



CHIMCOMPLEX S.A. BORZEȘTI
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Towards

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

Current Report

**drawn up in accordance with ASF Regulation No. 5/2018 on
Financial instruments and market operations**

**on the individual interim financial statements of Chimcomplex SA Borzești
drawn up in accordance with the Order of the Minister of Public Finance no. 2844/2016
drawn up in accordance with Art. 130 of Regulation no. 5/2018 issued by the Supervisory Authority
and contains the economic and financial indicators provided in Annex no. 13
for the one-year period ended on 31 December 2024**

Report Date	February 28, 2025
Company name	CHIMCOMPLEX SA Borzești
Registered office	3 Industriilor Street, Onești, Bacău County, Romania
Phone/fax number	0234/302100; 0234/302102
Website	http://www.chimcomplex.com
Email	ir@chimcomplex.com
Unique ORC registration code	RO960322
Serial No. in the Trade Register	J2018000854383
Subscribed and paid-up share capital	304,907,851 lei
Main characteristics of securities	<ul style="list-style-type: none">• Registered shares, dematerialized, the records of which are kept by the Central Depository SA Bucharest• Nominal value, lei/share: 1 leu/share• Number of Shares: 304,907,851
Regulated market on which issued securities are traded	BVB, standard category, symbol CRC

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In accordance with the data in the company's financial communication calendar and in compliance with the provisions of the legislation specific to the capital market in terms of reporting to capital market institutions and shareholders, CHIMCOMPLEX SA Borzești informs all interested parties of the preliminary individual financial statements concluded on December 31, 2024, drawn up in accordance with the provisions of Order no. 2844/2016 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, as subsequently amended and supplemented.

EXECUTIVE SUMMARY

Financial performance 2024

Chimcomplex ended 2024 with a turnover of RON 1,495.5 million, registering an increase of 6.88% compared to the previous year, despite a market environment marked by volatility and economic pressures.

Total revenues reached RON 1,538.9 million (+12.61%), and total expenses amounted to RON 1,524.7 million (+12.29%).

The operating result was RON 52.2 million, and the net result was RON 3.5 million, reflecting the impact of the increase in the costs of raw materials and utilities, especially in the second half of the year. A major impact was also had by the volatility recorded on the markets, correlated with geo-political changes at European and global level.

Chimcomplex remains in the top 18% of players who have made a profit internationally in the chemical industry. This result is an effect of the "Precautionary Measures and Accelerated Development Plan" launched in 2024 in response to the unfavorable and unpredictable developments in the business environment generated by military conflicts and multiple crises at global level, which culminated in the difficulty of contracting essential raw materials for Chimcomplex, but also in the maintenance of high natural gas prices, electricity, propylene as well as economic forecasts that indicate the maintenance of the negative trend in the next period. The plan aimed at cost reductions and acceleration of investments, aiming to ensure stability and sustainability in the face of present and future difficulties. The cost reduction program for 2024, following the 2023 results, started from the allowances of the members of the Board of Directors and those of the directors, without affecting the rights of employees.

The main aspects of the "Precautionary Measures and Accelerated Development Plan" for 2024 included:

- Resizing the company's management structure, by reducing the number of directors from 7 to 5 and commissions from 5 to 3.
- Resizing the organizational chart and management structure by abolishing and/or merging 11 management positions, including Deputy Financial Director, Deputy Technical Development Director, Deputy General Manager, Vâlcea Operations Director, Deputy Commercial Director, Deputy Production Director, 3 Division Directors, 2 Department Directors.
- The other salary rights were not affected by the precautionary plan that was implemented this year.
- Accelerating investments in 5 strategic projects started 3 years ago and which have reached maturity.

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- No dividends were granted for the 2023 financial year and the profit remained at the company's disposal for investments and liquidity
- At the same time, GreenComplex accelerated production activities in the field of green chemistry and chemical recycling, and ChimComplex launched a feasibility study for the first bio-chemical plant in Romania, with production activities in Iasi and research activities in Bucharest and Buzau.
- As of June 1, Mr. Steven Hunt, a British citizen, took over as CEO of the company. With more than 40 years of executive experience, Mr. Hunt has held various leadership positions in Europe, Asia and the Americas, strengthening his expertise in general, commercial and strategic management.

Strategic investments and sustainability

In 2024, Chimcomplex made investments of RON 94.3 million in the modernization and expansion of production capacities on the Râmnicu Vâlcea and Onesti platforms. The main investment projects include:

- Completion of the 8 MW cogeneration plant and construction of a 49.5 MW plant to optimize energy consumption.
- Launch of an investment in a polyepoxi production facility.
- Launch of a polyurethane foam recycling project, with the aim of contributing to the circular economy.
- Initiation of an investment in a photovoltaic panel park (4.6 MW in Râmnicu Vâlcea and 14 MW in Onești) to increase energy independence.
- The use of hydrogen in cogeneration plants to reduce CO₂ emissions.

Chimcomplex has also completed the acquisition of Logiserv Tank Cleaning, a reference company in the field of washing tankers, containers and IBCs for the transport and storage of liquid chemicals. Logiserv is the first laundry in Romania to offer quality services at European standards recognized by the European Council of the Chemical Industry (CEFIC).

Following the investment of 800,000 euros, Chimcomplex took over the equipment, essential machinery and authorizations to operate the laundry at the best standards. Logiserv Tank Cleaning is the first laundry in Romania certified by Sqas Cleaning and which in turn certifies the provision of services by issuing the ECD type washing certificate. The company also has its own wastewater treatment plant resulting from the washing process, which complies with the conditions imposed by the environmental legislation in force.

This acquisition has allowed us to leverage our expertise to offer customers a wider range of industrial services and ensure that the handling of our products is respected exactly, without the risk of cross-contamination. We continuously invest in new technologies to increase efficiency, but we maintain our focus on environmental protection and sustainability. This is another goal achieved in our strategy to grow steadily.

Market context and challenges

The year 2024 was marked by economic and geopolitical fluctuations, which influenced the demand and prices of raw materials. The European caustic soda and polyols market experienced high volatility, and competition with Asian producers put pressure on profit margins. In this context, Chimcomplex has implemented measures to optimize costs and diversify the product portfolio.

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The alignment of production on profitable segments of the portfolio, such as polyols and chlorosodium products, has offered our company options for diversification and optimization of resources, allowing it to strengthen its position on the market.

Outlook for 2025

For 2025, Chimcomplex aims to:

- Continuing to invest in energy efficiency and reducing the carbon footprint.
- Development of new high value-added chemicals to reduce dependence on imports.
- Strengthening the position in international markets and increasing exports.
- Increasing operational flexibility to respond quickly to market demands.
- Diversification of the business portfolio to eliminate the effects of the cyclicity of the chemical sector.

The company remains committed to sustainability and innovation, with the strategic objective of transforming Chimcomplex into a regional leader in the green chemical industry.

In this context, Chimcomplex and Eonic Technologies, an advanced technology company focused on renewable carbon, have signed a memorandum of understanding. The two companies will collaborate to explore a potential production of CO₂-based polyols, with the aim of improving the sustainability and performance of materials in various industries and bringing sustainable polyol technology to the European market.

Eonic technology uses a catalyst and a patented process to replace up to 30% of fossil fuel-based polyol materials with captured CO₂. Manufacturers can license this technology to produce high-performance polyols suitable for use in a wide range of applications, including foams, laminates, coatings and elastomers for furniture and mattresses, automotive, construction, footwear, clothing, and various industrial purposes.

This initiative supports the reduction of the carbon footprint in European industries by offering polyols made with captured CO₂ instead of fossil fuels, thus contributing to the reduction of CO₂ emissions.

The partnership with Eonic Technologies is a step forward for Chimcomplex. By adopting advanced CO₂-based polyol technology, we help customers reduce their carbon footprint. Placing the Romanian manufacturing industry at the heart of the European sustainability movement, this collaboration not only aligns with our strategy to reduce the environmental impact of our operations, but also strengthens European industrial capacities in the production of eco-friendly, high-performance materials. Together, we will unlock new opportunities for innovation and growth, creating a brighter and greener future for the chemical industry

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Presentation of the preliminary financial results, from the current activity, for the year 2024

- **Revenues:** Total revenues in 2024 were RON 1,538,995 thousand, of which RON 1,525,975 thousand operating revenues and RON 13,020 thousand financial revenues.
- **Costs:** The total expenses recorded in 2024 were 1,524,695 thousand lei, of which 1,473,771 thousand lei operating expenses and 50,924 thousand lei financial expenses.
- **Profit/Loss:** As of December 31, 2024, the company recorded an operating profit (operating result) of RON 52,204 thousand. On total activity, the net result was a profit of 3,484 thousand lei.

	Lei	
	December 31, 2024	December 31, 2023
Total gross result, of which:	14.299.831	8.825.048
- operating result	52.203.976	34.406.307
- financial result	(37.904.145)	(25.581.259)
Corporate income tax expenses	(10.815.755)	-
Deferred tax revenues	-	6.448.755
Net result	3.484.076	15.273.803

Between January and December 2024, investment expenses in the amount of 94,261 thousand lei were made on both platforms in Râmnicu Vâlcea and Onesti, for works to complete the 8MWe high-efficiency cogeneration plant, construction of the 49.5MWe cogeneration plant. And the start of the POLYEPOXIDE project (epichlorohydrin-based resins) which aims to obtain 26,000 t/year epichlorohydrin, of which approximately 15000 t/year will be processed into 24,000 t/year epoxy resins; Several types of epoxy resins will be able to be produced, depending on the desired viscosity, density and epoxy equivalent.

The completed cogeneration plants, both the 49.5MWe and the 8Mwe ones, use natural gas and provide part of the electricity needs for the Râmnicu Vâlcea platform through a state-of-the-art technological process.

From the investment program approved for 2024, modernization, arrangement and other equipment works were also carried out. Acquisitions/replacements of equipment, capacity expansion and ensuring the modernization, efficiency and reliability of the operation of manufacturing and commercial flows were considered, as well as investments for environmental protection.

In the next period, the company pursues development by continuing the strategic investment program started in 2024 and aims to become more efficient and stable in terms of energy.

The preliminary unaudited financial statements for 2024 were prepared in accordance with the provisions of Order no. 2844/2016 are not audited and have not been reviewed by an external auditor.

The audited annual individual and consolidated final financial statements will be published on March 25, 2025.

These preliminary financial statements present the financial results related to the current activity carried out by the company in 2024. Until the approval of the financial statements in their final form, there may be

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changes whose influence cannot be quantified at the date of this report and to which we draw attention that they could influence the total financial results for 2024.

The activity that holds the largest share in the company's revenue in 2024, according to the NACE code, is 2014 - the manufacture of other basic organic chemicals.

1. ECONOMIC AND FINANCIAL SITUATION

1.1. Presentation of the financial results for the period January-December 2024

The financial situation related to the activity carried out by the company in the period January-December 2024, compared to the same period of the previous year, is presented as follows:

Indicators	Year 2024	Year 2023	Differences	%
economic and financial	thousand lei	thousand lei	thousand lei	
1	3	2	4 = 3 - 2	5=4/2*100
Turnover	1.495.532	1.399.299	96.233	6,88
Total Revenue	1.538.995	1.366.632	172.362	12,61
- operating income	1.525.975	1.343.854	182.121	13,55
- financial income	13.020	22.778	-9.758	-42,84
Total expenses	1.524.695	1.357.807	166.887	12,29
- operating expenses	1.473.771	1.309.448	164.323	12,55
- financial expenses	50.924	48.360	2.564	5,30
Gross result	14.300	8.825	5.475	62,04
- operating result	52.204	34.406	17.798	51,73
- financial result	-37.904	-25.581	-12.323	*
Corporate income tax expenses	10.816	0	10.816	*
Income from deferred tax	0	6.449	-6.449	*
Net result	3.484	15.274	-11.790	-77,19

The company's financial results in 2024, compared to 2023:

- **The 7% increase in turnover** compared to the same period of 2023, amid the maintenance of a reduction in demand in the European market for all products put on the market by the company. Europe's energy crisis has been escalating since 2023, leading to increases in prices and production costs relative to market prices, which has forced many factories to close due to their inability to afford high energy costs. This problem was not fundamentally solved in the second half of 2024. Instead, it has worsened. Rising inflation affects consumers' purchasing power, creating more uncertainty in the market.
- **Revenues:** Total revenues in 2024 were RON 1,538,995 thousand, of which RON 1,525,975 thousand operating revenues and RON 13,020 thousand financial revenues.
- **Costs:** The total expenses recorded in 2024 were 1,524,695 thousand lei, of which 1,473,771 thousand lei operating expenses and 50,924 thousand lei financial expenses. Expenditure on raw materials had a faster growth compared to the increase in revenues.
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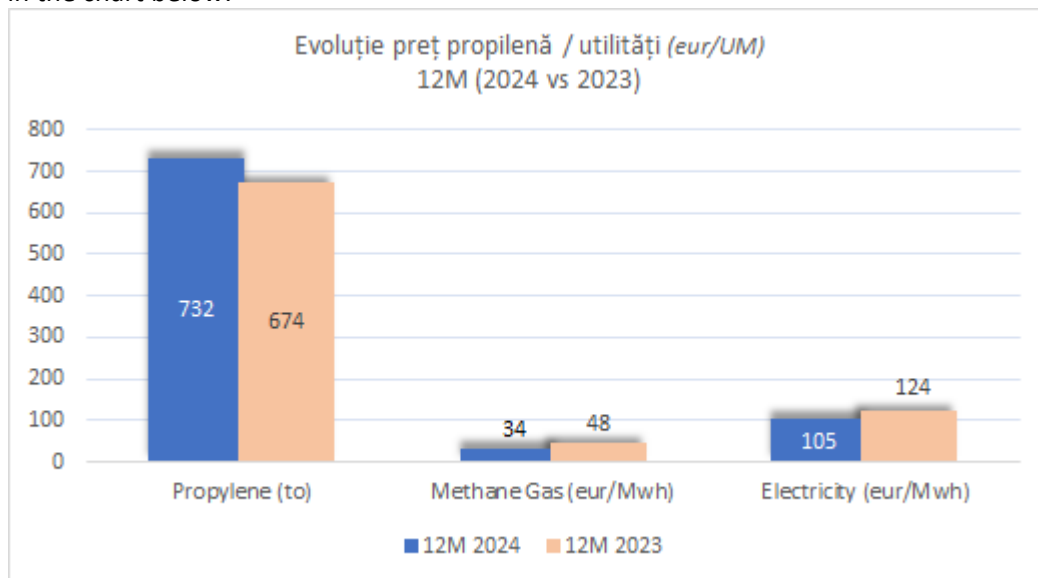
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- **The operating result** increased by RON 17,798 thousand, of which RON 15,638 thousand on account of the increase or decrease in the revaluation. We conclude that the actual operating result remained at the same level in 2024 (RON 36,566 thousand) and 2023 (RON 34,406 thousand).
- In 2024, **the financial loss** of -37,904 thousand lei consists of:
 - Interest on loans and other financial expenses in the amount of -38,248 thousand lei, costs that increased with the variable margin of the Euribor interest rate and with the contracting of new loans;
 - Profit from exchange rate differences in the amount of 344 thousand lei, of which -424 thousand lei are actual realized losses, and 768 thousand lei represents profit resulting from the revaluation of balances on loans, receivables/payables accounts and treasury accounts.
- Therefore, **the profit before tax** as of December 31, 2024 was in the amount of RON 14,300 thousand, compared to 2023 when a gross profit of RON 8,825 thousand was obtained.

