



Financial results 1st semester 2023

Chimcomplex registers solid results in the first half of 2023, despite the difficult economic context

Bucharest, August 31st, 2023. Chimcomplex, the leading producer and supplier of vital chemicals in the region, announces robust financial results for the first half of 2023, despite major economic challenges.

Romania's economy suffered a significant contraction, with a 39% decrease in quantitative volumes in the first half of 2023. Chimcomplex, located at the beginning of the national economic chain, reports a turnover 34% lower compared to the same period of the previous year, following the general trend of the economy.

However, Chimcomplex managed to register a net profit of RON 49.65 million (approximately EUR 10 million) in the first half of 2023, with a turnover of RON 790 million (EUR 160 million). EBITDA was EUR 25 million, with a margin of 15.6% of turnover. This performance is all the more notable as it was achieved under the conditions of operating the company at half capacity.

The company has made considerable efforts to reduce costs and streamline operations in the first half of 2023. Expenses decreased significantly, reducing them by 49% for utilities (electricity, natural gas, water) and by 45% for all other raw materials. This contributed to an operating profit margin of 10%, despite the reduction in turnover.

In Q4 of last year, Chimcomplex implemented measures from a four-level preventive crisis package that meant, among others, a restructuring program for 389 positions and the temporary shutdown of some production facilities. These measures had a positive impact on the company's financial situation, allowing it to end the first half of 2023 on profit.

"Chimcomplex, being a medium-sized company in the European Union, managed to recover faster than the big players showing a solid adaptive capacity. In the next semester, we will launch three new measures that will absorb the turbulence generated by the multiple crises that Romania's economy is going through. We forecast a stagnation of the European economy for the next semester, followed by an improvement in the outlook for the chemical market in Europe." said Stefan Vuza, President and CEO of Chimcomplex.

Chimcomplex has foreseen in its strategy accelerated dynamics for the next 2 years and an ambitious series of investments supported by programs financed by European funds and PNRR. The company's strategy focuses on concrete goals, including decarbonization, harnessing hydrogen energy, developing renewable green energy and diversifying production.



In fact, in the first semester of 2023, Chimcomplex continued to invest in the energy of the future using the significant experience gained from operating the two cogeneration plants already existing on the Borzesti platform. The investments made in the first half of 2023 included the works for the completion of the largest high-efficiency cogeneration plant built in Romania in the last 11 years. The installation of the third cogeneration group of 16.6 MW increased the energy capacity to a total of 49.6 MWh, energy that can be used by the entire industrial platform Chimcomplex Rm. Valcea starting September 2023.

Progress has also been made in building the trigeneration plant, unique in Europe in the chemical industry. The plant will have an above-average energy capacity for trigeneration, respectively a production of 8 MW electricity, 11 MW steam and 1 MW cold. The investment will be commissioned by the end of 2023 to report first results in 2024.

These investments will contribute to making production more efficient and sustainably increasing financial performance.

The recovery of the consumption of chemicals manufactured by Chimcomplex will be generated by the recovery of the comfort industry (mattresses, chairs, furniture), the construction and home appliances industry, alumina, pulp and paper, but also by the recovery of the consumption of chlorine derivatives, mainly PVC and polyurethanes.

At the European level, all players in the chemical industry report results on a downward trend, as all European Union economies have contracted in volumes. Larger players lost or shut down their operations. The outlook remains the same until energy and gas market prices fall. In addition, the chemicals market was affected by significant volumes imported from non-European areas, especially China and the Middle East, an increase of up to 410%.

Chimcomplex demonstrates resilience and the ability to adapt in a complex economic context. The financial performance recorded in the first half of 2023 reflects the commitment and continuous efforts of the management team and employees to remain focused on growth and positive results for Romania.

About Chimcomplex

Chimcomplex is the leading producer and supplier of vital chemicals in the region, specializing in polyols, chlor alkali and oxo-alcohols. It is a strategic company for the Romanian economy, the largest chemical plant, with 2 industrial platforms in Onești and Ramnicu Valcea. Chimcomplex is a company with a tradition of almost 70 years, which develops quality products for a better life and a sustainable future. In 2022, Chimcomplex registered a turnover of 2.259 million lei.

*The information in the attachment uses as a reference the financial data published on [www.bvb.ro website](http://www.bvb.ro) and the company's website: <https://chimcomplex.com/>.

Reporting is done according to the financial reporting calendar - reporting date August 31, 2023.