



**MANAGEMENT REPORT
ON THE GROUP'S ACTIVITY
CHIMCOMPLEX SA
IN 2024**

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



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**MANAGEMENT REPORT
ON ECONOMIC AND FINANCIAL ACTIVITY
OF THE CHIMCOMPLEX SA BORZEȘTI GROUP IN 2024
drawn up according to the provisions of art.63 of Law 24/2017,
Annex 15 to ASF Regulation no. 5/2018**

The consolidated financial statements prepared by Chimcomplex SA Borzești for the financial year 2024 are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union.

The consolidated financial statements of CHIMCOMPLEX SA ended December 31, 2024 refer to the Company and its subsidiaries: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%), Logiserv SRL (100%), CRC Worldtrade SRL (100%) (together being defined as the "Group") and the Group's interests in the associated companies: A6 Impex SA (49.4497%). The consolidated financial statements mainly comprise the activity of Chimcomplex Borzești SA, which is predominantly within the Group, its activity being presented in detail in the Report to the Individual Financial Statements. This report contains only additional data, as a result of the consolidation of the Group's financial statements.

The preparation of the consolidated financial statements is done by summing the financial statements of the companies: Greencomplex SRL (99.9998%), A5 Invest SRL (100%), Sistemplast S.A. (94.4%), Logiserv SRL (100%), CRC Worldtrade SRL (100%) - constituting "Chimcomplex SA Group", and for the associated companies, only the profit calculated according to the contribution to the share capital is taken into account.

1. IDENTIFICATION DATA OF CHIMCOMPLEX SA BORZEȘTI

Company name: CHIMCOMPLEX S.A. BORZEȘTI

Registered office : Onești, 3 Industriilor Street, Bacău County

Phone: 0234/302100

Fax: 0234/302102

Unique registration code: RO 960322

No. in the Trade Register: J1991000493044

LEI Code : 549300FCIHJZOG56WD36

The market on which the issued securities are traded: Bucharest Stock Exchange -

- **Standard Category:** CRC Symbol

Object of activity: Manufacture of other basic inorganic chemicals

Subscribed and paid-up share capital according to the Trade Register: 304,907,851 lei

The main characteristics of the securities issued by the company:

the share capital is divided into 304,907,851 shares with a nominal value of RON 1/share

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2. PRESENTATION AND HISTORY OF THE GROUP

CHIMCOMPLEX SA BORZEȘTI was established in 1990, based on the Government Decision no. 1200 of 12.11.1990, by dividing the Borzești Petrochemical Plant and taking over the entire patrimony of the Borzești Chemical Plant.

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

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

On December 7, 2018, Chimcomplex SA Borzești acquired from Oltchim SA the assets (intellectual property rights, land, constructions, movable property, ongoing investments) related to chlorosodium installations, propenoxide, polyol-polyethers, oxo-alcohols, monomer, PVC I, utilities, wagon park, from the Rm.Vâlcea industrial platform. The value of the transaction was 589,328,986 lei, excluding VAT.

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

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

As of 31.12.2024, the share capital of Chimcomplex SA Borzești is RON 304,907,851, divided into 304,907,851 shares with a nominal value of RON 1/share, according to the records at the Trade Register attached to the Court of Bacău.

C.R.C. Holding Alchemy B.V. Amsterdam NLD is the main shareholder. The nominal share capital subscribed and paid up as of December 31, 2024 is RON 259,152,119 divided into 259,152,119 shares, each with a nominal value of RON 1. Each share entitles its holder to a single vote.

Chimcomplex SA Borzești as a commercial company whose shares are admitted on a regulated market (Bucharest Stock Exchange, Standard category, symbol CRC) has adopted IFRS (International Financial Reporting Standard) starting with the financial year 2023.

The financial statements for 2024 were prepared in accordance with the provisions of OMFP 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union.

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

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Chimcomplex SA holds shares in the share capital of the companies in the group with a total value of RON 79,339,185 (book value) as follows:

Name	Address	Activity profile	Book value	
			Lei	% in capital
GREENCOMPLEX SRL ONEȘTI	3 Industriilor Street, Onești Bacău County	Manufacture of other basic inorganic chemicals	4.733.030	99,9998%
A5 INVEST SRL ONEȘTI	3 Industriilor Street, Onești Bacău County	General Mechanical Operations	6.100.000	100%
A6 IMPEX SA DEJ	63 Bistriței Street, Dej	Electricity production and marketing	50.609.823	49,4497%
SISTEMPLAST SA RM. VÂLCEA	1 Uzinei Street Rm Vâlcea	General Mechanical Operations	14.966.000	94,40%
LOGISERV SRL RM. VÂLCEA	1A Uzinei Street Rm Vâlcea	Other activities related to transport	2.910.332	100,00%
CRC WORLDTRADE SRL RM. VÂLCEA	1 Uzinei Street Rm Vâlcea	Supply of steam and air conditioning	20.000	100,00%

Description of subsidiaries or controlled companies during the financial year

Greencomplex SRL Onești, the Company was established in 2004. The company's headquarters are in 3 Industriilor Street, Onești, Bacău County. The main object of activity according to the registration with the Trade Register is the manufacture of other basic inorganic chemicals.

SC A5 INVEST SRL Onești, the Company was established in 2012. The company's headquarters are in 3 Industriilor Street, Onești locality, Bacău county. The main object of activity according to the registration with the Trade Register is intermediation in the trade of machinery, industrial equipment, ships and aircraft.

Sistemplast SA, the Company was established on 12.02.1999. The company's headquarters are in Râmnicu Vâlcea, Str.Uzinei, nr.1. The main object of activity since 2016 consists of the activity "general mechanical operations", NACE code 2562, and the spectrum of services offered includes maintenance, design, construction, assembly, repairs and verifications of equipment, installations and automation.

A6 Impex SA, the Company was established in 2013. The company's headquarters are in Dej, Cluj. The main object of activity is the production and sale of electricity from renewable sources, energy obtained from a thermoelectric power plant with a production capacity of 9.5 MWh/hour.

Logiserv SRL, the Company was established on January 29, 2008. The registered office is in Râmnicu Vâlcea, Str. Uzinei, nr. 1A, Vâlcea county. Main object of activity: provides services at European standards recognized by the European Chemical Industry Council (CEFIC) for the cleaning of tankers, containers and IBCs intended for the transport and storage of liquid chemicals.

CRC WORLDTRADE S.R.L. The company is a Romanian legal entity, incorporated in the form of a limited liability company, established on 20.02.2024. The Company's headquarters are in Râmnicu Vâlcea, str. Uzinei nr. 1, Administrative Pavilion, Room 7, Vâlcea County. The Company's object of activity is Supply of steam and air conditioning.

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3. STRUCTURE OF THE GROUP IN 2024

As of December 31, 2024, the group consists of the following companies, which have been introduced into the scope of consolidation:

Company name	Registered office	% control	% interest	Consolidation by
CHIMCOMPLEX	Onești, Bacău			Parent company
Greencomplex SRL		100,00%	100,00%	Global Integration
A5 INVEST SRL		100,00%	100,00%	Global Integration
Sistemplast SA		94,40%	94,40%	Global Integration
Logiserv SRL		100,00%	100,00%	Global Integration
CRC Worldtrade SRL		100,00%	100,00%	Global Integration
A6 IMPEX SA		49,45%	49,45%	Equivalence

4. OVERVIEW OF THE GROUP'S WORK

4.1. Parent company overview

The main activity of the parent company, according to the NACE codification, is 2013 - the manufacture of other basic inorganic 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: the production of chlorosodium products, polyol-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their domestic and export marketing from the Râmnicu Vâlcea Branch.

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

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

4.2. Overview of subsidiaries

Greencomplex SRL Onești is a limited liability company headquartered in Str.Industriilor nr.3, Onesti locality, Bacău county, registration number at the trade register J4/2/2004, having as its object of activity the manufacture of other basic inorganic chemical products.

Currently, the company's revenues come mainly from the activity of providing payroll calculation services.

Chimcomplex SA's ownership of Greencomplex SRL Onești is 99.99% of the capital.

The company is managed by a sole administrator, Mr. Staicu Dumitru-Florian, with a mandate starting with 04.05.2023, until 31.12.2025.

The subscribed and paid-up share capital is RON 4,733,040, divided into 473,304 shares, with a nominal value of RON 10/share. During 2024, the share capital was not increased or decreased.

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A5 Invest SRL Onești is a limited liability company with headquarters in Str.Industriilor nr.3, Onești locality, Bacău county, registration number at the trade register J4/1096/2012, having as object of activity intermediation in the trade of machinery, industrial equipment, ships and planes.

Currently, the company's revenues come mainly from the activity of providing general mechanical works.

Chimcomplex SA's ownership of A5 INVEST SRL Onești is 100% of the capital.

The company is managed by a sole administrator, Mr. Staicu Dumitru-Florian, with a mandate starting with 04.05.2023, until 31.12.2025.

The subscribed and paid-up share capital is RON 6,100,000, divided into 610,000 shares, with a nominal value of RON 10/share. During 2024, the share capital was not increased or decreased.

Sistemplast SA Râmnicu Vâlcea is a joint-stock company headquartered in Râmnicu Vâlcea, Uzinei Street, no. 1, Râmnicu Vâlcea county. Vâlcea, not being traded on B.V.B.

Sistemplast SA is a fully privately owned company and was established as a legal entity in 1999 and initially had as its main object of activity "Manufacture of plastic tubes, foils, profiles", but currently its object of activity is "General mechanical operations", NACE code 2562.

Starting with 2013, the company took over 155 employees of the former Mentchim SA, a bankrupt company, and also, by assigning the contracts of Mentchim SA, it managed to change the object of activity and win, in 2014, the maintenance contract put up for auction by Oltchim SA.

The main shareholder of the company became Chimcomplex SA starting with 2022, after the acquisition of the shares from Uzuc SA.

The Company's main customer is Chimcomplex. Sistemplast SA has structured its activity around maintenance and repair activities for the machinery and installations on the Chimcomplex platform in Râmnicu Vâlcea.

The company is managed by a sole administrator, Mr. Staicu Dumitru-Florian, with a mandate starting with 29.05.2023, until 31.12.2025.

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

Logiserv SRL - Based on the assignment contract concluded on 13.05.2024, the transfer of ownership of the shares held by the shareholders of Logiserv SRL took place, so that Chimcomplex, the main producer of vital chemicals in the region, strengthens its position on the market and acquires Logiserv Tank Cleaning, a reference company in the field of tanker washing, containers and IBCs intended for the transport and storage of liquid chemicals.

Logiserv is the first laundry in Romania to offer services at European standards recognized by the European Council of the Chemical Industry (CEFIC).

Following the investment, Chimcomplex took over the equipment, essential machinery and authorizations to operate the laundry at the best standards.

Logiserv Tank Cleaning is also 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.

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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.

The company is managed by a sole administrator, Mr. Sârbu Eduard, with a 4-year mandate starting with 10.05.2024.

CRC Worldtrade SRL - The Company's object of activity is the supply of steam and air conditioning.

The company is managed by a sole administrator, Mr. Sârbu Eduard, with a 4-year mandate starting with 31.01.2024.

A6 Impex SA, The main object of activity is the production, transmission and distribution of electricity from renewable sources, energy obtained with the thermoelectric power plant with a production capacity of 9.5 MWh/hour.

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

The company is managed by Mr. Florian Staicu with a 4-year mandate starting with 15.05.2023.

5. MERGERS, REORGANIZATIONS AND LIQUIDATIONS OF SUBSIDIARIES IN 2024

That was not the case.

6. GROUP TRANSACTIONS WITH RELATED PARTIES

Sales of goods and services to related parties in the amount of RON 41,544,916 in 2024 compared to 2023 (RON 92,594,633), include deliveries of various materials, rents and utilities, services, maintenance. Purchases from related parties totaling RON 20,689,306 in 2024 compared to 2023 (RON 46,511,353) mainly include services.

In 2022, the Group acquired 94.4% of the shares held in Sistemplast SA. The debt will be paid within a maximum of one year from the end of the 2024 financial year. The group has the right to continue to hold the acquired shares and is not obliged to return them to the seller as a result of non-payment of the rest of the amounts due.

For information on transactions with related parties, please refer to the selected explanatory notes to the consolidated financial statements.

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7. PARENT COMPANY'S CONTRIBUTION TO COMPREHENSIVE INCOME

The preparation of the consolidated financial statements is done by summing the financial statements of the companies: Chimcomplex S.A., Greencomplex SRL, A5 Invest SRL, Sistemplast S.A., Logiserv SRL, CRC Worldtrade SRL - constituting the "Chimcomplex Group", and for the associated companies, only the profit calculated according to the contribution to the share capital is considered.

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

-Lei-

Indicator	December 31, 2024			December 31, 2023		
	Group	Company mother	% company mother	Group	Company mother	% company mother
Fixed assets	2.552.890.811	2.542.242.383	99%	2.187.415.901	2.178.439.792	99%
Current assets	519.759.383	500.309.124	96%	543.904.777	523.630.001	96%
Equity	2.040.775.531	2.022.056.640	99%	1.733.253.064	1.718.464.160	99%
Long-term debts	760.329.613	760.329.613	100%	576.398.095	574.765.990	99%
Current payables	271.545.049	260.165.253	96%	421.669.519	408.839.642	97%

Financial indicators calculated on the basis of the consolidated financial statements

-Lei-

Indicator	December 31, 2024			December 31, 2023		
	Group	Company mother	% company mother	Group	Company mother	% company mother
Income	1.502.687.570	1.495.531.942	99%	1.404.388.043	1.399.298.512	99%
Gross profit	18.719.256	17.039.720	91%	12.821.710	8.825.048	69%
Net profit	2.705.706	1.270.925	47%	18.608.065	15.273.803	82%

The value of sales revenues increased by RON 98,300 thousand in 2024 compared to 2023, driven by the positive influence of volumes that compensate for the price reduction, with the parent company accounting for 99% of total sales.

The group correlated production with the sales trend on the market, so that the volume of products in the plasticizers category increased significantly, compared to 2023.

The sales volume in 2024 is above the level of the compared period (+56.4 thousand tons). Volume increases are found in almost all product categories, a significant increase being found in the plasticizers category (i-butanol, n-butanol, octanol).

Average prices in 2024 are lower than in the same period of the previous year (-11%), the value impact at the level of the platform in Rm.Vâlcea being -29 million euros, liquid/solid sodas registering an average decrease of 134 eur/to, (-23%), and polyols registering an average decrease of 79 eur/to (-5%), compared to 2023.

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The profit before tax of the parent company in the consolidated financial statements decreased by RON 3,210 thousand compared to the gross profit in the individual financial statements, as a result of the application of the equity method for the shares held in the company A6 Impex SA.

The European **caustic soda** market has seen high availability, reflected in the pressure on selling prices. In addition, local producers, non-European imports (Iran, Russia, Turkey) continued to supply the market with chlorosodium products at competitive prices.

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 polyether market became limited in the first part of the year, due to constant supply disruptions in Europe caused by voluntary production stoppages, the blockage of the Suez Canal, unplanned production stoppages and low availability of raw materials, all of which led to limited stocks of polyethers.

The European **oxo-alcohols market** has been significantly influenced by the price and availability of propylene, the variable demand from the construction and automotive industries, as well as the problems that have arisen in the supply chain of Asian products.

The Group's net result decreased compared to the same period of the previous year, mainly influenced by the results obtained by the parent company, which holds the share of 99% in the total value of sales revenues. The Group recorded a net profit of RON 2,705,706 for 2024 (profit for 2023: RON 18,608,065).

In the coming period, the Group pursues development by continuing the strategic investment program started in the previous year and aims to become more efficient and stable in terms of energy.

8. DESCRIPTION OF THE ACTIVITY OF THE GROUP AND THE PARENT COMPANY

The Group's object of activity mainly includes: the production of chlorosodium products, polyol-polyethers, oxoalcohols, other chemical products, including services and technical assistance and their domestic and export marketing, in accordance with the provisions of the Company's Articles of Incorporation.

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

The main products manufactured by Chimcomplex SA Borzești are:

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

The Group's core production is structured in two sites:

Borzesti:

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: chlorcolin chloride.

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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 textile industry in the manufacture of cellulose, viscose, in the sugar industry, in the oil industry for their purification of free fatty acids, in the aluminum industry.

Caustic soda flakes have similar uses to the 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 paper industry as a bleach, in the chlorination of water.

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

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

Inorganic chlorides

Ferric chloride is used as a flocculant in the treatment of drinking 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 winter transport and storage of ores, as a drying agent 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.

Alkylamine

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

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

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

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

Chlorocolin chloride – plant growth stimulator.

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Vâlcea Branch:

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

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.

Synthetic organic products

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

Propylene glycol is mainly used in the production of antifreeze, polyether polyols, defoamers; 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 plasticizers; in the manufacture of synthetic lubricants; in the manufacture of surfactants and defoamers; 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 denitrocellulose 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-dried varnishes based on urea and phenolic resins.

The parent company provides rental and utility services to one of its subsidiaries.

Within the Rm.Vâlcea Chemical Platform, the company Sistemplast SA also carries out its activity, which mainly carries out mechanical maintenance and electro-AMA works at Chimcomplex SA.

Sistemplast SA Rm.Vâlcea carries out in relation to the parent company the following services:

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

Currently, the company's revenues come mainly from the service provision activity.

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Greencomplex SRL Onești carries out activity in relation to the parent company - Business and management consulting activities.

A5 Invest SRL Onești - general mechanical operations.

Logiserv SRL Rm.Vâlcea offers services at European standards recognized by the European Council of the Chemical Industry (CEFIC) for the cleaning of tankers, containers and IBCs intended for the transport and storage of liquid chemicals.

CRC Worldtrade SRL Rm.Vâlcea provides the supply of steam and air conditioning.

9. EVENTS WITH A SIGNIFICANT IMPACT ON THE FUNCTIONING OF SOCIETY

The polyurethane industry remained in crisis, with minor changes or even stagnation in demand in January 2025 as private consumption continues to be low in conjunction with weaker activity in the construction sector. 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.

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.

The oxo-alcohol markets in Europe and Turkey have 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.

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.

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%.

Issues related to the transport of goods and services from east to west can also have an impact on certain main raw materials, materials or finished products for other industries that also affect the polyurethane industry as well, such as electrical appliances and components, household appliances and automotive components. We may see more local production than imports of finished products, although it is far from having a direct implication. Some European car manufacturers have reduced production due to shipping delays, while no additional turnover rate has been observed in Europe's upholstery sector.

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10. EVALUATION OF ASPECTS RELATED TO THE COMPANY'S EMPLOYEES

The Human Resources activity is carried out in accordance with the Company's Management Plan in force and has as objectives the maintenance and development of professional experience, by:

- Optimizing and streamlining the organizational structure of the Company and the Group;
- Increasing human capital and periodic training/training of employees;
- Introduction of an integrated performance management system for employees;
- Improving staff development measures through courses and training.

Parent company Chimcomplex SA Borzești

In 2024, the average number of employees was 1,540, up by 91 people compared to the previous year. The increase is driven by the resumption of production operations at the Oxoalcooli plant in early 2024.

Of the employees, 13% have higher education and 87% have secondary education. The company's staff follows a continuous professional training program or internal and external training on quality, occupational health and safety, environment, etc.

The degree of unionization is about 60% and there were no labor conflicts between employers and unions.

The working conditions are stipulated in the collective labor agreement.

More information on the social and personnel policy, the occupational health and safety policy, the human rights policy, as well as the related risks and key performance indicators will be available in the Sustainability Report which will fulfill the role of the Non-Financial Statement of the Board of Directors for the year 2024, will be published as a stand-alone report and will cover the Chimcomplex group.

For the other companies in the group:

Company	Average number of employees
Greencomplex SRL	1
A5 Invest SRL	46
Sistemplast SA	195
A6 Impex SA	27
Logiserv SRL	4
CRC Wordtrade SRL	0

In 2024, there were no cases of occupational diseases or events with a major impact on the health and safety of employees.

Increasing human capital and periodic training/training of employees

Human capital is fundamental to the fulfillment of the company's objectives, so in the context of changes in the external environment, it is necessary for it to transform the skills and performance of its employees into a competitive advantage, by developing and retaining existing valuable employees and recruiting new suitable human resources that will ensure the quality of human capital in the future.

Identification of key positions in the company and the necessary skills

The identification of the necessary skills for all positions within the company, including key positions, is constantly carried out through job descriptions that are drawn up and updated according to the procedures in force within the company.

Increasing employee engagement, motivation and productivity

The effectiveness and productivity of the work of the company's employees are key success factors for achieving the proposed results.

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Performance management involves clearly defining objectives and responsibilities, a motivated, engaged workforce (managers and experts/execution staff) and capable employees.

In 2024, the social responsibility programs continued to be carried out, as follows:

- Providing financial support to students in the dual education program
- Involvement in the organization of internships for students

Relationship between manager and employees: The hierarchical relationship between managers and employees of the company is regulated by the organizational structure approved at the company level and by the job descriptions of the employees.

11. THE IMPACT OF THE GROUP'S ACTIVITY ON THE ENVIRONMENT

Environmental regulations are in a development phase in Romania, and as of December 31, 2024, the Group has not recorded any liabilities for any anticipated costs, including legal and advisory fees, design and implementation of environmental remediation plans.

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

The sustainability report for 2024 will be published on the company's website within the deadline provided by law.

From the point of view of environmental protection, Chimcomplex S.A. Borzești operates based on the authorizations issued by the regulatory authorities and are presented in the administrators' report on the activity of Chimcomplex.

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

CLIMATE CHANGE

In 2024, we carried out our activity in the field of climate change by complying with the provisions of the greenhouse gas emission permits and the EGES monitoring plans for the period 2021-2025, approved by the National Environmental Protection Agency for each of the two platforms.

Under these circumstances, it was necessary to take measures for the judicious use of its own cogeneration facilities for the production of electricity and heat necessary for the activity, in parallel with the purchase of electricity from the market. At the same time, part of the natural gas was replaced with hydrogen produced in electrolysis and used as fuel for the production of thermal energy without greenhouse gas (CO₂) emissions.

The other companies in the group operate in the same premises as the Onești and Râmnicu Vâlcea platforms, do not have activities that by their nature pollute the environment and comply with the same rules regarding compliance with environmental requirements.

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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.

COMPLIANCE ASSESSMENT

The control and regulatory authorities (GNM Bacău, GNM Rm.Vâlcea, APM Bacău, SAPM Rm.Vâlcea) carry out site visits in order to verify compliance with the REACH Regulation, the CLP Regulation, EC Regulation 528/2012 (biocidal products regime), EC Regulation 517/2014 (GFS regime), the compliance of Chimcomplex's activity with the provisions of the integrated authorizations in force, the legislation in force regarding waste landfill.

Following these checks, no sanctions were applied.

12. RISK MANAGEMENT OBJECTIVES AND POLICIES. RISK FACTORS

The Group continuously aims to reduce the potentially adverse effects associated with risk factors on financial performance by defining the risk profile – the overview of all potential risks. The risk profile, by combining, classifying, ordering, establishing interdependencies, analyzing causes/effects, severity and frequency, as well as defining ways to mitigate the impact of all identified risks, is a main source of information in establishing the company's business strategy.

The analysis of decision-making problems in risk conditions involves an evaluation of the decision alternatives, of their consequences, considering that the effects of the decisions are not known for sure. In these cases, the optimal rate is the one that maximizes the anticipation, respectively reveals the probable or anticipated value of the result. Risk management implies, first of all, a precise definition of the objective limits within which the Company is willing to accept the volatility of the risk and its impact on profitability, the concrete level of risk to which the activity is exposed and the adoption of measures to eliminate or reduce the risk in order to optimize the results. In-depth knowledge of threats allows them to be prioritized 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 probability 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, annually elaborating the Register of identified risks, Risk Tracking Sheets, Risk Alert Forms (for newly appeared risks), the Plan for the implementation of control measures, in order to limit the possible consequences of these risks, in accordance with the legal provisions. From the point of view of financial risk management, the risks to which the Company is exposed, having the most significant effects on the financial results, derive from the financial instruments: interest rate risk, currency risk, credit risk and liquidity risk. Other risks that may affect the Company's performance are: the risk regarding the provisions of the financing agreements, the risk of credit rating deterioration, the price risk due to the unpredictability of the energy market (which can lead to significant increases in associated costs).

In order to effectively and efficiently carry out the processes in the company in order to obtain products and services in accordance with the regulatory requirements in the field, with the legal requirements and with the customer's requirements, it is necessary to identify the processes, their sequence and interaction and implicitly the risks generated by them.

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By implementing the requirements of the new ISO 9001:2015 and ISO 14001:2015 standards, both the risks generated by the processes identified at the company level and those associated with the environmental aspects generated by the activities, products and services carried out have been identified and evaluated, and the management of these risks has been documented.

Due to the nature of the activities performed, the company is exposed to risks that include, but are not limited to, the risks presented below:

Capital risk management – the objectives of management are to protect the entity's ability to continue its business in order to provide benefits for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The company uses loans that are usually secured by its assets. If the company is unable to generate adequate cash flow to cover debts, it may suffer a partial or total loss of capital. A relatively small movement in the value of assets or income can cause a large disproportionate, unfavorable or favorable movement in the value of the company's economic indicators.

Capital risk management is done using the leverage ratio, which shows the degree to which equity finances the business by indicating the extent to which its medium- and long-term commitments are guaranteed by equity. It is calculated as the ratio of medium and long-term debts to total capital.

Credit risk - represents the risk of financial losses for the company if one of the parties to a financial instrument contract fails to meet its contractual obligations. The Company's exposure to credit risk is mainly influenced by the individual characteristics of each client, so a large client base reduces credit risk. During the analyzed period, no problems were encountered in the relationship with customers, the invoices being collected on time or with small insignificant delays.

Liquidity risk - this represents the risk that the Company will not be able to honor its payment obligations when due. A prudent liquidity risk management policy involves maintaining a sufficient level of cash, cash equivalents and financial availability through appropriately contracted credit facilities. The Company monitors the level of projected cash inflows from the collection of trade receivables, as well as the level of projected cash outflows for the payment of trade and other debts. Liquidity risk management is done with the help of the **current liquidity indicator** which shows the extent to which current liabilities from current assets (current assets) can be covered.

The company pays increased attention to efficient treasury management, by efficiently managing cash flows and optimizing surplus liquidity in order to be able to honor financial obligations as they reach maturity, as well as the availability, if necessary, to resort to financing through appropriate credit facilities. For situations that require the financing of working capital, the Company resorts to short-term loans, in the form of revolving credit lines.

In 2024, due to the measures taken on time, the Company complied with its due financial obligations.

Market risk - The macroeconomic environment, in general, and the chemicals market, in particular, continue to be affected by the economic crisis, with negative consequences on the company's development potential. The market risks to which the company is subject include: **currency risk** in commercial and financial transactions **and price risk**.

Currency risk expresses the probability of recording losses from international commercial contracts or other economic relationships (RON vs currency depreciation), due to the change in the exchange rate in the period between the conclusion of the contract and its maturity.

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One method by which such effects can be avoided is represented by the inclusion in the contract of a foreign exchange clause or a price revision clause. The application of various non-contractual measures may exempt the Company from the presence of negative effects.

In order to limit the impact of the exchange rate fluctuation, the Company negotiates through the specialized department, the best exchange rates.

In order to honor the obligations in foreign currency, the Company has opened accounts in foreign currency with commercial banks within the Romanian banking system.

We observe a strong correlation between interest rates, inflation and the exchange rate, thus the interest rate decreased in the analyzed interval leading to a depreciation of the national currency.

However, the inflation differences between Romania and the Eurozone, the large current account and budget deficits, the poor performance of the local economy, the recently adopted fiscal consolidation measures, lead to the depreciation of the national currency.

Interest Rate Risk – The Company may be subject to a risk that future cash flows may fluctuate due to changes in market interest rates on loans and cash held. In order to limit the impact of the interest rate fluctuation on the Company's liquidity, long-term loans with a fixed interest rate were contracted, and for short-term loans, the most advantageous interest rates were negotiated.

The interest rates on the national money market experienced a downward trend at the beginning of the year, amid the excess liquidity in the banking system, corroborated with the lower demand for loans and the more restrictive conditions associated with the supply of credits, but towards the end of the year the trend becomes slightly upward, influenced by inflation and other economic factors, social and political.

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Risk regarding the provisions of the financing agreements - Within the financing contracts, there are clauses regarding the compliance with some (covenant) financial indicators, the violation of these clauses may entail, based on a prior notice and a reasonable time, the early payment of the financing facilities. Also, some financing facilities have penalty clauses in case of early repayment.

Until this date, there have been no situations of non-compliance with the provisions of the Company's financing agreements.

Economic risk - Any economic recession generally negatively affects the value of a company, so the return on an investment in a productive company depends largely on the economic conditions on the domestic and international market, the volume of orders received and the value of contracts concluded, as well as changes in the prices of raw materials and finished products.

Impact of Government Laws and Regulations – The Company must comply with laws and regulations relating to taxation, planning, laws and regulations that by their application may have an effect of increasing expenses and decreasing revenues or rates of return.

The Company's liquidity could be affected by penalties caused by non-conformities reported during the periodic control activities by the competent bodies (ANAF, MFP, etc.). This risk did not materialize during the period under review.

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Taxation - The taxation system in Romania is constantly changing/modifying and trying to consolidate and harmonize with the European legislation. In this respect, there are still different interpretations of tax law. In certain cases, the tax authorities may treat certain aspects of taxation differently, including transfer pricing, and additional taxes and fees and related interest and penalties are calculated.

Litigation –The company is subject to several legal actions that have arisen in the course of the normal course of its activity. Management believes that they will not have any significant negative effect on the Company's financial performance and financial position.

Environment - Environmental regulations are in a development phase in Romania, and Chimcomplex has not recorded any debts as of December 31, 2024 for any anticipated costs, including legal and consultancy fees, design and implementation of remediation plans in relation to the environment.

Economic, political and social conditions in Romania or other countries

The Company's performance may be particularly affected by changes in legal, regulatory and tax rules, as well as general financial conditions at national and global level:

- changes in political, economic and social conditions in Romania and/or other Central and Eastern European countries;
- changes in Government policies or changes in laws and regulations or interpretation of laws and regulations;
- changing the exchange rate regulations;
- measures that can be introduced to control inflation and the interest rate;
- changes in percentages or methods of taxation.

The group attaches particular importance to the analysis of the risk environment and the early identification of possible risks that may arise in the future, as well as the use of early warning systems.

The Group does not limit itself to dealing with the consequences of events that may occur, but adopts a reactive management style, implementing preventive measures, taken in advance, aimed at mitigating the manifestation of possible risks.

At the same time, the periodic review of risks, as provided for in the standards, involves the evaluation of the risk management process and the alerting tools of the hierarchically higher levels, regarding the new risks identified or the changes that occurred to the existing risks, so that these changes are effectively managed.

13. ELEMENTS OF THE COMPANY'S PERSPECTIVE

Being mostly dependent on commercial relations with the parent company, the perspective of the group companies depends on its evolution. The Administrators' Report – Individual Situations describes the market trends and commercial policies of Chimcomplex SA Borzești.