For transparency, it is worth noting the operating profit margin of 3.5%, although there were significant increases in the cost of raw materials, thus ensuring financial sustainability in the current economic context. Although the gross profit before tax was significantly affected by the increase in operating expenses, the management team focused its resources on adjusting procurement plans and renegotiating supply contracts, minimizing the impact of inflation on operating costs. Average utility purchase prices decreased in the first half of 2024 compared to the same period of 2023, and for propylene the price increased, information presented in the chart below:



Utility costs decreased, as a result of the reduction in purchase prices, determined by the decrease in the prices of natural gas and electricity on the market, with a favorable impact on the costs of finished products that consume large utilities (soda, oxo-alcohols) in the first half of the year. Starting with July 2024, the price of electricity has experienced an upward evolution, and the price of natural gas has had an upward evolution since November, both of which have a significant impact on the evolution of costs in the second half of 2024.

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In order to reduce the costs of purchasing electricity, Chimcomplex started trading on the PZU-OPCOM market starting with 26.09.2023.

Chimcomplex purchased natural gas at the price of BRM (Romanian Commodity Exchange, price displayed daily).

Analyzing the physical production by product categories carried out in 2024 compared to the same period of 2023, we see an increase especially in polyol-polyether products and a decrease in chlorosodium products.

Productions made	12M 2024 -Tons-	12M 2023 -Tons-	Differences -Tons-	%
Chlorosodium	318.544	320.012	(1.468)	0%
Propenoxide	73.312	69.564	3.748	5%
Polyols	87.172	81.677	5.496	7%
Plasticizers	42.075	2.758	39.317	1.426%
Inorganic chlorides	7.189	6.201	989	16%
Methylamine	246	1.245	(999)	-80%
Total	528.538	481.456	47.082	10%

From January to December 2024, the company mainly produced and delivered three product categories:

- **Polyols – polyethers** with a share of 45% in total sales;
- **Chlorosodium products** with a share of 36% in total sales, of which **Liquid and solid soda** with a share of 26% in total sales;
- **Oxo products – alcohols** with a share of 15% in total sales.

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

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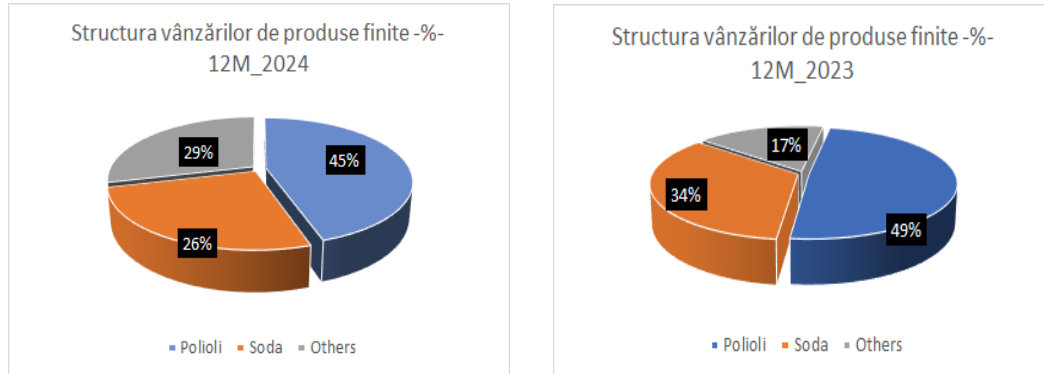
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Share of the main products in total sales in 2024 compared to 2023:



Chlorosodium Products Market Year 2024 Compared to 2023

In the first 9 months of 2024, the European caustic soda market recorded high availability, reflected in the pressure on selling prices, followed by a restriction of availability at the end of Q3, due to the multiple production problems announced by the big players, planned maintenance and reduced availability in the Mediterranean. While reduced availability led to an upward trend in prices in the third quarter and a more optimistic outlook for the fourth quarter, producers' margins were reduced to a minimum due to the extremely large oscillations and peaks recorded in the price of energy in the 3rd quarter, due to the prolonged heatwave in Europe.

On the other hand, Q4 was characterized by stable supply and demand in Central and Eastern Europe, and margins were significantly affected by energy prices, which are a critical factor for caustic soda production costs. The high availability and restriction of consumer activity at the end of the year led to the adjustment of the electrolysis operating rates according to consumption for the end of December and the beginning of 2025.

Consumption remains low compared to user industries. Large consumers in the alumina, pulp and paper industry remain in low operation. Although in the first quarter of 2024 the operating rates of electrolysis in Europe increased compared to the same period in 2023 amid the increase in chlorine demand in PVC production following the reduction of imports and the maintenance of MDI exports at a high level, boosting the production of caustic soda without any additional demand to absorb the surplus, currently, chlorine demand remains low amid low demand for chlorine derivatives (PVC, polyethers, ECH, etc.) which have suffered as a result of low demand in the construction sector, high inflation and high interest rates on financing. High transport quotations and the Suez Canal crisis have limited Europe's import and export opportunities in the short term, and the impact on domestic supply has been limited, with local chlorine demand remaining the main driver of caustic soda availability.

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

As can be seen from the table below, the operating rates of electrolysis in Europe in 2024 were in the range of 61-74%, compared to the same period of 2023, when the operating level was 59-68%, registering an average increase of 5%, but with a significant reduction in September and October.

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Chlorine production and capacity utilisation - EU27 + Norway/Switzerland/UK

Moon	Production (tons)		% change	Capacity Used (%)	
	2023	2024		2023	2024
January	590.627	695.861	17,80%	59,00%	68,40%
February	612.206	705.601	15,30%	67,80%	74,10%
March	607.812	690.556	13,60%	60,80%	67,90%
April	599.618	666.159	11,10%	61,90%	67,70%
May	621.288	685.367	10,30%	62,10%	67,40%
June	595.554	666.133	11,90%	61,50%	67,70%
Semester I	3.627.105	4.109.676	13,30%	62,10%	68,80%
July	658.145	698.668	6,20%	65,80%	68,70%
August	624.485	672.776	7,70%	62,40%	66,10%
September	589.803	606.691	2,90%	60,90%	61,60%
October	582.096	630.751	8,40%	58,20%	62,00%
November	599.383	652.377	8,80%	61,90%	66,30%
December	609.023	663.498	8,90%	60,90%	65,20%
Semester II	3.662.934	3.927.184	7,20%	61,70%	65,00%
Total	7.290.039	8.036.860	10,20%	61,90%	66,90%

The operating rate of Chimcomplex electrolysis was approximately 70%, thus being above the European average

Finished products sold (chlorosodium)	Achieved	Achieved	Differences	Δ%	Budget	Δ%
	2024	2023			2024	
	TOTAL (tons)	TOTAL (tons)	TOTAL (tons)	TOTAL (tons)		
0	1	2	3=1-2	5	6=1/5*100	
Total	237.783	242.943	-5.160	98%	260.110	91%

The main challenge we continue to face is the decrease in demand for caustic soda and the struggle to maintain market segments in all European countries. The recovery of caustic soda consumption is generated by the return of the alumina, pulp and paper and water treatment industry, but also by the return of the consumption of chlorine derivatives – mainly PVC and polyurethanes. In addition, the possibility of ending the conflict in Ukraine will help by relocating consumption and increasing the operating rates of production capacities.

European caustic soda production will remain largely stable without significant changes in production. There is still uncertainty regarding the level of energy prices, which puts pressure on the cost of production, reducing producers' margins significantly.

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Polyether market in 2024, compared to the same period in 2023.

The European polyol market faced unprecedented challenges and uncertainties in 2024, the third year in a row that the European polyether market suffered. Europe, as a major global economic player, attracts significant attention due to its market dynamics. However, against the backdrop of the energy crisis, high inflation and geopolitical conflicts, the European polyol market is currently going through a difficult period, with all target sectors doing poorly: the automotive industry, construction, private consumption.

Europe's energy crisis has escalated since 2023, leading to increases in prices and production costs relative to market prices, which have forced many factories to close due to their inability to afford high energy costs. This problem was not fundamentally solved in the second half of 2024. Instead, it has worsened. Rising inflation affects consumers' purchasing power, creating more uncertainty in the market. It often forces households to allocate limited funds for essential items, such as food, and to withdraw non-essential expenses, such as buying a new mattress or sofas, which are products made from polyols.

Polyether-polyols, as essential chemical raw materials, have a wide range of applications in various sectors, such as upholstered furniture, automotive interiors, and building materials. However, these downstream markets have all been severely affected in the current macro-environment. The upholstered furniture industry is particularly affected, with many furniture manufacturers having to reduce production or even face the risk of bankruptcy due to falling demand. Automotive production has declined as a result of supply chain disruptions and weak demand, further reducing demand for polyether polyols.

The European polyether polyol market faces more severe challenges than China or the US. Although China's domestic market is relatively saturated, it can absorb excess capacity by expanding exports. Chinese polyether polyol suppliers hold a certain market share internationally due to their price advantage. With high production costs, European polyether polyols are not competitive in export markets. European suppliers are therefore unable to expand their businesses through price competition, like their Chinese counterparts.

The prices of European polyetherpolyol remained low in the second half of 2024. The overall market is tight due to weak demand, especially in the automotive and upholstered furniture sectors, which have demonstrated a significant reduction in demand for polyether polyols. Propylene oxide, as one of the essential raw materials for polyetherpolyols, plays a crucial role in influencing the market prices of polyetherpolyols. However, the cost support of propylene oxide in Europe is not very strong. Many European polyether polyol suppliers have had to reduce production levels to cope with cost pressure. The price increase in the first quarter of the year was generated exclusively by the logistical blockage in the Red Sea-Suez Canal being closed due to conflicts in the area. With the rebalancing of the logistical flow of imports from Asia – the Middle East, the prices of polyethers on the European market have continuously eroded.

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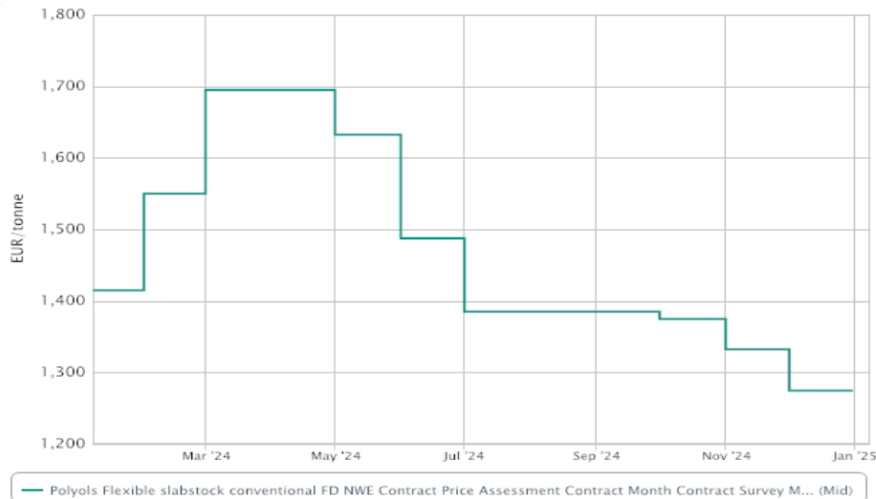


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The amount of polyols supplied to the market by Chimcomplex in 2024 was 81,583 tons, which represents an increase of approximately 2% compared to 2023. The company had significant sales increases in markets such as the UK, Ukraine, Greece, Sweden and Spain, but faced declines in Western European markets such as Germany, Italy and the Benelux.

Quantitative evolution of polyether sales in 2024:

Polyols	2024	2023	2024/2023
Flexible	46.994	48.045	97,81%
Polymers	1.410	1.101	128,06%
Special	25.944	23.429	110,73%
Rigid	7.236	7.562	95,69%
TOTAL	81.583	80.137	101,80%

The great challenge for European polyether-polyol producers remains in 2025 the efficiency of production costs, the international political context that can significantly influence the flow of imports, the price of oil – propylene, the price of gas and energy and the sustainability policy and reduction of CO2 emissions led by the European authorities.

