle East	42.782.559	99.149.574
America	881.456	3.820.465
Asia-Pacific	932.353	8.144.136
Africa	43.841	1.400.662
Total	793.527.483	1.210.509.038

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

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

On the domestic market, product sales were worth RON 261 million in the first half of 2023 (33% of total sales), compared to RON 338 million in the first half of 2022 (28% of total sales).

On the foreign market, product deliveries amounted to 532 million lei. Sales on the foreign market accounted for approximately 67% of total product sales in the first half of 2023, compared to 72% in the same period of 2022.

9. SALES

	30 June 2023	30 June 2022
Income from the sale of finished products	754.588.347	1.152.950.751
Income from the sale of goods	22.082.057	37.872.922
Revenue from services provided	4.244.256	1.979.129
Income from various activities	12.587.345	17.339.662
Revenue from the sale of waste products	25.479	366.574
Total	793.527.483	1.210.509.038



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

10. INVESTMENT INCOME

	30 June 2023	30 June 2022
Rental income	3.247.867	3.452.709
Interest income	1.508.221	591.269
Total	4.756.087	4.043.978

11. OTHER GAINS OR LOSSES

	30 June 2023	30 June 2022
Income from the production of fixed assets	13.459.504	-
Earning / (loss) on changes in provisions	(646.556)	9.665.605
Earning / (loss) on exchange rate differences	(1.015.680)	1.416.561
Earning / (loss) on impairment adjustments current assets	(3.381.922)	(7.655.948)
Earning / (loss) on sale of non-current assets	(374.732)	(2.806.892)
Earning / (loss) from impairment adjustments financial assets	-	875.591
earning / (loss) from various receivables and debtors	-	2.970
Other earnings or (losses)	183	17
Total	8.040.798	1.497.905

12. EXPENDITURE ON RAW MATERIALS AND CONSUMABLES, GOODS, ENERGY AND WATER

	30 June 2023	30 June 2022
Raw materials and consumables	248.769.923	450.818.895
Other material expenses	17.061.727	17.763.146
Energy and water costs	209.186.189	413.462.398
Cost of goods sold	20.244.331	35.730.617
Total	495.262.170	917.775.056

13. SALARY EXPENSES

Staff costs related to the first semester of 2023 compared to the same period of 2022:

	30 June 2023	30 June 2022
Gross wages and salaries	63.596.518	69.311.442
Social security expenses employer	4.401.948	4.668.923
Meal vouchers	5.834.063	3.509.634
Gift vouchers	-	-
Holiday vouchers	-	1.114.850
Total	73.832.529	78.604.849



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

The average number of employees in the first half of 2023 was 1,704 compared to 2,164 in the first half of 2022.

Social insurance is paid for all employees.

The employees of the company are included in the state pension plan.

14. OTHER INCOME

	<u>30 June 2023</u>	<u>30 June 2022</u>
Compensation, fines and penalties	11.149	32.890
Depreciation of investment subsidies	1.156.148	1.076.860
Other operating income	475.723	2.154.344
Total	<u>1.643.020</u>	<u>3.264.094</u>

15. OTHER EXPENSES

	<u>30 June 2023</u>	<u>30 June 2022</u>
ABA Olt penalties - exceeding pollutant concentrations from wastewater	9.265.183	11.984.357
Donation and sponsorship expenses	655.485	579.547
Expenses with taxes and fees	2.961.656	2.840.279
Insurance charges	1.506.963	1.425.854
Expenditure on rents	2.606.852	1.838.056
Environmental protection expenses	209.900	3.716.337
Travel expenses	582.890	448.727
Entertainment expenses, advertising, advertising	923.418	189.116
Expenditure relating to fines and penalties	11.987	683.106
Expenditure relating to staff transport	83.776	316.515
Expenditure on post and telecommunications	148.299	140.078
Other expenses	667.344	345.254
Total	<u>19.623.751</u>	<u>24.507.226</u>

16. COST OF FINANCING

	<u>30 June 2023</u>	<u>30 June 2022</u>
Bank fees and similar costs	120.725	133.610
Interest expenses	15.248.625	7.616.514
Foreign exchange expenses / (income) related to loans	2.019.835	(209.040)
Total	<u>17.389.185</u>	<u>7.541.084</u>



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

17. SIGNIFICANT TRANSACTIONS

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

In the first six months of the 2023 financial year, Chimcomplex Group recorded the following significant transactions with related parties and balances as of June 30, 2023:

(i) Related party transactions

Sales	6 months 2023	6 months 2022
SC A6 Impex SA DEJ	14.553	9.798
SC Uzuc SA	-	4.770
SC Somes Logistic SRL	26.139	26.348
C.R.C. Impex Chemicals SRL	1.171	-
SC Caromet SA	-	5.116
Total	41.863	46.032