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14. CONSOLIDATED FINANCIAL AND ACCOUNTING POSITION AS OF DECEMBER 31, 2024

The group's results are strongly influenced by the results of the parent company, with the same trend.

The main economic and financial indicators in the consolidated financial statements according to International Financial Reporting Standards (IFRS), carried out by the Chimcomplex Group in 2024 compared to 2023, are:

14.1. Consolidated financial position

	Lei	
	31.12.2024	31.12.2023
ASSETS		
Fixed assets		
Tangible fixed assets	2.298.304.264	1.966.231.101
Rights to use leased assets	10.468.421	16.900.411
Real estate investments	72.928.585	29.226.468
Intangible assets	110.044.642	118.217.815
Investments in associates and other entities	51.347.083	51.372.913
Capital investments	13.008.273	5.467.193
Total fixed assets	2.552.890.811	2.187.415.901
Current assets		
Stocks	139.670.371	145.935.414
Claims	288.355.507	246.018.612
Short-term loans	5.822.428	5.741.291
Cash and cash equivalents	85.911.077	146.209.462
Total current assets	519.759.383	543.904.779
TOTAL ASSETS	3.072.650.194	2.731.320.679
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	110.015.951	109.898.098
Deferred result	667.271.244	688.340.947
Revaluation reserves	987.179.130	651.527.661
Non-controlling interests	585.451	566.806
Total equity	2.040.775.531	1.733.253.065
Long-term debts		
Subsidies	28.915.714	30.633.918
Leasing	3.734.360	9.501.672
Deferred tax liabilities	197.784.936	142.373.861
Provisions	16.360.845	16.171.444
Long-term loans	513.222.606	377.508.899
Other long-term liabilities	311.153	208.301
Total long-term debts	760.329.613	576.398.095

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	31.12.2024	31.12.2023
Current payables		
Subsidies	8.658.402	2.062.121
Trade and other payables	120.921.539	140.966.683
Leasing	6.442.249	8.043.226
Corporate income tax liabilities	5.434.495	592
Provisions	785.262	755.805
Short-term loans	129.303.102	269.841.092
Total current liabilities	271.545.049	421.669.519
Total debts	1.031.874.663	998.067.614
Total equity and liabilities	3.072.650.193	2.731.320.679

14.2. Statement of consolidated comprehensive income

	Lei	
Detail	31.12.2024	31.12.2023
Sales	1.502.687.570	1.404.388.043
Investment income	11.428.048	11.151.151
Other Earnings	5.699.144	43.098.696
Cost of goods sold	(37.706.993)	(39.057.889)
Change in stocks	(11.255.841)	(76.320.965)
Expenditure on raw materials and consumables	(571.421.828)	(462.203.714)
Salary expenses	(186.397.246)	(176.286.091)
Depreciation expenses of fixed assets	(155.457.774)	(147.581.908)
Distribution expenses	(42.690.920)	(38.460.679)
Energy and water expenses	(370.308.341)	(368.914.872)
Expenses with services performed by third parties	(43.011.233)	(42.551.557)
Maintenance and repair expenses	(5.750.893)	(7.824.153)
Other income	4.651.101	2.624.803
Revaluation of fixed assets	25.757.567	-
Gain from impairment adjustments on fixed assets	5.427.230	114.510
Other expenses	(67.899.611)	(48.125.501)
Financing costs	(41.820.268)	(38.159.398)
Associate profit share	(3.210.458)	(3.068.769)
Profit before tax	18.719.256	12.821.707
Corporate income tax expense	(11.586.204)	(662.400)
(Expense)/Deferred income from corporate income tax	(4.427.346)	6.448.755
Profit of the year	2.705.706	18.608.065
Other comprehensive income (revaluation reserves)	324.773.566	-
Total overall result, attributable:	327.479.272	18.608.065
Owners	327.460.627	18.437.125
Non-controlling interests	18.645	170.940

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The group's total sales as of 31.12.2024 amounted to RON 1,502,687,570, of which RON 1,495,531,942 were made on account of revenues from the sale of polyethyl-polyethers, chlorosodium products, oxo-alcohol products and others by the parent company, Chimcomplex SA in a percentage of 99%.

The products with the highest share in the turnover are represented by polyols. The parent company intends to focus its activity on the polyols/polyethers and caustic soda sectors, which are the most profitable.

Hydrochloric acid and sodium hypochlorite are by-products obtained in the electrolysis process and are mainly used on the domestic market, requiring special storage and transport conditions.

The parent company has a wide and varied range of quality products with multiple fields of use, products that are in great demand both in the domestic and foreign markets. For some products in the manufacturing profile, Chimcomplex SA is the main or even the only supplier internally, being the company that supports with raw materials a number of sectors of activity in the country, namely: aluminum industry, manufacture of artificial and cellulosic fibers, energy industry, pharmaceutical and food industry, plastics processing industry, construction industry.

Current income tax expense

According to Law no. 296/2023, the minimum turnover tax (IMCA) was introduced for taxpayers that, in the previous year, recorded a turnover exceeding 50 million euros and whose corporate income tax is lower than the minimum turnover tax. The applicable tax rate on the adjusted turnover is 1% for companies.

If the corporate income tax, calculated before the deduction of certain categories of tax credits, will be lower than the value of the minimum turnover tax (IMCA), or if the company records a tax loss, it will pay the tax at the level of IMCA.

On 31.12.2024, the Company registered corporate income tax, as the calculation resulted in a higher value, to which the OUG153/2021 facilities on equity were applied.

14.3. Consolidated cash flow statement

	Lei	
	31.12.2024	31.12.2023
Cash flow from operating activity	76.499.623	243.912.983
Cash flow from investment activity	(84.823.766)	(226.383.613)
Cash flow from financing activity	(52.319.523)	84.211.036
(Decrease)/increase in cash, and of the cash equivalent	(60.643.665)	101.740.408
Cash at the beginning of the year	146.209.462	45.539.597
Effects of changes in the exchange rate on balance of cash held in foreign currency	345.280	(1.070.542)
Cash at the end of the year	85.911.077	146.209.462

The Group presents changes in financial liabilities (loan receipts, repayments of leasing debts and loan repayments) in the cash flow statement.

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15. DIVIDEND POLICY

According to the Companies Law, the OGMS has, among other things, the obligation to discuss and approve the financial statements annually, respectively to fix the dividend. The OGMS must be convened at least once a year, within no more than 4 (four) months from the end of the financial year, in order to examine the financial statements for the previous year and to establish the work program and budget for the current year. The General Shareholders' Meeting decides on the possibility of distributing the profit for dividends.

If a loss of net assets is found, the share capital will have to be replenished or reduced before a profit distribution or distribution is made.

Dividends will only be able to be distributed from profits determined according to the law. The dividends will be paid to the shareholders in proportion to the share of participation in the paid-up share capital of the Issuer.

No interim dividends were granted for 2024 and 2023.

16. INDEPENDENT EXTERNAL AUDITOR

Following the meeting of the Board of Directors, held on December 2, 2024, it was decided to mandate PKF Finconta Audit SRL to audit the financial statements for 2024. The audit firm is represented by Ms. Florentina Sușnea – Audit Partner.

The identification data of PKF Finconta Audit SRL are the following:

CIF RO6383983, Trade Register No. J40/19832/1994

Authorization of the Chamber of Financial Auditors of Romania no.9/25.06.2001

The company's headquarters – Bucharest, Grigore Mora Street, no. 37, Sector 1

17. OTHER INFORMATION

In this material, only the elements characteristic of the consolidated situations are presented, namely those related to the group of companies controlled by Chimcomplex SA Borzești. As the group's activity is mostly determined by the activity of the parent company (>99% of revenues), all the other aspects described in the Directors' Report – Individual Statements are also valid for the Directors' Report – Consolidated Statements, without being repeated in this material.

We are publishing the first Sustainability Report, in accordance with the new ESRS standards and the Methodology for Sustainability Reporting – the Romanian Sustainability Code, dated November 16, 2023, an integral part of Government Decision no. 1117/2023, as amended subsequently.

Through the Sustainability Report (also referred to as the Sustainability Declaration), we highlight the group's performance in relation to the environment, social aspects, and governance, thus emphasizing our commitment to sustainable development in a transparent manner for all stakeholders, both internal and external.

The Sustainability Report has been prepared on a consolidated basis both with the help of the internal environmental department and using the expertise of an external consultant, and aligns with the scope of the Consolidated Financial Statements. We have prepared a single consolidated report, as required by the applicable regulations.

The audit of the group's sustainability report as of December 31, 2024, and the issuance of the audit report was carried out by the external financial auditor PKF Fincota, the same firm that audited the financial statements as of December 31, 2024.

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

Compared to what has been presented, we submit for analysis and approval to the General Meeting of Shareholders the Company's Activity Report on the Consolidated Annual Financial Statements ended for 2024.

Chairman of the Board of Directors
Stefan Vuza

Chief Executive Officer,
Steven Hunt

Chief Financial Officer,
Cristina Stoian

Economic Manager,
Nicolae Stănciugel

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



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Sustainability report *Chimcomplex Group SA*

2024



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MESSAGE FROM THE DIRECTOR GENERAL

Dear colleagues, partners, and supporters of Chimcomplex,

The year 2024 marked a special milestone for Chimcomplex: 70 years since its founding.

This is a remarkable achievement, considering that in the 1990s, Romania had 72 chemical plants and factories, of which only 14 remain today. Most of those that were closed had been purchased by foreign investors who later shut them down. We continue to invest in taking Romanian chemistry to the next level, with positive results and promising prospects.

At the same time, 2024 was a significant test for the entire chemical industry. High energy and gas prices continued to weigh heavily on our sector, and Chimcomplex felt this burden intensely. However, we had plenty of opportunities to once again demonstrate our commitment to sustainability.

We continued to invest strategically, focusing on energy independence, developing high-value-added products, and diversifying our business portfolio. In 2024, we allocated 94.3 million RON for investments. We completed the first trigeneration plant in Europe in the chemical industry, launched an investment in a polyepoxide production unit in Onești (the first in Romania), and initiated investments in a photovoltaic panel park (4.6 MW in Râmnicu Vâlcea and 14 MW in Onești) – and the list goes on. These investments will secure a competitive advantage for the future and help reduce Romania's dependence on imports.

In parallel, we completed the project **"Investing in innovative green technology to produce new environmentally friendly polyols at CHIMCOMPLEX"** co-financed through the Innovation Norway program. This investment highlights our commitment to implementing cutting-edge technologies and transforming production processes in line with circular economy principles.

Our collaboration with **Econic Technologies** for the production of CO₂-based polyols reflects our vision to support sustainable technologies that will help reduce carbon emissions and enhance the sustainability of the chemical industry.

Another important step in 2024 was the acquisition of **Logiserv Tank Cleaning**, which allows us to expand our service portfolio and ensure the highest safety and quality standards in handling chemical products.



Our involvement in education, culture, and sports reflects our commitment to actively contributing to the well-being of our communities and positively influencing youth development. We support **Rugby Club Venus** to promote healthy values such as courage, attitude, and discipline through a balanced lifestyle. Additionally, we have backed the **Romanian Federation of Sports Tourism** to encourage movement through the **National Sports Tourism Championship** and other related competitions.

Through our partnership with the **"Nadia Comăneci" Foundation**, we aim to contribute to the future of Romanian gymnastics and give these talented athletes the opportunity to reach the world elite.

Looking ahead to 2025, we are focused on strengthening our position in international markets, continuing investments in energy efficiency, and diversifying our portfolio to ensure we remain a key player in the European chemical industry.

We are proud of our achievements and, at the same time, prepared for the challenges ahead, with confidence and a continued commitment to the future.

Thank you for your constant support and trust in Chimcomplex. It is a privilege to be part of this remarkable company, dedicated not only to operational excellence but also to a sustainable future.

Steve Hunt





General Information



ESRS 2

PRESENTATIONS OF GENERAL INFORMATION

1.1 Foundations of Preparation

1.1.1 General Basis for the Preparation of Sustainability Statements

BP-1

We are publishing our *first Sustainability Report* in accordance with the new ESRS standards and the Methodology for Sustainability Reporting – the Romanian Sustainability Code, dated 16.11.2023, which is an integral part of Government Decision no. 1117/2023, as subsequently amended. This report includes information for the period from January 1 to December 31, 2024. The Sustainability Report for the financial year 2023 was prepared based on the GRI standards.

Chimcomplex SA Borzești (which includes the two sites at Rm. Vâlcea and Onești) and the companies Greencomplex SRL, A5 INVEST SRL, A6 IMPEX, Sistemplast, Logiserv SRL, and CRC Worldtrade SRL make up the CRC Group (hereinafter referred to as Chimcomplex or the **group**) and are part of this initiative, reinforcing our transparency and commitment to sustainability.

We fall under the scope of the Corporate Sustainability Reporting Directive (CSRD), and consequently the European Sustainability Reporting Standards (ESRS), in accordance with the provisions of Order no. 85/2024.

Through our Sustainability Reporting (also known as the Sustainability Statement), we highlight the group's performance in relation to **environmental, social, and governance** aspects, thus emphasizing our commitment to sustainable development in a transparent manner for all stakeholders, both internal and external. This report is prepared based on the results of the double materiality analysis, also known as the significance assessment within the ESRS framework. The Sustainability Report has been prepared on a consolidated basis and mirrors the scope of the Consolidated Financial Statements. We have prepared a single report at the consolidated level, as required by applicable regulations.

As of December 31, 2024, the group consists of the following companies, which have been included in the consolidation perimeter:



Name of the Company	% control	% interest	Activity
CHIMCOMPLEX SA BORZESTI – parent company with branch CHIMCOMPLEX SA BORZESTI Branch Rm. Vâlcea	-	-	Manufacture of other basic inorganic chemicals Manufacture of basic organic chemicals
Greencomplex SRL	99.9998%	99.9998%	Manufacture of other basic inorganic chemicals
A5 INVEST SRL	100.00%	100.00%	Intermediation in the sale of cars, industrial equipment, ships, and airplanes
Sistemplast	94.40%	94.40%	Electricity generation
A6 IMPEX SA	49.4497%	49.4497%	General mechanical operations
Logiserv SRL	100%	100%	Other auxiliary transport activities
CRC Worldtrade SRL	100%	100%	Steam and air conditioning supply

Chimcomplex SA Borzești, the parent company, is a company with a 70-year tradition, developing quality products for a better life and a sustainable future. We are the main producer and supplier of vital chemicals in the region. More information about Chimcomplex can be found on our website: <https://chimcomplex.com/>

Chimcomplex SA Borzești is listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, under the symbol CRC since 17.01.2022.

At Chimcomplex SA Borzești, we provide a wide range of products applicable in many essential markets: metallurgy, iron and steel industry, thermoenergetics, food and beverage industry, automotive, construction materials, extractive industry, textiles, pulp and paper, pharmaceuticals, plastics, electronics, furniture, household appliances, packaging, sanitation, and public hygiene, furniture industry, and household appliance industry.

The reporting is not limited to the companies' own operations, as it also includes information from the upstream and downstream value chain.

Within Chimcomplex, we conducted a double materiality analysis, taking into account the potential impact of the sustainability aspects of our activities on the value chain, with the aim of developing appropriate strategies to address these aspects. Thus, we identified internal and external stakeholders and interviewed them to assess the impact.

Financial risks and opportunities were identified by internal stakeholders who possess in-depth knowledge of Chimcomplex's operations and financial performance. The Chimcomplex finance department assessed these risks and opportunities based on their potential financial impact on the company.

By determining double materiality, we combine the final results of impact materiality with the final results of financial materiality to identify significant environmental, social, and governance (ESG) aspects. This integrated approach allows us to comprehensively understand the ESG issues that generate both significant impacts on the environment and society and substantial financial implications for Chimcomplex. The assessment of double materiality enables us to prioritize our sustainability efforts on the most critical issues that yield both positive environmental and social outcomes and long-term financial performance.

The results of the double materiality assessment will be integrated into Chimcomplex's sustainability strategy, risk management processes, and financial reporting. The company will disclose material ESG risks and opportunities, along with current and potential impacts, in the *Sustainability Report*, ensuring transparency and accountability to all stakeholders.



1.1.2 Information Presentations Related to Specific Circumstances

BP-2

In this report, the term Chimcomplex is used when referring to all the companies that make up the CRC group.

This is the 6th year of sustainability reporting and the first year of reporting according to the ESRs standards.

The Sustainability Report for the year 2024 meets the legal reporting requirements and chooses to use the new ESRs standards, in accordance with the Order of the Minister of Finance 85/2024, which transposes the Corporate Sustainability Reporting Directive (CSRD). Thus, through sustainability reporting, we present our performance in relation to the environment, social aspects, and governance.

Time horizon

At Chimcomplex, we have adopted the following time intervals from the end of the reporting period:

- For the short-term time horizon: the reporting period from the financial statements, which for this report is 01.01.2024 - 31.12.2024;
- For the medium-term time horizon: from the end of the short-term reporting period up to 5 years;
- For the long-term time horizon: more than 5 years

Value Chain Estimation

In the Sustainability Report, we consider the value chain through a comprehensive approach both upstream and downstream, to the extent of the materiality of the impact resulting from the double materiality analysis.

Changes in the Preparation or Presentation of Sustainability Information

This is the first year of reporting in accordance with ESRs. In the previous financial year, the Sustainability Report was prepared based on the GRI standards.

Reporting Errors of Previous Periods

No errors were recorded during previous reporting periods.

Presentation of Information Arising from Other Legislative Acts or Generally Accepted Sustainability Reporting Decisions

The applicable standards and specific legislation related to the group's field of activity are presented in the text of the report, where relevant.

Collaboration with ESG rating agencies is very important to us. This allows us to have an external evaluation of our ESG performance and to benchmark against industry best practices.

Ecovadis - In 2023, we conducted our first evaluation and scored 43 out of 100. Although the initial score indicates that there is room for improvement, the recommendations we received provided a clear direction for enhancing our performance. In 2024, by implementing concrete measures in our sustainability strategy, we increased our score, achieving a 15% improvement and earning a bronze medal.

CSR Hub - According to the CSR Hub evaluation, in 2023 we scored 74 out of 100 points, compared to 37,185 companies, and in 2024 we scored 79 out of 100 points, compared to 40,136 companies. This score confirms our efforts to maintain high standards in social and environmental responsibility.

Responsible Care – according to the Responsible Care evaluation, we scored 3.4 out of a maximum of 4 points. We have been participating in this ESG performance evaluation since 2020, and starting in 2024, we are doing so through CEFIC (European Chemical Industry Council).

Chimcomplex has committed to adhering to the Responsible Care principles and has signed the Responsible Care Global Charter. As a result, we participate in the reporting and evaluation conducted by ICCA (International Council of Chemical Associations), which represents chemical product manufacturers worldwide.

We are committed to a continuous process of improving our ESG performance. To achieve this goal, we will invest in the development and implementation of new sustainable practices, enhance transparency, and actively collaborate with all stakeholders. Through these measures, we expect to see a significant increase in our ESG ratings in the coming years, reflecting our commitment to operating responsibly and sustainably.

Inclusion of Information by Reference

References to additional documents or references to information included in another thematic standard are mentioned in this report.

1.2 The Company, Business Model, and Stakeholder Engagement

1.2.1 Strategy, Business Model, and Value Chain

SBM-1

The integration of sustainability into our corporate strategy is key to achieving long-term objectives and creating lasting value. We emphasize the incorporation of sustainability performance into general management and executive remuneration, ensuring leadership accountability. Additionally, we regularly engage with key stakeholders to understand their sustainability priorities. In 2024, we conducted the Double Materiality Analysis to identify significant environmental, social, and governance issues based on feedback from internal and external stakeholders.



Our main objective in all aspects of sustainable development and research is to add value to Romania's natural resources, focusing on the strategic goal of integrating Chimcomplex into the European circular economy to create greater value for Romania. We continuously improve technologies and equipment to enhance product quality, increase productivity, and improve energy efficiency. Additionally, the company is involved in the project 'Investments in Innovative Green Technology to Produce New Eco-Friendly Polyols at Chimcomplex,' which, through the use of renewable, plant-based raw materials, contributes to reducing the potential depletion of fossil and non-fossil resources. Some noteworthy development actions in the current year include:

1. Energy Initiatives

- Commissioning of high-efficiency cogeneration units that use natural gas and hydrogen.
- Investments in technology – Modernization of electrolysis installations and energy efficiency, including reducing the carbon footprint.
- Predominant use of electricity from renewable sources.
- Own sources of green electricity - Installation of photovoltaic panels, which will reduce the carbon footprint of the energy used.
- Use of hydrogen obtained in brine electrolysis installations as an energy vector.
- Energy recovery from waste, both from own waste and recovered waste.

2. Circular Economy Initiatives

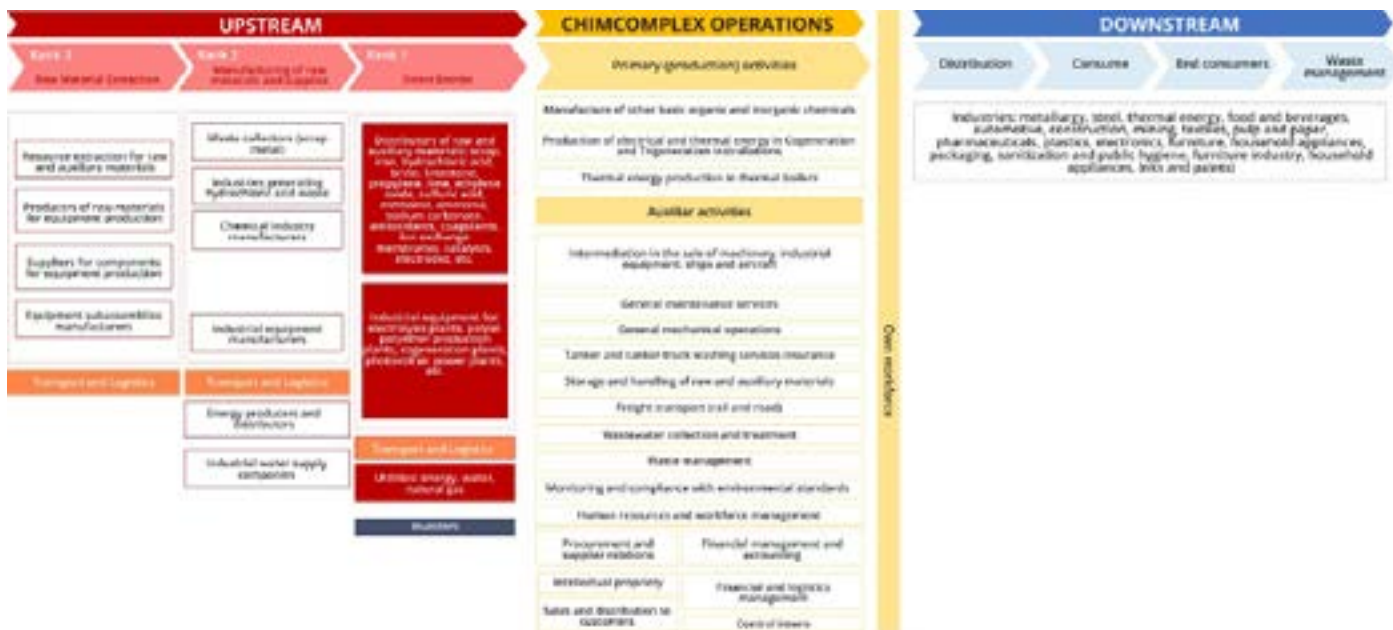
- Manufacture of high-performance epoxy resins based on vegetable glycerin.
- Manufacture of eco-friendly vegetable polyols, replacing fossil-based raw materials with plant-based raw materials.
- Chemical recycling of over 1,000 tons/year of used HCl and 3,500 tons/year of scale crusts, classified as waste under Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain directives, from which Ferric Chloride is obtained - a coagulant for wastewater treatment.
- Recycling of flexible polyurethane foams from scraps from the manufacture of foams, mattresses, furniture (using PU), and interior foam upholstery from automobiles.



Description of the Business Model and Its Value Chain

According to Annex II of the ESRS (*Table 2. Terms Defined in ESRS*), the value chain encompasses all activities, resources, and relationships related to a company's business model and its external environment. This includes everything from the initial concept to delivery, consumption, and the end-of-life stage of products or services.

For Chimcomplex, the value chain includes both upstream and downstream value chains.



The upstream value chain involves national and international suppliers of goods and services necessary for Chimcomplex's operations.

The downstream value chain involves the commercialization of products manufactured by Chimcomplex.

We have strengthened our supply chain management by integrating a new management team, which includes a logistics director and a supply chain director, who bring extensive operational experience and strategic vision.

Additionally, we have implemented a "category management" policy to efficiently manage the procurement of raw materials, materials, and services.

Our continuous efforts include a comprehensive review and optimization of procedures and processes throughout the supply chain. These actions are designed to ensure process optimization, quality assurance, and risk minimization in our procurement activities. Key local functional connections include partnerships with Salina Ocele Mari and Salina Tg Ocna for brine supply, CET Govora for steam and electricity, and local suppliers for soda ash, natural gas, limestone, and potable water. We continuously analyze and optimize our supply chain processes to ensure quality, minimize risks, and enhance efficiency.

The other companies in the group provide support services (equipment maintenance, tank and tanker washing, etc.) for the production and sale of chemical products, thus contributing to the addition and retention of added value within the group, in accordance with the consolidated financial statements.

At **Chimcomplex SA Borzesti**, we produce and market inorganic and organic chemicals. The chemicals manufactured and sold by Chimcomplex are intermediate chemical **products, used as raw materials in other industries**. For this reason, they are transformed or incorporated into other chemical products and do not appear as such at the end of the life cycle.

The other companies in the group provide support services (equipment maintenance, tank washing, tanker trucks, etc.) for the production and marketing of chemical products, thus contributing to the addition and retention of added value within the group, according to the consolidated financial statements.

Greencomplex SRL Onești is a limited liability company based in Onești, Bacău County, with its main activity being the manufacture of other basic inorganic chemical products. Currently, the company's revenues predominantly come from payroll services.

A5 Invest SRL Onești is a limited liability company based in Onești, Bacău County, with its main activity being intermediaries in the trade of machinery, industrial equipment, ships, and aircraft. Currently, the company's revenues predominantly come from general mechanical works services.

Sistemplast SA Râmnicu Vâlcea is a joint-stock company based in Râmnicu Vâlcea, Vâlcea County, with its main activity being the maintenance and repair of equipment and installations on the Chimcomplex SA Borzești platform in Râmnicu Vâlcea. Sistemplast SA also provides services such as overhauls, repairs, reconditioning, mechanical and electro-mechanical fabrications for other clients from various industries. Currently, the majority of the company's revenues come from these maintenance and repair services.

Logiserv SRL, based in Râmnicu Vâlcea, Vâlcea County, is a leading company in the field of washing tankers, containers, and IBCs intended for the transport and storage of liquid chemicals. It is the first washing facility in Romania to offer services at European standards recognized by the European Chemical Industry Council (CEPIC). It is also the first washing facility in Romania certified by Sqas Cleaning and which in turn certifies the provision of services by issuing the ECD washing certificate.

CRC Worldtrade SRL, based in Râmnicu Vâlcea, Vâlcea County. The company's activity is the supply of steam and air conditioning.

A6 Impex SA, based in Dej, Cluj County, has as its main activity the production, transport, and distribution of electricity from renewable sources, energy obtained with a thermal power plant with a production capacity of 9.5 MWh/hour. Currently, the company's revenues come mainly from the electricity trading activity.

More information regarding the group's turnover can be found in the administrators' report on the economic and financial activity of Chimcomplex SA Borzești group in 2024.

The other companies in the group provide support services (equipment maintenance, tank cleaning, tank trucks, etc.) for the production and marketing of chemical products, thereby contributing to the addition and retention of added value within the group, according to the consolidated financial statements.

We specialize in polyols, oxo-alcohols and chlor-alkali, inorganic chlorides, alkylamines, compressed gases.

We consider Chimcomplex SA Borzești a strategic unit of the national economy through:

- providing basic chemical products (caustic soda and hydrochloric acid) for the energy industry in ion exchanger regeneration processes.
- supplying products necessary for water potabilization (chlorine, sodium hypochlorite, lime chloride) for more a lot of drinking water stations in Romania, Bulgaria, Moldova, Greece.
- supplying sodium hypochlorite-based biocides for the disinfection of hospitals and public spaces.

- providing basic chemical products (coagulants with ferric and ferrous chloride, pH correction agents) for wastewater treatment and purification (municipalities and industry).
- supplying products for various industrial applications (ferrous and non-ferrous metallurgy, detergents and cosmetics, food chemistry, industrial gases - hydrogen, automotive industry, furniture industry, oil and gas industry, fertilizers, plasticizers, solvents, etc.).
- providing products (polyether polyols) for the manufacture of flexible or rigid polyurethane foams, for the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, defoamers, in the production of lubricants and brake fluids, etc.

Chimcomplex SA Borzești's products are used daily in the production of thousands of other safer and more sustainable products: from polyurethane shoe soles and mattress foams to wind turbine blades and hybrid car batteries.

We contribute to enhancing the quality of life for a more dynamic and comfortable world. Chimcomplex SA Borzești is a strategic company for the Romanian economy, being the largest chemical plant with two industrial platforms in Onești and Râmnicu Vâlcea.

The main activity, according to the 2013 CAEN code, is the manufacture of basic inorganic chemicals, in accordance with the provisions of the Society's Constitutive Act. The activity with the highest share in the company's revenue from January to December 2024, according to CAEN coding, is CAEN code 2014 - the manufacture of other basic organic chemicals.

Chimcomplex SA Borzești generates 56% of its turnover from exports and on the intra-community market. We are the largest exporter with Romanian private capital, with Chimcomplex products being exported to 60 countries across 5 continents: Europe, Asia, Africa, the USA, and South America.



1.2.2 Interests and Perspectives of Stakeholders

SMB-2

We are firmly committed to maintaining an active and transparent dialogue with all stakeholders in our sustainability activities. We support various stakeholders through open communication and constant dialogue, aiming to develop mutually beneficial relationships for all parties involved.

We are dedicated to maintaining an active and open dialogue with all parties involved in our sustainability efforts. We are committed to continuously evaluating the social impact of our projects and supporting the communities in which we operate through effective collaboration and support. We recognize the responsibility we have towards these communities and work to provide them with concrete support. Additionally, we collaborate with government institutions and associations in the energy and oil sector to contribute to the development and implementation of sustainable policies and regulations.

We acknowledge the importance of our clients' and investors' concerns regarding ESG aspects and address them through individual discussions or group meetings. We actively engage in relevant external events and participate in dialogues and working groups with various stakeholders.

For us, continuous employee engagement is a priority. In 2024, we organized six sessions between the Management Board members and different groups of employees. These sessions encouraged the exchange of ideas, provided opportunities for constructive feedback, and supported a culture of transparency and open dialogue within the company.

We are committed to growing and strengthening relationships with stakeholders, considering their perspectives and addressing their concerns and needs. We take responsibility for constantly improving communication with stakeholders and supporting the sustainable development of the communities in which we operate.