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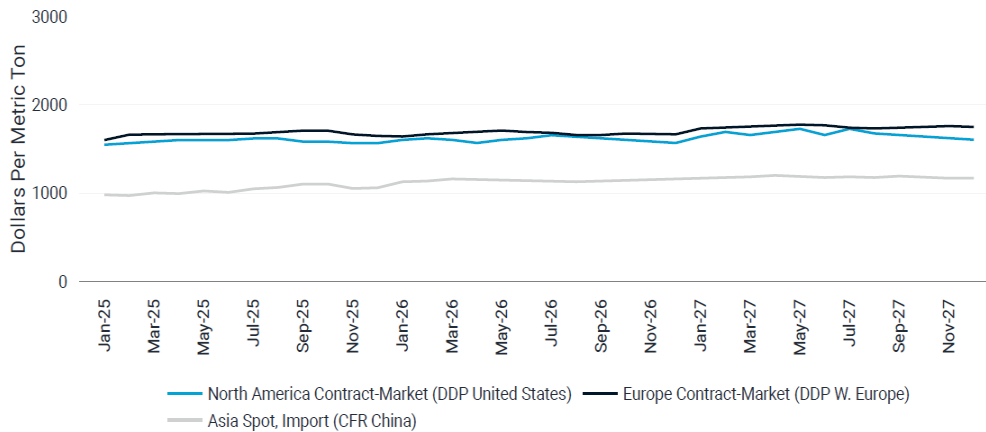
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Propylene Oxide Price Forecast

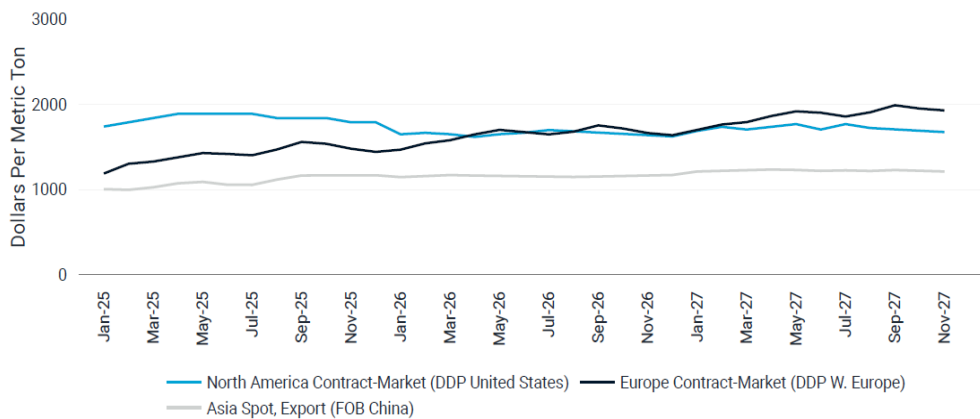


Note: Based on low end of monthly price range.
Source: Chemical Market Analytics by OPIS

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Despite the current gloomy market situation, there are still some positive factors in the European polyether-polyol market in 2025, with market growth supported by private consumption in particular. Demand is forecast to improve slightly but steadily in 2025, which is also reflected by the evolution of Chimcomplex sales in 2024.

Flexible Polyether Polyols Price Forecast



Note: Based on low end of monthly price range.
Source: Chemical Market Analytics by OPIS

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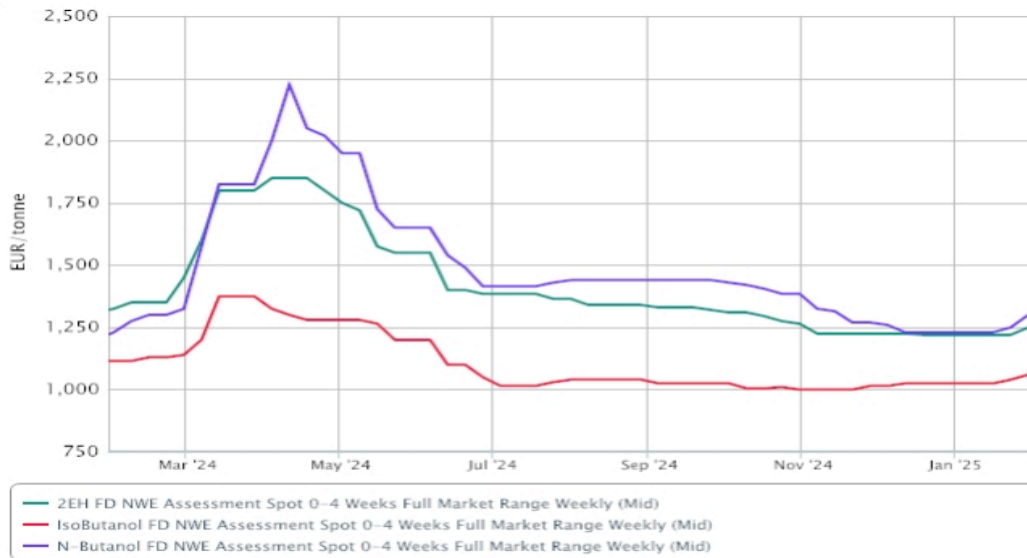
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Oxo Product Market from January to December 2024

Chimcomplex restarted the oxo-alcohol production facility at the beginning of 2024, forecasting a monthly operating capacity as follows: 2,700-3,200 tons of 2-Ethylhexanol (2EH), 135 tons of n-Butanol (NBA) and 270 tons of Isobutanol (IBA).

Between January and December 2024, the oxo-alcohol markets in Europe and Turkey experienced notable changes, influenced by external and regional factors. The price and availability of propylene remained central to the production costs of oxo-alcohols across Europe, due to its role as the main raw material. Supply chain problems at the beginning of the year led to higher propylene prices, amplified by external pressures from Asian markets, especially between February and May. This shortage of propylene has forced European producers to purchase it at higher costs and from non-European sources in order to maintain production levels. As a result, oxo-alcohols recorded price adjustments, stabilizing only in the middle of the year, but at a higher level than at the beginning of 2024.

Another problem arose in the fourth quarter of the year, when at the regional level we had to face a very high increase in electricity and natural gas prices. These increases had a major impact on the final production costs of oxo-alcohols, their total share in production costs being over 35%.



In this context, most European oxo-alcohol producers have adjusted their pricing strategies, moving towards spot price contracts instead of fixed formula ones, in order to manage volatility and ensure continuity of contracts with customers. However, competitiveness among oxo producers has been increased both in Europe, due to the trade policy practiced by the manufacturer in Poland, and in Turkey due to the massive imports recorded especially in the second half of 2024.

The impact of these challenges was particularly noticeable in the construction and automotive sectors, where demand for oxo-alcohol derivatives such as plasticizers and paints was fluctuating due to economic uncertainties and the industrial slowdown.

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The Turkish market followed similar trends, with fluctuations in demand influenced by the active construction sector and regional adjustments in the supply chain. Turkish consumers, faced with changes in regional demand and competitive import prices from Asia, the US and Russia, have encountered difficulties in selling 2EH-based finished products. However, demand from Turkey's construction and manufacturing sectors has maintained a relatively stable flow, although price sensitivity has remained high as regional economic challenges have influenced consumers' purchasing power. Based on the increased consumption, Turkey's market for 2EH has also become attractive for oxo-alcohol producers in Asia and the USA, which has led to imports of over 30 thousand tons of 2EH between September and December.

Despite the difficulties that arose in both the European and Turkish markets, the Chimcomplex team aligned the sales strategy with market conditions, resulting in quantitative sales that exceeded the budgeted quantities:

Finished products sold (oxoalcohols)	Achieved	Achieved	Differences	Δ%	Budget		
	12 months/2024	12 months/2023			12 months/2024	Δ%	
	TOTAL (tons)	TOTAL (tons)	TOTAL (tons)		TOTAL (tons)		
	0	1	2	3=1-2	4=3/2*100	5	6=1/5*100
Total	39.126	904	38.222	4.228%	35.660	109,72%	

The general outlook of the oxo-alcohols market is a pessimistic one, caused by production costs that are rising amid price increases for the main raw materials: propylene, gas and electricity.

The evolution of sales, by geographical areas, between January and December 2024 compared to the same period of 2023 is shown below:

	Year 2024 -thousand lei-		Year 2023 -thousand lei-	
Europe	1.258.694.846	84,16%	1.324.337.061	94,64%
Middle East	224.801.089	15,03%	71.537.959	5,11%
Asia-Pacific	5.303.192	0,35%	1.876.469	0,13%
Africa	4.724.139	0,32%	62.969	0,00%
America	2.008.675	0,13%	1.484.053	0,11%
TOTAL	1.495.531.942	100,00%	1.399.298.512	100,00%

Chimcomplex has aligned itself with the market situation by correlating the production of polyethers 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 markets with very low prices caused by massive imports from China (especially Turkey) were limited.

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Input prices have been renegotiated in order to reduce production costs. The main challenge we continue to face is the decrease in demand for caustic soda and the struggle to maintain market segments in all European countries. European caustic soda production will remain largely stable with no significant changes in production.

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

ACTIVE	December 31, 2024	December 31, 2023
	thousand lei	thousand lei
Fixed assets	2.524.218	2.197.619
Current assets	503.251	532.953
Total assets	3.027.469	2.730.572
EQUITY AND LIABILITIES		
Total equity	1.998.891	1.737.643
Long-term debts	760.048	575.479
Current payables	268.530	417.450
Total equity and liabilities	3.027.469	2.730.572

Compared to the beginning of the year, the following can be observed:

- The increase in **fixed assets** by RON 326,599 thousand, of which RON 314,496 thousand as a result of the revaluation of assets, RON 2,930 thousand investments in LOGISERV affiliated entities and the difference in the increase in depreciation for assets put into operation for completed investments.
- **Current assets** decreased by RON 29,702 thousand compared to the beginning of the year as a result of:
 - the decrease in inventories by 6,444 thousand lei (significant decrease due to the destocking of finished products);
 - the increase of receivables by 36,359 thousand lei;
 - of the decrease in cash availability by 59,617 thousand lei.
- **Shareholders' equity** decreased by RON 261,248 thousand in the current period under the influence of the following factors:
 - profit for 2024 in the amount of 3,484 thousand lei
 - revaluation reserves 343,179 thousand lei
 - redemption of own shares (33,389) thousand lei
 - expenses with benefits granted to SOP II employees 3,176 thousand lei;
 - Deferred tax (54,876) thousand lei
 - loss from the evaluation of post-employment benefits (327) thousand lei.
- **Long-term debts** as of December 31 , 2024 increased by RON 184,569 thousand compared to the value as of December 31, 2023.

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1.3. Cash flows

Item name	31.12.2024	31.12.2023
Cash availability at the beginning of the period	139.762	40.467
Cash flow from operating activities (A)	73.413	242.514
Cash flow from investing activity (B)	(84.919)	(227.294)
Cash flow from financial activity (C)	(49.755)	85.144
Net cash flow (A+B+C)	(61.262)	100.364
Effects of exchange rate changes on foreign currency cash balance	331	(1.069)
Cash available at the end of the period	78.831	139.762

thousand lei

Cash flow from operating activities decreased by RON 169,101 thousand compared to 2023, reaching RON 73,413 thousand, mainly as a result of the unfavorable evolution of changes in net working capital.

In 2024, **cash flow from investment activities** resulted in cash outflows of RON 84,919 thousand (31.12.2023: RON 227,294 thousand), mainly related to payments made for investments in property, plant and equipment.

Cash available as of December 31, 2024 totals RON 78,831 thousand, compared to December 31, 2023 (RON 139,762 thousand) and compared to June 30, 2024 (RON 125,513 thousand).

1.4. Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the company's liquidity, compared to the same period last year.

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

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

By the nature of the activity of processing, transporting and selling products, Chimcomplex SA is inherently exposed to safety and environmental risks

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.

The Company continues to closely monitor the existing conflict in Ukraine and regularly assesses the potential impact of any additional sanctions, potential changes in Russian cargo flows, or any disruptions in the global supply chains of its business activities.

Also, Chimcomplex continues to closely monitor the evolution of international quotations for the main products marketed and to regularly assess the possible impact on the Company's cash flow and liquidity and

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responds to the situation with targeted measures to protect the Company's economic stability, as well as the security of supply of energy and methane gas, products with a significant share in the structure of production costs. This geopolitical context continued to have a negative impact on the preliminary financial statements as of December 31, 2024, similar to last year.

The risk class of the clients in the Chimcomplex portfolio could also be negatively influenced by the risk factors mentioned above. The Company monitors its exposures to partners as part of its standard credit risk management processes.

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.

The consequences of the existing conflicts in Ukraine and the Middle East, the decoupling of the European energy market and the related regulatory measures, other economic disturbances currently observed and new interventions in the regulatory sphere, cannot be credibly estimated at this stage. From the present perspective, we expect that, based on the measures listed above, the Group's ability to continue its activity is not affected.

2. CHANGES AFFECTING THE COMPANY'S CAPITAL AND MANAGEMENT

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

This is not the case.

2.2 Description of any change in the rights of holders of securities issued by the Company.

This is not the case.