Acquisitions	6 months 2023	6 months 2022
SC Caromet SA	151.345	1.860.290
SC Novatextile Bumbac SRL	16.422	17.493
SC Inav SA Bucharest	64.574	193.447
SC Sistemplast SA	-	18.694.802
SC Uzuc SA	17.721	112.572
Romanian Commercial Services	-	1.281.940
SC A6 Impex SA Dej	24.686.154	-
CRC Exploration& Business	-	29.430
Total	24.936.216	22.189.973

(ii) Related party balances

Receivable	30 June 2023	31 December 2022
Vitoria Serv SRL	41.400	41.400
Somes SA Dej	117.185	117.185
Sinterom SA Cluj	1.984	1.984
A6 Impex SRL Dej	4.104.619	4.090.067
CRC Impex Chemicals SRL	13.923.402	18.923.402
SC Novatextile Bumbac SRL	1.000	1.000
Caromet Caransebes	1.153.294	1.115.676
CRC Exploration& Business	11.861	11.861
Isitex	1.423	1.423
SC Uzuc SA	821.596	780.928
CRC Zeus	192.547	192.547
Somes Logistic SRL	5.822	-
Total	20.376.133	25.277.472

Debt	30 June 2023	31 December 2022
CRC Exploration& Business	-	49.177
Aisa Invest SA	6.664	6.664
Caromet Caransebes	162.259	340.666



Notes to the interim consolidated financial statements as of 30 June 2023

(All amounts are given in LEI, unless otherwise specified.)

Inav Bucharest	-	4.528
CRC Impex Chemicals SRL	833	833
SC Iasitex SA Iasi	75.842	75.842
Somes Sa Dej	3.131	3.131
Uzuc SA	-	398.660
Total	248.729	879.500

	30 June 2023	31 December 2022
Advances		
Somes Dej	233.837	233.837
Caromet	6.395	6.395
Uzuc SA	910.396	910.396
Nova Textile	63.732	80.154
CRC Exploration& Business	148.812	148.812
Total	1.363.173	1.379.595

18. OTHER INFORMATION

Litigation

The Group has become the subject of several legal proceedings arising in the ordinary course of business. Management believes that all disputes that will have a material negative effect on the financial performance and financial position of the Group have been registered. In addition, the Group is involved in a dispute with the former management, the claims being estimated at 43,322,000 lei. The Group considers this to be a contingent liability.

Subsequent events

At the General Meeting of Shareholders on June 21, 2023, the shareholders of Chimcomplex SA Borzesti approved the distribution of dividends for the financial year 2022 in a gross amount of RON 27 million (gross dividend per share amounting to RON 0.088551) to be paid starting July 28, 2023.

At the OGMS of July 31, 2023, the shareholders approve the appointment of 6 statutory members of Chimcomplex SA Borzesti, starting with 01.08.2023, considering the expiration of the mandates of the existing directors, or by co-opting new directors.

Management statement

According to the best information available, we confirm that the unaudited individual interim financial statements prepared for the six-month period ended June 30, 2023 provide a true and fair view of the Company's assets, liabilities, financial position and income and expense statement as required by applicable accounting standards, and that the Executive Board Report provides a true and accurate view of events important issues that occurred during the first six months of financial year 2023 and their impact on the individual interim financial statements.

The Financial Statements as at June 30, 2023 and the Related Notes are available and can be consulted on the Company's website at <https://www.chimcomplex.com/docs/rapoarte-financiare/> address and the Bucharest Stock Exchange website, www.bvb.ro.

VOZA STEFAN,
GENERAL MANAGER

STĂNCIUĞEL NICOLAE,
CHIEF FINANCIAL OFFICER

STATEMENT

in accordance with art. 30 of the accounting law no. 82/1991, republished, with subsequent amendments and additions

The annual financial statements on 06/30/2023 have been prepared for:

Entity: **S.C. CHIMCOMPLEX S.A. BORZESTI**

County: 04-BACAU

Address: city ONESTI, str. INDUSTRIILOR, no. 3, tel. 0234/302100

Number of Comercial register: J04/493/1991

Form of ownership: 34- joint-stock companies

Predominant activity (CAEN code and class name): 2013- Manufacture of other basic inorganic chemicals

Unique registration code: RO960322

The undersigned Stefan Vuza as General Director and Nicolae Stanciugel as Financial Director, according to art. 10 paragraph (1) of the Accounting Law no. 82/1991, republished, with subsequent amendments and additions, we assume responsibility for the preparation of the financial statements as of 06/30/2023 and confirm the following:

- a) The accounting policies used to prepare the financial statements are in accordance with the applicable accounting regulations;
- b) The financial statements present fairly the financial position, financial performance and other information related to the activity carried out;
- c) The entity carries out its activity under conditions of continuity.

Signature

Stefan Vuza
General Director

Nicolae Stanciugel
Financial Director