The management of Chimcomplex is committed to representing and promoting the interests of shareholders, taking responsibility for the company's performance and activities. We are aware of our responsibility towards shareholders and recognize the importance of maintaining constant dialogue with them.

In 2024, we undertook several actions to maintain an active presence in local and international capital markets. Chimcomplex's management participated in relevant conferences and organized meetings with analysts and investors, thus providing valuable opportunities to communicate our operational and financial performance, strategy implementation, and quarterly plans. We are committed to periodically informing investors and analysts about our company's progress and addressing their questions and concerns.

We recognize the importance of dialogue with unions in maintaining a strong social balance within our company. We consider this dialogue essential for promoting harmonious labor relations and achieving common goals. The relationship between unions and management is based on constructive dialogue, aiming to align employee expectations with the company's capabilities, comply with the provisions of the Collective Labor Agreement, and engage in consultation and negotiation within the joint committee.

We will continue to improve our dialogue practices to ensure the consistent provision of relevant and accessible information while developing constructive solutions for the questions and concerns expressed.

The main categories of stakeholders and the channels of engagement are presented in the table below.

Stakeholder Group	Engagement Channel
Suppliers & Contractors	Negotiations and contracts Supplier audits and evaluations Meetings with suppliers Reporting on joint projects
Government/Central Regulatory Authorities	Participation in meetings Relationship management Periodic reporting (according to provisions)
Employees	Periodic events with Management Board members Company's internal online platform Internal newsletter Internal blog Surveys Constant dialogues through unions
Local Community	Sustainability projects Sponsorships and donations Grievance mechanisms Meetings for business projects Public debates Events organized by municipalities

Stakeholder Group	Engagement Channel
Associations (ROMCHIMICA CEFIC, EuroChlor, EUROPUR, ANEIR, AMCHAM, AHK)	Contracts Participation in working groups Meetings/Debates Workshops/Conferences
Mass-media	Press releases Conferences/Events Interviews Workshops
Capital Market Participants	Industry meetings Contracts Participation in working groups
Educational, Scientific, and Research Organizations	Joint projects with industry partners, scientific organizations, schools, and universities Conferences and lectures Sustainability projects Employer branding activities
Clients	Advertising/communication campaigns Events Involvement activities within the distribution stations Newsletter
NGOs/NPOs	Social projects Sponsorships and donations Stakeholder dialogue and grievance mechanisms

1.3 Governance and Business Practices

1.3.1 Role of Administrative, Management, and Supervisory Bodies

GOV-1

The ownership structure of Chimcomplex SA Borzești shares, as of 31.12.2024, according to the reporting by the Central Depository, is as follows:

Shareholder Name	Number of Shares	Percentage (%)
C.R.C. Alchemy Holding B.V.	258,129,743	84.6583%
Statul Român prin A.A.A.S.	27,305,181	8.9552%
Legal Entities	14,409,398	4.7258%
Individuals	5,063,529	1.6607%
TOTAL	304,907,851	100%

Chimcomplex SA Borzești is managed under a unitary system, led by a Board of Directors responsible for setting the main activity directions and overseeing the executive management's activities.

The composition of the Board of Directors of Chimcomplex SA Borzești changed in 2024, with the company being managed by a board of 7 members for the first 7 months of the year and a board of 5 members for the last 5 months. The Board of Directors is chaired by a President who, according to the constitutive act, may also have executive roles.

In 2024, as well as currently, the President of the Board of Directors is a non-executive director who indirectly holds the position of majority shareholder.

The main responsibilities of the Board of Directors include representing the company in relations with third parties through the President and undertaking actions in areas such as financing and refinancing the company, contracting loans, establishing guarantees, making investments, and modernizing the company, as well as organizing the works of the General Meeting of Shareholders.

The Board of Directors is assisted in its activities by four committees that handle specific subjects.

In 2024, administrator elections took place in the context of reducing the number of board seats. The election of board members was conducted by secret vote during the General Meeting of Shareholders, with candidates proposed by shareholders.

Corporate governance policies aim to ensure transparent and sustainable value creation by clearly defining responsibilities, managing processes, and continuously monitoring the performance and efficiency of the Board of Directors, ensuring appropriate decision-making processes regarding policy principles and controls.

The Audit and Risk Committee aims to provide advice and support to the Board by making recommendations. It focuses on ensuring the integrity of the Company's financial reporting, evaluating the financial reporting process, the internal control system, and risk management, as well as internal and external auditing. The Committee is also responsible for assessing the qualifications and independence of internal and external auditors, identifying and managing conflicts of interest, monitoring the Company's performance, and ensuring compliance with relevant laws and regulations.

The Integrity Committee's role is to provide advice and support to the Board. It offers recommendations to assist the Board in fulfilling its responsibilities related to maintaining integrity within the Company.

The Nomination and Remuneration Committee has the following responsibilities:

- Proposes the structure and composition of the Board of Directors, taking into account the shareholder structure and shareholder recommendations.
- Coordinates the development of procedures for selecting candidates for director and executive positions.
- Actively participates in the selection and recruitment process of executives.

- Develops the "Remuneration Policy" for directors and executives, submitting it for approval to the Board of Directors.
- Monitors personnel expenses and the company's employment structure.
- Assists the Board in evaluating the performance of executives.

The Strategy, Development, and Investment Committee aims to:

- Coordinate the development of the company's strategy for development and investment, based on studies and analyses.
- Periodically analyze the progress of implementing development strategies, investment projects, and measures adopted to achieve the established objectives.

The management and coordination of the activities of Chimcomplex SA Borzești in 2024 were ensured by a Board of Directors, which consisted of 7 members during the period from January 1, 2024, to August 1, 2024, and 5 members from August 2, 2024, to December 31, 2024.

Nr. crt.	Name	Function	Relevant Experience	Date of Appointment	Political Affiliation
1	ȘTEFAN VUZA	President of Chimcomplex	He founded and leads the CRC Group (Romanian Chemistry Company), which today consists of 18 companies. Mr. Vuza has been leading Chimcomplex S.A. Borzești since 2018 as President	August 2018	No Political Affiliation
2	MADELINE ALEXANDER	Independent Member	Administrator and legal entity, with over 30 years of international experience in auditing and financial consulting for numerous local and international companies across various industries, including the chemical industry. In the last 23 years of her career, she has been a partner in Big 4 audit firms. Ms. Alexander is accredited as a US GAAP and IFRS expert in the United States and Romania. She is a member of the Chamber of Financial Auditors of Romania (CAFR), ASPAAS, CECCAR, and a Certified Public Accountant (CPA) in the United States. Ms. Alexander has been an independent member of the Board of Directors of Chimcomplex S.A. Borzești since August 2022	August 2022	No Political Affiliation
3	COSMIN ȘOAITĂ	Independent Member	Entrepreneur with international experience in strategic management, internal audit, procurement, and structured finance. He holds a Ph.D. in Economics from the University of Paris 1 Panthéon-Sorbonne, Paris, France, and is an associate lecturer at Lucian Blaga University of Sibiu. Mr. Șoaită has been an independent member of the Board of Directors of Chimcomplex S.A. Borzești since August 2024.	August 2024	No Political Affiliation
4	GABRIEL TISCHER	Independent Member	Entrepreneur led companies in very different industries for 20 years. Experience from the last 3 years in his first position in the public sector, as President of the Board of Directors of Sibiu International Airport. Mr. Tischler has been an independent member of the Board of Directors of Chimcomplex S.A. Borzești since August 2022.	August 2022	No Political Affiliation

Nr. crt.	Name	Function	Relevant Experience	Date of Appointment	Political Affiliation
5	IULIAN LIVIU COJOC	Independent Member	Over 30 years of experience in trading chemical and agri-food products. Founder and President of the 'Dafcochim' group of companies, established in 1994, which operates in the market of chemical products for industry and agriculture, with businesses exceeding 65 million EUR. Partner in several agricultural exploitation companies with a plant profile in central Transylvania, which are in strong development and own state-of-the-art machinery and grain drying silos and storage facilities. Experience in collaboration with Oltchim and Chimcomplex plants or other large chemical product plants in Europe or Asia provides him with undeniable expertise in trade in general and chemical products in particular, including a very good understanding of the market for these products, development prospects, and the players involved. Mr. Cojoc has been an independent member of the Board of Directors of Chimcomplex S.A. Borzești since 2018	August 2018	No Political Affiliation
6.	PREOTEASA VERONICA	Independent Member	Veronica Preoteasa has over 37 years of experience in the chemical industry, including 19 years in management positions, 10 years of consulting in the field of polyurethanes, and entrepreneurship in the trade and distribution of chemical products. Ms. Preoteasa has developed expertise in key areas of the chemical industry: marketing, investments, and the creation and launch of niche products.	August 2022	No Political Affiliation
7.	LUCA FLORIN	Independent Member	Florin Luca, Chief Executive Officer of GAC Innovation Germany & East Europe, is a graduate of the Saint-Cyr Military Academy in Public Finance (France), the Paris Sorbonne University (Master's in Business Law), and the London Business School (Leadership and Performance Program). He has 25 years of executive managerial experience at the international level (including as a member of several boards of directors) in the financial-banking sector, as well as in other industries. Throughout his international career (France, Romania, Central and Eastern European countries, Russia, the Middle East, Asia, Africa...)	August 2023	No Political Affiliation
8.	COMAN DUMITRU	Independent Member	Specialist with extensive experience in the technology and management of the chemical and petrochemical industry in Romania. He has been part of the Chimcomplex team for 32 years. He was promoted to Chief Technical Officer from the position of General Manager, a role he held for 26 years at Chimcomplex. He has completed several management courses both domestically and abroad, which have enabled him to lead and restructure Chimcomplex's operations	January 2024/ replaced in August by Cosmin Soaita	No Political Affiliation

On August 1, 2024, the mandates of the following directors ended: Preoteasa Veronica, Luca Florin, and Dumitru Coman.

The Board of Directors meets whenever necessary, at the President's request. The Board of Directors' discussions take place according to the agenda established based on the draft communicated by the President.

In dealings with third parties, the company is represented by the President of the Board of Directors based on and within the limits of the powers granted by the General Meeting of Shareholders. The representative signs documents that bind the company to third parties, but only within the limits of the law.

The organization of the directors' activities is determined by the Board of Directors' decision, which also sets their remuneration. The Group's results are heavily influenced by the parent company's results, following the same trend. Chimcomplex SA (the Parent Company) reports consolidated financial results.

The composition and diversity of the members of the Board of Directors of Chimcomplex SA Borzești are presented in the following table.

Number of Members with Executive Positions	0
Number of Members with Non-Executive Positions	5
Percentage of Non-Executive Members/ Total Board Members	100%
Gender percentage of the board (board of directors) (calculated as the average ratio between female and male members of the board of directors)	25% feminin
Percentage of Independent Board Members	80%

Executive Management of Chimcomplex SA Borzești.

Nr.	Name	Function	Relevant experience
1	Steven Hunt	CEO	With over 40 years of executive experience, Mr. Hunt has held various leadership positions in Europe, Asia, and America, strengthening his expertise in general, commercial, and strategic management. In recent years, he has served in key roles, including Vice President for Business Development and Strategy at Nouryon Technology Solutions in the United Kingdom, Marketing Director for Polymer Chemicals at AkzoNobel in the USA, and Vice President for Organic Peroxides at AkzoNobel in China. In these positions, Mr. Hunt successfully enhanced the operational and financial performance of companies by implementing growth and efficiency strategies. Through successful management of product portfolios and operations, he has contributed to increasing the profitability and market share of the companies he worked for. His experience also includes successfully managing expansion and restructuring projects, such as relocating a production plant to China and closing a production unit in the Netherlands.
2	Florin Staicu	Director General Adjunct	He is a former member of the Board of Directors of Chimcomplex, with extensive experience in the executive and legislative fields. Over the past years, he has been active both in the Romanian Parliament, as a senator, and in various government institutions. He is a university professor by profession and the author of several books and specialized works.
3	Adrian Teotoc	CFO	Adrian Teotoc took over the position of CFO of the company, bringing with him extensive experience in finance and accounting, gained over 18 years in various industries such as construction, automotive, and trade. As Financial and Administrative Manager at Humana People to People Romania and Flexitech Romania, he successfully led the financial and administrative operations of the companies, ensuring compliance with international financial reporting standards and achieving substantial improvements in financial performance. He possesses strong skills in financial reporting, financial control, financial management, and financial analysis, making him well-qualified to provide strategic recommendations and implement actions to improve the company's profitability.
4	Călin POP	CCO Chimcomplex	Mr. Pop has successfully developed new markets in Europe and carried out efficient restructurings in companies within the consumer goods and chemical sectors.
5	Dan Moldovan	Deputy Commercial Director	With over 25 years of experience in chemical product sales, including the last 5 years as Deputy Commercial Director at Chimcomplex, Dan has demonstrated his skills in managing sales teams and commercial strategies, achieving remarkable results and establishing strong relationships with clients.

The following companies: A5 INVEST SRL., Greencomplex SRL., Sistemplast SA., CRC World Trade SRL., Logiserv SRL., are managed by Chimcomplex SA Borzești, which assumes the obligations of the general meeting of associates/ shareholders, namely:

- To approve the annual financial statements and allocate the net profit.
- To appoint the administrators and grant them discharge for their management.
- To decide on pursuing the administrator for damages caused to the company.
- To amend the constitutive act.

The management of the five previously mentioned companies is entrusted to a sole administrator, with the possibility of re-election, by Chimcomplex SA Borzești.

Companies	Sole Administrator	Mandate Period
A5 Invest SRL	Staicu Dumitru Florian	04.05.2023-31.12.2025
Greencomplex SRL	Staicu Dumitru Florian	04.05.2023-31.12.2025
Logiserv SRL	Sîrbu Eduard Dan	10.05.2024-10.05.2028
Sistemplast SRL	Staicu Dumitru Florian	29.05.2023-31.12.2025
CRC Worldtrade SRL	Sîrbu Eduard Dan	31.01.2024-31.01.2028

The sole administrator has all the prerogatives to engage and represent the company to third parties and authorized state bodies, being endowed with full powers to act in all circumstances in the name and interest of the company.

They can validly sign any act under legal conditions, including contracting loans, registering mortgages, or pledging the company's assets, as well as acquiring share packages or assets. The sole administrator is obliged to submit annually for approval by Chimcomplex, within at most three months from the end of the financial year, the report on the company's activity, the balance sheet, and the profit and loss account for the previous year.

The Chimcomplex Board of Directors decides on the vote in the General Meeting of Shareholders (GMS) of these five companies and mandates the person to represent the Parent Company in the respective GMS.

The sole administrator may delegate the right of representation and their duties to the executive directors of the five aforementioned companies. In 2024, the sole administrator did not delegate the duties to the executive directors.

The joint-stock company A6 IMPEX is managed by a Board of Directors composed of 3 administrators, elected by the General Meeting of Shareholders for a period of 4 years, with the possibility of being re-elected. Administrators may be revoked at any time by the Ordinary General Meeting of Shareholders.

The management and coordination of A6 IMPEX's activities in 2024 were ensured by a Board of Directors, consisting of:

1. Staicu Dumitru Florian, President of the Board, appointed on 12.05.2023, independent member;
2. Stanciugel Vasile Nicolae, Board Member, appointed on 16.06.2021, independent member;
3. Tischer Gabriel, Board Member, appointed on 19.09.2022, also holds positions as a member of the Chimcomplex Board of Directors.

The Board of Directors delegated the management of A6 IMPEX to the General Manager, Voica Marin, for a two-year mandate starting on 20.02.2024, based on a mandate contract. The directors are responsible for taking all measures related to the management of the company, within the limits of the company's scope of activity and in compliance with the exclusive competences reserved by law or by the Board of Directors and the General Meeting of Shareholders.

1.3.2 Information Provided to the Company's Administrative, Management, and Supervisory Bodies and the Sustainability Aspects Addressed by Them

GOV-2

The General Manager of Chimcomplex approves the materiality and content of the company's sustainability report.

The administrative, management, and supervisory bodies, including their relevant committees, are periodically informed by the General Manager and Chief Financial Officer (CFO) about the progress and developments related to impacts, risks, and opportunities (IRO) and other issues related to ESG.

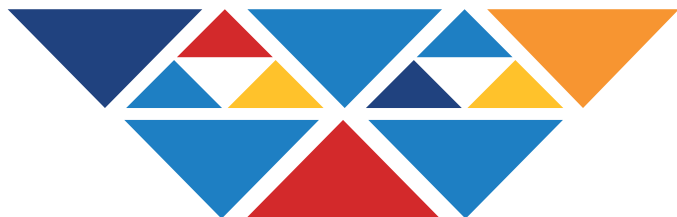
Considering that this is the first year of reporting according to ESRs standards, we are in the initial phase of implementing a comprehensive framework for evaluating these aspects.

For future reporting, we plan to extend the responsibilities of the Strategy, Development, and Investment Committee to also include ESG-related responsibilities.

1.3.3 Integration of Sustainability Performance into Incentive Systems

GOV-3

Currently, neither the Board of Directors nor other members of the executive management bodies receive incentives related to sustainability and financial objectives. As our key objectives and transition plans develop and mature, Chimcomplex will consider the possibility of aligning sustainability goals with performance incentives.



1.4 Risk Management and Control Systems

1.4.1 Statement on the Due Diligence Process

GOV-4

We are in the process of developing a sustainability due diligence framework, which will be essential in evaluating the key identified risks and opportunities (IRO). This ongoing process is designed to identify, prevent, mitigate, and address actual and potential negative impacts on both the environment and people connected to our business operations. We intend to integrate concrete due diligence elements related to people and environmental considerations into our governance, strategy, and business model.

Our future sustainability reports will highlight the essential components of this framework, including risk identification and assessment, implementation of mitigation strategies, and monitoring their effectiveness. Additionally, stakeholder engagement will be a key focus, ensuring that our approach is comprehensive and complete in future reports.

At Chimcomplex SA Borzești, through our certified/accredited integrated management system (ISO 9001, 14001, 17025, etc.), we demonstrate our commitment to implementing sustainable practices to minimize environmental impact and protect natural resources. At the same time, we actively engage with local communities, supporting sustainable development, education, and health projects to contribute to improving the quality of life and well-being of people (providing social aid, scholarships, sponsorships, environmental protection actions, etc.).

1.4.2 Risk Management and Internal Controls Related to Sustainability Reporting

GOV-5

Chimcomplex aims to implement a formalized procedure for managing risks and internal controls related to sustainability reporting in 2025, building on the experience gained from the 2024 ESRs reporting process.

For the current reporting period, a structured process has been established whereby necessary data is collected directly from relevant contributors, with the option to engage external consultants to validate the accuracy and completeness of the information.

Currently, we have established the methodology for data collection and sustainability reporting at Chimcomplex SA Borzești through a General Manager's Decision, which will be updated whenever necessary to ensure proper management of these aspects.

Risk management related to the accuracy and transparency of reporting is ensured by the Sustainability Manager, who processes the collected data. The initial responsibility for providing information lies with the data holders and specialists in the respective fields. Subsequently, the General Manager and Chief Financial Officer perform the final verification of the Sustainability Report, which is then submitted for approval to the Board of Directors.



1.5 Materiality Analysis and Results According to the Concept of Double Materiality

1.5.1 Description of the Processes for Identifying and Evaluating Significant Impacts, Risks, and Opportunities

IRO-1

At Chimcomplex, we conducted a double materiality analysis to assess sustainability-related impacts, risks, and opportunities in accordance with ESRs standards. This assessment is internally validated by the Sustainability Manager and Deputy Technical Director and subsequently approved by the General Manager. The process relies on contributions from company experts in sustainability and finance, including those responsible for climate change, environmental protection, occupational health and safety, social responsibility, human resources, diversity and inclusion, legal compliance, and risk management.

A sustainability aspect is **considered material** if it can have a significant financial impact on the company or if it has the potential to cause such an effect. This occurs when the issue generates or could generate risks or opportunities that significantly influence (or are expected to influence) the company's cash flows, development, performance, position, capital costs, or access to financing in the short, medium, and long term. As part of the obligations derived from the ESRs transposition, Chimcomplex prepared a Double Materiality Analysis (significance analysis), which establishes the significant/material topics in terms of impact, risks, and opportunities.

In sustainability reporting, detailed and relevant information is provided about all impacts, risks, and opportunities (IRO) related to environmental, social, and governance issues that are considered significant from either an impact perspective, a financial perspective, or both.

Impact materiality is analyzed based on the actual and potential effects on sustainability generated by Chimcomplex's own activities and/or business relationships within its value chain, both upstream and downstream (with suppliers and customers).

A positive impact assessment is also conducted, both actual and potential, on sustainability.

The **financial effect** assessment considers the negative reputational, financial, or commercial consequences for Chimcomplex associated with sustainability issues, as well as potential sustainability-related risks or opportunities for the company.

The assessment also includes the **upstream and downstream value chain**; it is not limited to the company's own operations.

Relevance refers to the criteria that help determine the information to be disclosed. This is based on:

- the importance of the information in the context of the issue it describes or
- the usefulness of the information for the decision-making process

To prepare for drafting a sustainability report in accordance with ESRs standards, we applied the principles of Double Materiality Analysis.

In this process, we considered the concerns of stakeholders, Chimcomplex's significant external economic, social, and environmental impacts, the substantial financial impact a subject may have on the company, as well as risks and opportunities throughout the entire value chain.

The materiality assessment for the year 2024 was conducted through a structured process involving consultation with internal stakeholders and representatives from various departments, who contributed as experts in their fields.

The double materiality analysis process considered:

- analysis of relevant internal and external stakeholders.
- conducting an internal consultation with management representatives from each relevant department to assess, for each material topic from ESRs, the impact on environmental, social, and governance aspects, as well as the evaluation of potential financial effects on the company due to climate change. The nature of real and potential, negative and positive impacts in the short, medium, and long term on environmental, social, and governance aspects was analyzed. Financial effects were also analyzed, and the probability of occurrence and potential magnitude of financial effects contribute to assessing the significance of risks and opportunities within the company.

- based on the results of internal consultations, external consultations were conducted by distributing a questionnaire to representatives from all categories of stakeholders.
- materiality analysis conducted for other operators in the industry (peers analysis).
- evaluation of strategic documents prepared by the company.
- final internal consultation with top management representatives, during which the evaluation results were presented for confirmation, through which the materiality assessment results were approved.

The final list of material topics was determined through a careful analysis of the significance of impacts, risks, and opportunities. As a result of the double materiality analysis, topics and subtopics have been identified and included in the current report. Below is a table with the topics, subtopics, and sub-subtopics addressed in the Sustainability Report (SR) for 2024, along with a brief justification for aspects considered non-material, which were not included in the report content.

Subtopic	Sub-subtopic	Explanation
ESRS E1 CLIMATE CHANGE		
Climate Change Mitigation Climate Change Adaptation Energy	—	The subtopics are addressed in the SR
ESRS E2 POLLUTION		
Air Pollution	—	The subtopics are addressed in the SR
Water Pollution	—	The subtopics are addressed in the SR
Soil Pollution		This is not applicable to Chimcomplex or the value chain. Soil quality is monitored at the points and for the indicators established by the integrated environmental permits in force, with a frequency of one analysis every 5 years at Onești, and one analysis every 10 years at Rm. Vâlcea, due to the historical use of a mercury electrolysis installation. No non-compliance with the values established by the current regulatory documents has been recorded.
Pollution of Living Organisms and Food Resources		Not applicable. Chimcomplex's activities do not affect crops or involve discharges into fishing areas.
Substances of Concern		The subtopics are addressed in the SR
Substances of Very High Concern		The subtopics are addressed in the SR
Microplastics		Not applicable. Chimcomplex does not produce, use, commercialize, or generate microplastics in its activities.

Subtopic	Sub-subtopic	Explanation
ESRS E3 WATER AND MARINE RESOURCES		
Water Resources	Water Consumption	The subtopics are addressed in the SR
	Water Withdrawals	The subtopics are addressed in the SR
	Water Discharges	The subtopics are addressed in the SR
Marine Resources	Water Discharges into Oceans	Not applicable. Chimcomplex does not use water from marine sources and does not discharge water into oceans.
	Extraction and Use of Marine Resources	
ESRS E4 BIODIVERSITY AND ECOSYSTEMS		
Drivers of Direct Impact on Biodiversity Decline	Climate Change	The sub-subtopic is addressed in the Climate Change chapter of the Sustainability Report (ESRS E1)
	Land Use Change and Sea Use Change	Not applicable. Chimcomplex's activities do not involve actions that lead to land use change or sea use change
	Direct Exploitation	Not applicable. Within Chimcomplex, there are no activities involving the exploitation of biodiversity or ecosystems
	Invasive Alien Species	This is not applicable in the areas where Chimcomplex operates
	Pollution	It is addressed in the SR, in relation to water pollution and other factors (ESRS E2)
Impact on the Status of Species	Species Population Size	This is not applicable.
	Global Risk of Species Extinction	Both Chimcomplex platforms are located in industrial areas, situated far from Natura 2000 Sites – Sites of Community Importance, Onești – Dealul Perchiu – RO SCI 059, and Rm. Vâlcea - Special Avifauna Protection Area RO SPA 010– Valea Oltului Inferior.
Impact on the State and Expansion Capacity of Ecosystems	Soil Degradation	This is not applicable, as Chimcomplex's activities do not involve soil degradation.
	Desertification	This is not applicable. The activity is not associated with soil footprint in protected areas.
	Soil Sealing/Impermeabilization	This is not applicable. The activity is not associated with a soil footprint in protected areas.
Impacts and Dependencies on Ecosystem Services	—	Chimcomplex does not directly depend on ecosystem services.
ESRS E5 CIRCULAR ECONOMY		
Resource Inputs, Including Resource Use	—	The subtopics are addressed in the SR
Resource Outputs Related to Products and Services	—	The subtopics are addressed in the SR
Waste	—	The subtopics are addressed in the SR

Subtopic	Sub-subtopic	Explanation
ESRS S1 OWN WORKFORCE		
Working Conditions	Safe Working Conditions	The sub-subtopic is addressed in the SR
	Working Hours	The sub-subtopic is addressed in the SR
	Adequate Wages	The sub-subtopic is addressed in the SR
	Social Dialogue	The sub-subtopic is addressed in the SR
	Freedom of association, the existence of works councils, and workers' rights to information, consultation, and participation	The sub-subtopic is addressed in the SR
	Collective bargaining, including the proportion of workers covered by collective bargaining agreements	The sub-subtopic is addressed in the SR
	Work-Life Balance	The sub-subtopic is addressed in the SR
	Health and Safety	The sub-subtopic is addressed in the SR
Egalitatea de tratament și de șanse pentru toți	Gender Equality and Equal Pay for Work of Equal Value	The sub-subtopic is addressed in the SR
	Training and Skills Development	The sub-subtopic is addressed in the SR
	Employment and Inclusion of Persons with Disabilities	The sub-subtopic is addressed in the SR
	Measures Against Workplace Violence and Harassment	The sub-subtopic is addressed in the SR
	Diversity	The sub-subtopic is addressed in the SR
Alte drepturi legate de muncă	— Child Labor	Child labor and forced labor are not relevant to Chimcomplex due to strict legal regulations, ethical commitments, and specific operational requirements of the chemical industry. At Chimcomplex, we are committed to respecting international labor standards and contributing to a safe and ethical working environment
	— Forced Labor	
	— Adequate Housing	The chemical industry traditionally does not involve housing facilities for employees, as seen in other sectors. Therefore, this topic is not relevant to Chimcomplex, as it does not provide housing for employees.
	— Confidentiality	It is addressed in the SR
S2 LUCRĂTORII DIN LANȚUL VALORIC		
Working Conditions	— Safe working conditions	No negative impacts are identified, and most aspects related to positive policies are presented in ESRs G1. Most suppliers are from the EU, being required to comply with strict safety and environmental standards, which limits exposure to social issues related to workers in the value chain. Chimcomplex collaborates with partners who adhere to European and international regulations regarding labor and human rights, thereby reducing associated risks. This is not the case for Chimcomplex. The majority of suppliers are from the EU area, where several legislative acts and initiatives are implemented to prevent forced labor and child labor.
	— Working time	
	— Adequate wages	
	— Social dialogue	
	— Freedom of association, including the existence of works councils	
	— Collective bargaining	
	— Work-life balance	
	— Health and safety	

Subtopic	Sub-subtopic	Explanation
Equality of Treatment and Opportunities for All	Gender equality and equal pay for work of equal value	No negative impacts are identified, and most aspects related to positive policies are presented in ESRs G1. Most suppliers are from the EU, being required to comply with strict safety and environmental standards, which limits exposure to social issues related to workers in the value chain. Chimcomplex collaborates with partners who adhere to European and international regulations regarding labor and human rights, thereby reducing associated risks.
	Training and skills development	
	Employment and inclusion of people with disabilities	
	Measures against violence and harassment in the workplace	
	Diversity	
Other Work-Related Rights	— Child Labor	Most of the company's suppliers are from the European Union, where legislation and specific initiatives prevent forced labor and child labor. Additionally, the supplier prequalification process is part of Chimcomplex's pre-contractual activities, through which we collect and evaluate information to ensure compliance with internal requirements. EU suppliers are required by current legislation to respect human rights in the communities where they operate.
	— Forced Labor	
	— Water and sanitation	This is not applicable. Most of Chimcomplex's suppliers operate in the chemical industry and provide raw materials, equipment, or technical services. These are not directly related to access to drinking water or sanitation for communities.
	— Adequate Housing	The activities of Chimcomplex's suppliers do not have a direct impact on access to adequate housing for communities. .
	— Confidentiality	Addressed in ESRs G1
S3 AFFECTED COMMUNITIES		
Economic, Social, and Cultural Rights of Communities	Adequate Housing	This is not applicable. While adequate housing is an important topic from a social perspective, it is not directly relevant to Chimcomplex in the context of its industrial and commercial activities. Chimcomplex has social responsibility initiatives, but they do not include providing or ensuring access to adequate housing.
	Adequate food	This is not the case. There is no direct link between the company's activities and ensuring food for communities .
	Water and sanitation	This is not the case. Chimcomplex does not ensure access to drinking water or sanitation for communities .
	Soil-related impact	Chimcomplex does not have a direct impact on soils in communities.
	Security-related impacts	SEVESO Objective. It was included in ESRs E2 Pollution - Substances of concern
Civil and Political Rights of Communities	Freedom of expression	The sub-subtopic is addressed in the SR
	Freedom of assembly	The sub-subtopic is addressed in the SR
	Impact on human rights defenders	The sub-subtopic is addressed in the SR
Rights of Indigenous Peoples	Free, prior, and informed consent Self-determination Cultural rights	This is not the case. There are no indigenous populations in Romania

Subtopic	Sub-subtopic	Explanation
S4 CONSUMERS AND END USERS		
— Impacts Related to Information for Consumers and/or End Users	Confidentiality	The sub-subtopic is addressed in the SR
	Freedom of expression	The sub-subtopic is addressed in the SR
	Access to (quality) information	The sub-subtopic is addressed in the SR
— Personal Safety of Consumers and/or End Users	Access to (quality) information	The sub-subtopic is addressed in the SR
	Personal security	Not applicable for Chimcomplex. Chimcomplex's products are intended for B2B, and the technical data sheets specify that they are for industrial use .
	Child protection	
— Social inclusion of consumers and/or financial users	Non-discrimination	At Chimcomplex, we produce and supply chemicals for various industries, not for direct consumer use. We do not deal with consumer-end products (consumer goods), and our activities are not focused on the social inclusion of these consumers.
	Access to Products and Service	
	Responsible Marketing Practices	
ESRS G1 BUSINESS CONDUCT=		
Corporate Culture	—	The subtopics are addressed in the SR
Protection of Whistleblowers	—	The subtopics are addressed in the SR
Animal Welfare	—	This is not applicable. Chimcomplex's activities do not involve animal testing.
Political Engagement and Lobbying Activities	—	This is not applicable. Chimcomplex is not involved in political activities and/or lobbying.
Management of Supplier Relationships, Including Payment Practices	—	The subtopics are addressed in the SR
Corruption and Bribery	Prevention and detection, including training	The subtopics are addressed in the SR
	Incidents	The subtopics are addressed in the SR

* SR – Sustainability Report

No additional topics were identified beyond the themes and sub-themes of the ESRs standards.