3. AFFILIATE PARTY TRANSACTIONS

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

(i) Transactions with related parties (amounts expressed in LEI)

Sales	Year 2024	Year 2023
A6 Impex SA Dej	6.956	15.946
Sistemplast SA Rm.Vâlcea	11.289	40.207
Greencomplex SRL Onești	13.022	-
Someș Logistic SRL Dej	55.523	55.415
Romanian Commercial Services SA Piatra Neamt	3.900	-
CRC Impex Chemicals SRL Ploiesti	-	1.171
Logiserv SRL Rm.Vâlcea	15.161	-
Dafcochim Distribution SRL Tg.Mureș	36.412.763	84.440.750
Vedra SRL Rm.Vâlcea	5.065.774	7.815.683
Total	41.584.389	92.369.172

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Purchases	Year 2024	Year 2023
Caromet SA Caransebeș	3.447.909	983.203
Novatextile Bumbac SRL Pitesti	802	17.596
Inav SA Bucharest	-	64.574
Sistemplast SA Rm.Vâlcea	31.359.686	38.714.154
Uzuc SA Ploiesti	304.727	90.578
Romanian Commercial Services SA Piatra Neamt	405.716	-
A5 Invest SRL Onești	5.285.500	7.195.251
Greencomplex SRL Onești	64.260	54.740
A6 Impex SA Dej	16.335.285	45.239.710
CRC Exploration&Business SRL Onești	166.183	99.972
Sinterom SA Cluj-Napoca	28.780	15.719
CRC Worldtrade SRL Rm.Vâlcea	30.000	-
Total	57.428.849	92.475.498

(ii) **Balances with related parties (amounts expressed in LEI)**

Claims	December 31, 2024	December 31, 2023
Vitoria Serv SRL Bucharest	41.400	41.400
Someș SA Dej	117.185	117.185
Sinterom SA Cluj-Napoca	1.984	1.984
A6 Impex SA Dej	4.102.430	4.106.012
CRC Impex Chemicals SRL Ploiesti	13.923.402	13.923.402
Novatextile Bumbac SRL Pitesti	1.000	1.000
Sistemplast SA Rm.Vâlcea	2.788	3.109
Caromet SA Caransebeș	1.265.676	1.191.602
CRC Exploration&Business SRL Onești	11.861	11.861
Iașitex SA Iași	1.423	1.423
CRC Zeus Amsterdam	207.590	200.526
Logiserv SRL Rm.Vâlcea	1.246.129	-
Dafcochim Distribution SRL Tg.Mureș	2.777.731	11.062.657
Total	23.700.598	30.662.161

Debt	December 31, 2024	December 31, 2023
Aisa Invest SA Cluj Napoca	6.664	6.664
Caromet SA Caransebeș	221.259	733.188
CRC Impex Chemicals SRL Ploiesti	833	833
Iasitex SA Iași	75.842	75.842
Someș SA Dej	3.131	3.131

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Sistemplast SA Rm.Vâlcea	4.574.978	4.799.825
Uzuc SA Ploiesti	148.477	72.856
A5 Invest SRL Onești	483.818	727.760
Greencomplex SRL Onești	5.355	5.235
Sinterom SA Cluj-Napoca	2.221	-
A6 Impex SA Dej	7.237	-
Romanian Commercial Services SA Piatra Neamt	23.430	-
CRC Worldtrade SRL Rm.Vâlcea	30.000	-
Total	5.583.244	6.425.334

Advances	December 31, 2024	December 31, 2023
-----------------	--------------------------	--------------------------

Someș SA Dej	233.837	233.837
Caromet SA Caransebeș	6.395	6.395
Uzuc SA Ploiesti	910.396	910.396
Novatextile Bumbac SRL Pitesti	63.732	63.732
Sistemplast SA Rm.Vâlcea	488.883	488.883
CRC Exploration&Business SRL Onești	199.142	148.812
Total	1.902.386	1.852.056

Guarantees	December 31, 2024	December 31, 2023
-------------------	--------------------------	--------------------------

Sistemplast SA Rm.Vâlcea	2.200.185	3.298.345
Total	2.200.185	3.298.345

Full-year 2025 outlook

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

1. Development of flexible and high-efficiency gas-fired production capacities for cogeneration of electricity and heat (CHP) in the district heating sector, with a view to achieving deep decarbonization.

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

The project is implemented by Chimcomplex S.A Borzești in Râmnicu Vâlcea, Râmnicu Vâlcea county. Vâlcea, between 2025 and 2027.

The objectives of the project are:

- Reduction of greenhouse gases by 84,468 tCO₂/year in the municipality of Râmnicu Vâlcea
- Increase of installed capacity in high-efficiency cogeneration by 108 MW
- Reduction of annual primary energy consumption by 418,105 MWh

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by achieving a flexible and high-efficiency gas production capacity of 108 MW for the cogeneration of electricity and heat (CHP) for the thermal energy supply of the inhabitants of Râmnicu-Vâlcea within a period of 36 months from the signing of the financing contract.

2. The establishment of a new sustainable polyepoxide production unit based on epichlorohydrin synthesis within Chimcomplex SA Borzești has as its main objective to ensure Romania's total independence from chemical imports through the local manufacture of polyepoxies. Through this investment of 580,104,168 lei, of which 232,115,550 lei represents the value of the state aid granted by the Ministry of Finance. We aim to reduce to zero the imports of resins and epichlorohydrin, significantly contributing to the security and autonomy of our country in this field. The project will ensure the prospect of further development of other manufacturing and integration of upstream and downstream technological processes, fitting perfectly into the integrated development strategies of the industrial platform in Onești. It will also facilitate the integration of green hydrogen and high-efficiency energy produced in Onesti

3. The use of surplus hydrogen in cogeneration plants, aiming to reduce natural gas consumption with positive implications on carbon dioxide emissions. Up to 2,700 Nmc/h of hydrogen will be used in this project, resulting in an annual saving of 66,520 MWh/year of natural gas, equivalent to 4,400 tons of CO₂. The investment will have a value of 600,000 euros and is part of the company's decarbonization program.

4. Recycling of polyurethane foams, the plant will have a capacity of 1000 tons/year and will contribute to the provision of alternative raw materials. The product obtained can be used to obtain flexible foams. If the polyurethane foam is not collected and processed selectively, the polyol obtained has a high IOH and can be used for the production of rigid PUR/PIR foams for insulation, prepolymers for composite materials.

The need to make the investment for a plant for the production of recycled polyols results from the fulfillment of the recycling targets of the circular economy package – 2024, the investment coordinator for the specific guide being the Ministry of Environment, Water and Forests through the Environment Fund Administration, as well as from the commitments of Romania and the European Union to recycle used products, thus contributing to the objectives of the European Green Deal as a growth strategy and the fight against climate change, in line with commitments to implement the Paris Agreement and the UN Sustainable Development Goals.

The total value of the project is 13,668,000 of which the funds were requested from COMPONENT C3 - WASTE MANAGEMENT Investment I1. Development, modernization and completion of integrated municipal waste management systems at county level or at city/commune level, Sub-investment I1.d. Construction of waste recycling facilities within the Ministry of Environment in the amount of EUR 8,260,181.83,

5. Photovoltaic panel park Râmnicu Vâlcea The investment aims to increase the flexibility of the electricity grid and contribute to the integration of additional capacities for the production of renewable energy sources. By implementing a photovoltaic plant within the Chimcomplex SA Borzești plant, Râmnicu Vâlcea Branch, the following objectives are expected to be achieved:

-The main objective is: To contribute to achieving energy independence by producing green energy from renewable resources for own consumption – using storage capacities.

-Secondary objectives:

a) reducing electricity consumption;

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- b) the reduction of greenhouse gas emissions related to the energy savings achieved as a result of the implementation of the investment;
- c) reduction of energy intensity;
- d) the development of energy consumption monitoring systems
- e) stimulating investments made by economic operators in order to reduce energy consumption and increase the energy efficiency of economic activity.
- f) a more efficient economy in terms of the use of sources, more environmentally friendly and more competitive, leading to sustainable development

The park will have an installed capacity of 4.6 MW with a storage capacity of 1 MW.

The total value of the investment is 2,956,728.63 euros, of which non-reimbursable external financing in the amount of 1,908,735.03 euros through the Ministry of Energy.

6. Onesti photovoltaic panel park of 14 MW installed power in self-consumption, with objectives similar to the above.

The total value of the investment is 7,842,157.00 euros, of which non-reimbursable external financing in the amount of 4,339,961.71 euros through the Ministry of Energy.

7. Installation of a photovoltaic power plant at Chimcomplex S.A. Borzești – Dej 1: 2.1 MW of production and 0.5 MWh of storage; Installation of a photovoltaic power plant at Chimcomplex S.A. Borzești – Dej 2: 29.95 MW self-consumption and 1 MWh storage – Total value of the investment 5,403,559.72 euros, of which non-reimbursable financing in the amount of 2,913,900.15 euros.

8. The use of CO₂ in the production of ecological polyols. The project is part of the "Green Transition" program and aims to achieve Chimcomplex's sustainability targets by using surplus CO₂ resulting from the facilities within the industrial platform, thus reducing the carbon footprint.

The resulting polyols will have a content of up to 20% CO₂ and can be used in classic applications without influencing the characteristics of polyurethane foams.

The industrial application of the technology can be done on the basis of innovation, given that there are very few ongoing applications on this technology worldwide.

The project is in the phase of Research and familiarization with a prestigious Institute in the field.

9. Modernization of the membrane electrolysis plant, increasing energy efficiency and reducing CO₂ emissions, improving the quality of electrolytic products, increasing the operational safety of the electrolysis plant;

Currently in the electrolysis halls there are 2nd and fifth generation electrolyzers, powered in parallel from the rectifiers.

The investment consists of replacing the existing generation II electrolyzers with new generation VI electrolyzers while replacing other equipment directly related to the normal operation and operating parameters of the new electrolyzers imposed by the technology provider, as well as the continuation of the recall of the generation V electrolyzers. All this will lead to energy savings of 16% and improvement of the quality of electrolytic products.

European funds are targeted for this project to improve energy efficiency and reduce the carbon footprint.

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The Chimcomplex strategy sets concrete objectives regarding decarbonization, the use of hydrogen energy, the development and integration of renewable green energy, ensuring a circular economy through the chemical recycling of plastic waste and last but not least the diversification of production.

In the medium and long term, we will focus on increasing the production capacity of polyols, developing projects to obtain methanol, ethylene oxide, monoethylene glycol and glycols. Also, the diversification of production by including new chemical products that Romania imports at the moment 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.

Chimcomplex is subject to the Corporate Sustainability Reporting Directive (CSRD), and implicitly to the European Sustainability Reporting Standards (ESRS) in accordance with the provisions of Order no. 85/2024 and prepares the publication of the Sustainability Report (also called the Sustainability Statement) in accordance with the new ESRS standards and the Methodology for Sustainability Reporting - the Romanian Sustainability Code, of 16.11.2023, which is an integral part of G.D. no. 1117/2023

The Sustainability Reporting will highlight our company's performance in relation to the **environment, social aspects** and **governance**, thus underlining our commitment to sustainable development in a transparent way for all stakeholders, both internal and external.

Reporting is not limited to companies' own operations, as information from the upstream and downstream value chain is also included.

Chimcomplex has carried out the double materiality analysis, including taking into account the potential impact of the sustainability aspects of its business on its value chain, in order to develop appropriate strategies to address these aspects. The company will disclose material ESG risks and opportunities, along with their potential financial impacts, in its sustainability statement, ensuring transparency and accountability to all stakeholders.

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

The preliminary financial statements as at December 31, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("IFRS-EU").

In the next period, the Company pursues development by continuing the strategic investment program and aims to become more efficient and stable in terms of energy.

The preliminary financial statements as of December 31, 2024 were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 and are unaudited.

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E-mail: office@chimcomplex.com Web: www.chimcomplex.com

The report can be consulted starting with **28.02.2025**, at the company's headquarters on 3 Industriilor Street in Onesti, Bacău County or in electronic format on the company's website: www.chimcomplex.com and on the website of the Bucharest Stock Exchange: www.bvb.ro.

Management statement

According to the best information available, we confirm that the unaudited preliminary individual financial statements prepared for the one-year period ended December 31, 2024 provide a fair and truthful picture of the assets, liabilities, financial position and statement of income and expenses of Chimcomplex SA Borzești, as required by the applicable accounting standards, and that the Executive Board's Report provides a true and true picture of the significant events that took place during the financial year 2024 and their impact on the preliminary individual financial statements, as well as a description of the main risks and uncertainties.

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

**General Manager,
Steven Hunt**

**Chief Financial Officer,
Adrian Teotoc**

CUI R0960322, J1991000493044IBAN R039CECEB00030RON1670888 / CEC Bank SA Victoria Branch



RO002593 RO002594 RO24.6687794N



CHIMCOMPLEX SA BORZEȘTI

PRELIMINARY INDIVIDUAL FINANCIAL STATEMENTS

drawn up in accordance with the Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting Regulations in accordance with International Financial Reporting Standards (unaudited)

**ON AND FOR A PERIOD OF ONE YEAR
ENDED ON 31 DECEMBER 2024**

CUI RO960322, J1991000493044|IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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**STATEMENT OF FINANCIAL POSITION as of December 31, 2024 -
PRELIMINARY**

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

	<u>31 December, 2024</u>	<u>31 December, 2023</u>
ASSETS		
Fixed assets		
Tangible fixed assets	2.285.837.563	1.960.400.057
Other rights of use assets	9.997.922	16.900.411
Real estate investments	35.384.118	29.226.468
Intangible assets	109.647.747	118.212.264
Investments in associates and other equity investments	70.342.834	67.412.502
Other long-term financial assets	13.008.273	5.467.193
Total fixed assets	<u>2.524.218.459</u>	<u>2.197.618.895</u>
Current assets		
Stocks	137.996.327	144.440.401
Trade receivables and other receivables	279.685.941	243.339.608
Short-term loans to shareholders	6.736.718	5.411.291
Cash and cash equivalents	78.831.503	139.761.858
Total current assets	<u>503.250.489</u>	<u>532.953.157</u>
Total assets	<u>3.027.468.948</u>	<u>2.730.572.052</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	304.907.851	304.907.851
Own actions	(33.853.662)	(26.657.863)
Capital premiums	4.669.565	4.669.565
Legal reserves	109.435.476	109.435.476
Deferred result	674.104.433	693.760.574
Revaluation reserves	939.627.017	651.527.661
Total equity	<u>1.998.890.681</u>	<u>1.737.643.263</u>

CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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**STATEMENT OF FINANCIAL POSITION as of December 31, 2024 -
PRELIMINARY**

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

	31 December, 2024	31 December, 2023
DEBT		
Long-term debts		
Subsidies	28.915.714	30.633.918
Leasing	3.734.360	9.501.672
Deferred tax liabilities	197.249.930	142.373.862
Provisions	16.360.845	16.171.444
Long-term loans	513.222.606	375.876.794
Other long-term liabilities	564.647	921.138
Total long-term debts	760.048.102	575.478.828
Current payables		
Subsidies	8.623.194	1.990.801
Trade and other payables	118.831.169	137.937.336
Leasing	6.442.249	8.043.226
Corporate income tax liabilities	4.724.568	-
Provisions	605.883	570.137
Short-term loans	129.303.102	268.908.461
Total current liabilities	268.530.165	417.449.961
Total debts	1.028.578.267	992.928.789
Total equity and liabilities	3.027.468.948	2.730.572.052

**STEVEN HUNT,
GENERAL MANAGER**

**ADRIAN TEOTOC,
FINANCIAL DIRECTOR**

CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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STATEMENT OF COMPREHENSIVE INCOME as of December 31, 2024 - PRELIMINARY

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

	December 31, 2024	December 31, 2023
Sales	1.495.531.942	1.399.298.512
Investment income	11.306.208	11.101.938
Other Earnings (or losses)	5.660.951	43.108.123
Cost of goods sold	(37.705.201)	(39.024.008)
Change in stocks	(11.253.493)	(76.334.265)
Expenditure on raw materials and consumables	(567.402.249)	(456.689.428)
Salary expenses	(169.911.095)	(161.790.448)
Depreciation expenses of fixed assets	(153.456.357)	(145.828.657)
Distribution expenses	(42.658.980)	(38.436.453)
Energy and water expenses	(376.334.018)	(368.848.660)
Expenses for services performed by third parties	(42.635.204)	(52.519.517)
Maintenance and repair expenses	(23.954.539)	(20.186.454)
Other income	4.608.823	2.587.813
Earning / (Loss) on revaluation of fixed assets	26.403.005	-
Earning / (Loss) on impairment adjustments to fixed assets	5.034.180	114.510
Other expenses	(67.278.216)	(46.863.483)
Financing costs	(41.655.928)	(37.795.708)
Share of the shareholders' profit	-	(3.068.769)
	14.299.831	8.825.048
Profit / (Loss) before tax		
Current income tax expenses	(10.815.755)	-
Deferred corporate income tax	-	6.448.755
	3.484.076	15.273.803
Profit / (Loss) of the period		
Other comprehensive income	288.099.357	-
Profit / (Loss) per share	0,011	0,050

STEVEN HUNT,
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STATEMENT OF CASH FLOWS as of December 31, 2024 - PRELIMINARY
(All amounts are given in LEI, unless otherwise specified.)

	December 31 2024	December 31, 2023
Cash flows from operating activities:		
Profit before tax	14.299.831	8.825.048
Adjustments for non-monetary items:		
Interest expense	41.575.658	33.872.110
Loss/(earning) from impairment of investments	-	(13.972.231)
Loss/(earning) on impairment of property, plant and equipment	(5.034.180)	(114.510)
Interest income	(4.670.730)	(4.567.194)
Loss/(earning) on disposal of fixed assets	1.316.379	394.896
Loss/(earning) on provisions	(211.778)	(30.169.543)
Loss/(earning) on revaluation of fixed assets	(26.403.005)	-
Loss/(earning) from exchange rate differences	(341.731)	5.670.596
Loss/(earning) from depreciation of inventories	(6.471.626)	(1.376.570)
Amortization	153.456.357	145.828.657
Loss/(earning) on impairment of trade receivables	(66.943)	64.243
Expenses related to remuneration in equity instruments	3.176.129	23.387.871
Share of the loss/(profit) of the shareholders	-	3.068.769
Income from subsidies	(1.445.309)	(1.453.916)
	169.179.053	169.458.226
Working capital movements:		
Decreases/(increases) in stocks	12.996.452	94.939.686
Decreases/(increases) in trade receivables and other receivables	(45.557.516)	72.126.166
Increases/(decreases) in trade and other liabilities	(21.021.001)	(61.104.125)
Cash generated by operating activities	115.596.989	275.419.953
Interest paid	(42.184.377)	(32.905.512)
Corporate income tax paid	-	-
Net cash generated by/(used in) operating activities	73.412.611	242.514.441
Cash flows from investing activities:		
Interest received	4.670.730	4.567.194
Proceeds from the sale of fixed assets	163.749	-
Acquisition of fixed assets	(85.629.782)	(231.860.857)
Payments for investments in the associate	(20.000)	-
Subsidiary acquisition	(4.104.623)	-
Net cash used in investment activities	(84.919.926)	(227.293.663)

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STATEMENT OF CASH FLOWS as of December 31, 2024 - PRELIMINARY
(All amounts are given in LEI, unless otherwise specified.)

	December 31 2024	December 31, 2023
Cash flows from financing activities:		
Loan receipts	66.172.870	191.203.956
Repayment of leasing debts	(7.889.956)	(9.300.404)
Dividends paid	(7.186)	(38.341.339)
Repayment of loans	(74.641.743)	(58.097.042)
Acquisition of treasury shares	(33.388.770)	(321.503)
Net cash (used in)/generated by financing activities	(49.754.786)	85.143.668
(Decrease) / net increase in cash and cash equivalents	(61.262.100)	100.364.447
Cash and cash equivalents at the beginning of the year	139.761.858	40.466.919
Effects of changes in the exchange rate on the balance of cash held in foreign currency	331.745	(1.069.507)
Cash and cash equivalents at year-end	78.831.503	139.761.858

STEVEN HUNT,
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STATEMENT OF CHANGES IN EQUITY as of December 31, 2024 - PRELIMINARY

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

	<u>Share capital</u>	<u>Own actions</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Deferred Win</u>	<u>Revaluation reserves</u>	<u>Total</u>
Balance as of January 1, 2023 restated	304.907.851	(26.336.354)	4.669.565	109.435.476	850.800.837	653.382.560	1.896.859.935
Profit for the year	-	-	-	-	15.273.803	-	15.273.803
Distribution of dividends	-	-	-	-	(194.000.000)	-	(194.000.000)
Revaluation reserves	-	-	-	-	-	(2.422.411)	(2.422.411)
Redemption of own shares	-	(321,510)	-	-	-	-	(321.510)
Benefits to be granted to employees in the form of equity instruments – stage II	-	-	-	-	23.387.871	-	23.387.871
Deferred tax	-	-	-	-	-	567.512	567.512
Other movements	-	-	-	-	(1.701.938)	-	(1.701.938)
Balance as of December 31, 2023	304.907.851	(26.657.863)	4.669.565	109.435.476	693.760.574	651.527.661	1.737.643.263

CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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STATEMENT OF CHANGES IN EQUITY as of December 31, 2024 - PRELIMINARY

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

	<u>Share capital</u>	<u>Own actions</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Deferred Win</u>	<u>Revaluation reserves</u>	<u>Total</u>
Balance as of January 1, 2024	304.907.851	(26.657.863)	4.669.565	109.435.476	693.760.574	651.527.661	1.737.643.263
Profit for the year	-	-	-	-	3.484.076	-	3.484.076
Distribution of dividends	-	-	-	-	-	-	-
Revaluation reserves	-	-	-	-	203.468	342.975.425	343.178.893
Redemption of own shares	-	(33,388,770)	-	-	-	-	(33.388.770)
Benefits granted to employees in the form of equity instruments - stage II	-	26.192.972	-	-	(23.016.842)	-	3.176.129
Deferred tax	-	-	-	-	-	(54.876.068)	(54.876.068)
Other movements	-	-	-	-	(326.842)	-	(326.842)
Balance as of December 31, 2024	304.907.851	(33.853.662)	4.669.565	109.435.476	674.104.433	939.627.017	1.998.890.681

STEVEN HUNT,
GENERAL MANAGER

ADRIAN TEOTOC,
FINANCIAL DIRECTOR

CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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Notes to the preliminary financial statements as of 31 December 2024
(All amounts are given in LEI, unless otherwise specified)

NOTES

on the preliminary Individual Financial Statements, drawn up on 31.12.2024

NOTE 1. BACKGROUND INFORMATION AND MAIN ACTIVITIES

These financial statements are the preliminary individual financial statements of CHIMCOMPLEX S.A. BORZEȘTI (the "Company") as of and for the period that ended on December 31, 2024.

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

On March 15, 1991, it was organized as a commercial company with full state capital and registered with the Trade Register Office under no. **J2018000854383** (J04/493/1991).

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

The registered office is in Onesti, Industriilor Street no. 3, Bacău county.

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

The company has one branch and seven working points:

Branch:

- Chimcomplex SA Borzești Râmnicu Vâlcea Branch, headquartered in Râmnicu Vâlcea Municipality, Uzinei street no. 1, Vâlcea county;

Work points:

- ✓ The work point in the village of Cazaci, Tarcău, Neamț county;
- ✓ The work point in Pitesti municipality, str. Căminelor nr. 7, jud. Argeș;
- ✓ The work point in the city of Dej, str. Bistriței nr. 63 (room no. 1), Cluj county;
- ✓ The office in Bucharest, Ficusului Blvd. no. 44, Bucharest, sector 1;
- ✓ The Tarcău Fish Complex work point in the village of Cazaci, Tarcău, Neamț county;
- ✓ The office in Bucharest Sector 1, Free Press Square no. 3-5, City Gate Tower South, 17th floor.

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Notes to the preliminary financial statements as of 31 December 2024

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

Shareholding structure

CHIMCOMPLEX SA BORZEȘTI 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 to 17.01.2022, CHIMCOMPLEX SA BORZEȘTI was listed on the Alternative Trading System, Financial Instruments Listed on ATS Section, Capital Securities Sector, Shares Category, CHOB Symbol.

The shareholding structure is as follows:

December 31, 2024	Ordinary shares	Percentage of ownership
Shareholders		
CRC Alchemy Holding BV	258.129.743	84,6583%
AAAS	27.305.181	8,9552%
Legal entities	14.409.398	4,7258%
Individuals	5.063.529	1,6607%
Total	304.907.851	100,0000%

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

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

Activities carried out by the Company

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

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

The main products manufactured by Chimcomplex SA Borzești are:

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

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

CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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**Notes to the preliminary financial statements as of 31 December 2024**

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

Borzești:

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

Chlorosodium products

Caustic soda solution 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 cellulose, in the textile industry in the manufacture of cellofibre and viscose, in the sugar industry, in the oil industry for their purification of free fatty acids, in the metallurgical industry, in water treatment.

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

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

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

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

Inorganic chlorides

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

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

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

Alkylamine

Monomethylamine is used in organic syntheses, for obtaining insecticides, solvents, medicines, 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 salts of ammonium, choline hydrochloride, emulsifiers, insectofungicides, solvents, medicines, ion exchangers, dyes, detergents, photographic substances.

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Notes to the preliminary financial statements as of 31 December 2024
(All amounts are given in LEI, unless otherwise specified)

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

Chlorocolin chloride – plant growth stimulator.

Vâlcea Branch:

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

Macromolecular products

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

Organic synthesis products:

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

Propylene glycol is mainly used in the production of antifreeze, polyether polyols, defoamers; the paints, varnishes, as a solvent for the production of printing paint and laundry detergents, as a plasticizer for improving the processing capacity of plastics, in the cosmetic and pharmaceutical industries.

Oxo-alcohols: -octanol is used in the manufacture of plasticisers; manufacture of synthetic lubricants; manufacture of surfactants and antifoams; as a 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 for the manufacture of hormones, vitamins; solvent for kiln-drying varnishes based on urea and phenolic resins.

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Notes to the preliminary financial statements as of 31 December 2024

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

The main suppliers of Chimcomplex are:

PRODUCT	SUPPLIERS - indigenous sources, import sources
Salt solution	domestic suppliers SNS SA-SUC. MINING RM VALCEA
Industrial lime	internal suppliers CARMEUSE HOLDING SRL, CELCO SA
Glycerin	external suppliers BIOAGRA OIL S.A., OHPLUS GMBH GERMANY, GREEN OLEO, INTERFAT OR SPAIN, CB MATERIALS GMBH & CO. KG GERMANY
Liquid nitrogen	internal suppliers LINDE GAZ ROMANIA SRL
Propylene	internal suppliers (71%) LUKOIL ROMANIA SRL, OMV PETROM SA, PETROTEL LUKOILSA, ROMPETROL RAFINARE SA and external suppliers (29%) LITASCO SA BULGARIA, HELM AG GERMANY, BASSELL POYOLEFINE ITALIA SRL, BGN INT DMCC, EURO GAS DOO, PETKIM PETROKIMYA HOLDING A S
Ethylene oxide	external suppliers BASF SE, SIBUR INTERNATIONAL GMBH-ROMANIA, CLARIANT SE, POLSKI KONCERN NAFTOWY ORLEN S.A.
Natural gas	internal suppliers PREMIER ENERGY TRADING S.R.L.
Electricity	internal suppliers A6 IMPEX SA, ALIVE CAPITAL S.A., AXPO ENERGY ROMANIA S.A., CET GOVORA SA, CIECH Soda Romania S.A. Rm. Valcea, CNTEE TRANSELECTRICA SA BUCURESTI --U.T.T. PITESTI, DISTRIBUTIE ENERGIE OLTENIA SA, GETICA 95 COM SRL

Aspects related to the company's employees/staff

The organizational structure of Chimcomplex is of the hierarchical functional type, consisting of compartments sized accordingly to the volume and complexity of the activities, grouped according to the criteria of the functions of the company.

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 and development work environment, fair labor relations, objective appreciation of performance, personal safety and security. Also, employees benefit from social protection measures, bonuses, etc., established by the Collective Labor Agreement.

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

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

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

Management of the company

CUI RO960322, J1991000493044IBAN RO39CECEB00030RON1670888 / CEC Bank SA Victoria Branch



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Notes to the preliminary financial statements as of 31 December 2024

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

During the period 01.01.2024-02.08.2024, 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. PREOTEASA VERONICA	Member of the Board of Directors
4. TISCHER GABRIEL	Member of the Board of Directors
5. COJOC IULIAN LIVIU	Member of the Board of Directors
6. COMAN DUMITRU	Member of the Board of Directors
7. LUCA FLORIN	Member of the Board of Directors

By the EGMS Decision of 31.07.2024, as a result of the decrease in the number of members of the Board of Directors from 7 to 5, during the period 02.08.2024-31.12.2024, the administration and management of the company were ensured by a Board of Directors consisting of 5 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. TISCHER GABRIEL	Member of the Board of Directors
4. COJOC IULIAN LIVIU	Member of the Board of Directors
5. ȘOAITA, COSMIN IOAN	Member of the Board of Directors

The executive management of Chimcomplex SA Borzești in 2024 was ensured by a team consisting of:

• Steven Hunt	General Manager starting with 01.06.2024
• Staicu Dumitru Florian	Interim General Manager until 31.05.2024
• Teotoc George Adrian	Chief Financial Officer starting with 09.04.2024
• Stănciugel Nicolae	Chief Financial Officer until 09.04.2024
• Staicu Dumitru Florian	Deputy General Manager starting with 01.06.2024
• Coman Dumitru	Deputy General Manager until 09.04.2024
• Coman Dumitru	Technical Director until 29.10.2024
• Coman Dumitru	Technical Director of the C.A. C.S.D.I. Committee starting with 29.10.2024
• Pop Călin	CCO/Commercial Director
• Moldovan Dan	Deputy CCO/Deputy Commercial Director
• Bălăiță Maria Luminița	COO/Director of Operations Borzești
• Coman Dumitru	Technical Director until 29.10.2024
• Staicu Dumitru Florian	COO/Director of Interim Operations Suc. Rm.Vâlcea until 09.04.2024
• Teotoc George Adrian	COO/Director of Operations Suc. Rm.Vâlcea starting with 09.04.2024
• Dumitru Mihai	Borzești Production Director
• Onofrei Caesar	Director of Juice Production. Rm. Vâlcea

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

NOTE 2. MAIN ACCOUNTING POLICIES
Legal principles

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Notes to the preliminary financial statements as of 31 December 2024

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

The preliminary Individual Financial Statements as of and for the one-year period ended December 31, 2024 were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards ("IFRS"), as subsequently amended ("OMFP 2844/2016"). For the purposes of OMFP 2844/2016, the International Financial Reporting Standards are those adopted according to the procedure provided by the European Commission Regulation 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 Company's preliminary individual financial statements for the one-year period ended December 31, 2024 contained in this report are not audited and have not been reviewed by an external auditor.