Details regarding the impacts, risks, and opportunities identified for each material theme are presented in the corresponding chapter for each material ESRs theme. The management of Chimcomplex reviewed and validated the final list of material theme.



The data points resulting from other EU legislative acts are presented in the table below.

Disclosure requirement and corresponding data point	Reference from the Benchmark Regulation ¹	Reference from the Climate Law ²
ESRS 2 GOV-1 Gender diversity in management bodies paragraph 21(d)	Commission Delegated Regulation (EU) 2020/1816 ³ , Annex II	-
ESRS 2 GOV-1 Percentage of members of management bodies who are independent paragraph 21(e)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS 2 SBM-1 Involvement in chemical production activities paragraph 40(d) ii	Regulation (EC) No 1893/2006	-
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 paragraph 14		Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-4 Greenhouse gas emission reduction targets paragraph 34	Delegated Regulation (EU) 2020/1818, Article 6	-
ESRS E1-6 Gross values from 1, 2, 3 and total GHG emissions item 44	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	-
ESRS E1-6 Gross GHG Emissions Intensity Paragraphs (53)-(55)	Regulamentul delegat (UE) 2020/1818, articolul 8 alineatul (1)	-
ESRS E1-7 GHG Removals and Carbon Credits Item 56	-	Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 The benchmark portfolio's exposure to physical climate-related risks paragraph 66	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities item 69	Delegated Regulation (EU) 2020/1818, Annex II	-
ESRS S1-1 Diligence policies on issues covered by Fundamental Conventions 1-8 of the International Labour Organization paragraph (21)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-16 Gender pay gap in unadjusted form paragraph 97(a)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines point 104 letter (a)	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, article 12 paragraph (1)	
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO principles, and/or OECD guidelines point 17	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12 paragraph (1)	
ESRS G1-4 Fines for violation of anti-corruption and bribery laws, point 24 letter (a)	Delegated Regulation (EU) 2020/1816, Annex II	

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

³ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

1.5.2 Disclosure requirements from ESRS covered by the enterprise's sustainability statement

IRO-2

Information related to the management of Chimcomplex's significant impacts, risks, and opportunities is detailed in each specific thematic chapter of the ESRS. This information is aligned with the minimum reporting requirements regarding the policies, actions, and objectives set at the company level. The list of reporting requirements included in this report is presented in the table below.

Standard	Disclosure requirements (DR)	Applicable data points
ESRS 2	BP-1 – General basis for preparing the sustainability report	5 a, 5 b i, 5 b ii, 5 c AR 1, 5 d, 5 e
	BP-2 – Disclosures related to specific circumstances	9 a, 9 b, 10 a, 10 b, 10 c, 10 d, 11 a, 11 b i, 11 b ii, 13 a, 13 b, 13 c, 13 d, 14 a, 14 b, 14 c, 15, 15, 16, 17, 17 a, 17 a, 17 b, 17 c, 17 d, 17 e
	GOV-1 – Role of administrative, management, and supervisory bodies	21 a, 21 a, 21 b, 21 c AR 5, 21 d, 21 d, 21 e, 22 a, 22 b AR 3, 22 c AR 4, 22 c i, 22 c ii, 22 c iii, 22 d, 23 AR 5, 23 a, 23 b
	GOV-2 – Information provided to the administrative, management, and supervisory bodies of the company and the sustainability issues addressed by them	21 a, 21 a, 21 b, 21 c AR 5, 21 d, 21 d, 21 e, 22 a, 22 b AR 3, 22 c AR 4, 22 c i, 22 c ii, 22 c iii, 22 d, 23 AR 5, 23 a, 23 b
	GOV-3 – Integration of sustainability-related performance into incentive systems	29 AR 7, 29 a, 29 b, 29 c, 29 d, 29 e
	GOV-4 – Statement on the due diligence process	30; 32 AR 8 - AR 10
	GOV-5 – Risk management and internal controls related to sustainability reporting	36 a AR 11, 36 b AR 11, 36 c AR 11, 36 d AR 11, 36 e AR 11
	SBM-1 – Strategy, business model, and value chain	40 a i AR 12-13, 40 a ii AR 12-13, 40 a iii AR 12-13, 40 a iii AR 12-13, 40 a iv AR 12-13, 40 b AR 12-13, 40 b AR 12-13, 40 c AR 12-13, 40 d i AR 12-13, 40 d i AR 12-13, 40 d i AR 12-13, 40 d i AR 12-13, 40 d i AR 12-13, 40 d ii AR 12-13, 40 d ii AR 12-13, 40 d iii AR 12-13, 40 d iii AR 12-13, 40 d iv AR 12-13, 40 d iv AR 12-13, 40 e AR 12-13, 40 f AR 12-13, 40 g AR 12-13, 41, 42 AR 14, 42 a, 42 b, 42 c AR 15
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	SBM-3 - Significant impacts, risks, and opportunities and their interaction with the strategy and business model	48 a AR 17-18, 48 a AR 17-18, 48 b AR 18, 48 c i AR 18, 48 c ii AR 18, 48 c iii AR 18, 48 c iv AR 18, 48 d AR 18, 48 e AR 18, 48 f AR 18, 48 g AR 18, 48 h AR 18
	IRO-1 – Description of the processes for identifying and assessing significant impacts, risks, and opportunities	53 a, 53 b, 53 b i, 53 b ii, 53 b iii, 53 b iv, 53 c, 53 c i, 53 c ii, 53 c iii, 53 d, 53 e, 53 f, 53 g, 53 h
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	MDR-A – Actions and resources related to significant sustainability aspects	68 a, 68 b, 68 c, 68 d, 68 e, 69 a, 69 b, 69 c
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	E3-4 – Water consumption	28 a, 28 b AR 28, 28 c, 28 d, 28 d, 28 e AR 29, 28 e AR 29
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ESRS E5 Resource use and circular economy	ESRS 2 IRO 1	11 a , 11 b
	E5-1 – Policies related to resource use and the circular economy	14,15a,15b
	E5-2 – Actions and resources related to resource use and the circular economy	19, 20 a, 20b, 20c, 20d, 20e, 20f, AR 11, AR 12 a, AR 12 b, AR 12 c
	E5-3 – Targets related to resource use and the circular economy	24, 24 a, 24 b, 24 c, 24 d, 24 e, 24 e, 24 f, 25, 27
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ESRS S1 Own workforce	ESRS 2 SBM 2	
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	S1-6 – Characteristics of the company's employees	50 a , 50 a AR 57, 50 a AR 57, 50 a, 50 a AR 57, 50 a AR 57, 50 b, 50 b + 51, 50 b + 51, 50 c AR 59, 50 c, 50 d AR 60, 50 d i, 50 d ii , 50 e AR 58, 50 f

Standard	Disclosure requirements (DR)	Applicable data points
ESRS S1 Own workforce	S1-7 – Characteristics of workers who are not salaried employees within the company's own workforce	55 a, 55 a, 55 a, 55 b, 55 b i, 55 b ii, 55c AR 64 - AR 65, 57 AR 63
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ESRS S3 Affected communities	ESRS 2 SBM 2	
	ESRS 2 SBM 3	9, 9 a, 9 a i-iv, 9 b, 9 c, 9 d, 10, 11, AR 5 - AR 6 , AR 7, AR 8
	S3-1 – Policies related to affected communities	15, 16, 16 a, 16 b, 16 c, 17, AR 10
	S3-2 – Processes for collaborating with affected communities on impacts	21, 21 a, 21 b, 21 c, 21 d, 22, 23, 24, AR 16, AR 15, AR 14 - AR 15, AR 13
	S3-3 – Processes for remedying negative impacts and channels through which affected communities can express their concerns	27 a AR 17, AR 22, 27 b AR 18, 27 c, 27 d AR 24, 28 AR 23, 28
	S3-4 – Adoption of measures regarding significant impacts on affected communities and approaches for managing significant risks and pursuing significant opportunities related to affected communities, as well as the effectiveness of these actions	32 a AR 28 - AR 29, AR 36, 32 b, 32 c AR 37, 32 d AR 31 - AR 33, 33 a AR 26, 33 b, 33 c, 34 a AR 38 - AR 40, AR 42, 34 b, 35 AR 30, 36, 38
	S3-5 – Targets related to managing significant negative impacts, promoting positive impacts, and managing significant risks and opportunities	41 AR 45 -AR 47, 42 a, 42 b, 42 c

Standard	Disclosure requirements (DR)	Applicable data points
ESRS S4 Consumers and end-users	ESRS 2 SBM 2	
	ESRS 2 SBM 3	10 AR 5 -AR 6, 10 a, 10 a i-iv, 10 b, 10 c, 10 d, 11 AR 7, 12 AR 8
	S4-1 – Policies regarding consumers and end-users	15, 16, 16 a, 16 b, 17 AR 11
	S4-2 – Processes for collaborating with consumers and end-users on impacts	20 AR 17, 20 a AR 14, 20 b AR 16, 20 c AR 15 - AR 16, 20 d, 21, 22
	S4-3 – Processes for remedying negative impacts and channels through which consumers and end-users can express their concerns	25 a AR 18, 25 b AR 19, 25 c, 25 d AR 24, 26 AR 23, 26, 27
	S4-4 – Adoption of measures regarding significant impacts on consumers and end-users and approaches for managing significant risks and pursuing significant opportunities related to consumers and end-users, as well as the effectiveness of these measures	31 a AR 35, 31 b, 31 c AR 36, 31 d AR 30 - AR 32, 32 a AR 26, 32 b, 32 c, 33 a AR 37 - AR 38, AR 40, 33 b, 34 AR 29, 35, 37
	S4-5 – Targets related to managing significant negative impacts, promoting positive impacts, and managing significant risks and opportunities	41AR 43 - AR 45, 41 a, 41 b, 41 c
ESRS G1 Professional conduct	ESRS 2 GOV-1	5a, 5 b
	G1-1 – Corporate culture and policies regarding professional conduct and corporate culture	9 AR 1, 10a, 10 b, 10 b, 10 c, 10 d, 10 d, 10 e, 10 f, 10 g, 10 h
	G1-2 – Supplier relationship management	14 AR 2 -AR 3, 15 a AR 2 - AR 3, 15 b AR 2 - AR 3
	G1-3 – Prevention and detection of corruption and bribery	18 a AR 5 - AR 6, 18 b, 18 c, 19, 20, 21 a, 21 b AR 4, 21 c
	G1-4 – Confirmed cases of corruption or bribery	-
	G1-6 – Payment practices	33 a, 33 b AR 16 - AR 17, 33 b, 33 c, 33 d

In ERSR 2 IRO 1, we provide a brief explanation based on the conclusions of the double materiality assessment regarding themes that were not selected as material. Consequently, all disclosure requirements from a non-material thematic ERSR have been omitted.



1.5.3 Significant impacts, risks, and opportunities and their interaction with the strategy and business model

SMB-3

Information regarding the management of significant impacts, risks, and opportunities for Chimcomplex has been included **in each specific thematic chapter of the ERSR**.

The impacts, risks, and opportunities related to environmental, social, and governance aspects were identified and assessed through a double materiality analysis process, conducted during an internal workshop and by consulting other relevant sources, such as the necessary permits for the proper functioning of Chimcomplex. The identified ESG risks have not yet been integrated into Chimcomplex's business strategy.

1.6 Minimum disclosure requirement regarding policies and actions

1.6.1 Policies adopted for managing significant sustainability aspects

MDR-P Policy

At Chimcomplex, we manage material aspects through a series of well-established internal policies and procedures. These policies are integrated into Chimcomplex's ISO management systems, ensuring compliance with legal requirements and alignment with international best practices. The necessary policies and actions for each material theme (relevant ESRs topic) are detailed in the ESRs report sections. If no policies or actions have been adopted for certain topics, the company has noted this and may indicate a timeframe in which it plans to implement them.

1.6.2 Actions and resources regarding significant sustainability aspects

MDR-P actions

In the ESRs Report, we have outlined the necessary actions for each material theme in the ESRs sections. If the implementation of an action plan involves significant operational (OPEX) or capital (CAPEX) expenditures, this is mentioned in the taxonomy section, where information about current financial resources is provided, and it explains how these are correlated with the most relevant figures in the company's financial statements.

In 2024, we did not use sustainable financing instruments such as green bonds, social bonds, and green loans.

1.7 Indicators and targets

1.7.1 Indicators related to significant sustainability aspects

MDR-M

Indicators related to significant sustainability aspects are presented in the sections of the ESRs report, being assigned to each relevant material theme. If we have not adopted indicators and targets, we have specified this aspect.

1.7.2 Tracking the effectiveness of policies and actions through targets

MDR-T

We assess the effectiveness of our actions to manage significant impacts, risks, and opportunities by annually monitoring performance and reporting it in the sustainability report. The performance, indicators, and objectives for each relevant material theme (ESRS topic) are detailed in the report sections. If measurable, outcome-oriented, and time-framed targets are not present, the report specifies the timeframe in which we intend to adopt them. The ESRs sections also explain if we will not set such targets and the reasons for this decision. Additionally, the report indicates how we evaluate the effectiveness of policies and actions for each material theme.





Environmental information



ESRS E1

CLIMATE CHANGE

2.1 Strategic orientation and concepts for climate protection

2.1.1 Significant impacts, risks, and opportunities and their interaction with the strategy and business model

ESRS 2 SBM-3 IRO-1

According to the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD), climate risks can be classified into two major categories: physical risks and transition risks.

Physical risks are characterized by two distinct types: acute risks, generated by extreme weather events (such as storms, floods, or heatwaves), and chronic risks, which manifest through gradual and long-term changes in climatic conditions, such as sea-level rise or changes in precipitation patterns.

In contrast, **transition risks** refer to the economic and social challenges and uncertainties that arise as societies and industries attempt to implement measures to reduce negative environmental impacts and limit the effects of global climate change by transitioning to a more sustainable and less polluting economy.

We have conducted a detailed identification and analysis of the climate risks that could significantly affect the operations, financial flows, and expenses of Chimcomplex. Thus, I have investigated both physical risks and transition risks to ensure proper adaptability and to implement proactive measures to protect our economic activities in the long term.

The process of identifying and assessing impacts, risks, and opportunities (IRO) related to ESRS E1 – Climate Change (with sub-themes: climate change mitigation, climate change adaptation, and energy) is conducted as part of the double materiality analysis.

The detailed assessment of climate risks and the climate vulnerability study based on global warming scenarios is planned for 2025.

The tables below summarize the conclusions of the IRO identification from the double materiality analysis conducted.

Subtopic	Impact description	Location in the value chain	Time horizon	Strategic approach
Climate change mitigation	Actual positive impact regarding the reduction of greenhouse gas emissions through the implementation of energy efficiency technologies, optimization of production processes, and the use of renewable energy sources, such as high-efficiency cogeneration.	Own operations	Short, medium, and long term	Strategic objectives mentioned in the sustainability strategy For the year 2025, we aim to develop a climate study.
	Actual negative impact resulting from the consumption of natural gas and other CO ₂ -emitting fuels used in chemical production processes.	Upstream, Own operations, and Downstream	Short, medium, and long term	
	Actual negative impact resulting from the consumption of electricity associated with the combustion of fuel for electricity generation.	Upstream	Short, medium, and long term	
Climate change adaptation	Potential negative impact if Chimcomplex facilities are not protected against weather events (storms, floods, extreme precipitation, heatwaves, or wildfires). Such extreme climate events can have a severe impact on assets and people.	Own operations	Medium and long	
Energy	Actual positive impact through the production of electricity and heat in its high-efficiency cogeneration plants, using modern technologies that optimize fuel consumption and reduce energy losses.	Own operations	Short, medium, and long term	
	Actual negative impact: Chimcomplex's activities require large amounts of both thermal and electrical energy from sources available on the market/ traditional sources.	Own operations	Short, medium, and long term	

Subtopic	Description of risks/opportunities	Financial effect
Climate change mitigation	Opportunities are in the area of investments in more energy-efficient technologies to reduce greenhouse gas emissions.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities
	Transition and financial risk: Climate change mitigation in the chemical industry presents a high risk of greenhouse gas emissions from operations, leading to potential risks/increases in financial expenses for compliance.	
	Financial risk related to the fact that upstream in the value chain, there is a possibility of increased operational costs as a result of implementing measures to reduce carbon emissions and adapt to increasingly stringent environmental protection regulations. Additionally, natural gas suppliers, used especially for the production of thermal and electrical energy and for chemical processes, might need to invest in more efficient technologies for capturing and preventing natural gas losses in the transportation and distribution infrastructure. These additional costs could be passed on to Chimcomplex	Effect on financial performance Effect on cash flows Effect on capital flows
Climate change adaptation	Physical and financial risk: Climate change can reduce the availability of essential resources for Chimcomplex (energy, salt, methane, water) due to extreme weather conditions or the depletion of natural resources. For example, droughts can reduce water resources needed for Chimcomplex processes. This is reflected both in the distribution process/access of customers to products and in the costs of final products.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities
Energy	Opportunity related to investments in optimizing and improving Chimcomplex's processes regarding energy consumption/use of traditional energy sources.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities
	Transition and financial risk: Both at the Chimcomplex industry level and throughout the entire value chain, there is a financial risk caused by energy consumption in production processes. These expenses are volatile and can lead to: increased operating costs and, consequently, reduced profit margins, unpredictable cash flows, and a decrease in the value of assets that do not comply with new environmental standards.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities

The two sites, Chimcomplex SA Onești and Chimcomplex SA – Râmnicu Vâlcea Branch, are subject to the EU ETS (Emissions Trading System) Directive, which means that these locations are regulated in accordance with European greenhouse gas emissions standards.

In this context, we hold specific permits for greenhouse gas emissions, and the impacts associated with climate change have been rigorously assessed within the technical and legal documentation required to obtain these permits.

This assessment procedure involves a detailed analysis of the emissions generated by the industrial processes carried out at the two sites, as well as the measures to reduce and offset these emissions, in order to minimize the negative impact on the environment. The evaluations are essential for ensuring compliance with European environmental standards and for achieving the greenhouse gas emission reduction targets set by the European Union under international agreements to combat climate change. Chimcomplex is analyzing and preparing a strategy to counteract climate risks in the event they arise.

1. Stricter regulations regarding greenhouse gas emissions

The chemical industry is a generator of greenhouse gas emissions, which means it can be affected by stricter regulations and emission reduction requirements.

Reducing CO₂ emissions is an objective that will contribute to the sustainable development of Chimcomplex in the future. We capture from our own installations (lime production installation) and reprocess over 10,000 tons of CO₂ year after year in chemical processes alongside hydrogen to obtain bulk organic substances (oxo-alcohols). In 2024, 18,688 tons of CO₂ were captured and used.

We have implemented more energy-efficient technologies and improved production efficiency to reduce greenhouse gas emissions. Additionally, we invest in renewable energy sources and use alternative sources of raw materials.

2. Changes in demand for chemical products

Public and government awareness regarding the impact of the chemical industry on the environment can lead to changes in the demand for chemical products, which can affect our business

At Chimcomplex SA Borzești, we have vegetable polyols in our product portfolio, made from castor oil, which are environmentally sustainable. The portfolio of sustainable products is growing: polyols made from cashew oil, polyols with integrated CO₂, and the Advanced Polyols Research Center located on the Rm. Vâlcea platform is researching the diversification of the portfolio with super-customized products.

At the same time, we have been chemically recycling for several years (used hydrochloric acid and scale crusts) and producing ferric chloride, an anticoagulant used in water purification.

We are preparing the recycling of polyurethane waste (for the recovery of rigid polyols), their use in the production of polyols with reduced basic raw material, while also emphasizing water and energy management at high levels of efficiency.

We also have an ongoing research project that is part of the 'Green Transition' program and aims to reduce the carbon footprint by using excess CO₂ resulting from the installations on the platform. The resulting polyols will have a CO₂ content of up to 20% and can be used in classic applications without affecting the characteristics of polyurethane foams.

3. Risks to the supply chain

Climate risks can affect the supply chain, which may lead to disruptions in the supply of raw materials or increased costs for transportation and storage.

Our capacity expansion plan consists of three complementary components:

- increasing the capacity of production units.
- increasing the capacity for raw material storage.
- increasing energy production.

Proximity to the largest regional salt mines (main raw material) with abundant supply and pipeline connections to the salt mines avoids the need to transport rock salt by rail, which would be much more costly and pose supply risks.

We have the best local and regional integration in the supply chain with minimal logistics costs.

4. Insurance costs

Climate risks can lead to increased insurance costs, which can affect our company's profitability. We address climate risks by integrating them into our business strategy.

Through collective actions, the company has reduced its risks, improved its sustainability, and developed sustainable business opportunities.

5. Temperature changes and extreme weather

Our sales are focused on the CEE markets, which have invested heavily in construction and infrastructure.

We only work with transport partners who offer logistical solutions adapted to climate change. At the same time, we have ongoing investments in safe storage warehouses for raw materials (such as a 3000 cubic meter propylene sphere) and finished products.

Our facility design is made to operate in extreme temperatures (-30°C and +50°C) as well as in storm, flood, and drought conditions.

6. Sea-level rise

Sea-level rise can affect the transportation of chemical products, especially in port areas.

We have made progress in reducing exports by sea and have found alternatives to sell products primarily in the rapidly growing CEE/CIS and Turkish markets.

At the same time, we are involved in environmental policies and initiatives, as part of ROMCHIMICA (Association of Chemical Producers and Distributors in Romania), to influence government policies and promote collective actions to combat climate change.

2.1.2 Policies adopted for managing climate change

ESRS E1-2

At Chimcomplex SA Borzești, we have implemented the Sustainable Development Policy, which is in accordance with the requirements of ESRs 2 *MDR-P Policies adopted for managing significant sustainability aspects related to climate change*. The other entities in the group currently do not have specific policies regarding climate change. Next year, the Sustainable Development Policy implemented at Chimcomplex SA Borzești will be extended to cover the entire group.

Within the Sustainable Development Policy, it is specified that the company's development directions directly contribute to the following Sustainable Development Goals (SDGs) of the European Union related to climate change:

- **ODD 13 – Climate action:** Actions for the prevention/mitigation of climate change.
- **ODD 7 - Affordable and clean energy:** Energy efficiency.

Furthermore, at the end of 2024, at Chimcomplex SA Borzești, we developed the Sustainability Strategy 2024-2030, which addresses aspects related to:

- **Energy efficiency and renewable energy:**
- **Greenhouse gas emissions and reducing environmental impact.**

We contribute to SDG 13 by adopting actions to prevent and mitigate climate change. Thus, we focus on energy efficiency and reducing greenhouse gas emissions by implementing our own photovoltaic plants, capturing carbon dioxide, and utilizing waste.

We actively integrate energy efficiency into operations through reduced consumption and emissions, technologies that are environmentally friendly, and adherence to circular economy principles by recycling by-products of some processes into new products.

We are preparing projects for the chemical recycling of polyurethane waste and the use of CO₂ in polyols (polycarbonates).

Our climate change mitigation strategy focuses on implementing energy efficiency programs and innovative process intensification technologies, alongside significant investments in carbon capture and storage (CCS) for high-emission chemical processes. In accordance with European Union regulations, we will report each ton of CO₂ captured, transported, used, and stored, considering its origin, whether fossil, biogenic, or atmospheric.

Moreover, in order to reduce our emissions, it will be essential not only to modernize equipment but also to optimize production processes. We plan to address this aspect from two perspectives.

The first involves using existing equipment, but with a reduction in CO₂ emissions through carbon capture and utilization or through carbon capture and storage technologies.

The second entails modernizing processes, as well as converting to alternative raw materials, such as vegetable oils, green hydrogen, and captured CO₂.

Our strategy for adapting to climate risks is based on the development and implementation of a plan to protect our assets against extreme weather events and water shortages, especially in high-risk production areas. This approach aligns with key documents from the European Commission, which highlight ways to reduce vulnerabilities to climate change and manage risks related to natural dependencies. A concrete example of a solution is the establishment of long-term contracts for critical minerals and metals, ensuring a detailed assessment of the environmental and socio-economic impact associated with our resources and supply plans.



Additionally, new technologies for reducing emissions and promoting economic sustainability require the use of raw materials, often overlooked in the past, that did not have diversified primary and secondary sources. This has led to new dependencies, complicating the production of materials necessary for a sustainable economy, especially in the chemical sector. To counter these challenges, it is essential to maximize our resource efficiency by reducing waste, recycling, and developing substitutes for raw materials. Furthermore, we are committed to leveraging Romania's internal resources, such as graphite, magnesium, salt, and coal, to ensure their efficient and responsible exploitation.

We are firmly committed to enhancing energy efficiency and expanding the use of renewable energy within our operations. To achieve these objectives, we have implemented a series of initiatives aimed at modernizing equipment, implementing energy management systems, and optimizing processes at our production facilities. By adhering to Sustainable Development Goal 7, we continue to invest in projects that lead to reducing our carbon footprint.

In 2023, we completed the installation of a 49 MW cogeneration plant and an 8 MW trigeneration plant at the Râmnicu Vâlcea Platform, significantly contributing to providing a large portion of the company's total energy consumption. Looking ahead, we are considering the establishment of a 68 MW cogeneration plant at the same location, which will supply thermal energy to the municipality of Râmnicu Vâlcea and surrounding areas.

By modernizing electrolysis installations (equipping them with sixth-generation electrolyzers), the consumption of electricity will be reduced, and the hydrogen obtained will be used both for chemical processes and to replace fossil fuels for energy production, which will consequently reduce CO₂ emissions by over 64,000 tons per year.

We aim to achieve energy independence at both industrial platforms, with 100% thermal energy independence already realized at the Onești platform. A significant portion of the electricity consumed is produced through high-efficiency cogeneration installations, which have low CO₂ emissions.

At Chimcomplex SA Borzești, the highest-level person in the organization responsible for implementing climate change policies is the President of the Strategy, Development and Investment Committee.

2.1.3 Climate change actions and resources

ESRS E1-3

The key actions undertaken to prevent, mitigate, and remediate actual and potential impacts and to address risks and opportunities related to climate change mitigation/adaptation and the energy transition are:

- **Modernization of energy-intensive technologies,** reduction of energy consumption.

Investments in Electrolysis facilities: replacing existing membranes with new, energy-efficient membranes

- **Improving the energy efficiency of equipment.**

Acquisition of reliable and energy-efficient equipment (compressors, pumps, etc.).

- **Expanding the scope of existing facilities,** with an impact on the community.

High-efficiency cogeneration in the district heating sector of Rm. Vâlcea.

- **Production of green energy:**

Installation of photovoltaic park.

- **Efficient management of produced and purchased energy:**

- Production of electricity and thermal energy in own Cogeneration, Trigeneration facilities.
- Purchase of renewable energy or energy with a low carbon footprint.
- Use of hydrogen as an energy carrier.

In the Taxonomy section, more information is provided regarding Capex and Opex for Chimcomplex activities considered eligible.

2.1.4 Targets related to climate change mitigation and adaptation.

ESRS E1-4

We have not yet established measurable, outcome-focused targets for climate change mitigation and adaptation according to ESRs 2 MDR-T, which involves monitoring the effectiveness of policies and actions through targets.

The year 2024 is planned to be set as the base year, with reference values for CO₂ equivalent emissions, as it is also the first ESRs reporting year for Chimcomplex. Starting from 2030, emission reduction targets will be updated every 5 years.

Our GHG emission reduction targets will be science-based and aligned with the goal of limiting global warming to 1.5°C. In establishing these targets, we will consider future developments such as changes in production and sales volume, customer preferences and demand, regulatory factors, and new technologies available. We recognize that these factors will affect both our GHG emissions and our planned reduction efforts.

Our primary objective is monitoring the intensity of GHG emissions – Scope 1 and 2 – relative to turnover, with the target being GHG emissions (Scope 1 and 2), max 1.2 tons of CO₂/thousand Euros of turnover. In 2024, we recorded 1.29 tons of CO₂/thousand Euros of turnover – the increase is due to the operation of Cogeneration facilities with emissions generation during the trial period, while the turnover did not register a substantial increase.

2.1.5 Transition plan for climate change mitigation.

ESRS E1-1

Currently, at Chimcomplex, we do not yet have a transition plan in place to address the challenges related to climate change, in line with the climate neutrality goals set out in the Paris Agreement. Additionally, we have not yet established clear targets for reducing greenhouse gas (GHG) emissions or relevant performance indicators for capital expenditures in accordance with the taxonomy.

We are currently evaluating various options and will may implement a transition plan in the future, between 2028 and 2030.

Even though we do not have a transition plan in place, we are committed to increasing energy efficiency and expanding the use of renewable energy in our operational activities.

We have established and already initiated concrete actions for sustainable development and emission reduction, which include:

- Building own cogeneration facilities that use natural gas and hydrogen to produce thermal and electrical energy with a low carbon footprint;
- Inaugurating a new special polyols production facility that allows operation with 30% higher technological and energy efficiency than current facilities, as the state-of-the-art machinery and equipment have been designed based on the most modern specific technologies.
- The company's development plans include new actions with a direct impact on reducing CO² emissions through:
- Modernizing the brine electrolysis facilities with ion-exchange membranes and equipping them with state-of-the-art, energy-efficient equipment, which has led to a reduction of CO² emissions by 18,800 tons per year (from reduced electricity consumption).
- Building a new 68 MW cogeneration facility at the Rm. Vâlcea site to provide thermal energy to the residents of Rm. Vâlcea and surrounding areas.
- Installing photovoltaic panels at the Onești, Someș-Dej, and Rm. Vâlcea sites, which would lead to a reduction in CO² emissions for the electricity consumed by 17,000 tons/year.
- Implementing the POLIEPOXIDES investment – a new Epoxy Resins Factory based on epichlorohydrin from vegetable glycerin and HCl continues this development strategy based on advanced chlorine processing. In this case, chlorine and hydrogen transformed into HCl together with vegetable glycerin ensure the production of high-performance epoxy resins, contribute to the circular economy with high technological and energy yields, achieving an important decarbonization and sustainable chemistry objective.
- In the long term, considering the internal and international economic context, Chimcomplex will continue its development in the following directions:
- Development through product diversification, based on the implementation of new technologies (CO² capture in methanol production, in green polyols production, use of green hydrogen in chemistry and energy production) and the valorization of natural resources (in silicates production).
- Circular economy, as chemical recycling of waste presents an opportunity, and the result of this recycling could replace a large part of the natural resources currently used in various production processes.
- Applying sustainable technologies for the production of eco-friendly polyols and epoxy resins.