Accounting estimates, assumptions and fundamental reasoning

The preparation of financial statements in accordance with IFRS involves the use of estimates from the company's management, judgments and assumptions that affect the application of accounting policies, as well as the reported value of assets, liabilities, income and expenses.

Estimates and assumptions are periodically revised in light of updated economic conditions. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods if the revision affects both the current period and future periods.

Business continuity

The management has, at the date 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 the optimal operating solutions. Based on this information, the management considers that the value of the attracted financing and the capital structure of the company provide the necessary capital for the operation of the activity for at least 12 months from the date of this report. Also, the Company's management is constantly concerned with streamlining the activity, diversifying the product range and identifying new markets, under the conditions of strict control of the related expenses.
- The company complies with all the indicators provided in the financing contracts, continuously monitors the fulfillment of contractual obligations and expects to continue to comply.

Following the analysis of the Company's liquidity, the level of indebtedness, the budgeted cash flows and the related assumptions, the management considers that the Company has adequate resources to continue its activity for the foreseeable future, and these simplified preliminary individual financial statements are prepared on this basis.

Thus, the management continues to adopt the accounting basis of business continuity in the preparation of individual financial statements.

The preliminary individual financial statements have been prepared on a going concern basis and at historical cost, with the exception of certain classes of financial instruments and property, plant and equipment that are measured at revalued or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

General accounting policies

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Notes to the preliminary financial statements as of 31 December 2024

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

The accounting policies and valuation methods adopted for the preparation of the simplified preliminary individual financial statements are consistent with those used in the preparation of the Company's individual annual financial statements for the year ended December 31, 2023. The IFRS amendments that came into effect on or after January 1, 2024 did not have a material effect on the Company's preliminary financial statements.

The accounting is kept in Romanian and in the national currency. The items included in these financial statements are expressed in Romanian lei.

Exchange rates

Foreign currency transactions are valued using the exchange rate in force at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are converted into RON using the closing rate on the reporting date, communicated by the National Bank of Romania ("NBR").

The differences resulting from the settlement of the amounts in foreign currency are recognized in the statement of income and expenses of the period in which they occur. Unrealised earnings and losses on currency differences are recognised in the statement of income and expenses for the reporting period.

T4/2024	T4/2023	NBR exchange rate	12 months /2024	12 months/2023
4,9752	4,9696	Average exchange rate EUR/RON	4,9746	4,9465
4,6641	4,6214	Average exchange rate USD/RON	4,5984	4,5743
4,9741	4,9746	EUR/RON exchange rate on the last day of the reporting period	4,9741	4,9746
4,7768	4,4958	USD/RON exchange rate on the last day of the reporting period	4,7768	4,4958

NOTE 3. STATEMENT OF FIXED ASSETS

As of December 31, 2024, the Company holds the following categories of fixed assets, at net value:

	December 31, 2024	December 31, 2023
Land and construction	790.687.338	657.097.635
Technical installations and machines	1.340.202.913	1.011.598.208
Other installations, machinery and furniture	8.275.084	5.406.372
Real estate investments	35.384.118	29.226.468
Ongoing investments	137.768.451	282.142.027
Rights to use leased assets	9.997.922	16.900.411
Intangible assets	109.647.747	118.212.264
Financial fixed assets	83.351.108	72.879.695
Advances granted for property, plant and equipment	8.903.776	4.155.816
Total	2.524.218.459	2.197.618.895

TANGIBLE ASSETS

Property, plant and equipment are presented in the "Statement of Financial Position" at cost or revalued value, less
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Notes to the preliminary financial statements as of 31 December 2024
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depreciation and amortization and impairment or impairment adjustments 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 at fair value at the revaluation date, less any subsequent accumulated depreciation and amortization and subsequent accumulated impairment losses.

The fair value measurements of the Company's tangible assets as at December 31, 2024 were performed by S.C. TNP GLOBAL & PARTNERS S.R.L., an independent valuer. TNP GLOBAL & PARTNERS is a member of the National Association of Licensed Appraisers in Romania and has appropriate qualifications and recent experience in the fair value valuation of properties in the 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 whenever possible, as well as the discounted cash flow method.

Revaluation reserves

The company registers its tangible assets on the basis of the revaluation method. The revaluation of property, plant and equipment was carried out on December 31, 2024, using the amortized cost method and adjusted, as applicable, based on an impairment test exercise.

The tangible assets located on the Onești industrial platform and part of the tangible assets located on the Râmnicu Vâlcea platform were mortgaged for bank loans.

INTANGIBLE ASSETS

Separately acquired intangible assets are valued at initial recognition at cost. Following initial recognition, intangible assets are accounted for at cost less any accumulated depreciation and any accumulated impairment losses.

Intangible assets obtained on own account, excluding capitalized development costs, are not capitalized, and the expenses are reflected in the profit and loss account of the year in which the expenses are incurred. The useful life of intangible assets is assessed as determinate or indeterminate.

The depreciation period and the depreciation method for an intangible asset with a specified useful life shall be reviewed at least at the end of each financial year.

REAL ESTATE INVESTMENTS

The real estate investments comprise land, buildings, furniture and related equipment located in Onești, Bacău county and Râmnicu Vâlcea and are leased to third parties and related parties.

NOTE 4. STOCK SITUATION

The inventories are presented at the net realizable value, by decreasing with the depreciation adjustments, obtaining the following values:

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Notes to the preliminary financial statements as of 31 December 2024

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

	December 31, 2024	December 31, 2023
Finished products	71.885.927	85.472.660
Raw	29.702.075	32.140.055
Materials	11.445.687	11.323.581
Packaging	1.486.375	612.096
Mouldings	12.278.823	9.781.262
Commodities	96.851	40.399
Inventory Items	652.548	699.935
Stocks in transit	6.717.450	1.394.709
Other stocks	3.730.592	2.975.703
Total	137.996.327	144.440.401

During the one-year period ended 31 December 2024, there were no significant value adjustments for inventories. Value adjustments are made for all categories of stocks, using both general and specific methods depending on their age and analyses on the chances of their use in the future. The categories of stocks with more than or equal to one year, which had no movements in the last year, are adjusted by 90%.

The decrease in the value of stocks of finished products by 13.5 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 in the sales market.

NOTE 5. STATEMENT OF CLAIMS

	December 31, 2024	December 31, 2023
Customers	90.803.053	85.376.249
Customer impairment adjustments	(1.311.157)	(1.378.100)
Advances paid for services	14.613.341	19.194.352
Subsidies - State aid for CO2	104.719.124	67.988.698
Subsidies to be collected - financing projects	-	7.058.473
Receivables to be recovered from the state budget	17.731.797	17.731.797
VAT to be recovered	21.550.501	21.257.409
Non-chargeable VAT	2.296.809	4.302.760
Trade receivables with related parties	15.745.913	15.697.648
Upfront expenses	8.815.990	573.647
Other claims	4.720.569	5.536.673
Total	279.685.941	243.339.608

The average period for collecting trade receivables remained at a low level, namely 21 days in 2024.

Chimcomplex benefited from a state aid scheme offered by the Romanian government to support companies in sectors and subsectors at significant risk of relocation due to the pass-through of the cost of greenhouse gas emissions in the price of electricity. The company applied reasoning in determining the amount of the subsidy to be received at the end of the period with regard to the "State aid scheme granted to companies in sectors considered to be exposed to a real risk of carbon leakage due to the significant indirect costs they incur as a result of the transfer of greenhouse gas emission costs in the price of

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Notes to the preliminary financial statements as of 31 December 2024
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electricity, as defined by GEO 138/2022.

The measure covers the indirect costs of emissions incurred in 2023, recorded in the financial statements of 2023 at the value of RON 67,988,698, calculated based on the calculation algorithm written in the legislative act, with the fulfillment of the required eligibility criteria. In the Declaration on the Prodcom code submitted in March 2024, this amount was corrected to RON 73,612,702 by updating the price of CO2 certificates in the state aid calculation formula.

About 42% of this value was collected in 2024, i.e. the amount of 30,696,497 lei. As of December 31, 2024, the company registered the subsidy for offsetting greenhouse gas emission costs for 2024 in the amount of RON 73,646,427, taking into account the percentage of revenue from 2023.

In 2024, the Company had to recover from the state budget the amount of RON 17,731,797 for 2023, as a result of the tax deduction taken into account in the calculation for determining the annual corporate income tax for the identified eligible expenses, related to research-development and technology-development projects.

The tax deductions granted for research and development expenses applied to the calculation of corporate income tax are regulated by Article 20 of the Fiscal Code. Thus, according to paragraph (1) of this article, when calculating the tax result, for research and development activities, defined according to the law, the following tax incentive is granted:

- ✓ Additional deduction to the calculation of the tax result, in proportion of 50%, of the eligible expenses for these activities; the additional deduction is calculated quarterly/annually; if a tax loss is realized, it is recovered according to the provisions of art. 31.

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Notes to the preliminary financial statements as of 31 December 2024

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

NOTE 6. DEBT SITUATION

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Suppliers	62.516.122	91.248.525
Credits	640.982.035	642.232.231
Interest on loans	1.543.672	2.553.024
Customers collected in advance	17.112.380	8.289.144
Payroll liabilities	10.493.448	9.095.948
Taxes and taxes related to salaries	6.775.159	6.229.552
Other fees	284.323	283.306
Deferred tax liabilities	197.249.930	142.373.862
Corporate income tax liabilities	4.724.568	-
Subsidies	37.538.908	32.624.719
Provisions	16.966.728	16.741.581
Dividends to be distributed during the financial year	2.308.740	2.315.926
Revenue recorded in advance*	163.575	163.575
Payments to be made in respect of shares held at affiliated entities	9.966.000	9.966.000
Trade payables to related parties	5.583.245	6.425.334
Financial leasing liabilities	10.176.609	17.544.899
Other debts	4.192.824	4.841.162
Total	<u>1.028.578.267</u>	<u>992.928.789</u>

Contractual debts reflect the Company's obligation to transfer goods or services to a client from whom it has received the value of the good/service or from whom the amount to be collected is due.

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

- compensation with negative VAT (VAT to be recovered registered by the company on 31.12.2024: 21,550,501 lei)
- Bank transfer.

LOANS	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CEC Bank	254.652.514	265.129.609
Alpha Bank	112.410.693	132.404.240
UBS Swizerland	133.002.885	158.225.420
Garanti Bank	142.428.415	88.994.786
Others	31.200	31.200
Total	<u>642.525.708</u>	<u>644.785.255</u>

All loan agreements concluded contain clauses regarding financial indicators that the Company is obliged to meet, the verification being carried out every six months. The company has complied with all the indicators provided in the contracts, constantly monitors the fulfillment of contractual obligations and expects to continue to comply.

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Notes to the preliminary financial statements as of 31 December 2024

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NOTE 7. CAPITAL AND RESERVES

	December 31, 2024	December 31, 2023
Share capital	304.907.851	304.907.851
Capital premiums	4.669.565	4.669.565
Own shares redeemed	(33.853.662)	(26.657.863)
Revaluation reserves	939.627.017	651.527.661
Legal reserves	109.435.476	109.435.476
Retained earnings	670.620.357	678.486.771
Result of the period	3.484.076	15.273.803
Total	1.998.890.681	1.737.643.263

The Company carries out a Share Buyback Program approved by the decisions of the EGMS Chimcomplex SA Borzești in order to fulfill the obligations arising from the Remuneration Policy, respectively the distribution of shares as motivational packages (Stock Option Plan) to administrators, managers and employees, granted to reward them for the activity carried out, the co-interest in achieving all the Company's objectives and the fulfillment of the assumed indicators. This action is carried out in several stages.

For the 3rd stage, by the shareholders' decision of June 21, 2023, the buyback of a maximum number of 1,000,000 treasury shares was approved for a maximum period of 18 months from the date of publication of the decision in the Official Gazette of Romania, at a purchase price between the market price on the BVB at the time of acquisition and a maximum price of RON 24/share, in compliance with the applicable legal provisions and restrictions.

In 2023, the Company repurchased in the last buyback program a number of 17,143 shares with a total trading value of RON 321,503. The treasury shares are presented as a separate line in the statement of changes in equity and on the balance sheet.

In 2024, the Company repurchased in the last buyback program a number of 900,000 shares with a total trading value of RON 21,420,000. The treasury shares are presented as a separate line in the statement of changes in equity and on the balance sheet.

On 30.05.2024, by the Decision of the Extraordinary General Meeting of Shareholders of Chimcomplex SA Borzești, the authorization of the Board of Directors to implement a buyback program for a maximum number of 1,000,000 shares, with a nominal value of 1 lei/share, at a minimum price equal to the market price on the BVB at the time of acquisition and a maximum price of 24 lei/share was approved. The purpose of the buyback program is to distribute the shares as stock option plans to administrators, managers and employees, in accordance with the provisions of the Remuneration Policy. The authorization to purchase treasury shares is granted for a period of 18 months from the date of publication of the EGMS decision in the Official Gazette of Romania, Part IV. The Board of Directors of the Company shall be fully empowered with regard to the implementation of the buyback program, subject to compliance with applicable legislation and shareholder resolutions, including with respect to: the date of launch, the prices at which the shares will be purchased, the manner of acquisition of the shares, the suspension or cancellation of the program, the application of allocation criteria, the determination of beneficiaries and the number of rights/options, to acquire shares, the period of exercise of rights, the preparation and publication of information documents under the law, the conclusion of a contract with Estinvest S.A. for trading on the capital market.