2.2 Energy and emissions.

2.2.1 Energy consumption and energy mix.

ESRS E1-5

Energy consumption and energy mix	Comparative	Year 2024
(1) Coal and coal-based products fuel consumption (MWh).	Not applicable	0
(2) Crude oil and petroleum products fuel consumption (gasoline, diesel, propane, butane) (MWh).	Not applicable	34,764
(3) Natural gas fuel consumption (MWh).	Not applicable	903,466
(4) Fuel consumption from other fossil sources (MWh).	Not applicable	0
(5) Consumption of electricity, heat, steam, and cooling purchased or obtained from fossil sources (MWh)	Not applicable	749,106
(6) Total energy consumption from fossil sources (MWh) (calculated as the sum of rows 1-5)	Not applicable	1,687,336
Share of fossil sources in total energy consumption (%)	Not applicable	81.44
(7) Consumption from nuclear sources (MWh)	Not applicable	104,350
Share of consumption from nuclear sources in total energy consumption (%)	Not applicable	5.04
(8) Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (MWh)	Not applicable	0
(9) Consumption of electricity, heat, steam, and cooling purchased or obtained from renewable sources (MWh)	Not applicable	280,155
(10) Energy consumption from renewable sources, fuels from own production (MWh))	Not applicable	0
(11) Total energy consumption from renewable sources (MWh) (calculated as the sum of rows 8-10)	Not applicable	280,155
Share of renewable sources in total energy consumption (%)	Not applicable	13.52
Total energy consumption (MWh) (calculated as the sum of rows 6, 7, and 11)	Not applicable	2,071,841

Energy intensity per net revenue	Comparative 2023	N (2024)	% N / N-1
Total energy consumption from activities in high climate impact economic sectors per net revenue from activities in high climate impact sectors (MWh/thousand RON).	NA	1.38	NA

Chimcomplex	RON
Net revenue from activities in high climate impact sectors used for calculating energy intensity*	1,495,531,914
Net revenue (others)	71,556,628
Total net revenue (financial statements)	1,502,687,570

*We referred to Turnover – as used in the Taxonomy.

Energy production from non-renewable sources (MWh).	419,969
Energy production from renewable sources (MWh)	0

2.2.2 Gross GHG emissions for categories 1, 2, 3 and total GHG emissions.

ESRS E1-6

Accounting and reporting of GHG emissions were carried out in accordance with the principles, requirements, and guidelines provided by the Enterprise Standard of the Greenhouse Gas Protocol (GHG Protocol, 2004 version).

CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃ emissions have been accounted for and reported, and for calculating the amount of CO₂ equivalent, the global warming potentials (GWP100) provided by the IPCC (AR5) were used.

We present the total GHG emissions disaggregated into Scope 1-3 emissions in the table below. The year 2024 will be considered the base year, against which targets will be set and achievement levels will be reported in the short, medium, and long term.

	Base year (N)	Milestone targets for target years, %.			
	2024	2025	2030	(2050)	Annual reduction target / Base year, %
GHG emissions - Scope 1					
Gross GHG emissions - Scope 1 (tCO ₂ equivalent)	209,660	-	-	-	-
Percentage from category 1 GHG emissions from regulated emissions trading systems (%)	91.32 %	-	-	-	-
GHG emissions - Scope 2					
Gross GHG emissions - Scope 2 location-based (tCO ₂ equivalent)	173.172	95	70	30	5
Gross GHG emissions - Scope 2 market-based (tCO ₂ equivalent)	178.348	95	70	30	5
Gross GHG emissions - Scope 2 market-based (tCO₂ equivalent).					
1 Purchased goods and services	322.619,23	-	-	-	-
4 Upstream transportation and distribution.	5,625.61	-	-	-	-
5 Waste generated in operations.	943.99	-	-	-	-
6 Business travel	34.95	-	-	-	-
7 Employee commuting	1,511.92	-	-	-	-
9 Downstream transportation	35,146.82	-	-	-	-
Gross GHG emissions - Scope 3 (tCO ₂ equivalent)	365,882.51	-	-	-	-
Total GHG emissions					
Total GHG emissions (location-based)* (tCO ₂ equivalent)	748,714.51	-	-	-	-
Total GHG emissions (market-based)** (tCO ₂ equivalent)	753,890.51	98	80	40	2

*Total GHG emissions location-based (tCO₂ equivalent) = Gross GHG emissions Scope 1 + Gross GHG emissions Scope 2 location-based + Gross GHG emissions Scope 3 location-based

**Total GHG emissions market-based (tCO₂ equivalent) = Gross GHG emissions Scope 1 + Gross GHG emissions Scope 2 market-based + Gross GHG emissions Scope 3 market-based

When calculating greenhouse gas emissions for Scope 1, Scope 2 and Scope 3, all entities and operations within the Chimcomplex group were taken into account, thus ensuring a comprehensive assessment.

We specify that for Scope 1, emissions from A6 Impex were not taken into account, as they are insignificant.

Direct GHG emissions (Scope 1) are those associated with:

- stationary combustion of natural gas in thermal power plants and cogeneration plants on-site for the production of thermal energy and electricity, combustion of natural gas for waste incineration, intentional flaring;
- emissions from industrial processes resulting in direct process emissions: lime production;
- fuel consumption by vehicles, machinery, and locomotives owned (including liquefied petroleum gas);
- consumption of refrigerant agent from cooling equipment used on-site.

Scope 1 GHG emissions are determined by calculation, multiplying the activity data (primary data) by the emission factor corresponding to the type of fuel used, the type of industrial process applied, and the type of refrigerant agent replenished (secondary data)

Activity Data (Primary Data):

Natural gas consumption is recorded according to the readings from meters located at the perimeter boundaries of the sites and invoiced by the agreed supplier, as per the contracts in force.

The consumption is accounted for in both cubic meters and MWh by the responsible departments. Quantities of bulk organic products and lime are monitored through monthly and annual balancing of the quantities of raw materials consumed (propylene, limestone), lime production, and the quantity of oxo-alcohols sold.

All these consumptions are monitored by the responsible departments. Fuel consumption by vehicles and rail machinery from the company's own fleet is monitored by specialized departments, based on operating hours and hourly consumption (rail locomotives) or trips made and fuel consumed (vehicles and machinery from the company's own fleet).

Refrigerant agent consumption is considered equal to the quantity of refrigerant replenished in the equipment during the reporting year and recorded by the maintenance company on the equipment verification document.

Emission Factors (Secondary Data):

Emission factors for the combustion of natural gas, for fuel used in vehicle and rail transport, and refrigerant agents from cooling equipment are in accordance with the information available on the site <https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf> (EPA US), for each type of vehicle, locomotive, and refrigerant agent. Emission factors for the production of bulk organic substances and lime are in accordance with the provisions of GHG legislation, and the carbon content of the raw materials (which enters the calculation formula) is determined following analysis in an accredited laboratory.

The mass balancing of carbon is performed by summing the CO₂ introduced through raw materials (limestone, propylene, technical gas), from which the CO₂ embedded in the marketed product (oxo-alcohols) is subtracted.

Indirect GHG emissions (Scope 2) are those associated with:

- consumption of purchased electricity used in activities at both sites, in addition to the electricity produced in the cogeneration facilities on-site.
- consumption of thermal energy for the Rm. Vâlcea site (in addition to what is produced on-site, depending on needs).

Scope 2 GHG emissions are determined by calculation, multiplying the activity data (primary data) by the emission factor corresponding to the type of energy used (secondary data).

Activity Data (Primary Data):

Electricity consumption is recorded according to the readings from meters located at the perimeter boundaries of the sites and invoiced by the agreed supplier, as per the contracts in force. The consumption is accounted for in kWh by the responsible departments.

Thermal energy consumption at the Rm. Vâlcea site is based on the meter readings at the perimeter boundary and invoiced by CET Govora, according to the contract in force.





Emission Factors (Secondary Data)

The emission factors for purchased electricity are those specified in the supplier's energy label, available at the time of calculation.

The emission factor for purchased thermal energy is that specified by the thermal energy supplier in the reporting year.

Indirect GHG emissions (Scope 3) include the following categories of emissions:

Category 1 - Purchased goods and services.

This category includes only the emissions corresponding to goods purchased by Chimcomplex, accounted for as raw materials, in the reporting year. Only purchased raw materials were considered because GHG emission factors are available for most of these products.

This category includes GHG emissions released into the atmosphere, 'cradle to gate' – from the extraction of raw materials from natural sources, from which the purchased products were manufactured, to the manufacturer's gate.

The emissions corresponding to the purchased raw materials were calculated using the average data method, based on the quantities purchased and the average emission factors specific to the chemical industry in the geographical area of the production location.

Emissions related to goods purchased as raw materials (tons CO₂e) = $\Sigma[\text{Quantity of purchased product (kg)} / 1000 \times \text{Emission factor of the purchased product (kg CO}_2\text{e/kg)}]$.

Activity Data (Primary Data):

The names of the products, countries of origin, quantities purchased in the reporting year, accounted for as raw materials, were extracted from the company's database.

Emission factors (secondary data):

The emission factors were sourced from the Ecoinvent v.3.11 database or from our own calculations for some products that are not included in the database.

Category 4 - Upstream transportation and distribution.

This category includes emissions from the transportation and distribution of products purchased in the reporting year, in vehicles and facilities not owned by Chimcomplex (using transport means belonging to third parties), between the manufacturer and Chimcomplex in the case of direct purchases or between the warehouse of the level 1 distributor (first upstream in the distribution chain relative to Chimcomplex) and Chimcomplex in the case of purchases through distributors.

This category does not include emissions from the transportation of purchased products using Chimcomplex-owned vehicles, nor emissions from pipeline transportation (liquids, gases) that consume electricity, as these are accounted for in Scope 1 and Scope 3 (Category 3), respectively.

"Emissions from the transportation of purchased products were calculated using the distance-based method. Emissions were calculated based on the total round-trip distances and the number of trips made by vehicles dedicated entirely to transporting goods to Chimcomplex, as well as based on the one-way distances and quantities transported by vehicles shared with goods from other companies, including rail, maritime, and air vehicles.

Emissions from the transportation of purchased raw materials (tons CO₂e) = $\Sigma[\text{Number of trips made by vehicle types (vehicle)} \times \text{Round-trip distance (miles)} \times \text{Emission factor for the vehicle type (kg CO}_2\text{e/vehicle-mile)} / 1000] + \Sigma[\text{Quantity of product purchased under shared transport (short tons)} \times \text{One-way distance (miles)} \times \text{Emission factor for the vehicle type (road, rail, maritime, air) (kg CO}_2\text{e/short ton-mile)} / 1000]$.

Activity Data (Primary Data):

The names of the products, quantities purchased in the reporting year, accounted for as raw materials, loading locations, and types of transport means used – extracted from the company's database.

Distances (secondary data)

Retrieved from Google Maps; Railway Routing (signal.eu.org); <https://sea-distances.org/>; <https://www.searates.com/services/distances-time/>

Emission factors (secondary data):

The emission factors were sourced from the website <https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf> (EPA US).

Category 5 - Waste generated in operations

This category includes emissions from third-party specialized firms through which waste generated and wastewater treatment/elimination were conducted. Emissions were calculated using the method specific to the type of waste

Emissions (tons CO₂e) = Σ [Quantity of waste treated/disposed by waste type and treatment/disposal method (short tons) × Emission factor specific to the waste type and treatment/disposal method applied (tons CO₂e/short ton)] + Σ [Volume of wastewater (m³) × Emission factor specific to the type of treated wastewater (tons CO₂e/m³)]

Activity Data (Primary Data):

Types of waste generated, quantities of waste treated/disposed, types of wastewater, volumes of purified wastewater, treatment/disposal methods used in the reporting year, sourced from the Chimcomplex database.

Emission factors (secondary data):

The emission factors were sourced from the website <https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf> (EPA US); Ecoinvent v.3.11.

Category 6 - Business travel

This category includes emissions from employee transportation for business-related activities using third-party transportation: car, rail, air.

Emissions related to business travel with vehicles owned by Chimcomplex have been accounted for in Scope 1.

Emissions were calculated using the distance-based method. Emissions from transportation in business travel (tons CO₂e) = Σ [Distance traveled by vehicle type (vehicle-mile or passenger-mile) × Emission factor specific to the vehicle (kg CO₂e/vehicle-mile or kg CO₂e/passenger-mile)/1000]

Activity Data (Primary Data):

The names and surnames of employees who traveled for business purposes, the number of people with whom they shared the car, destinations, routes, and types of transportation used were extracted from the company's database

Distances (secondary data)

The distances traveled were sourced from Google Maps; Railway Routing (signal.eu.org); Airport Distance Calculator.

Emission factors (secondary data)

The emission factors were taken from the website: <https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf> (EPA US)

Category 7 - Employee commuting

This category includes emissions from employee commuting between their homes and workplaces and back, using transportation means belonging to third parties (personal, belonging to other persons, public transportation)

Emissions related to employee commuting with vehicles owned by Chimcomplex have been accounted for in Scope 1.

Emissions were calculated using the distance-based method.

Emissions from employee commuting (tons CO₂e) = Σ [Number of vehicles (1/Number of people sharing the same vehicle) × Daily distance traveled with each type of vehicle (vehicle-mile) × Number of trips made annually (Total number of hours worked/Number of working hours) × Emission factor specific to the vehicle type (kg CO₂e/vehicle-mile)/1000] + Σ [Daily distance traveled with each type of vehicle (passenger-mile) × Number of trips made annually (Total number of hours worked/Number of working hours) × Emission factor specific to the vehicle type (kg CO₂e/passenger-mile)/1000]

Activity Data (Primary Data):

Daily distance traveled from home to work and back by each employee using each type of transportation, the number of people with whom they share the car, the number of hours in the normal work schedule according to the individual employment contract – sourced from employee declarations.

The total number of hours and days worked by each employee in the reporting year – sourced from the company's database.

Emission factors (secondary data)

The emission factors were sourced from the website <https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf> (EPA US).



Category 9 – Downstream transportation and distribution of sold products.

This category includes emissions from the transportation and distribution of products sold in the reporting year, using vehicles and facilities not owned by Chimcomplex (using third-party transportation means), between Chimcomplex and consumers in the case of direct sales or between Chimcomplex and the warehouses of level 1 distributors (first downstream in the distribution chain relative to Chimcomplex) in the case of sales through distributors.

This category does not include emissions from the transportation of sold products using Chimcomplex-owned transportation means, nor emissions from pipeline transportation that consume electricity, as these are accounted for in Scope 1 and Scope 2, respectively.

Emissions were calculated based on the round-trip distances traveled by vehicles entirely dedicated to transporting products sold by Chimcomplex and the number of trips made, as well as based on the one-way distances traveled with shared vehicles carrying products from other companies, including rail, maritime, and air vehicles, and the quantities transported.

Emissions from the transportation and distribution of sold products (tons CO₂e) = $\Sigma[\text{Number of trips made by vehicle types (vehicle)} \times \text{Round-trip distance (miles)} \times \text{Emission factor for the vehicle type (kg CO}_2\text{e/vehicle-mile)/1000}] + \Sigma[\text{Quantity of product sold and transported under shared transport (short tons)} \times \text{One-way distance (miles)} \times \text{Emission factor for the vehicle type (road, rail, maritime, air) (kg CO}_2\text{e/short ton-mile)/1000}]$.

Activity Data (Primary Data):

Names of products, quantities sold in the reporting year, destination locations, types of transportation means used – sourced from the company's database.

Distances (secondary data)

The distances traveled were sourced from Google Maps; Railway Routing (signal.eu.org); <https://sea-distances.org/>; <https://www.searates.com/services/distances-time>.

Emission factors (secondary data)

The emission factors were sourced from the website <https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf> (EPA US).

The following categories of emissions were excluded from the Scope 3 GHG inventory:

- Category 1 (purchased goods and services), only materials and services. They are irrelevant compared to raw materials due to small quantities, high diversity, unavailable emission factors, large calculation errors;
- Category 2 (capital goods) – they are part of the materials category, emission factors are unavailable;
- Category 3 (Fuel- and energy-related activities not included in Category 1 or Category 2) – we do not know the fuel supply sources of the multiple electricity suppliers, leading to large calculation errors. Emissions related to the transmission and distribution losses of energy are accounted for and reported by distribution companies;
- Category 4 (Upstream transportation and distribution) – only emissions from the transportation of materials, as the exact quantities transported are not known (many are sold individually, with a wide variety of items) and the loading locations are also unknown (many are transported by courier companies);
- Category 8 (Upstream leased assets) – They are irrelevant to the company's activity..
- Categories 10 (processing of sold products) and 11 (use of sold products) – the largest quantities of products are sold through distributors, and we do not know the exact destination of the products in terms of quantities, sectors, applications. Since the company has a large number of clients and the sold products are used in most sectors, this leads to large calculation errors;
- Category 12 (treatment of sold products at the end of their life cycle) – the chemical products manufactured and sold by Chimcomplex are intermediate chemicals used as raw materials in other industries. For this reason, they are transformed or incorporated into other chemical products and do not appear as such at the end of the life cycle;
- Categories 13 (downstream leased assets), 14 (franchises), and 15 (capital investments) – they are irrelevant to the company's activity.

The quantitative information is presented in the following table.

GHG intensity per turnover	Comparative 2023	N 2024	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO ₂ equivalent/Thousand RON)	% N / N-1	0.500	-
Total GHG emissions (market-based) per net revenue (tCO ₂ equivalent/Thousand RON)	NA	0.501	95

Correlating GHG intensity based on revenue with financial reporting information.

Chimcomplex	RON
Turnover used for calculating GHG intensity	1,495,531,914
Net revenue (others)	71,556,628
Turnover (from financial statements)	1,502,687,570

2.2.3 GHG absorptions and GHG emission mitigation projects funded through carbon credits

ESRS E1-7

The GHG absorption activity carried out in the reporting year 2024 consists of planting 70 plane trees. The associated GHG absorptions are not yet accounted for, as official methods have not been established at the EU level. In the coming years, we will apply consensus methods for accounting GHG absorptions as soon as they become available, particularly through the EU regulatory framework for certifying CO₂ absorptions.

2.2.4 Establishing the internal carbon price

ESRS E1-8

Regarding the internal carbon price, we are subject to the provisions of the EU ETS Directive, and we depend on the price of CO₂ emissions traded in the context of this Directive. In 2024, we did not record any costs or profits from the trading of CO₂ certificates.

2.2.5 Anticipated financial effects of significant physical and transition risks and potential climate-related opportunities

ESRS E1-9

As of the year 2024, we have not quantified the anticipated financial effects of significant physical and transition risks and potential climate-related opportunities.

2.3 Incorporating sustainability performance into incentive systems

ESRS E2 GOV 3

Following the development and maturation of our main objectives and transition plans, we will assess the feasibility of aligning climate considerations with performance incentives. Currently, the Board of Directors or any other member of the administrative, management, and supervisory bodies does not benefit from incentives related to climate considerations.





POLLUTION



ESRS E2

POLLUTION

3.1 Concepts and Measures Related to Pollution

3.1.1 Presentations of General Information

ESRS-2

This chapter provides information regarding air and water pollution, about hazardous substances used, and substances categorized as those of very high concern (highly hazardous).

At Chimcomplex, we do not produce, use, market, or generate microplastics. Our activities do not involve discharges into fishery areas and do not affect agricultural crops. Additionally, soil quality is monitored in accordance with the integrated environmental permits held by the company, as well as with the current regulatory acts, with no non-compliances recorded against the values established within them. In this context, soil pollution is not a material subject for the company and is not addressed in this sustainability report.

"Air pollution" is related to emissions of chlorine, hydrochloric acid, particulates, and specific pollutants from combustion gases (carbon monoxide, sulfur dioxide, and nitrogen oxides) that can be dispersed into the atmosphere because of the company's production activities, as well as the incineration of chlorinated organic residues. Aspects related to the prevention, control, and reduction of these emissions are addressed.

"Water pollution" is related to emissions of substances that can accidentally reach surface and/or groundwater, as well as the prevention, control, and reduction of these emissions.

Our activities are carefully regulated in terms of environmental protection, being constantly monitored by control authorities as well as the public. We conduct consultations with all categories of stakeholders periodically to ensure proper community involvement in the decision-making processes, and whenever new regulatory acts are requested, or existing ones are reviewed. We comply with all legal requirements and all requirements outlined in the authorization procedures, being committed to a transparent and open dialogue with all interested parties (employees, customers, suppliers, local community, etc.). We have pledged to report our sustainability performance transparently and to respond promptly and responsibly to all existing questions and concerns.

All the above, supported by SR EN ISO 9001 and SR EN ISO 14001 certifications regarding the integrated quality and environmental management system, as well as having our own sustainability strategy for the period 2024-2030, demonstrates our commitment to meeting and respecting the highest standards of compliance, ethics, and governance, for the sustainable and responsible development of the company.



The technological and utility flows operated at the two sites are integrated to achieve superior valorization of the products obtained, meaning that a large part of the raw materials and utilities needed in the technological processes are produced on our own platforms. Additionally, the industrial platforms are strategically located, near the salt mines that supply the brine necessary for electrolysis and are connected by pipelines to the two platforms.

The company's core products, whose pollution-related aspects are presented in the following subchapters of this report, are:

- Onești Platform: chlor-alkali products (chlorine, hydrochloric acid, caustic soda, and sodium hypochlorite) and products that support the operation of the electrolysis plant through direct or indirect consumption of chlorine and hydrogen.
- Râmnicu Vâlcea Platform: chlor-alkali products, similar to the Onești platform, but also polyethers – polyols, propylene oxide, propylene glycol, and oxo-alcohols.

3.1.2 Description of the Processes for Identifying and Evaluating Significant Pollution-Related Impacts, Risks, and Opportunities

ESRS 2 IRO-1

Significant pollution-related impacts, risks, and opportunities were initially identified during the preparation of the foundational documentation necessary to obtain the integrated environmental permit and the water management permit. These permits, through their framework content stipulated by legislation, lead to the identification of a series of risks and opportunities, including those related to pollution, applicable to Chimcomplex within its operations of manufacturing and marketing inorganic and organic chemical products. Thus, each company location underwent a detailed analysis at the time of requesting regulatory documents as part of the environmental impact assessment stage.

The evaluation was comprehensive and aimed at identifying and understanding all potential negative effects of our activities on the environment. For this purpose, the following environmental factors were considered:

- Emissions of pollutants into the air, which can disrupt air quality and affect human health.
- Discharges of pollutants into water, which can influence water quality and affect aquatic life.
- Soil and subsoil pollution, including potential discharges and contaminating groundwater.
- Use of chemical products with the potential to pollute air, water, and soil, capable of affecting human health and ecosystems.
- Generation of waste, hazardous or not, requiring proper management to minimize impact on the environment and health.
- Production of noise or vibrations that can affect the comfort and health of local communities or wildlife.
- Possible technological leaks from equipment or systems, which can contaminate the environment and also pose health and environmental risks.
- Energy consumption.

We take all measures and make every effort to minimize our impact on the environment and natural resources.

The above-mentioned documentation has been submitted for discussions both within councils and committees organized by the regulatory authorities (Siret and Olt Basin Water Administrations, as well as the National Environmental Protection Agency (ANPM) in Bacău and Vâlcea) and for public debate to obtain the integrated environmental permit.

Additionally, in the course of 2024, we conducted a double materiality analysis in accordance with ESRs standards requirements during an internal meeting with company management representatives who were actively involved in this process. Thus, we identified material topics relevant to Chimcomplex's activities, which were agreed upon with the company's management, and based on these, we developed an online questionnaire used to gather stakeholder opinions. These actions led to the identification and updating of risks and opportunities specific to the company.

Additionally, in accordance with the internal procedure for identifying and evaluating environmental risks and opportunities, we annually analyze the environmental aspects associated with the company's activities, products, and services. Through this process, we have also identified the risks and opportunities related to pollution. Although it is an internal document, its conclusions are presented to stakeholders through the annual environmental reports.

Subsequently, in the risk management stage, we analyzed the "Pollution" aspect in detail, considering the associated financial and non-financial risks. We developed control measures tailored to the specifics of each identified risk, aiming to reduce their potential negative consequences while remaining open to potential new risk reduction measures.

In this context, we have implemented strict standards and procedures for managing potential environmental pollution and promoting sustainable practices in all our activities. These include, among other things, training employees to identify and prevent pollution, constantly monitoring the impact on the environment and local communities and collaborating with competent authorities and stakeholders to identify and implement best practices in the field, in accordance with the company's sustainability strategy.

This translation outlines the company's approach to identifying and managing environmental risks and opportunities, emphasizing pollution control and sustainable practices.



Lastly, we consulted various sources of information, such as reports from economic operators active in an industry like Chimcomplex, as well as various regulatory documents held and some internal documents, such as the internal risk register.

The results obtained are presented in the tables below.

Subtopic	Impact Description	Positioning in the Value Chain	Time horizon	Strategic Approach
Air Pollution	The potential negative impact on air pollution is substantial. Atmospheric emissions resulting from industrial processes have a significant impact on human health and the environment. The impact on air pollution is relevant both within the company and throughout the supply chain. Significant emissions of polluting gases are involved in the raw material extraction processes (upstream) and in the manufacturing of products (downstream). Additionally, the transportation of products can contribute to air pollution.	Upstream Own Operations Downstream	Short, medium and long term	We ensure operational compliance by: - Adhering to the strictest environmental regulations, keeping air emissions within the limits imposed by national legislation and the Integrated Environmental Permit. - Remaining below the E-PRTR (European Pollutant Release and Transfer Register) reporting thresholds. At both sites, we use the best available techniques (BAT) and adhere to European pollution standards
Water Pollution	Actual Positive Impact: Chimcomplex has a positive impact on water pollution through the production of chemical products used for the treatment and purification of wastewater (municipalities and industry)	Downstream	Short, medium and long term	We are strengthening our position as a strategic partner for wastewater treatment and purification by developing coagulants with ferric and ferrous chloride and pH correction agents (for municipalities and industry). We ensure operational compliance by: Adhering to the strictest environmental regulations, maintaining the quality of treated wastewater and stormwater within the limits imposed by national legislation and the Integrated Environmental Permit.
	Potential Negative Impact: Both Chimcomplex's operations (specifically at the two sites in Rm. Vâlcea and Onești) and the operations within the supply chain can have a significant impact on water pollution if chemicals are used and handled incorrectly, or if operational incidents occur that can contaminate water sources through various processes.	Upstream Own Operations Downstream	Short, medium and long term	Adhering to the strictest environmental regulations, maintaining the quality of treated wastewater and stormwater within the limits imposed by national legislation and the Integrated Environmental Permit.
	Actual Negative Impact on Water Pollution: During activities conducted at the Rm. Vâlcea platform, there have been exceedances in the quantities of pollutants, specifically calcium chloride and organic compounds.	Own Operations	Short, medium and long term	Remaining below the E-PRTR (European Pollutant Release and Transfer Register) reporting thresholds
Hazardous and Highly Hazardous Substances.	Potential Negative Impact: If not managed properly, hazardous substances can have effects on human health and the environment. In the upstream raw material extraction, in our own operations at the two sites (Rm. Vâlcea and Onești), as well as in upstream activities related to the production of various products, hazardous substances are used.	Upstream Own Operations Downstream	Medium and long	A firm commitment to chemical safety and compliance with international regulations, ensuring responsible and sustainable operations. - Full compliance with REACH, Biocides, and CLP regulations, guaranteeing strict control of hazardous and highly hazardous substances from production to use. - Implementation of rigorous labeling, packaging, and product management measures to protect both the environment and end users. - Safe transport of dangerous goods, adhering to ADR standards, through the use of written instructions for drivers.

Subtopic	Description of Risks/Opportunities	Effect financiar
Air pollution	Opportunities exist in the field of investments (including through obtaining non-reimbursable funds) in emissions capture and treatment technologies, as well as cleaner technologies, which can lead to: Reduction of operational costs and increased profitability, Reduction of financial pressure through access to non-reimbursable funds, Easier access to financing and lower cost of capital, Increase in asset value and reduction of liabilities.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on asset and liability values
	Financial risk in the event of exceeding emissions thresholds, which can have significant financial consequences (Reduction in profitability due to fines and additional costs, Unexpected expenses and reduced liquidity, Higher financing costs and more difficult access to investments, Decrease in asset value and increase in liabilities)	Effect on financial performance Effect on cash flows Effect on capital flows Effect on asset and liability values
Water Pollution	Opportunities exist in the field of investments (including through obtaining non-reimbursable funds) in water treatment and recycling technologies, in circular processes where wastewater is reused in production.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on asset and liability values
	Reputational and financial risk due to the possibility of water quality not meeting legally established limits, which leads to significant financial damages (ranging from direct costs related to water remediation and clean-up to penalties, litigation, and reputational losses.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on asset and liability values
Hazardous and Highly Hazardous Substances.	Reputational and financial risk due to the possibility of water quality not meeting legally established limits, which leads to significant financial damages (ranging from direct costs related to water remediation and clean-up to penalties, litigation, and reputational losses).	Effect on financial performance Effect on cash flow Effect on capital flows Effect on asset and liability values

The **financial effects** of significant risks and opportunities for Chimcomplex, in the short, medium and long term, arising from pollution-related impacts, were assessed within the dual materiality process, and the significant ones are presented in the table above

3.1.3 Policies related to pollution

ESRS E2-1

At Chimcomplex SA Borzești, we have committed to a quality and environmental policy, accompanied by a quality and environmental management program and HACCP (Hazard Analysis and Critical Control Points). These documents are signed and endorsed by the company's management and convey its vision on aspects such as efficient resource management, increasing customer and stakeholder satisfaction, improving environmental performance, and preparing the company for technical, economic, and market strategic development for the period 2024–2030.

Three of the priority objectives of an integrated quality-environment management policy typically focus on:

- **Continuous Identification, Evaluation, and Control of Environmental Aspects:** This involves monitoring and managing the environmental aspects associated with the company's activities, products, and services to ensure appropriate environmental quality and protect human health.
- **Full Involvement and Commitment of All Personnel:** Ensuring that all employees, at every level, are fully engaged and committed to efficiently carrying out activities with complete professional and social responsibility. This approach aims to achieve quality, profitability, and external recognition of achievements, while continuously improving environmental performance.

- **Adherence to the Principle of Sustainable Development:** This involves using environmentally friendly techniques and the rational use of energy and natural resources, enabling the company to offer high-quality products at competitive prices.

To achieve the objectives set by the quality-environment policy, all personnel at Chimcomplex SA Borzești are informed about and apply the requirements established by the Integrated Management System (SMI) documentation. The quality-environment policy and the Quality-Environment Management Program – HACCP / 2024 include both commitments and objectives, as well as indicators for efficiently managing the two main impacts related to pollution: wastewater discharge and air pollutant emissions.

By these stipulations, the company has committed to operating its chemical manufacturing and product commercialization processes safely for both humans and the environment. The objectives, actions, indicators, and targets set to uphold this commitment are detailed in subchapters ESRs E2-2 and ESRs E2-3.