NOTE 8. REPORTING TURNOVER BY OPERATIONAL SEGMENTS

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Notes to the preliminary financial statements as of 31 December 2024

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The Company comprises the following operating segments:

- Inorganic products - chlorosodium: caustic-liquid and solid soda, hydrochloric acid;
- Macromolecular and organic synthesis products: polyether-polyols, propylene oxide, propylene glycol;
- Oxo-alcohol products: octanol, iso-butanol, n-butanol

Presentation of the turnover by types of markets:

	December 31, 2024	(%)	December 31, 2023	(%)
Internal market	420.028.030	28	460.662.205	33
Foreign market	1.075.503.912	72	938.636.307	67
	1.495.531.942	100	1.399.298.512	100

Presentation of the turnover by type of product:

	December 31, 2024	(%)	December 31, 2023	(%)
Petrochemistry	667.151.618	44,6	684.537.343	48,9
Chlorosodium	545.114.077	36,4	650.943.769	46,5
Oxo-alcohols	221.614.496	14,8	5.561.156	0,4
Goods (mainly utility resales)	41.900.824	2,8	43.025.070	3,1
Various	19.750.927	1,3	15.231.175	1,1
Total	1.495.531.942	100	1.399.298.512	100

Presentation of turnover by geographical segments:

	December 31, 2024	December 31, 2023
Europe	1.258.694.846	1.324.337.062
Middle East	224.801.089	71.537.959
Asia-Pacific	5.303.192	1.876.469
Africa	4.724.139	62.969
America	2.008.675	1.484.053
Total	1.495.531.942	1.399.298.512

Chimcomplex has adapted its strategy to the current market conditions, characterized by low demand, adjusting the production of polyethers and chlorosodium products according to sales opportunities. In parallel, the company intensified its customer loyalty actions in the key markets – Poland, Romania and Benelux – and aimed to expand its customer portfolio, with a particular focus on the specialty polyethers segment. At the same time, the exposure to markets where prices are strongly affected by massive imports from China, especially to Turkey, has been reduced.

On the domestic market, product sales amounted to RON 420 million in 2024 (28% of total sales), compared to RON 460 million in 2023 (33% of total sales).

On the foreign market, product deliveries amounted to RON 1,075 million. Sales on the foreign market accounted for

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Notes to the preliminary financial statements as of 31 December 2024

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approximately 72% of total product sales in 2024, compared to 67% in 2023.

NOTE 9. SALES

	December 31, 2024	December 31, 2023
Income from the sale of finished products	1.404.542.076	1.324.825.865
Income from the sale of goods	41.900.824	43.025.070
Income from services rendered	2.741.613	2.377.643
Income from miscellaneous activities	46.230.776	29.018.368
Revenue from the sale of waste products	116.653	51.566
Total	1.495.531.942	1.399.298.512

NOTE 10. INVESTMENT INCOME

	December 31, 2024	December 31, 2023
Rental income	6.635.478	6.534.744
Interest income	4.670.730	4.567.194
Total	11.306.208	11.101.938

NOTE 11. OTHER EARNINGS OR LOSSES

	December 31, 2024	December 31, 2023
Earning/(loss) from change in provisions	211.778	30.169.543
Earning/(loss) from exchange rate differences	285.450	(1.948.812)
Earning/(loss) on impairment adjustments for current assets	6.538.569	1.312.325
Earning/(loss) on sale of fixed assets	(1.316.379)	(394.896)
Earning/(loss) on impairment adjustments on financial assets	-	13.972.231-
Earning/(loss) from receivables and miscellaneous debtors	(58.465)	(2.269)
Other Earnings (or losses)	-	-
Total	5.660.951	43.108.123

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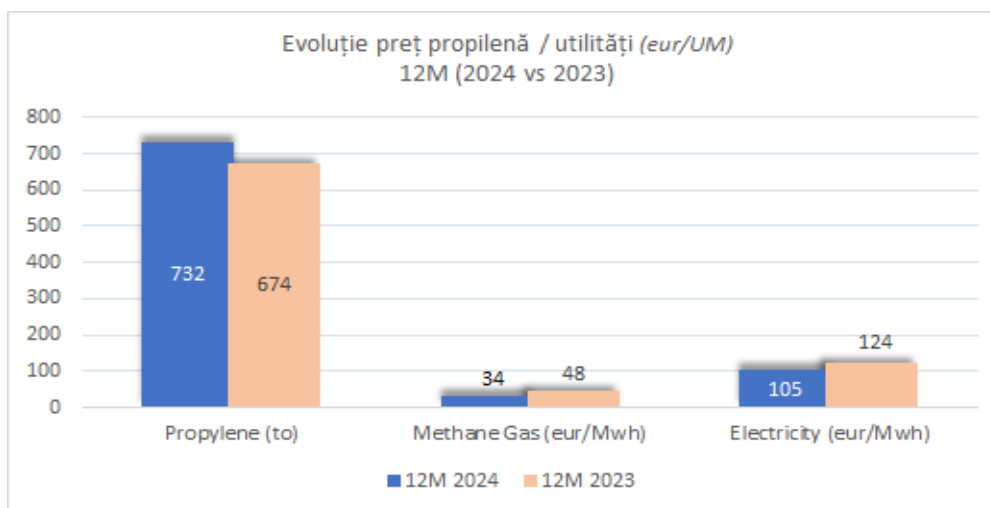
Notes to the preliminary financial statements as of 31 December 2024

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Raw materials and consumables	542.099.830	433.005.451
Other material expenses	25.302.419	23.683.977
Energy and water expenses	376.334.018	368.848.660
Cost of goods sold	37.705.201	39.024.008
Total	981.441.467	864.562.096

The average purchase prices for utilities decreased in the first half of 2024 compared to 2023, while for propylene, the price increased by 58 eur/to, information presented in the chart below:



In the first half of 2024, utility costs decreased, as a result of the decrease in purchase prices, determined by the decrease in the prices of natural gas and electricity on the market and the increased use of their own cogeneration plants, with a favorable impact on costs for utility-intensive finished products (soda, oxo-alcohols). However, starting with July 2024, the cost of electricity has experienced an upward slope, and since November 2024 the cost of natural gas has also registered the same upward trend, which has left its mark on the company's production costs.

Chimcomplex purchased natural gas at the BRM price (Romanian Commodity Exchange, price displayed daily).

The company's management is constantly striving to reduce costs with utilities and main raw materials.

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Notes to the preliminary financial statements as of 31 December 2024

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NOTE 13. SALARY EXPENSES

Personnel expenses for 2024 compared to 2023:

	December 31, 2024	December 31, 2023
Gross salaries and allowances	137.777.576	117.433.377
Employee benefits in the form of equity instruments	3.176.129	23.387.871
Employer's social security expenses	10.338.236	8.686.786
Meal vouchers	13.722.400	10.201.462
Holiday vouchers	4.124.106	1.474.496
Benefits in kind	772.648	606.456
Total	169.911.095	161.790.448

The average number of employees in 2024 was 1,540 compared to 1,449 in 2023. The increase is driven by the resumption of production operations at the Oxocalcooli plant in early 2024.

In order to achieve the objective of permanently resizing and adapting human resources in correlation with the requirements and technical-economic realities of the company, the adaptation of the human resources needs is monitored and pursued, taking into account:

- the most efficient use of personnel;
- ensuring the continuity of the activity, under the conditions imposed by the permanent fluctuations in the production activity;
- ensuring a balance between the number of personnel and the real technical-economic and administrative needs of the company;
- flexibility in the redistribution of human resources in order to avoid possible blockages in ensuring them and for the most efficient use of personnel.

Social security is paid for all employees.

The company's employees are included in the state pension plan.

Benefits in the form of own shares of the entity (or other equity instruments) to employees in share-based payment transactions settled in shares are recorded in account 643 "Compensation expenses in equity instruments" under item 1031 "Benefits to employees in the form of equity instruments" at the fair value of equity instruments, from the date of the award of those benefits. The recognition of expenses related to the service provided by employees occurs at the time of its performance. IFRS 2 applies to the accounting of share-based payment transactions.

As of December 31, 2024, the expense with benefits granted to employees of RON 3,176,129 recognized in 2024, January, of the total effective period of entry into rights of 13 months, is part of the value of POS Lot #2.

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NOTE 14. EXPENSES WITH SERVICES PERFORMED BY THIRD PARTIES

	December 31, 2024	December 31, 2023
Consultancy expenses	683.044	467.262
Other expenses for services performed by third parties	41.952.160	52.052.255
<i>Logistics services</i>	12.476.011	11.713.415
<i>Security services (security)</i>	6.469.480	5.809.196
<i>Audit Services</i>	1.082.558	397.050
<i>Wastewater monitoring</i>	1.963.908	1.517.078
<i>Other services</i>	19.960.203	32.615.517
Total	42.635.204	52.519.517

In 2024, the statutory auditor PKF Finconta Audit SRL had a contractual audit fee in the amount of EUR 116,000 + VAT for the statutory audit of the individual and consolidated annual financial statements of the Company and its subsidiaries in Romania. Until the date of approval of the financial statements, no services were contracted with the statutory auditor, other than audit services.

NOTE 15. OTHER INCOME

	December 31, 2024	December 31, 2023
Compensation, fines and penalties	545.857	110.831
Amortization of investment grants	1.445.309	1.453.918
Other operating income	2.617.658	1.023.065
Total	4.608.823	2.587.813

NOTE 16. OTHER EXPENSES

	December 31, 2024	December 31, 2023
ABA Olt - exceeding pollutant concentrations from wastewater	37.324.567	24.214.386
Expenses with donations and sponsorships	1.529.535	2.745.763
Expenditure on taxes and fees	10.596.626	5.904.774
Insurance expenses	3.118.256	3.176.262
Rent expenses	6.765.908	5.705.181
Expenditure on environmental protection	1.292.922	444.907
Travel expenses	1.926.169	1.143.444
Protocol, advertising, publicity expenses	2.052.104	2.238.696
Expenditure on fines and penalties	1.123.745	90.768
Expenditure on personnel transport	779.276	452.744
Postal and telecommunications expenses	287.417	277.138
Other expenses	481.692	469.420
Total	67.278.216	46.863.483

The technological flows in Chimcomplex use, to a large extent, the most advanced technologies available (BAT - Best Available Technologies), both in chemical production and in energy generation, which contributes to the compliance of the activity with environmental regulations and to the minimization of the carbon footprint.

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On the Râmnicu Vâlcea platform, due to the technology of obtaining propenoxide through hydrochloride (about 50% of the European capacities do not use this technology), it results in volumes of water containing calcium chloride and organic compounds. This is a feature common to all technologies based on the chlorhydrin route, recognised and accepted by manufacturers and authorities at EU level. For these reasons, the Râmnicu Vâlcea platform incurs penalties from ABA Olt for the volumes of water that exceed the limits imposed by the Water Management Authorization.

Although the amount of calcium chloride in 2024 is not higher than in 2023, the expenses with penalties for 2024 amounted to 37,324,567 lei (compared to 24,214,386 lei in 2023). The increase in these expenses is due to the increase in the tax for chemical indicators by approximately 75%, according to OG 52/2023, and its update with the inflation index of 10.4%, applied from January 1, 2024.

In 2024, the impact of the activity on environmental factors was as follows:

WATER

The quality of the discharged water is monitored by the company frequently and for the indicators specified in the regulatory acts. The indicators are analyzed by RENAR accredited laboratories. Monthly, the quality of the discharged water is monitored by representatives of the water management authorities and every six months by representatives of the environmental protection authorities. During 2024, there were no differences between the monitoring carried out by the company and those carried out by the authorities.

Plans for the prevention and combating of accidental pollution of water use are applicable and implemented on both platforms, in accordance with the legislation in force. The scenarios contained in these plans are the basis of periodic exercises to simulate a situation of accidental pollution of water use.

The quality of the water discharged in 2024 is within the limits set in the Water Management Permit for the Onesti platform. During 2024, there were no differences between the monitoring carried out by the company and those of the authorities.

Both on the Onesti and Râmnicu Vâlcea platforms, plans for the prevention and combating accidental pollution of water uses have been implemented and are applicable, according to the legislation in force. Those plans comprise various scenarios that underpin periodic exercises to simulate situations of accidental pollution of these water uses.

At the same time, for the proper management of the impacts related to water discharge, the influence of the discharged wastewater on the quality of the outfall - the Olt River, both upstream and downstream of the discharges from the industrial platform, is periodically monitored on the Râmnicu Vâlcea platform, in 2 distinct sections: OLT Intake (upstream) and Cremenari (downstream). The monitoring is carried out by an external laboratory, accredited by RENAR, based on a service contract. We mention that the wastewater flows discharged from the Râmnicu Vâlcea platform are much lower than the flow of the Olt River in the analyzed sections (the average flow discharged from the Râmnicu Vâlcea platform was 257 l/s in 2024, compared to the flow of 90,000 – 150,000 l/s of the Olt River), and the monitoring carried out and reported annually to the environmental authorities highlights the fact that, in general, the water quality of the Olt River retains its qualitative parameters downstream of the platform.

According to external studies (Eurototal and EnviroChemie), the wastewater discharged from the Râmnicu Vâlcea platform complies with the norms established by GD 859/2016, and the water status of the Olt River is evaluated as Good and Very Good in most of the analysis points. In addition, it is economically difficult for our industry to replace current installations with environmentally friendly alternatives that offer sustainable solutions. In the short term, we continue to minimize emissions and monitor the river in collaboration with local authorities, while evaluating the best available technologies to reduce the calcium chloride and organic material load assessed. This is a high-priority project within Chimcomplex and will be implemented once the evaluation is completed. We express our concerns that the measures to increase the tax on chemical indicators by approximately 75%, according to OG 52/2023 will accelerate the erosion of the company's competitiveness in the EU and Romania, discourage research and development in the national chemical industry, jeopardizing investments and affecting the general public's access to essential products. We believe that a balanced approach, which takes into account the unique characteristics and specificities of the chemical industry, is crucial to ensure both environmental protection and the availability of chemicals on the national and international market.

AIR

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

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the quantities of pollutants discharged into the atmosphere through stationary sources.

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

Through the current monitoring and measurement of air quality, both at the fixed sources in the manufacturing processes and at the emissions at the perimeter limit of Chimcomplex, on both platforms there were no non-conformities with respect to the limits established by the integrated authorizations in force.