The company approaches its environmental protection activities based on the principles underlying environmental legislation, namely:

- The Principle of Integrating Environmental Requirements
- The Principle of Preventive Action
- The Principle of Containing Pollutants at the Source
- The Principle of Conserving Biodiversity and Ecosystems Specific to the Natural Biogeographical Framework
- The Principle of Public Information and Participation in the Decision-Making Process

All of these have the primary objective of pollution prevention, and within our company, the General Director is the person responsible at the highest level for implementing pollution-related policies.

Additionally, at Chimcomplex SA Borzești, we are committed to planning and implementing processes in accordance with the requirements of the standards: SR EN ISO 9001:2015 and SR EN ISO 14001:2015.

Chimcomplex has not yet developed a Policy in accordance with the provisions of the ESRs standards, dedicated to Pollution. We maintain a Risk Register for each of our industrial platforms, according to the Integrated Management System (SMI), which is periodically updated through specific procedures.

Since 2024 is the first year of reporting in accordance with the requirements of the ESRs standards, the SMI policy will be updated in the near future to align with the standard's requirements related to pollution of environmental factors.

3.1.4 Actions and resources related to pollution

ESRS E2-2

The production activities of chemical compounds are regulated activities from the environmental protection standpoint. In this regard, we hold all the necessary regulatory documents to carry out our activities. Within our Environmental Management Program, we monitor all legal requirements as well as all requirements stipulated in the permits we hold. The integrated environmental management system has been developed to systematically ensure the elements necessary for environmental protection and control. Additionally, it contributes to achieving results that lead to the sustainable development of the business and a high level of customer satisfaction.

We constantly monitor environmental quality and pollution-related factors and aspects, and report annually to local Environmental Protection Agencies (Bacău and Vâlcea) data concerning air and water quality, quantities of substances of concern used, and noise levels, as applicable, in accordance with legal requirements from the regulatory documents we possess. Compliance obligations and relevant information are submitted to the authorities annually through the Environmental Report. The degree of monitoring pollution sources and assessing environmental aspects was 100% in 2024—we monitored all pollution sources as outlined in the integrated environmental permits.

We hold the following quality, environmental and product certifications:

Chimcomplex SA Borzești:

- 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 our own laboratories for testing chemical products on both platforms, ensuring testing and calibration competence.
- Codex Alimentarius Certification - HACCP for the production and commercialization of chemical products used as food additives, calcium chloride flakes, sodium hydroxide solution minimum 48% (for both locations), and sodium hydroxide flakes.

- A Certification for the quality of the product PHARMACEUTICAL GRADE PROPYLENE GLYCOL (ISO 17067:2014), which is a high-purity grade of propylene glycol used in pharmaceutical applications
- Product Conformity Certification for Calcium Chloride – Road De-icing Agent.

Logiserv:

- SQAS Attestation Certification for LOGISERV issued by CEFIC, a member of EFCTO.

Sistemplast:

- International Quality Standard Certification – SR EN ISO 9001:2015.

We also maintain our commitment to strictly comply with all applicable laws and legal provisions, including any amendments and modifications, as well as internal regulations and the stipulations in the permits we hold. These include, but are not limited to, Integrated Environmental Permits and Water Management Permits. We emphasize that this commitment extends throughout our supply chain.



In the year 2024, our activities were conducted in accordance with the following environmental permits:

- Onești Platform:
 - Permanent integrated environmental permit, subject to obtaining the annual endorsement.
 - Water management permit.
 - Greenhouse gas emissions permit.
 - Environmental permit for the pilot plant manufacturing chlorocholine chloride, valid permanently subject to obtaining the annual endorsement.
 - Environmental permit for metal treatment and coating (anticorrosive protection), valid permanently subject to obtaining the annual endorsement.
- Râmnicu Vâlcea Platform:
 - Permanent integrated environmental permit, subject to obtaining the annual endorsement.
 - Water management permit.
 - Post-closure monitoring permit for non-hazardous waste landfill.
 - Post-closure monitoring permit for hazardous waste landfill.
 - Greenhouse gas emissions permit.
- Someș-Dej Workplace:
 - Environmental permit, valid permanently subject to obtaining the annual endorsement.
 - Water management permit.
- Logiserv:
 - Environmental permit, valid permanently subject to obtaining the annual endorsement.
 - Water management permit.

The functionality of the processes is verified through internal and external audits. Additionally, top management reviews records of activities to achieve the proposed environmental and pollution objectives and targets. Annual independent audits also confirm the existence of a functional environmental management system within the organization, which is part of an integrated management system, continuously improving and aligned with international environmental and population protection requirements.

Until now, no pollution-related actions have been undertaken that extend across the value chain to upstream or downstream commitments.

In order to prevent and manage pollution resulting from our own activities, we allocate the following resources, technologies, and techniques:

- **Prevention and Management of Pollutant Emissions in Water:**
 - Physical-chemical wastewater treatment plants from manufacturing processes, both at the Onești platform and at the Râmnicu Vâlcea branch.
 - Biological wastewater treatment plant at the Râmnicu Vâlcea branch.
 - Separate collection of domestic wastewaters and its discharge into the domestic sewage system of the local operator, based on a contract, at the Onești platform.

- **Prevention and Management of Pollutant Emissions in Air:**

- The sources for discharging impurities into the air are equipped with gas washing, neutralization, or pollutant retention equipment, ensuring that emission levels comply with Romanian and EU legislative provisions, as well as BAT (Best Available Techniques) requirements

Regarding the quality of wastewater discharged at the Onești platform, we comply with the current legislative provisions in Romania and the EU. However, at the Râmnicu Vâlcea platform, due to the technology used for producing propylene oxide through chlorohydrination (approximately 50% of European capacities use this technology), there are volumes of water with calcium chloride and organic compounds. This is a common deficiency of all technologies based on the chlorohydrin route, recognized and accepted by producers and authorities at the EU level. For these reasons, the Râmnicu Vâlcea platform pays penalties to ABA Olt for the quantities of contaminants that exceed the limits imposed by the Water Management Permit.

Additionally, to support pollution prevention and control, as well as to mitigate possible incidents or accidents, we take measures regarding the labeling and transportation of all chemical products. Transportation is carried out using clean, covered vehicles appropriate for the category of product being transported. For hazardous substances, we comply with the Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), with transport being conducted using vehicles approved for the hazard class of the product and with drivers certified for this purpose.

Labeling complies with Regulation (EC) No 1272/2008 on the classification, labeling, and packaging of substances and mixtures (CLP). According to this regulation, the chemical products we supply are packaged in specific containers made from materials resistant to the action of the products inside, suitable for the state of aggregation (solid, liquid, compressed gas, or liquefied gas), and equipped with airtight closure elements to ensure safe transportation to their destination. All packaged chemical products are labeled individually and collectively in accordance with industry legislation, with product labels. For hazardous products in transport, as per ADR provisions, each individual and collective package is labeled with transport hazard labels. Where the label size does not allow for the display of all necessary information, instructions are attached for each package loaded with the product.

We have committed to investing in the development of safe and sustainable alternatives to reduce emissions resulting from production processes. In this regard, a Technical Project is currently being developed - Phase 1: Sludge Dehydration resulting from the wastewater treatment plant - Propylene Oxide Section. The project aims to reduce the quantity of impurities in the residual water produced at the Râmnicu Vâlcea platform.



According to the Quality-Environment Management Program - HACCP / 2024 and the Sustainability Strategy for the period 2024-2030, the key actions regarding pollution prevention and control are presented in the table below:

Objective	Indicators	Target	Actions	Completion Date
Major Objective: Increasing Customer and Stakeholder Satisfaction, Enhancing Environmental Performance.				
Efficient management of impacts related to wastewater discharge.	Amount of chlorides in discharged water, grams per ton of finished product	Maximum 0.075	Operating processes under optimal conditions and efficiently managing wastewater flows resulting from activities; Preventive maintenance of machinery and equipment; Operating technologies in accordance with operating regulations; Specific measures to limit and reduce impurities in water; Limiting uncontrolled leaks, avoiding wastage, and improper discharges.	31.12.2024
Efficient management of air emissions	Amount of Cl and HCl in the air, grams per ton of finished product.	Maxim 0.2	Operating processes under optimal conditions and efficiently managing air emissions from activities; Preventive maintenance of machinery and equipment	31.12.2024

The company's actions also include promptly addressing all notifications and complaints received from stakeholders regarding the environmental performance of Chimcomplex. All these actions are applied continuously, and the progress towards achieving the objectives and targets outlined in the Policy is monitored and reported semi-annually in the Integrated Management System Report, and annually in the Environmental Report.

3.1.5 Pollution-related Targets

ESRS E2-3

At Chimcomplex SA Borzești, we have established general environmental objectives in line with the quality and environmental policy, ensuring the company's long-term performance. Regarding pollution, we have set two specific objectives related to our field of activity:

- Efficient management of impacts related to wastewater discharge.
- Efficient management of air emissions.

The main specific actions for combating pollution, related to the two objectives, were presented in subchapter ESRs E2-2.

All objectives, indicators, and targets outlined in the Environmental Management Program are associated with a commitment from the Policy and are suitable to the environmental quality monitoring requirements established by regulatory documents and applicable legal requirements.

The pollution-related targets of Chimcomplex SA Borzești refer both to the company's activities (manufacturing and commercialization of chemical products) and to the management of its relationship with customers and stakeholders concerned with its environmental performance—authorities and the community.



The pollution-related targets for the year 2024 have been voluntarily set and are closely correlated with the above objectives. These are:

Objective	Indicators	Target	Achieved 2024
Efficient management of impacts related to wastewater discharge	Amount of chlorides in discharged water, grams per ton of finished product.	Maxim 0.075	0.068
Efficient management of air emissions	Amount of Cl and HCl in the air, grams per ton of finished product.	Maxim 0.2	0.0519

Their establishment was based on monitoring conducted in previous years and is calculated annually at the end of the calendar year of operation. At that time, all relevant production process data are collected and expressed in grams per ton of finished product. Reporting targets per ton of finished product was chosen because it was considered the best and most objective way to reflect the overall environmental impact. It is important to note that the reference value was established based on our own experience, corroborated with the values recorded through monitoring over the last 5 years, and progress is measured against this reference value.

The effectiveness of actions related to significant impacts, risks, and opportunities is monitored periodically by verifying data on air pollutant emissions, water pollutant emissions, and wastewater discharge rates. These are compared with both the maximum allowable values set by legislation and the results obtained in previous periods.

Since the chemical product manufacturing facilities operated by the company are interconnected in a technological flow, the non-operation of a manufacturing facility for technical or commercial reasons may lead to the shutdown of the entire flow or parts of it. Consequently, there may be implications for pollutant emissions recorded at any given time (in terms of concentrations or rates). However, overall, in relation to total production, the environmental impact of these possible situations falls within the established pollution targets.

For the other companies in the group, measurable result-oriented targets related to pollution have not been established.

3.1.6 Air, water, and soil pollution

ESRS E2-4

Air and/or water pollution resulting from activities can occur locally and accidentally during the operation of facilities, generating impact only in accidental cases, such as improper handling or storage of used substances, poor waste management, accidental shutdown of technological installations, chemical accident, explosion, or fire.

We monitor soil quality carefully, as stipulated in the integrated environmental permits held by the company or in various other regulatory documents in effect. No non-conformities have been recorded against the values established within these, so soil pollution does not represent a material issue for us and is not addressed in this report.

The quality of discharged water in the year 2024, for the Onești platform, falls within the limits established by the Water Management Permit.

For the Râmnicu Vâlcea branch, due to the technology used for producing Propylene Oxide through chlorohydrination (approximately 50% of European capacities use this technology), large volumes of water contaminated with calcium chloride and organic compounds result. This is a common deficiency of all technologies based on the chlorohydrin route, recognized and accepted by producers and authorities at the EU level. For these reasons, the Râmnicu Vâlcea platform pays compensation to ABA Olt for the quantities of contaminants that exceed the limits imposed by the Water Management Permit.

We continuously monitor the quality of water discharged by Chimcomplex SA Borzești, specifically twice per shift, daily, weekly, monthly, and quarterly, in accordance with the indicators specified in the regulatory documents. We analyze the indicators with the help of RENAR-accredited laboratories, and the quality of the discharged water is monitored by water management authority representatives monthly, and by environmental protection authority representatives semi-annually.

In the year 2024, there were no discrepancies recorded between the monitoring conducted by the company and that by the authorities. On both the Onești and Râmnicu Vâlcea platforms, we have implemented and applied plans to prevent and combat accidental pollution of water uses, in accordance with current legislation. These plans include various scenarios that form the basis of periodic simulation exercises for accidental pollution situations of these water uses.

In addition, for effective management of impacts related to water discharge, the Râmnicu Vâlcea platform periodically monitors the influence of discharged wastewater on the quality of the recipient, the Olt River, both upstream and downstream of the industrial platform's discharges, in two distinct sections: Priză OLT (upstream) and Cremenari (downstream). Monitoring is conducted by an external laboratory accredited by RENAR, based on a service contract. It is important to note that the wastewater discharge volumes from the Râmnicu Vâlcea platform are much lower than the flow rate of the Olt River in the analyzed sections (the average discharge from the Râmnicu Vâlcea platform in 2024 was 257 l/s, compared to the Olt River's flow of 90,000 – 150,000 l/s), and the monitoring carried out and reported annually to environmental authorities indicates that, in general, the water quality parameters of the Olt River are maintained downstream of the platform.

Among the pollutants currently emitted into the water on the Onești platform, except for chlorides, which are due to current activities, other pollutants are the result of historical pollution. It is worth mentioning that the productions that generated these pollutants were closed before 2004, and the facilities were first decontaminated and subsequently demolished. Phenols represent the only category of pollutants that exceed the reporting threshold stipulated in the E-PRTR Registry (20kg). It is important to note that none of the monitored indicators exceed the maximum values allowed by legislation.

On the Râmnicu Vâlcea platform, among the pollutants emitted into the water, only chlorides, total organic carbon, nickel, and phenols are attributable to current activities. Mercury is due to historical pollution, with the productions that generated it having been closed before 2014. Mercury, nickel, phenols, total organic carbon, and chlorides exceed the reporting threshold stipulated in the E-PRTR Registry. Among these, total organic carbon and chlorides exceed the maximum allowable values set by legislation (mg/l), as explained earlier regarding the method of obtaining propylene oxide specific to the Râmnicu Vâlcea platform.

The quantities of pollutants discharged into the water (kg) are calculated using the concentrations (mg/l) periodically determined by Chimcomplex and the volume of discharged water (m³), as determined by the measuring instruments specified in the regulatory documents.

In terms of environmental aspects, both sites implement air quality monitoring programs. These programs include measuring the main pollutants emitted by fixed sources. Measurements consist of determining the instantaneous concentration of pollutants (3 consecutive measurements), the flow rate of gases discharged, and the weather conditions at the time of determination. The measurements are carried out by our own laboratory, which is accredited according to SR EN ISO/IEC 17025, for those indicators for which the company has the specific equipment and methods. For indicators for which the company does not have equipment and methods, the measurements are conducted by accredited external laboratories.

The results of the measurements are reported annually in the "Questionnaire on Atmospheric Pollutant Emissions" for the respective year, as well as in the Annual Environmental Report, which is prepared for each site.

The pollutants monitored, discharged, and declared by the company include chlorine, hydrochloric acid, particulates, combustion-specific pollutants (CO, SO₂, NO_x), as well as emissions specific to installations for incinerating chlorinated organic residues.

For the year 2024, on both platforms, for none of the above indicators (air pollutants) did the maximum values allowed by legislation exceed.

Variations in pollutant emissions, both in water and air, are described below, separately for the two industrial platforms.

Onești Platform: The values of pollutant emissions in water and air have shown an annual decrease in absolute terms, due to the operation of installations at a capacity adapted to commercial requirements. Thus, when reported to the quantity of finished product, the values of pollutant emissions remained below the target set for the year 2024.

Râmnicu Vâlcea Platform: The values of pollutant emissions in water and air vary from year to year, either due to the operation of installations at a capacity adapted to commercial requirements or due to the closure/opening of installations for legislative reasons (REACH Regulation), commercial reasons (significant reduction in demand), or the emergence of investment opportunities.





At Chimcomplex SA Borzești, we strictly comply with all current laws and regulations. The manufacture and commercialization of inorganic and organic chemical products fall under the Industrial Emissions Directive (IED) and the European Pollutant Release and Transfer Register (E-PRTR). The installations operated by the company that fall under the IED are presented below. For these, BAT (Best Available Techniques) requirements have been assessed, and the BAT conclusions applicable to the activities carried out on site are as follows:

Onești Platform:

- For the chlorosodic product manufacturing installations (Soda M, HCl, Sodium Hypochlorite, and Liquid Chlorine) - European Commission Decision No. 732/2013 establishing the conclusions on the best available techniques (BAT), pursuant to Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions, for chlor-alkali production.
- For the inorganic chloride manufacturing installations (Lime Chloride, Calcium Chloride, Ferric Chloride) - Reference Document on "Best Available Techniques for the Production of Speciality Inorganic Chemicals" - August 2007 edition.
- For the organic product manufacturing installations (Alkylamines, Pesticide Conditioning) - Implementing Decision (EU) No. 2117/2017 establishing the conclusions on the best available techniques (BAT), pursuant to Directive 2010/75/EU of the European Parliament and of the Council, for the production of large volume organic chemicals (notified under document number C(2017) 7469).

- For emissions in water and air - Implementing Decision (EU) No. 902/2016 establishing the conclusions on the best available techniques (BAT) for common waste water and waste gas treatment/management systems in the chemical sector, pursuant to Directive 2010/75/EU of the European Parliament and of the Council.
- The technological installations for obtaining inorganic chlorides, organic products (alkylamines), as well as those for steam and electricity production within the Chimcomplex platform are not presented "illustratively" in the BREF documents (BAT Reference Documents). These are part of the installations for which the assessment in relation to BAT can be estimated only for certain processes and/or unit operations and/or equipment, and only for the level of environmental discharges

Râmnicu Vâlcea Platform:

- For chlorosodic installations - Commission Implementing Decision establishing the conclusions on the best available techniques (BAT) pursuant to Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions for chlor-alkali production / 2013 (CAK BREF / 2014);
- For the VAR SIC installation (lime and cement) in the propylene oxide section, line 2 - Commission Implementing Decision establishing the conclusions on the best available techniques (BAT) pursuant to Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions for the production of cement, lime, and magnesium oxide / 2013 (CLM BATC / BREF / 2013);
- For the Oxo Alcohols installation - Commission Implementing Decision establishing the conclusions on the best available techniques (BAT) pursuant to Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions for the production of large volume organic chemicals / 2017 (LVOC BATC / BREF / 2017);
- For waste incineration - Commission Implementing Decision (EU) 2019/2010 of 12 November 2019 establishing the conclusions on the best available techniques (BAT) pursuant to Directive 2010/75/EU of the European Parliament and of the Council for waste incineration (WI / BATC / BREF / 2019);
- For energy efficiency - Reference Document on Best Available Techniques in energy efficiency (ENE BREF / 2009);
- For emissions in water and air - Commission Implementing Decision (EU) No. 902/2016 establishing the conclusions on the best available techniques (BAT) for common waste water and waste gas treatment/management systems in the chemical sector, pursuant to Directive 2010/75/EU of the European Parliament and of the Council;
- For cogeneration installations - Commission Implementing Decision (EU) 2021/2326 of 30 November 2021 establishing the conclusions on the best available techniques (BAT) for large combustion plants, pursuant to Directive 2010/75/EU of the European Parliament and of the Council.

For both sites of Chimcomplex SA Borzești, the compliance of the activities carried out with the BAT Conclusions is detailed in the current Integrated Environmental Permit for each site. No compliance programs or exemptions from the provisions of these regulatory documents are applicable.

In the following table, the pollutants emitted that exceed the reporting threshold stipulated by the E-PRTR Registry are presented:

Air emissions		
Location Rm. Vâlcea		
Pollutant	Threshold value (kg/year)	Total quantity 2024 (kg/year)
Nitrogen oxides (NO _x /NO ₂)	100.000	378.780
Location Onești – no E-PRTR threshold exceeded for any pollutant.		
Water emissions		
Location Rm. Vâlcea		
Pollutant	Threshold value (kg/year)	Total quantity 2024 (kg/year)
Mercury and compounds (expressed as Hg)	1	16.48
Nickel and compounds (expressed as Ni)	20	31.8
Phenols (expressed as total C)	20	186.43
Total Organic Carbon (TOC) (as total C or COD/3)	50,000	386,338
Chlorides (expressed as total Cl)	2,000,000	78,252,000
Location Onești		
Phenol	20	82.51

3.1.7 Substances of concern and substances of very high concern

ESRS E2-5

During the reporting period at Chimcomplex SA Borzești, we used substances of concern (SVC) and substances of very high concern (SVHC).

We strictly adhere to all local and international regulations regarding hazardous chemicals. Additionally, we comply with the following laws and regulations for all our products, including any subsequent amendments and modifications:

- Regulation (EC) No 1907/2006 concerning the registration, evaluation, authorization, and restriction of chemicals (REACH). In this regard, the company has appointed a REACH officer who maintains contact with the REACH consortia of which Chimcomplex is a member and who continuously updates information related to the chemicals purchased, used, manufactured, and distributed.
- Regulation (EC) No 1272/2008 on the classification, labeling, and packaging of substances and mixtures (CLP).
- Regulation (EU) No 528/2012 concerning biocidal products.

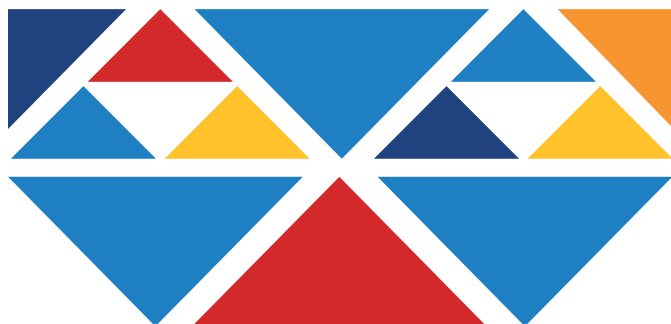
In the case of road transport of goods, we comply with the Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), with strict instructions and drivers authorized by the Romanian Road Authority (ARR) in this regard, and the transports are also conducted with approved vehicles.

Moreover, all departments within the company involved in the manufacturing and commercialization of chemical substances carry out careful and continuous monitoring of the types and quantities of substances used, sold, and imported/exported.

In the event of incidents or emergencies, Chimcomplex SA Borzești has an Internal Emergency Plan to limit and eliminate the consequences of an accident. This is part of a broader sphere of safety protocols and procedures, which include guidelines for the safe operation of equipment, emergency response plans, and protocols for reporting and addressing safety issues, which all employees must adhere to.

The activity of Chimcomplex SA Borzești, which involves the manufacturing and commercialization of inorganic and organic chemical products, falls under both the Industrial Emissions Directive (IED) and the European Pollutant Release and Transfer Register (E-PRTR), as detailed in section ESRs E2-4. The BAT (Best Available Techniques) requirements have been assessed, and the activities carried out comply with the BAT Conclusions, as detailed in the two integrated environmental permits (1/20.03.2023 for the Onești platform and 1/13.03.2023 for the Râmnicu Vâlcea branch).

We operate on both sites under the SEVESO Directive at the upper threshold of relevant quantities of hazardous substances (chlorine, sodium hypochlorite, ammonia, methanol, acetone, alkylamines, 1,2-dichloroethane, isopropylamine, lime chloride, propylene, dichloropropane, hydrogen, phenol, nonylphenol, hydrogen peroxide, etc.).



The table below summarizes the quantities of hazardous chemical substances and preparations that present special concerns (SVHC) and concerns (SVC) used during production in 2024 by Chimcomplex, categorized by hazard category:

Name	Stock as of 01/01/2024	Entries (Tons)	Production (tons)	Exits (Tons)	Stock 21/12/2024
SVHC	195	678	0	716	157
Category 1 and 2 carcinogenic substance	1,131	7,325	76,227	83,796	887
Category 1 and 2 mutagenic substances.	0,275	0	0	0	0,275
Category 1 and 2 reproductive toxic substances.	204	538	0	616	126
Category 1 skin sensitizing substances	7	0	0	0	7
Category 1 and 2 specific target organ toxic substances - repeated exposure	52	526	0	530	48
Category 1 and 2 specific target organ toxic substances - single exposure	113	463	0	390	186
chronic hazardous substances for the aquatic environment, categories 1-4	260	0	21,085	21,144	201

3.1.8 Anticipated financial effects of impacts, risks, and opportunities related to pollution

ESRS E2-6

We have not yet evaluated or quantified in detail the anticipated financial effects of significant physical and transition risks or potential opportunities related to air or water pollution. However, we have noted their relevance and significance within the context of the double materiality analysis. Since 2024 is the first reporting year based on the new ESRs standards for Chimcomplex, a series of specific impacts, risks, and opportunities will be re-evaluated and aligned with ESRs reporting requirements in the coming period.

No major incidents occurred during 2024, the company did not incur operating expenses related to closed or owned deposits, but it recorded penalties for water discharges at the Râmnicu Vâlcea platform due to exceeding specified, specifically calcium chloride and organic compounds, amounting to 37,324,567 lei.

In the year 2024, no rehabilitations of waste deposits were carried out at Onești, and no environmental contamination was reported at any production site location.

At Rm. Vâlcea, expenses were recorded for the operational non-hazardous waste landfill, amounting to 12,600 RON (rearrangement of waste unloading ramps, leveling of sludge piles, and maintaining the functionality of access roads).

Expenses were recorded for the monitoring of the company's waste deposits, in accordance with applicable legal provisions, regarding settlement behavior and landfill level, as follows:

- At the Onești platform: 10,582 RON;
- At the Râmnicu Vâlcea platform: 21,842 RON





WATER AND MARINE RESOURCES



ESRS E3

WATER AND MARINE RESOURCES

4.1 Concepts and Measures Related to Water and Marine Resource

At Chimcomplex, we recognize the importance of water as a vital resource. For the entities located at the two sites, Onești (A5 INVEST) and Rm. Vâlcea (Sistemplast, Logiserv), water quantities are managed jointly with Chimcomplex SA Borzești. The other entities within the group manage insignificant quantities of water for consumption or discharge; therefore, the data presented in ESRs E3 will not pertain to these entities.

Within the quality and environmental policy, various aspects related to water management are mentioned: responsible water consumption, quality monitoring, and wastewater treatment, as well as accidental pollution prevention. These measures not only ensure compliance with regulations but also emphasize our commitment to responsible water resource management.

In the following pages, we will address all three subtopics related to Water Resources: Water Consumption, Water Withdrawals, and Water Discharge. We do not address aspects related to marine resources, as this is not applicable. We do not use water from marine sources nor do we discharge water into oceans.

4.1.1 Description of the processes for identifying and assessing significant impacts, risks, and opportunities related to water and marine resources

ESRS E2 IRO-1

We identified the initial impacts related to water resources within our operations of manufacturing and trading inorganic and organic chemical products through foundational documentation for obtaining various permits, including the water management permit, whose framework content is stipulated by legislation. Within this documentation, we also review the risks and opportunities related to water resources. The documentation is subject to discussion in councils and committees at the level of regulatory authorities (Siret River Basin Administration (ABA) and Olt River Basin Administration (ABA)).

Additionally, through the annual analysis of environmental aspects associated with activities, products, and services, we identify and assess environmental risks and opportunities, including those related to water resources, in accordance with our internal procedure for identifying and evaluating environmental risks and opportunities. This analysis is an internal document, but its conclusions are presented to stakeholders through the annual sustainability report.

The process of identifying relevant risks and opportunities is closely linked to the analysis of the context in which we operate, as well as compliance obligations and the needs and expectations of stakeholders. Additionally, risks may be associated with various emergency situations that can have harmful impacts on the environment, health, and workplace safety, or various other effects on the company. Identifying potential emergency situations takes into account the nature of the hazard, the type and extent of the most probable emergencies, as well as potential emergency situations in neighboring areas.

The steps undertaken to identify significant impacts, as well as the main risks and opportunities related to water resources, included:

- Collection and analysis of data on water sources, based on categories of water usage, identification of the potential for recycling/reuse, and evaluation of water quality (before and after use).
- Identification of risk categories and assessment of their impact related to water, including environmental risks, availability risks, and operational risks.
- Identification of existing opportunities, including those related to water reuse and water consumption efficiency.
- Consultation with stakeholders related to water management, such as regulatory authorities and business partners.
- Continuous monitoring of water-related aspects to adjust company strategies and ensure continuous improvement.

Additionally, a double materiality assessment was conducted, during which we identified Chimcomplex's impacts, risks, and opportunities related to water, associated with the sites where various activities are carried out, as well as the business activities conducted within our own operations and throughout the value chain. Consultations with stakeholders were conducted as part of the materiality assessment, and various sources of information were also consulted, such as reports from economic operators active in a similar industry, various regulatory documents, and some internal documents, such as the internal risk register.

Both at the level of Chimcomplex and throughout the upstream value chain, there is a financial risk associated with the price and consumption of water necessary for operations. This includes the increase in the price of purchased water (updated by the government with the consumer price index), increased production costs, and possible supply disruptions due to strict regulations on water use and limited resources, with these issues being exacerbated by climate change and frequent droughts.

Additionally, in accordance with the current legal provisions in the field of water management, authorities require companies to have water supply programs for industrial use during drought conditions and low flow rates, ensuring that the organization complies through continuous monitoring of the withdrawn water flow rates.

The financial effects of significant risks and opportunities, in the short, medium, and long term, arising from the impacts associated with pollution have been assessed within the double materiality process.

The main impacts, risks, and opportunities identified in connection with water resources are summarized in the tables below.

Subtopic	Impact description	Positioning within the value chain	Time horizon	Strategic approach
Water resources	The actual negative impact caused by the excessive use of water resources, both within Chimcomplex's direct operations (industrial operations require large quantities of water for cooling processes and other technological activities) and throughout the entire supply chain (both in upstream raw material extraction processes and downstream production processes), can have significant effects on the environment and local communities.	Upstream, Own Operations, Downstream	Short term Medium term Long term	We are consolidating our position as a leader in sustainable water treatment solutions by developing advanced coagulants based on ferric and ferrous chloride, as well as pH correction agents (for municipalities and industry). Implementing strict environmental standards: - We comply with current regulations by maintaining the quality of treated wastewater and rainwater below the limits imposed by legislation and the Integrated Environmental Authorization. - We adhere to the requirements of the E-PRTR Registry.

Subtopic	Description of Risks/Opportunities	Risc/Oportunitate
Water resources	Financial risk: Excessive use of water resources can generate significant financial risks.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities

4.1.2 Policies related to water and marine resources

ESRS E3-1

A specific water resources policy that complies with the minimum disclosure requirements regarding policies (MDR-P), as defined in ESRs 2, has not been developed at this time. However, this aspect is considered by Chimcomplex management in the current Quality and Environmental Policy.

The policies adopted to manage significant impacts, risks, and opportunities related to water resources are included within the Quality and Environmental Policy, as well as the Quality-Environment-HACCP Management Program/2024. These are also mentioned in the Sustainability Strategy of Chimcomplex SA Borzesti for the period 2024-2030. These documents result from the increased importance we place on sustainability and the environment, including water resources. The implementation of the policies is carried out with the involvement of the company's Chief Executive Officer (CEO).

A few priority objectives of the Integrated Quality-Environment Management Strategy that also involve water resources and for which the company's management has committed itself are:

- Permanent identification, evaluation, and control of environmental aspects associated with the company's activities, products, and services, to ensure appropriate environmental quality and protect human factors.
- Efficient management of available resources, focusing on the development of core processes, optimizing specific consumption of raw materials, materials, and utilities, and ensuring energy efficiency by controlling the share of energy costs in production costs.

- Full involvement and commitment of all staff, at all levels, for the efficient conduct of activities, with complete professional and social responsibility, enabling the achievement of quality, profit, and external appreciation of accomplishments, under conditions of continuous improvement of environmental performance.
- Observing the principle of sustainable and lasting development by using environmentally friendly techniques, rational use of energy and natural resources, so that we can offer quality products at competitive prices.

We note that the policies are reviewed periodically to maintain their relevance and currency, being also communicated to all employees and available to stakeholders. Additionally, they are developed in accordance with the laws and regulations in force, in full agreement with Chimcomplex's firm commitment to comply with all current laws and subsequent amendments, as well as all internal regulations. This is complemented by the commitment to respond seriously and promptly to any requests for information or potential complaints. The above commitments also extend to the company's supply chain.

Chimcomplex sites are not located in areas with high water stress. However, although it is not explicitly stated in the company's policy and established environmental objectives, water consumption is closely monitored by both the company and the supplier (National Administration "Romanian Waters," through Siret River Basin Administration and Olt River Basin Administration). Both the intake of water for industrial and sanitary use and the discharge of wastewater into the emissary are metered using appropriate equipment recognized and accepted by all partners, both suppliers and authorities.

In support of protecting water resources, we optimize production processes to reduce water consumption. Implementing an advanced water management system aims to reduce consumption and recycle water used in production processes during the reporting period. We continuously monitor the quality of treated and discharged wastewater, with analyses conducted by RENAR-accredited laboratories. Additionally, competent authorities ensure compliance with environmental standards through monthly and semiannual inspections.

4.1.3 Actions and resources related to water and marine resources

ESRS E3-2

We have policies and commitments related to quality and the environment, implicitly including water resources, as detailed in the previous subsection, "Policies related to water and marine resources," as well as the following certifications:

- International quality standard certification – ISO 9001:2015.
- International environmental standard certification – ISO 14001:2015.

We note that Chimcomplex sites are not located in areas with high water stress but are situated on the right banks of the Olt and Trotuș rivers, which, due to their extensive basins, provide sufficient flow for the production activities at the Râmnicu Vâlcea and Onești platforms.

Among the actions taken by the company to manage significant impacts and risks associated with discharged wastewater, as stipulated in the Quality and Environmental Policy and the Sustainability Strategy, we mention:

- Operating processes under optimal conditions and efficiently managing the wastewater flows resulting from activities.
- Preventive maintenance of machinery and equipment.
- Monitoring the quality of discharged wastewater according to the frequency and pollutants specified in regulatory documents; through RENAR-accredited laboratories. Competent authorities verify compliance with environmental standards monthly and semiannually.
- Implementing corrective measures as provided in the operating documents whenever deviations from the specified standards are recorded.

We have our own wastewater treatment plants for industrial wastewater, and domestic wastewater is discharged to the municipal treatment plant in Onești, according to contractual agreements, while in Râmnicu Vâlcea, it is discharged to the biological treatment plant. Additionally, plans for preventing and combating accidental water pollution are implemented, prepared in accordance with current legal provisions. More details on these aspects can be found in chapter *ESRS E2 - Pollution*.

Other actions undertaken by us, closely related to the identified impacts, risks, and opportunities regarding water consumption, include:

- Focusing on the development of products (chlorine, sodium hypochlorite, lime chloride) necessary for water purification for more a lot of the potable water stations in Romania, Bulgaria, Moldova, and Greece.
- Optimizing production processes to reduce water consumption.;



Implementing an advanced water management system to reduce consumption and recycle water used in production processes.

In 2024, we did not have any ongoing actions related to water resources. Additionally, up to this point, no actions related to water resources or their pollution have been undertaken that extend along the value chain to upstream or downstream commitments.

Operating expenses were recorded for the water withdrawn for industrial use, as well as for the discharged wastewater. Regarding the water withdrawn for industrial use, these operating expenses pertain to the industrial water treatment facilities and cooling water facilities, as well as the expenses for monitoring their quality (carried out by the company's own laboratory). For the discharged wastewater, the expenses pertain to the wastewater treatment plant and the monitoring of the quality of discharged wastewater (by the company's own laboratory and external laboratories).



4.1.4 Targets related to water and marine resources

ESRS E3-3

We have not set measurable targets related to water and marine resources, in accordance with the minimum disclosure requirement – *Targets MDR-T – monitoring the effectiveness of policies and actions through targets.*

Within the Sustainability Strategy for the period 2024–2030, as well as in the Quality-Environment Management Program, there are clearly defined objectives, actions, indicators, and specific targets related to the subject E3 - Water Resources. These are presented in the table below and are aligned with Sustainable Development Goal 6: ensuring the availability and sustainable management of water and sanitation for all.

Objective	Indicators	Targets	Actions	Completion Date
Efficient management of impacts related to water consumption and wastewater discharge	Quantity of wastewater discharged, MMC	Exclusive disclosure	Operating processes under optimal conditions and efficiently managing the wastewater flows resulting from activities; Utilizing technologies in accordance with operating regulations; Specific measures to limit and reduce pollutants in water; Preventive maintenance of machinery and equipment; Limiting uncontrolled leaks, avoiding waste, and inappropriate discharges; Monitoring quality / quantity of discharged wastewater.	Annual
	Level of water stress			
	Level of water reuse			

For the consumption of water from surface waters, we have not yet established specific indicators and targets for the year 2024. Consequently, water consumption is closely monitored, and specific consumption for each manufacturing process is analyzed annually. Following these analyses, operational and maintenance measures are implemented to maintain or reduce these specific water consumptions.



4.1.5 Water Consumption

ESRS E3-4

Water Consumption

At the Onești site, the water requirements for the year 2024 were met as follows:

- Potable water for hygienic-sanitary use – 98,656 m³, sourced from the Valea Uzului potable water supply and the potable water network of SC RAJA Constanța – Onești branch.
- Potable water for industrial use – 475,882 m³ for obtaining demineralized water, sourced from the Valea Uzului supply line and the route belonging to SE Borzești.
- Raw river water – 800,000 m³ from the Trotuș River, via the GIB channel operated by the National Administration 'Romanian Waters' – Siret River Basin Administration; this water is distributed to consumers through the Industrial Water Treatment Plant.
- Total water consumption at the Onești platform = 1,374,538 m³
- Quantity of water recirculated in the year 2024 = 13,889,000 m³
- Quantity of water stored (in case of fire) = 1,500 m³ (two underground circular storage tanks made of reinforced concrete, each with a capacity of 750 m³)

At the Râmnicu Vâlcea platform, the water requirements for the year 2024 were met as follows:

- Potable water consumption – 1,049,978 m³, sourced from the underground potable water supply - Bistrița stream, measured with FT 6 diaphragm measurement and YOKOGAWA recording;
- Potable water consumption, for technological purposes – 706,416 m³, sourced from the centralized city potable water network – Brădișor source, based on the contract with S.C. APAVIL S.A. Râmnicu Vâlcea, for obtaining demineralized water;
- Raw river water consumption for technological purposes – 9,712,552 m³ from the Olt River; this water is captured through 2 bank intakes, owned by the National Administration 'Romanian Waters' – Olt River Basin Administration. This water is distributed to consumers via the Olt Intake Facility.
- Total water consumption at the Râmnicu Vâlcea platform = 11,468,946 m³
- Quantity of water recirculated in the year 2024 = 66,748,000 m
- Quantity of water stored (in case of fire) = 3,000 m³ (there are 4 semi-buried tanks R1 – 4; each with a capacity of 750 m³)

Discharged water

Regarding the activities carried out, in the year 2024, the following types of water resulted from the Chimcomplex platforms:

Onești Platform:

a) Inorganic and non-biodegradable organic chemically impure waters, originating from technological processes and the washing of pipelines, equipment, and tanks, which are directed through the sewer system of each installation to the company's own Wastewater Treatment Plant, from where they are discharged into the Trotuș River.

b) Domestic wastewater, collected through the sewer system of each workplace and directed to the municipal operator's domestic collector (RAJA Constanța – Onești branch)

c) Rainwater, directed into the Trotuș River through two rainwater collectors, M I and M III. During the year 2024, a volume of 2,128,405 m³ of water was treated in the Wastewater Treatment Plant at the Onești site.

Additionally, in the year 2024, 98,656 m³ of domestic wastewater were discharged.

Total discharged water at the Onești platform = 2,227,061 m³.

Râmnicu Vâlcea Platform

a) Biodegradable organic chemically impure waters: These originate from manufacturing processes and include both organic and domestic waters. They are collected through the organic sewer system and pumped to the Biological Treatment Plant, from where they are discharged into the emissary - Govora stream.

b) Inorganic chemically impure waters: These waters are generated from manufacturing processes and are initially passed through local pre-treatment stations, where they are neutralized and purified. Subsequently, they are collected through the inorganic sewer system and directed to the Final Control Station. From there, they are transported to the Mixing Chamber and discharged into the Băbeni reservoir on the Olt River, via the open 'Olt Spillway' channel.

c) Stormwater and uncontaminated technological waters (conventionally clean): These waters originate from cooling systems and are collected through the sewer network designated for conventionally clean and rainwater. They are discharged into the Mixing Chamber and subsequently into the Băbeni reservoir on the Olt River, via the open 'Olt Spillway' channel.

During the year 2024, a volume of 3,413,865 m³ of water was treated and discharged through the Biological Treatment Plant at the Râmnicu Vâlcea site. Additionally, a volume of 4,611,986 m³ of water was discharged through the Mixing Chamber (the open "Olt Spillway" channel).

Total water discharged at the Râmnicu Vâlcea platform = 8,025,851 m³

Total discharges: 10,252,912 m³.

The total quantity of chlorides is presented within ESRS E2 – Pollution.

Recirculating water in over 70 cycles within production processes significantly contributes to reducing the consumption of this essential resource

In 2024, the quantity of water purchased and used remained below the limits of the quantities contracted and regulated through the water management permits for both sites.

We are committed to creating sustainable value for all stakeholders, including shareholders, customers, suppliers, employees, partners, and the community at large. We are dedicated to maintaining high standards of quality, environmental protection, and constructive community engagement, aligned with strict safety operating standards and the appreciation of our employees. Sustainability remains a core principle in our business strategy.



As previously mentioned, within the company, water management involves its recirculation, the physico-chemical and biological treatment of wastewater, and collaboration with local authorities for the conservation of water resources. The quality of discharged water is periodically monitored by the company, in accordance with the indicators specified in the current regulations, and analyses are conducted by RENAR-accredited laboratories. Water management authorities check the quality of discharged water monthly, while environmental protection authorities do so semiannually.

In 2024, there were no discrepancies between the monitoring conducted directly by the company and that conducted by the authorities.

For effective management of the impact of water discharge, the effects of wastewater on the quality of the Olt River are periodically assessed on the Râmnicu Vâlcea platform, both upstream and downstream of the industrial platform. Due to the fact that the volumes of wastewater discharged from this platform are significantly smaller than the flow of the Olt River in the analyzed sections, annual reports to environmental authorities show that the water quality parameters of the river generally remain constant downstream of the platform.

The situation regarding water consumption and discharges is presented in the table below.

2024	Unit of measure	Quantity
Total water consumption	m ³	12,843,484
Water consumption in areas with water risk	m ³	N/A
Potable water consumption	m ³	2,330,932
Industrial water consumption	m ³	10,512,552
"Total quantity of recycled and reused water	m ³	80,637,000
Total quantity of stored water	m ³	4,500
Changes regarding storage	m ³	-
Water consumption intensity (total water consumption in own operations, in m ³ per net revenue in million RON)	m ³ /RON	8.59
Additional intensity rates	(%)	-
Total water withdrawals	m ³	-
Total water discharges	m ³	10,252,912

4.1.6 Anticipated financial effects of risks and opportunities related to water and marine resources

ESRS E3-5

We do not anticipate significant financial effects from risks arising from impacts and dependencies related to water resources. The production units are located on the right banks of the Trotuș and Olt rivers, both having river basins that meet the current operational requirements. From this perspective, no risk of dependency on water resources is anticipated.

Instead, a financial risk related to water resources is anticipated, in terms of the annual increase in costs for both supplied water and the quantities of discharged pollutants. The anticipated increase is due to the annual indexing of tariffs charged by the river basin administrations with the consumer price index, in accordance with current legal provisions.

We have not identified other anticipated financial effects, but these aspects will be evaluated in detail by the company in the upcoming period.





RESOURCE USE AND CIRCULAR ECONOMY



ESRS E5

RESOURCE USE AND CIRCULAR ECONOMY

5.1 Concepts and measures related to resource use and circular economy

5.1.1 Description of processes for identifying and evaluating significant impacts, risks, and opportunities related to resource use and circular economy

ESRS 2 IRO-1

Resource management involves the efficient administration of available resources through the use of advanced tools for monitoring, measuring, and anticipating needs. This method facilitates awareness of current consumption and the development of strategies to optimize processes, thereby reducing the impact on the environment and society. By monitoring and anticipating needs, our companies can identify opportunities to save resources and improve long-term sustainability.

For the companies located at the two sites, Onești (A5 INVEST) and Rm. Vâlcea (Sistemplast, Logiserv), the management of resource inputs and waste quantities is centralized and coordinated by Chimcomplex SA Borzești.

The impacts, risks, and opportunities associated with resource use and the circular economy in the production and sale of inorganic and organic chemical products are analyzed in the documentation required for obtaining integrated environmental and water management permits, in accordance with legal requirements. These documents are discussed in the councils and committees of regulatory authorities, such as APM Bacău, APM Rm. Vâlcea, ABA Siret, and ABA Olt, and are also open to public debate as part of the process for obtaining the integrated environmental permit. Additionally, the annual analysis of environmental aspects related to activities, products, and services allows for the identification and evaluation of environmental risks and opportunities, including those related to resource management and the circular economy.

As part of our double materiality assessment, we analyzed the site locations and our business activities. This comprehensive evaluation aimed to identify and understand all potential negative effects of the activities conducted. We are committed to implementing all measures to prevent and reduce pollution at every stage of our operations.

Subtopic	Impact Description	Positioning on the value chain	Time horizon	Strategic approach
Resource inputs	Potential negative impact related to the excessive use of resources and/or their depletion, both at the level of Chimcomplex operations (as the industrial processes on the platforms require large quantities of raw materials for the production of chemical products) and along the supply chain (activities related to the extraction of raw materials, production, and processing activities).	Upstream, Own operations, Downstream	Medium and long term.	We adopt policies and practices for using natural resources in a sustainable and responsible manner. We address the reduction of fossil resource use and replacement with renewable/green or recycled materials in production.
Resource outputs	Potential negative impact on the environment and human health if the chemical products obtained by Chimcomplex are not handled properly.	Own operations	Medium and long term.	The sustainable product portfolio is continuously expanding, including polyols from cashew oil and polyols with integrated CO ₂ . Additionally, the Advanced Polyols Research Center in Rm. Vâlcea is working on diversifying the portfolio with highly customized products. Our clients have access to safety data sheets, which provide detailed information about the health, safety, and environmental risks of the products. These sheets offer guidelines for clients and employees on the safe handling and use of the products.

Subtopic	Impact Description	Positioning on the value chain	Time horizon	Strategic approach
Waste	Actual positive impact regarding the reduction of waste quantities through their recovery: packaging waste, scrap iron, used tires, and waste electrical and electronic equipment, metal packaging waste, galvanized sheet metal, stainless steel, aluminum, Monel, which are delivered to authorized economic operators for recovery.	Own operations, Downstream	Medium and long term.	We focus on recycling, recovery, and utilization of useful compounds from generated waste. We collect waste from Romania for recovery through recycling (used hydrochloric acid and mill scales). We follow the hierarchy established by legislation regarding waste management. Waste transportation for recovery/elimination is conducted with authorized operators, in accordance with Government Decision 1.061/2008, based on service contracts.
	Potential negative impact in the case of improper waste management.	Own operations	Medium and long term.	

Subtopic	Description of risks/opportunities	Financial effect
Resource inputs	Transition and financial risk: Both at the level of Chimcomplex and throughout the supply chain, there are risks related to external regulations and financial risks (fluctuation of raw material prices, increase in costs for non-renewable resources). These risks can have a significant impact on the internal operations of Chimcomplex (restrictions on certain categories of raw materials/chemicals) and on financial stability.*	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities
Resource outputs	Transition and financial risk: Regulatory risk is a significant factor for Chimcomplex, as any legislative change may impose additional costs, require modifications to production procedures, or even result in sanctions in case of non-compliance with standards, which could also affect the products provided.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities
Waste	Opportunity: Waste recycling represents a valuable opportunity to replace natural resources in production processes, contributing to significant savings and enhancing reputation through waste reduction initiatives and policies.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities
	Financial risk: Both within our own operations and across the entire value chain, there are costs associated with waste management. Potential fines for non-compliance can significantly impact financial stability.	Effect on financial performance Effect on cash flows Effect on capital flows Effect on the value of assets and liabilities

Chimcomplex's dependence on raw materials and resources results from the need to use essential materials in its activities, such as brine, limestone, propylene, lime, ethylene oxide, sulfuric acid, methanol, ammonia, sodium carbonate, antioxidants and coagulants. Price fluctuations or difficulties in supplying these resources can generate significant risks at both operational and financial levels.

The financial effects of significant risks and opportunities for Chimcomplex, in the short, medium, and long term, resulting from impacts associated with pollution, have been evaluated within the double materiality process.

5.1.2 Policies related to resource use and circular economy

ESRS E5-1

"We do not have a policy regarding waste management in accordance with the provisions of the ESRs standard, specifically for managing the impact, risks, and significant opportunities related to the circular economy. However, the Quality and Environmental Policy, endorsed by the highest level of management, along with the accompanying management program, includes commitments, objectives, and indicators for effectively managing the impacts related to waste management.

Efficient management of material resources is a key point in the sustainable development strategy. Within the environmental management objectives, we focus on the optimal use of available resources, the development of core processes, and the optimization of specific consumption of raw materials, materials, and utilities, while also ensuring energy efficiency by controlling energy costs in production.

The activities carried out at Chimcomplex generate various types and categories of waste, which are managed in accordance with current legal regulations. Annually, we fulfill our obligations for managing packaging and packaging waste on both platforms. Additionally, special emphasis is placed on waste recovery.

Efficient use of resources and waste recovery contribute to reducing environmental impact within our activities. We have adopted a circular approach, continuously optimizing production processes to minimize waste generation and maximize recovery. Additionally, we collect and recycle waste from Romania at the ferric chloride facility in Onești, processing used hydrochloric acid and mill scales. Through these actions, the company has obtained a product widely used in water treatment. At the same time, we have initiated the process of calculating the lifecycle impact of products to develop solutions for minimization.

Even though there are no specific policies with numerical targets regarding the percentage of recycled products, as this depends on the market demand for ferric chloride, the company aims to reduce the use of fossil resources and replace them with renewable, green, or recycled materials from the production process as a central objective.

5.1.3 Actions and resources related to resource use and circular economy

ESRS E5-2

We have implemented a series of actions and allocated resources to promote the circular economy. These actions are aligned with the principles defined in ESRs 2 MDR-A.

In 2024, we developed eco-friendly products, promoted recycling both internally and externally, and established partnerships for innovation in the field of circular economy.

We have initiated an investment plan focused on the circular economy, which involves the construction of an integrated plant complex aligned with sustainability and ecological principles. This investment includes the acquisition of technologies, equipment, and construction-installation works and comprises modules such as gaseous HCl synthesis, glycerin purification, epichlorohydrin synthesis, epoxy resin manufacturing, brine purification, and waste incineration. Additionally, the company has submitted a project to obtain non-reimbursable funds for recycling polyurethane foams with the aim of producing polyols.

At Chimcomplex, we purchase approximately 60% of the raw materials from the local market and have included supplier diversification in our business strategy to mitigate risks. In this context, we produce ferric chloride using iron waste, known as mill scales, sourced from the metallurgical industry, as well as hydrochloric acid waste.

We also implement policies and practices that promote the sustainable and responsible use of natural resources, such as brine and limestone. Another objective of ours is to reduce the use of fossil resources, which we intend to replace with renewable, eco-friendly, or recycled materials in the production process.

The type of packaging is evaluated before concluding a contract to ensure proper sorting. However, there is no system for returning packaging, except for wooden pallets, which can be returned under certain conditions. Packaging is recovered through authorized operators.

In order to substantiate the specific consumption of raw materials, packaging, and utilities, the evolution of actual specific consumption, project-specific consumption, and opportunities for modernizing manufacturing technologies are analyzed, with the aim of minimizing losses. The specific consumption is established annually by the Planning, Production Monitoring, and Dispatch Service (SPUPD), in collaboration with the production sections and workshops, and its achievement is subsequently monitored. The level of achievement or exceeding of specific consumption is reported monthly or cumulatively to inform the company's management.

Production is monitored daily, weekly, and monthly at the level of each installation and production section by SPUPD and Chimcomplex management. This process involves the daily recording of actual production, delivery notes to the Commercial Department, internal consumption, stocks of raw materials and finished products, non-conformities at the installation (stoppages), operating parameters, as well as the daily analysis and coordination of production activities.

The management and control of technological processes, resources, and significant environmental aspects are regulated in the operating regulations of each technological process.

National and international economic conditions, along with legislative restrictions adopted by the European Union, have led Chimcomplex to reevaluate the company's operational and development strategy. This process resulted in the permanent closure of certain production lines, as well as the efficient use of existing equipment on-site. As a result, the three transformers are still in good working condition, without leaks and without requiring technological interventions.

The communication of efficiency in our operations is inferred from the cost reduction and monitoring policy. We invest in and utilize efficient technologies, such as cogeneration and upgrades in the brine electrolysis installations.

The main resource, salt (brine), is purchased from salt mines, and the depleted brine is returned. Although limestone is used, it does not fall into the category of critical raw materials.

Efficiency at Chimcomplex focuses primarily on energy and technological efficiency, which implicitly leads to the use of smaller quantities of raw materials to obtain the final product.

We recover part of the operational waste, including chlorinated organic residues. At the Ferric Chloride Plant in Onești, we recover waste from other industries, specifically used hydrochloric acid and mill scales, from which we obtain a product—ferric chloride—used as a coagulant in water treatment.

In 2024, selective waste collection actions were maintained, with the aim of either recovering them (such as paper and cardboard packaging waste, paper and cardboard waste from administrative activities, metal waste, used oil) or handing them over to authorized operators for collection or recovery (such as waste from lighting fixtures).

For the disposal of **non-recoverable and non-hazardous waste**, we manage compliant landfills on both platforms, adhering to all current legal regulations regarding waste disposal. In cases where we cannot internally recover or dispose of waste, we collaborate with authorized economic operators through service contracts for the disposal or recovery of these wastes.

In terms of packaging, only a small number of products are individually packaged. Chemical products from Chimcomplex are distributed in special containers made from materials that resist the action of chemicals and are suitable for their state of aggregation (solid, liquid, gas under pressure, or liquefied gas). These containers are equipped with airtight sealing systems to ensure safe transportation. From a sustainability perspective, no additional measures are applied, as the chemicals have a long shelf life.



We have delegated to an authorized operator in Bucharest the responsibility for managing packaging waste made of plastic, paper, cardboard, and wood, generated from the commercialization of products in the national market. Through this contract, we fully meet our obligations concerning the objectives of recovery and recycling of packaging waste, in accordance with the provisions of Law 249/2015 on the management of packaging and packaging waste, as well as the updated provisions of GEO 196/2005 regarding the Environmental Fund.

The analysis of the type of packaging is conducted before the conclusion of the contract, and the analyses are performed to enable proper sorting. However, return measures are not applied, except for wooden pallets, which are returned under certain conditions. Packaging is recovered through authorized operators.

Our approach to waste management follows the hierarchy established by legislation, which includes:

- Prevention and reduction of waste quantities;
- Preparation of waste for reuse;
- Recycling of waste;
- Other recovery operations, such as energy recovery;
- Disposal of waste

Field	Key performance indicator	Target	Achieved 2024
Sustainable use of materials	% vegetable material used in the product (polyol)	Exclusively disclosed"	666 tons with 30% vegetable material
Waste	Tons of waste recovered / tons of recoverable waste	min. 90%	90.6

The target was set considering all stages: production, usage stage, and the end of the functional lifespan of products and materials, the activity profile.

The waste target is a relative target, as it refers to the proportion of waste recovered in relation to waste that can be recovered.

The Quality-Environment Management Program, which serves as a supporting document for the Quality and Environment Policy, includes the planned necessary actions to achieve the objectives and targets regarding resource use and waste recovery.

Chimcomplex has set higher-level objectives concerning the circular economy and innovation, which include:

- Development of circular economy technologies and decarbonization technologies integrated into the current technological structure.
- Ensuring clean and affordable energy.
- Reducing the use of fossil resources and replacing them with renewable, green, or recycled materials from production

In this context, at Chimcomplex, **we aim to optimize processes by 2030** to reduce waste generation and to **implement closed-loop systems that allow for the recycling and reuse of materials** within our operations or their external recovery.

At Chimcomplex, the necessary resources are available annually (significant operational expenditures (Opex) and/or capital expenditures (Capex)) for implementing the necessary measures/actions for the responsible and sustainable management of resources/waste.

5.1.4 Targets related to resource use and circular economy

ESRS E5-3

At Chimcomplex, we have set measurable targets according to the disclosure requirements – MDR-T Targets – to monitor the effectiveness of policies and actions through targets, specifically for waste management, to fulfill the objectives of the Quality and Environment Policy. Nevertheless, we are strongly committed to the principles of the circular economy and responsible resource use, aiming towards a sustainable future.

We respect national targets regarding the recovery/recycling of waste as well as the obligations related to selective collection.



We also plan to transition to the use of renewable, recycled, or plant-based raw materials such as castor oil, soybean oil, and palm oil, with the goal of reducing reliance on fossil fuels and increasing the share of these alternative raw materials in our products. In the year 2024, 666 tons of polyols were manufactured using renewable plant-based raw materials (replacing 30% of the fossil raw materials with castor oil).

In addition, we will design products to facilitate disassembly, reuse, and recycling, collaborating with customers to ensure efficient collection and recycling of products at the end of their lifecycle.

We have improved our circular strategy: we focus on optimizing production processes to minimize waste generation and maximize recovery. At the Ferric Chloride Plant in Onești, Chimcomplex recovers waste from other industries, specifically used hydrochloric acid and mill scales, from which it obtains a product—ferric chloride—used as a coagulant in water treatment.

At Chimcomplex, we are preparing to recycle polyurethane waste to recover rigid polyols, PET waste to extract TPA used in plasticizers (terephthalic acid for plasticizers), and rubber waste to obtain pyrolysis oil. Additionally, we place special emphasis on efficient management of water and energy resources.

We plan to implement new projects for recycling waste generated at the end of the lifecycle of marketed products, such as the recycling of polyurethane foams and replacing primary raw materials.

Due to the specific nature of the activity, waste recycling is not largely feasible, but the company uses recyclable waste from other companies, as long as these meet the input requirements for the applied technological processes (for example, used HCl and mill scales used in the production of ferric chloride).

Our approach in 2024:

- Optimization of resource consumption.
- Increasing the share of renewable energy use.
- Use of advanced technologies (BAT - Best Available Techniques).
- Efficient use of energy in production processes

5.1.5 Resource inputs

ESRS E5-4

The significant resource inputs for Chimcomplex are presented below. The main raw materials used at both sites include: brine, limestone, propylene, lime, ethylene oxide, sulfuric acid, methanol, ammonia, sodium carbonate, antioxidants, coagulants, etc.

Quantitative information regarding resource inputs is presented in the table below.

Chimcomplex	Information about the materials used for manufacturing products during the reporting period:
Overall total weight of products and materials used during the reporting period. (tons)	459,833
Weight of reused or recycled secondary components, secondary intermediate products, and secondary materials used for manufacturing products (including packaging) (tons)	6500,155
Percentage of weight of reused or recycled secondary components, secondary intermediate products, and secondary materials used for manufacturing products (%)	1.41%

The methodology used for calculating the data involves processing the quantities from the report received from the Production Department, based on the entry documents of these resources.

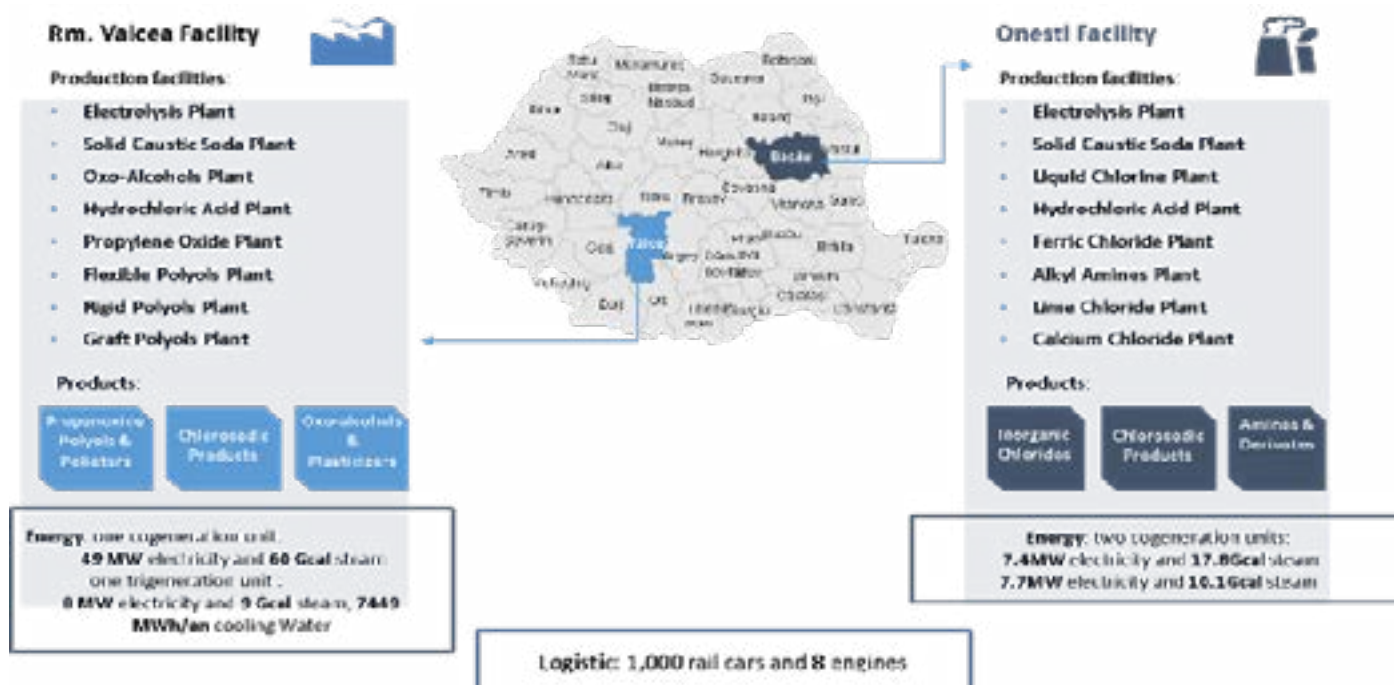
In 2024, Chimcomplex recovered waste from other industries at the Ferric Chloride Plant in Onești, specifically 1,399.405 tons of used hydrochloric acid and 4,100.75 tons of mill scales, from which it obtained ferric chloride—a product widely used in water treatment.