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

NOTE 17. COST OF FINANCING

	December 31, 2024	December 31, 2023
Bank fees and similar costs	136.552	201.813
Interest expense	41.575.658	33.872.110
Expenses / (income) from exchange rate differences related to loans	(56.282)	3.721.784
Total	41.655.928	37.795.708

Economic and financial results recorded by Chimcomplex SA in 2024 compared to 2023:

Crt. No.	Indicators economic and financial	YEAR 2024 thousand lei	YEAR 2023 thousand lei	Differences thousand lei	%
0	1	2	3	4 = 2 - 3	5=4/3*100
1	Turnover	1.495.532	1.399.299	96.233	6,88
2	Total Revenue	1.538.995	1.366.632	172.362	12,61
	- operating income	1.525.975	1.343.854	182.121	13,55
	- financial income	13.020	22.778	-9.758	-42,84
3	Total expenses	1.524.695	1.357.807	166.887	12,29
	- operating expenses	1.473.771	1.309.448	164.323	12,55
	- financial expenses	50.924	48.360	2.564	5,30
4	Gross result	14.300	8.825	5.475	62,04
	- operating result	52.204	34.406	17.798	51,73
	- financial result	-37.904	-25.581	-12.323	*
5	Corporate income tax expenses	10.816	0	10.816	*
6	Income from deferred tax	0	6.449	-6.449	*
7	Net result	3.484	15.274	-11.790	-77,19

In 2024, compared to 2023:

- The turnover increased by 96,233 thousand lei compared to the similar period of the previous year and is made up of 97% of the revenues from the sale of finished products, the difference of 3% is represented by revenues from the licensed activity of distribution, electricity supply;

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At the end of 2024, compared to the same period of the previous year, 35,338 tons of finished products were sold more, which represents an increase of 10%, while sales prices were lower compared to the same period last year by 4%;

- The operating result increased by RON 17,798 thousand, of which RON 15,638 thousand on account of the increase or decrease in the revaluation recognized in the profit or loss account to the extent that it resumes a revaluation decrease of the same value of the asset previously recognized in the profit and loss account or a decrease in the current year.

We conclude that the actual operating result remained at the same level in 2024 (RON 36,566 thousand) and 2023 (RON 34,406 thousand).

Chimcomplex has aligned itself with the situation in the markets, correlating production with sales possibilities. Chimcomplex operated in 2024 at scheduled capacity, but the decrease in sales revenues was stronger, correlated with the evolution of raw material and utility costs, negatively affecting operational profitability.

In 2024, the financial loss of -37,904 thousand lei consists of:

- Interest on loans and other financial expenses in the amount of -38,248 thousand lei, costs that increased with the variable margin of the Euribor interest rate and with the contracting of new loans;
- Profit from exchange rate differences in the amount of 344 thousand lei, of which -424 thousand lei are actual realized losses, and 768 thousand lei represents profit resulting from the revaluation of balances on loans, receivables/payables accounts and treasury accounts.

NOTE 18. OTHER INFORMATION

Transactions with affiliated parties

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

(i) **Related Party Transactions**

Sales	Year 2024	Year 2023
A6 IMPEX SA DEJ	6.956	15.946
SISTEMPLAST SA RM. VÂLCEA	11.289	40.207
GREENCOMPLEX SRL ONEȘTI	13.022	-
SOMEȘ LOGISTIC SRL DEJ	55.523	55.415
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMT	3.900	-
CRC IMPEX CHEMICALS SRL PLOIESTI	-	1.171
LOGISERV SRL RM. VÂLCEA	15.161	-
DAFCOCHIM DISTRIBUTION SRL TG. MUREȘ	36.412.763	84.440.750
VEDRA SRL RM. VÂLCEA	5.065.774	7.815.683
Total	41.584.389	92.369.172

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Purchases	Year 2024	Year 2023
CAROMET SA CARANSEBEȘ	3.447.909	983.203
NOVATEXILE BUMBAC SRL PITEȘTI	802	17.596
INAV SA BUCHAREST	-	64.574
SISTEMPLAST SA RM. VÂLCEA	31.359.686	38.714.154
UZUC SA PLOIESTI	304.727	90.578
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMT	405.716	-
A5 INVEST SRL ONEȘTI	5.285.500	7.195.251
GREENCOMPLEX SRL ONEȘTI	64.260	54.740
A6 IMPEX SA DEJ	16.335.285	45.239.710
CRC EXPLORATION&BUSINESS SRL ONEȘTI	166.183	99.972
SINTEROM SA CLUJ-NAPOCA	28.780	15.719
CRC WORLDTRADE SRL RM. VÂLCEA	30.000	-
Total	57.428.849	92.475.498

(ii) Balances with related parties

Claims	December 31, 2024	December 31, 2023
VITORIA SERV SRL BUCHAREST	41.400	41.400
SOMEȘ SA DEJ	117.185	117.185
SINTEROM SA CLUJ-NAPOCA	1.984	1.984
A6 IMPEX SA DEJ	4.102.430	4.106.012
CRC IMPEX CHEMICALS SRL PLOIESTI	13.923.402	13.923.402
NOVATEXILE BUMBAC SRL PITEȘTI	1.000	1.000
SISTEMPLAST SA RM. VÂLCEA	2.788	3.109
CAROMET SA CARANSEBEȘ	1.265.676	1.191.602
CRC EXPLORATION&BUSINESS SRL ONEȘTI	11.861	11.861
IAȘITEX SA IAȘI	1.423	1.423
CRC ZEUS AMSTERDAM	207.590	200.526
LOGISERV SRL RM. VÂLCEA	1.246.129	-
DAFCOCHIM DISTRIBUTION SRL TG. MUREȘ	2.777.731	11.062.657
Total	23.700.598	30.662.161

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Debt	December 31, 2024	December 31, 2023
AISA INVEST SA CLUJ-NAPOCA	6.664	6.664
CAROMET SA CARANSEBEȘ	221.259	733.188
CRC IMPEX CHEMICALS SRL PLOIESTI	833	833
IASITEX TO IASI	75.842	75.842
SOMEȘ SA DEJ	3.131	3.131
SISTEMPLAST SA RM. VÂLCEA	4.574.978	4.799.825
UZUC SA PLOIESTI	148.477	72.856
A5 INVEST SRL ONEȘTI	483.818	727.760
GREENCOMPLEX SRL ONEȘTI	5.355	5.235
SINTEROM SA CLUJ NAPOCA	2.221	-
A6 IMPEX SA DEJ	7.237	-
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMT	23.430	-
CRC WORLDTRADE SRL RM. VÂLCEA	30.000	-
Total	5.583.244	6.425.334

Advances	December 31, 2024	December 31, 2023
SOMEȘ SA DEJ	233.837	233.837
CAROMET SA CARANSEBEȘ	6.395	6.395
UZUC SA PLOIESTI	910.396	910.396
NOVA TEXTILE BUMBAC SRL PITEȘTI	63.732	63.732
SISTEMPLAST SA RM. VÂLCEA	488.883	488.883
CRC EXPLORATION&BUSINESS SRL ONEȘTI	199.142	148.812
Total	1.902.386	1.852.056

Guarantees	December 31, 2024	December 31, 2023
SISTEMPLAST SA RM. VÂLCEA	2.200.185	3.298.345
Total	2.200.185	3.298.345

The preliminary individual financial statements as at 31 December 2024 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and are unaudited.

For the conversion of receivables and debts into foreign currency, the exchange rates of December 31, 2024 communicated by the NBR were used.

The closing price of a CRC share on December 30, 2024 was RON 11.50, and the market capitalization recorded on this date was RON 3,506,440,287.

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Litigation

The company is the subject of several legal actions that have arisen in the normal course of its activity. Management believes that the litigation will not have a negative effect on the Company's financial performance and financial position. In addition, the Company is involved in a dispute with the former management, the claims being estimated at RON 45,000,000. The company considers this to be a contingent liability.

Environment

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

The industrial platforms are certified according to ISO 14001:2015 Environmental Management Systems. There is a permanent concern to improve environmental performance, so the main objectives of environmental management are:

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

In addition to the environmental certification (according to ISO 14001:2015), the company also holds the following certifications related to quality and products/services:

- International quality standard certification – SR EN ISO 9001:2015;
- International environmental standard certification – SR EN ISO 14001:2015;
- SR EN ISO 17025:2018 certification for its own chemical testing laboratories on both platforms, which ensure testing and calibration competence;
- Codex Alimentarius - HACCP certification for the production and marketing of chemical products, used as food additives, calcium chloride flakes, sodium hydroxide solution minimum 48% (for both sites) and sodium hydroxide flakes;
- Certification A for the product quality of PHARMACEUTICAL PROPYLENE GLYCOL (ISO 17067:2014), which is a high-purity product grade of propylene glycol used in pharmaceutical applications;
- Product Conformity Certification Calcium chloride – road snow removal agent;
- SQAS ATTESTATION certification for LOGISERV issued by CEFIC, EFCTO member.

At the same time, Chimcomplex maintains its commitment to strictly comply with all laws and legal provisions in force, with the related additions and amendments, as well as the internal regulations and aspects stipulated in the authorizations that the company holds. Among these, we mention: Integrated Environmental Permits and Water Management Permits. We mention that this commitment also extends to the company's supply chain.

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TAXONOMY

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

Chimcomplex SA Borzesti has assessed all its activities carried out to see which of them are eligible and also aligned in accordance with Annexes I and II of the Climate Delegated Act. Our activities contribute to climate change mitigation.

The main activity of Chimcomplex, according to NACE coding, is 2013 - manufacture of other basic inorganic chemicals (production of chlorosodium and inorganic chlorides) and 2014 - manufacture of other basic organic chemicals. The largest share in the company's revenue in 2024, according to NACE coding, is 2014 - the manufacture of other basic organic chemicals, mainly: polyol-polyethers, oxoalcohols, alkylamines and other chemical products, including services and technical assistance and their domestic and export marketing.

The Group's basic production is structured in two locations: the Chemical Platform-Ramnicu Valcea Branch and the Onesti Chemical Platform.

According to the reporting requirements for the financial year 2024, 8 eligible activities have been identified and assessed for compliance for Chimcomplex in accordance with Taxonomy Regulation (EU) (2020/852) and subsequent delegated acts.

The activities identified as eligible carried out by Chimcomplex are the activities listed below:

- Activity 3.13 Manufacture of chlorine;
- Activity 3.17 Manufacture of plastics in primary forms;
- Activity 4.1 Electricity production using solar photovoltaic technology;
- Activity 4.30 High-efficiency cogeneration of thermal energy for heating/cooling and electricity based on gaseous fossil fuels;
- Activity 4.31 Production of thermal energy for heating/cooling from fossil fuels in an efficient district heating and cooling system;
- Activity 6.2.Rail freight transport;
- Activity 6.6. Road freight transport services;
- Activity 7.2 Renovation of existing buildings.

Following the analysis on the alignment of activities to the taxonomy, it was found that:

- A single activity - Electricity production using solar photovoltaic technology - contributes substantially to climate change mitigation, without prejudice to the other 5 environmental objectives (at the time it will be put into operation).
- All 8 eligible activities do not harm 4 of the 5 environmental objectives (DNSH): Water and marine resources, Circular economy, Pollution prevention and control, Biodiversity and ecosystems. The main reason why the activities do not prejudice the Climate Change Adaptation objective is the lack of a climate risk assessment and climate vulnerability study on global warming scenarios. For the next report we intend to elaborate this study.
- All 8 eligible activities meet the minimum social criteria.

Therefore, according to the analysis carried out, for the reporting period 01.01.2024 – 31.12.2024 no activity is aligned with the taxonomy according to Article 17 of Regulation (EU) 2020/852 and subsequent delegated acts.

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Main risks and uncertainties

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

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

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

As risk factors that affect or could affect the company's liquidity, we mention the evolution of international quotations for the main products marketed by the company, the decrease in demand on the market as a result of the downward trend in consumption in the European economies negatively affected by the war in Ukraine, the company's exposure mainly to exchange rate fluctuations in trade and finance for EURO and USD and the interest rate risk.

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for managing the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve lending facilities, continuously monitoring forecasted and actual cash flows, and correlating the maturity profiles of financial assets and liabilities.

The Company is exposed to interest rate risk because the entities in the Company lend funds at fixed interest rates and floating rates, the variable interest rates that are mentioned here are Euribor and ROBOR.

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.

Levy

The taxation system in Romania is still developing, trying to consolidate and harmonize with European legislation. In this regard, there are still various interpretations of the tax legislation. In certain cases, the tax authorities may treat certain issues differently and calculate additional taxes and fees, as well as interest and related penalties.

On January 1, 2024, the interest rate is 0.02% and the late payment penalty is 0.01% for each day of delay, starting with the day immediately following the due date and up to and including the date of payment of the amount due.

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

Other information

These financial statements have been prepared based on the principle of business continuity which implies that the Company will continue its activity for the foreseeable future. In order to assess the applicability of this presumption, management also analyzes the forecasts regarding future cash inflows, among other things.

Based on these analyses, the management considers that the Company will be able to continue its activity in the foreseeable future and therefore the application of the business continuity principle in the preparation of the financial statements is justified.

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Subsequent events

On 23.01.2025, the Company communicated the Decision of the Extraordinary General Meeting of Shareholders of Chimcomplex SA Borzești, ratifying art.2 of Decision no.1 of the Board of Directors dated 14.03.2024, respectively the granting of shares to the employees and managers of the companies affiliated to Chimcomplex SA Borzești, namely, A5 Invest SRL and Sistemplast SA, based on the Decision of the General Meeting of Shareholders of Chimcomplex SA Borzești dated 23.06.2023.

Management statement

We confirm that, to the best of our knowledge, the unaudited preliminary individual financial statements prepared for the one-year period ended December 31, 2024 provide a fair picture of the Company's assets, liabilities, financial position and profit and loss as required by applicable accounting standards. The financial statements provide a true and fair view of the development and performance of the business and the Company's position, as well as a description of the main risks and uncertainties faced by the Company.

STEVEN HUNT,
GENERAL MANAGER

ADRIAN TEOTOC,
FINANCIAL DIRECTOR

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