5.1.6 Resources outputs

ESRS E5-5

Chimcomplex is an internationally recognized brand, with its two industrial platforms. Due to its strategic geographical position, we are able to easily meet the demands of both the Western European market and the Eastern market.



The durability of our products, especially chemicals and basic products used in a wide range of industries (chemical, petrochemical, pharmaceutical, food, etc.), will depend on their performance in specific applications.

We offer a diverse range of products used in numerous essential industries, including metallurgy, steel industry, thermal energy, food and beverages, automotive, construction, mining, textiles, pulp and paper, pharmaceuticals, plastics, electronics, furniture, household appliances, packaging, sanitation and public hygiene, the furniture industry, automotive, and household appliances, inks and paints, among others.

Below we present a description of the materials and products that come from the production process of Chimcomplex:

• Caustic soda solution

It is used in the chemical industry for the production of soaps, detergents, pesticides, fertilizers, bleaching agents, and for the regeneration of ion exchangers; in the petrochemical industry for refining petroleum products; in the wood industry; in the textile industry for the production of cellulose and viscose; in the sugar industry; in the oil industry for purifying oils from free fatty acids; and in the aluminum industry.

• Caustic soda flakes

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

• Liquid chlorine

It is used in the chemical industry for organic and inorganic syntheses, in the production of chlorinated rubber, in the manufacture of plastics, in the synthesis of dyes and pesticides, in the pharmaceutical industry, in the paper industry as a bleaching agent, and for water chlorination.

• Hydrochloric acid

It is used in oil extraction for acidizing oil wells, in the metallurgical industry for steel pickling/degreasing, in the chemical industry for the production of inorganic salts, fertilizers, resins, and dyes, in the food and beverage industry, in the textile industry, in the pharmaceutical industry, for the regeneration of ion exchange resins, and in water demineralization stations.

• Sodium hypochlorite

It is used as a bleaching agent for textiles, detergents, cellulose, and paper, in the oxidation processes of organic products, in oil refining, for disinfecting water, and sterilizing sanitary installations.

• Polyether polyols

They are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, antifoam agents, and in the manufacture of lubricants and brake fluids. Their most important use is in the production 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 components (dashboard, steering wheel), and for car upholstery. Additionally, they are used for thermal insulation at low temperatures (refrigerators, cold storage rooms). Polyurethane foams are also used for making foam cores for sandwich panels.

• Propylene glycol

It is mainly used in the production of antifreeze, polyether polyols, antifoam agents, in the paint and varnish industry, as a solvent for the production of printing inks and laundry detergents, as a plasticizer to improve the processing capability of plastics, and in the cosmetic and pharmaceutical industries.



- **Oxo-alcohols**

They are used in the manufacture of plasticizers, synthetic lubricants, surfactants, and antifoaming agents, as a solvent for animal fats, vegetable and mineral oils, and as a wetting and dispersing agent for textiles.

- **Isobutanol and n-butanol**

They are used in the lacquer industry based on nitrocellulose and alkyd resins, as a solvent for the manufacture of artificial leather, an extraction agent for oils, pharmaceuticals, perfumes, raw material for the production of hormones, vitamins, and as a solvent for oven-dried lacquers based on urea and phenolic resins.

- **Ferric chloride**

It is used as a flocculant in the treatment of drinking and industrial water, in the treatment of metal surfaces, in the electronics industry for the manufacture of integrated circuits, in chemical polishing, and in the electroplating of stainless steels, as a pigment for decorating ceramic objects.

- **Calcium chloride**

It is used as a de-icing agent for road maintenance in winter, as a dust control agent on unpaved roads, in the extractive industry (dust control in mining, additive in drilling muds), for the transportation and storage of ores in winter, as a drying agent in refrigeration technology, and as an additive in the food industry.

- **Bleaching powder**

It is used in public hygiene as a deodorizing and disinfecting agent, for water chlorination, in the pulp and paper industry as a bleaching agent, and in the textile industry.

- **Monomethylamine**

It is used in organic syntheses to produce insecticides, solvents, pharmaceuticals, explosives, anionic detergents, emulsifiers, dyes, polymers and polymerization catalysts, vulcanization accelerators, and photographic substances.

- **Dimethylamine**

It is used in organic syntheses to produce emulsifiers, corrosion inhibitors, insecticides and fungicides, solvents, pharmaceuticals, ion exchangers, chemical fibers, polymers and polymerization catalysts, vulcanization accelerators, and photographic substances.

- **Trimethylamine**

It is used in organic syntheses for the production of quaternary ammonium salts, choline chloride, emulsifiers, insecticides, solvents, pharmaceuticals, ion exchangers, dyes, detergents, and photographic substances.

- **Isopropylamine**

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

In the year 2024, the company primarily produced and delivered three categories of products:

- **Polyols** – polyethers with a share of 45% of total sales;
- **Chlor-alkali**– products with a share of 36% of total sales, of which liquid and solid caustic soda accounted for 26% of total sales;
- **Oxo products** – alcohols with a share of 15% of total sales.

The production and sale activities of chemical products carried out at the two Chimcomplex sites generate solid and liquid waste, both hazardous and non-hazardous, which are classified according to the codes established by current European legislation.

In the table below, we present the total quantities of generated waste (non-hazardous and hazardous), the total amount and percentage of recovered waste, and the total amount and percentage of non-recycled waste (disposed).

	Rm. Vâlcea site	Onesti Site	Total
Total waste generated (tons)	70,227	1,525	71,752
Non-hazardous waste generated (tons)	63,172	1,525	64,697
Hazardous waste generated (tons)	7,055	0	7,055
Non-hazardous + hazardous recoverable waste (tons)	7,959	203	8,162
Non-hazardous + hazardous waste recovered (tons)	7,196	201	7,397
Waste recovery percentage: recovered/recoverable *100 (%)	90.4	98.8	90.6
Non-recycled waste (disposed) (tons)	39,896	1,321	39,896
Non-recycled waste (%)	56.81	86.62	55.6

Additionally, in the table below, we present both the total weight for which disposal was avoided, with a breakdown into hazardous waste and non-hazardous waste and a breakdown by types of recovery operations (preparation for reuse, recycling, and other recovery operations), as well as the weight intended for disposal according to the type of treatment (incineration, landfill, and other disposal operations) of the waste and the total amount summing all three types, with a breakdown into hazardous waste and non-hazardous waste.

Type of waste	Type of operation	Vâlcea site	Onesti site	Total
Recovered waste				
Hazardous waste	Preparation for reuse (tons)	0	0	0
	Recycling (tons)	0	0	0
	Other recovery operations (tons)	5,030	0	0
Non-hazardous waste	Preparation for reuse (tons)	0	0	0
	Recycling (tons)	115	0	115
	Other recovery operations (tons)	2,051	201	2,252
Total recovered waste (tons)		7,196	201	7,397
Disposed waste				
Hazardous waste	Incineration (tons)	-	-	-
	Landfill (tons)	1,130	0	1130
	Other disposal operations (tons)	-	-	-
Total hazardous waste intended for disposal (tons)		1,130	0	1,130
Non-hazardous waste	Incineration (tons)	-	-	-
	Landfill (tons)	38,766	1,321	40,087
	Other disposal operations (tons)	-	-	-
Recovered waste				
Total non-hazardous waste intended for disposal (t)		38,766	1,321	40,087
Total waste destined for disposal (t)		39,896	1,321	41,217



In the year 2024, we generated a total of 71,752 tons of waste across the two platforms, of which 8,162 tons were recoverable waste.

At Chimcomplex, we recovered through recycling, recovery, and the utilization of useful compounds 10.3% of the total waste generated throughout the year, which represents 90.6% of the total recoverable waste generated.

We manage waste according to the legislative hierarchy, focusing on preventing and reducing generated quantities, preparing for reuse, recycling, recovery through various methods, including energy recovery, and ultimately their disposal.

We have implemented a waste management system that allows for diversion from disposal through selective collection and recovery. Organic waste residues are recovered through incineration in our own facilities at Rm. Vâlcea, with steam recovery. Packaging waste, scrap iron, used tires, and waste electrical and electronic equipment are handed over to authorized economic operators for recovery. These measures contribute to avoiding waste disposal in landfills, thereby promoting sustainable waste management.

At each site, the generated waste is temporarily stored in specially designated areas, with hazardous waste separated from non-hazardous waste.

We keep records of waste in accordance with current legislation, and their transport for recovery or disposal is carried out by authorized operators, in compliance with Government Decision 1.061/2008, based on service contracts.

The waste resulting from technological processes on the two platforms is both non-hazardous and hazardous. Due to the nature of the technologies, we do not generate recyclable waste of our own, but we can utilize waste from outside the sites (used HCl, mill scales).

As mentioned, some of the non-hazardous waste is recoverable (old iron, paper, polyethylene, wooden packaging waste (pallets), metal packaging waste, galvanized sheet metal, stainless steel, aluminum, Monel, waste from decommissioned electrical and electronic equipment) and is collected and handed over to authorized operators.

Non-hazardous waste generated in the year 2024 was from the categories:

- Wooden packaging waste.
- Metal packaging waste.
- PE+PP packaging waste.
- Paper and cardboard packaging waste.
- Old iron/stainless steel waste.
- Galvanized sheet metal.
- Aluminum waste.
- Waste electrical and electronic equipment.
- Metallic mixture waste (Monel).
- Inorganic sludge from brine purification.
- Waste from lime slaking.
- Residues from lime calcination.
- Sludge from wastewater treatment.
- Soil and stones without hazardous substance content.
- Insulating material waste.
- Household waste.

Hazardous waste generated in the year 2024 was from the categories:

- Heavy oil residues from Oxo Alcohols distillation.
- Lead batteries and accumulators.
- Used oils.
- Used catalysts from the Oxo Alcohols Plant.
- Cake from polyols filtration.
- Dichloropropane residues.

Our company's approach to waste management follows the hierarchy established by legislation, namely:

- Prevention and reduction of waste quantities.
- Preparation of waste for reuse.
- Recycling of waste.
- Other recovery operations, such as energy recovery.
- Disposal of waste.

At each site level:

- The generated waste is temporarily stored in specially designated areas, with hazardous waste separated from non-hazardous waste.
- Waste management records are maintained in accordance with current legislation.
- Waste transportation for recovery/disposal is carried out by authorized operators, in compliance with Government Decision 1.061/2008, based on service contracts.

For the disposal of non-recoverable non-hazardous waste, we have an ecological landfill for solid non-hazardous waste on each platform, constructed and operated in accordance with current legal regulations regarding waste disposal. For the waste generated, for which we do not have recovery/disposal facilities, we have service contracts with authorized economic operators for the disposal/recovery of entrusted waste.

Waste diverted from disposal

A series of waste generated from the company's activities:

- Chlorinated organic residues.
- Packaging waste.
- Scrap iron waste.
- Used tires.
- Waste electrical and electronic equipment.

They are selectively collected and either incinerated in the incineration facilities with steam recovery at the Rm. Vâlcea site (chlorinated organic residues), or handed over for recovery to authorized economic operators, thus avoiding waste disposal in landfills through these actions.

Additionally, the Onești platform is authorized and collects waste of used hydrochloric acid from pickling and tunder crusts from metallurgical activities, which are recovered in the ferric chloride production facility

Waste directed for disposal

For non-recoverable waste and waste for which we do not have recycling/recovery solutions, such as inorganic sludge from brine filtration, sludge from wastewater treatment, cake from filtration of obtained products, etc., the company has a landfill for non-hazardous waste disposal on each of the two platforms. Additionally, for waste that cannot be disposed of at these landfills, we have contracts with authorized operators for the disposal of the generated waste.

Rm. Vâlcea site

For the year 2024, the overall target for packaging recovery placed on the market was achieved at 74.7%, compared to the threshold of 65% stipulated by GEO No. 196/2005 regarding the Environmental Fund, with subsequent amendments. The recovery and recycling of packaging waste is carried out through a contract with a specialized company that takes over this waste.

Onești site

In the year 2024, responsibility for managing packaging waste made of plastic, paper, cardboard, and wood was transferred to an authorized operator. This waste is generated from the commercialization of Chimcomplex products on the national market. The overall recovery target achieved for 2024 was 60.81%, according to declarations from the operator who took over the responsibility for managing this waste on behalf of Chimcomplex.

We fully meet our obligations regarding the recovery and recycling targets for packaging waste, in accordance with the provisions of Law 249/2015 on the management of packaging and packaging waste and GEO 196/2005 regarding the Environmental Fund, as updated.

5.1.7 Anticipated financial effects of impacts, risks, and opportunities related to resource use and circular economy

ESRS E5-6

The anticipated financial effects of risks and opportunities related to resource use and circular economy have not been evaluated or quantified in detail.





Social Information



ESRS S1

OWN WORKFORCE

6.1 Strategy and concepts related to own workforce

6.1.1 Interests and viewpoints of stakeholders

ESRS 2 SBM-2

In this report, when referring to the CRC group consisting of Chimcomplex SA Borzești, A5 Invest SRL, Logiserv SRL, Greencomplex, A6 IMPEX, Sistemplast, and CRC Worldtrade SRL, we use the term Chimcomplex.

At Chimcomplex, we pay particular attention to the interests, viewpoints, and rights of individuals within our own workforce, integrating these aspects into our strategy and business model. Employees are the most important asset at Chimcomplex for achieving our established objectives. A quality working environment and employee well-being are priorities, directly impacting employee performance.

To achieve our objectives, we have a specialized and well-trained workforce in our fields of activity. At Chimcomplex, employees enjoy a professional work environment, development opportunities, and fair working relationships. Their performance is objectively evaluated, and personal safety and security are priorities.

In addition, according to the Collective Labor Agreements at Chimcomplex SA Borzești, Sistemplast, and A5 INVEST SRL, social protection measures, bonuses, and other benefits are offered.

At Chimcomplex SA Borzești, we offer benefits according to the Collective Labor Agreement, which include working conditions, vacation days, monetary assistance, health and safety at work, professional training, private medical subscription, meal vouchers, and vacation vouchers.

Chimcomplex SA Borzești maintains an active dialogue with unions to ensure a **solid social balance** and to harmonize employee expectations with the company's capabilities. This dialogue is essential for promoting harmonious labor relations.

Chimcomplex is committed to respecting human rights, in accordance with the Universal Declaration of Human Rights and other international conventions. The company promotes a safe and healthy work environment, diversity and inclusion, and prohibits any form of discrimination or harassment.

These measures demonstrate Chimcomplex's commitment to integrating the respect for employee rights and human rights into its business strategy, thereby contributing to a sustainable and responsible business mode.

6.1.2 Significant impacts, risks, and opportunities and their interaction with the strategy and business model

ESRS 2 SBM-3

At Chimcomplex, we identify workplace health and safety risks in accordance with our internal procedure for risk identification and assessment, which is developed based on the methodology approved by the National Institute for Research and Development in Labour Protection (INCDPM) and the Ministry of Labour. The risk assessment is conducted by accredited evaluators who have completed a 180-hour accredited training course on risk assessment. Additionally, this process involves the occupational health physician, section and department heads, and worker representatives.

In the risk assessment process, we consider legal requirements, the working system, accidents, non-compliance incidents, employee suggestions, medical observations, as well as national and international best practices.

After assessing workplace risks and ranking the identified factors based on their risk level, we establish preventive and protective measures of a technical, organizational, hygienic-sanitary, and other nature necessary to ensure the safety and health of workers.

We review the risk factors for accidents and occupational illnesses in the following situations:

- Whenever there are changes or modifications regarding technology, work equipment, substances, or chemical preparations used in workplace arrangements.
- After an event occurs.
- Upon the discovery of omitted risks or the emergence of new risks.
- When the workstation is used by a worker belonging to groups sensitive to risks.
- When performing special work.

At Chimcomplex, we have identified and assessed workplace hazards based on risk assessment sheets and risk level calculations for each job position. We encourage all workers to report any potential situations that could cause an accident. Additionally, if situations arise that could endanger workplace safety and health, any worker in the respective section/department has the right to stop work and the obligation to immediately inform their superior.

Any individual or organization has the right to submit a request, complaint, notification, or suggestion to the company's management to inform about situations, conditions, or actions that could negatively affect the normal course of activities, the health and safety of employees and citizens, the local community, the environment, legal compliance, or to make accusations against a person, group of persons, or a specific subdivision within the company, or to express dissatisfaction or protest against a situation considered abusive or illegal.

To improve the health and safety management system, we conduct periodic inspections in all production units on both platforms. The purpose of these inspections is to identify any non-conformities and to implement appropriate corrective measures.

Due to the importance of this aspect both for us and our employees, and considering our objective set within the sustainability strategy, we consistently focus on identifying the best solutions to help us improve our health and safety performance. Annually, we conduct an assessment of our performance, following which we develop an action plan to be implemented, such as:

- Ensuring that all workers use personal protective equipment while performing activities on company premises and enforcing disciplinary action for non-compliance.
- Operating any machinery, equipment, or installations only according to the operating regulations, which include: work instructions, occupational health and safety instructions, emergency instructions, approved in accordance with legal provisions.
- Zero tolerance for the consumption of alcoholic beverages, narcotics, or hallucinogenic substances during work hours or arriving at work under their influence, as well as facilitating such actions.

- Zero tolerance for process modifications, conducting experiments on industrial installations, or workers using improvisations.
- Disciplinary action against both workers who violate occupational health and safety legislation and supervisors who tolerate these violations.

All work-related accidents occurring on the company's platforms must be reported to the Territorial Labor Inspectorate in accordance with Romanian legal provisions. For serious accidents, the Territorial Labor Inspectorate is responsible for the investigation as per the legislation. Additionally, to take immediate measures to prevent similar events, Chimcomplex initiates an internal investigation.

In the case of minor accidents or those resulting in temporary work stoppage, we establish an internal investigation committee to examine their cause and provide recommendations for improvement or correction.

During 2024, one work-related accident was recorded at Chimcomplex SA Borzești and one work-related accident at the Sistemplast workplace. No work-related accidents were recorded at the other companies in the group.

The real and potential effects on the workforce identified in the double materiality assessment are related to our business model and help adjust our strategy. In the process of identifying impacts, risks, and opportunities (IRO) related to our own workforce, we included both Chimcomplex sites and the value chain.

Impacts, risks, and opportunities are identified and assessed as part of the materiality analysis process through an internal workshop and consultation of other sources. The results are presented in the table below.



Impacts, risks, and opportunities are identified and assessed as part of the materiality analysis process through an internal workshop and consultation of other sources. The results are presented in the table below.

Subtopic	Impact description	Location in the value chain	Time Horizon	Strategic approach
Working conditions	Actual positive impact on employees due to optimal working conditions supported by the implementation of appropriate policies	Own operations	Short, medium and long term	At Chimcomplex, we have implemented appropriate policies related to working conditions: the Remuneration Policy, the Human Rights Policy, and the Collective Labor Agreement. Additionally, at Chimcomplex, we have implemented a series of measures to ensure safe working conditions and protect employee health (employee training, identification of workplace safety and health risks, preventive maintenance of equipment, safety systems in case of failure, occupational health and safety management system)
	Potential negative impact: The industry in which Chimcomplex operates carries a high risk for employees of being exposed to fires, accidents, or contact with hazardous substances. Additionally, if the measures adopted for working conditions, accidents, regulatory violations, and lack of transparency are not properly managed, a significant negative impact on the company's reputation can occur.	Own operations	Short, medium and long term	
	Potential negative impact that may occur if employee rights are not respected, in which case key employees might choose to leave the organization, leading to a decrease in Chimcomplex's ability to achieve its strategic objectives	Own operations	Short, medium and long term	
Equal opportunities and treatment for all	Actual positive impact through the adoption of internal policies ensures equal development opportunities and treatment for all employees.	Own operations	Short, medium and long term	
Other rights related to the work of own employees	Actual positive impact on Chimcomplex employees due to the periodic improvement of internal policies	Own operations	Short, medium and long term	

Subtopic	Description of risks/opportunities	Financial effect
Working conditions	Opportunity regarding the development of dedicated policies and the use of technologies to increase employee safety and satisfaction levels. Companies that prioritize workplace health and safety not only protect the well-being of their employees but also enhance their market position by attracting more business opportunities and strengthening their reputation.	Effect on financial performance Effect on cash flows
	Financial risk related to the costs of compliance with safety regulations and continuous employee training. Non-compliance with regulations or the use of unsafe practices can lead not only to legal penalties but also to a loss of market credibility	Effect on financial performance Effect on cash flows
Equal opportunities and treatment for all	Opportunity: By fostering diversity and inclusion, ensuring pay equity, and facilitating ongoing professional development opportunities, the company not only cultivates a harmonious and respectful work environment but also strengthens its competitive advantage in the market. This demonstrates a deep commitment to the core values of social responsibility and organizational sustainability	Effect on financial performance Effect on cash flows Effect on asset value
Other rights related to the work of own employees	Opportunity: By demonstrating its commitment to the well-being of its employees, Chimcomplex can significantly enhance its market reputation and increase employee retention.	Effect on financial performance Effect on cash flows Effect on asset value



6.1.3 Policies related to own workforce

ESRS S1-1

At Chimcomplex, we ensure a safe, competitive, and fair working environment, free from prejudice, where human rights are respected.

Any employee working at Chimcomplex benefits from working conditions appropriate to the activity performed, social protection, workplace safety and health, as well as respect for their dignity and conscience, without any discrimination.

We create conditions at Chimcomplex where employees feel a sense of belonging within the company and express their desire to contribute to its progress.

At Chimcomplex SA Borzești, we have adopted **policies** to manage material impacts, risks, and opportunities related to our own workforce, in accordance with the minimum reporting requirements established in MDRP within ESRs 2.

For the other companies in the group, workforce policies have not yet been adopted. Next year, **we plan to extend the policy applied at Chimcomplex SA Borzești to the entire group.**

These policies, described below, are designed to ensure a safe, fair, and inclusive working environment, while also protecting employee rights and promoting their professional development.

- **Human Resources Policy:** described below.
- **Diversity, Equality, and Inclusion Policy:** described below.
- **Internal Policy on the Prevention and Combating of Sexual and Moral Harassment:** described below.
- **Human Rights Policy:** described below.
- **Workplace Safety and Security Policy:** described below.
- **Sustainable Development Policy:** described below.

- **Internal Whistleblower Policy:** This policy is described within the ESRs G1-1 theme – Policies on Professional Conduct and Corporate Culture.
- **Remuneration Policy:** This policy is described within the ESRs2 GOV-3 theme – Integration of Sustainability-Related Performance into Incentive System.

Additionally, at Chimcomplex SA Borzești, the Collective Labor Agreement mentions aspects related to:

- **Working and rest time:** There are limitations on overtime, with specific conditions under which it can be performed, and provisions for rest periods.
- **Adequate wages:** For the work performed, based on the individual employment contract, each employee is entitled to a salary.
- **Social dialogue:** The contract encourages social dialogue, with provisions for the administration to consult the representative union on matters of professional, economic, and social interest.
- **Freedom of association/collective bargaining:** The contract recognizes freedom of opinion and association for employees, and the administration is obliged to remain neutral and impartial towards union members.
- **Work-life balance:** The contract provides for annual leave and other types of leave, ensuring that employees can balance work and personal life.

1. Human Resources Policy

The Human Resources Policy of Chimcomplex SA Borzești applies to all employees and addresses several aspects, including:

- **Recruitment and selection:** Focuses on adhering to the principles of equal opportunity and transparency. The recruitment and selection process concentrates on identifying the skills necessary for the role, evaluating them through various methods such as interviews and tests, as well as identifying the ideal candidate profile.

- **Training and professional development:** Continuous training is an integral part of Chimcomplex's organizational culture. Every employee understands the importance of constantly enriching their knowledge and skills. The Human Resources Department organizes professional and personal development courses according to an annual plan based on identified training needs. Through these initiatives, employees acquire and develop the knowledge necessary for achieving company objectives and personal progress.
- **Performance management:** Aims to motivate employees to support the achievement of organizational goals, improve results, and develop their skills. It is based on open dialogue between superiors and subordinates, using objective feedback to improve performance. Clear objectives and challenging activities contribute to employee development, and annual evaluations are used for training, promotion, and financial rewards.
- **Career development:** Focuses on ensuring the necessary execution and leadership personnel and providing advancement opportunities for employees with potential. The key principles are competence, competition, equal opportunity, professionalism, motivation, and transparency. The process targets motivating and retaining high-performing employees, with hierarchical superiors actively involved in identifying potential leaders and developing employee careers, supported by the Human Resources Department for their training.
- **Internal communication:** Includes all information transmission processes within the organization. It is based on transparency and honesty, aiming to facilitate the exchange of information and knowledge.
- **Equal opportunity:** Chimcomplex is committed to promoting and ensuring equal opportunities and treatment for all employees, without discrimination based on gender, sexual orientation, age, race, ethnicity, religion, political beliefs, disability, or any other personal characteristic. The company aims to eliminate any form of discrimination and ensure a work environment that supports the full exercise of fundamental human rights.
- **Job satisfaction:** Focuses on assessing employee satisfaction regarding working conditions, organizational climate, and the Human Resources Department's response to their requests. The objective is to identify measures to improve job satisfaction and balance professional and personal life, contributing to creating a positive and motivating work environment that supports employee well-being and achieving organizational goals.
- **Customer orientation:** The customer orientation section emphasizes Chimcomplex's commitment to promoting a customer-centric culture, prioritizing their needs through listening, understanding, and appropriate actions. The company encourages employees to empathize with customers, anticipate their desires, and actively improve their experience. The goal is to build lasting relationships with customers, focusing on long-term value, not just short-term transactions.





2. Diversity, Equality, and Inclusion Policy

The purpose of the Diversity, Equality, and Inclusion Policy of Chimcomplex SA Borzești is to promote a dignified and protective working environment that supports diversity and inclusion both within the company and in its relationships with business partners.

The principles of diversity, equality, and inclusion specified in our policy are:

- *Equal employment opportunities* – National legislation on equal opportunities is respected, without discrimination, and candidate selection is based solely on skills and professional experience.
- *Equal opportunities and treatment* – Fair treatment is ensured between women and men at all stages of the employment relationship, including recruitment, remuneration, benefits, and professional development programs.
- *Internal inclusion* – The company invests in employee development, providing training opportunities and effective communication channels to leverage the diversity and potential of each employee.
- *External inclusion* – The principles of diversity and inclusion are promoted in business relationships, encouraging partners to adopt best practices for the sustainable development of society

The policy is an integral part of the sustainability programs of Chimcomplex SA Borzești, aiming to raise awareness and manage diversity and inclusion for the sustainable development of the company and society.

3. Internal Policy on the Prevention and Combatting of Sexual and Moral Harassment

At Chimcomplex SA Borzești, we strive to provide both employees and business partners with a high-trust working environment, maintaining zero tolerance for any violation of legal provisions that could negatively affect the work environment, reputation, image, and credibility of the company.

Through this Internal Policy on the Prevention and Combatting of Sexual and Moral Harassment in the workplace, we aim to establish a clear and effective framework for preventing, identifying, and addressing cases of sexual and moral harassment within the organization.

The purpose of this Policy is to ensure a safe, respectful, and inclusive working environment for all employees, where each person is treated with dignity and respect, regardless of gender, sex, or any other personal characteristics.

The policy aims to:

- Establish a clear and effective framework for preventing, identifying, and addressing cases of harassment based on sex and moral harassment within the organization.
- Promote respect and equality: Ensure a work environment that fosters mutual respect and equal opportunities for all employees.
- Prevent harassment: Implement proactive measures to prevent all forms of harassment, including sexual and moral harassment.
- Identification and reporting: Establish clear procedures for identifying and reporting harassment cases, encouraging employees to report incidents without fear of retaliation.
- Investigation and resolution: Ensure fair, impartial, and confidential investigations of all harassment complaints and take appropriate measures for their resolution.
- Support and protection: Provide support and protection for employees affected by harassment, including counseling and measures to protect against retaliation.
- Education and awareness: Develop and implement education and awareness programs for all employees to better understand what constitutes harassment and how it can be effectively prevented and addressed.

This Policy reflects our commitment to maintaining a safe and professional working environment, where every employee feels valued and respected.

The implementation of this Policy is essential for ensuring a healthy and productive organizational climate. The scope of the policy extends to all aspects of work relationships and professional interactions within the company.

Additionally, the Internal Regulations (chapter 9) address issues related to the rules on respecting the principle of non-discrimination and eliminating any form of violation of dignity.

4. Human Rights Policy

At Chimcomplex SA Borzești, there is a **Human Rights Policy that applies to employees (including top management), suppliers, customers, and stakeholders**. This policy reflects our commitment to respecting human rights in accordance with national and international principles, aligned with Labor Law, the European Convention on Human Rights, the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations (UN) Global Compact, and the UN Guiding Principles on Business and Human Rights.

Respecting human rights is a priority for us, therefore we have integrated this policy into both our Sustainability Strategy and our Code of Ethics and Collective Labor Agreement.

The commitments of the Policy are:

- Promoting and protecting the rights and well-being of employees, communities, and society.
- Ensuring a safe and healthy working environment.
- Promoting diversity and inclusion and preventing discrimination or harassment.
- Respecting laws and the rule of law in all activities.

Regarding the **processes and mechanisms for monitoring compliance**, the policy is reviewed and updated to ensure adherence to international best practices. Grievance mechanisms are used to prevent and manage negative impacts on employees and communities.

Awareness and communication are essential for supporting our commitment to human rights. We are committed to making the Human Rights Policy public so that its content is known and respected by all stakeholders. Additionally, the importance of raising awareness and providing professional training in the field of human rights is emphasized. In this sense, we ensure the training of employees and communicate this policy to collaborators so that they can, in turn, train their own employees.

Grievance mechanisms provide a channel for identifying and resolving negative impacts on human rights, and the company is committed to addressing all complaints received, regardless of their nature.

5. Occupational Health and Safety Policy

The safety of employees in the workplace is a major concern for us. Through the **Occupational Health and Safety (OHS) Policy**, all workplace safety standards regarding employee safety are adhered to, in accordance with ISO 45001:2018.

This policy covers both our employees and subcontractors.

The OHS policy stipulates measures for preventing incidents, the occurrence of occupational diseases, and ensuring the proper functioning and conduct of activities according to established safety standards.

Our target for OHS 2025 is Zero accidents.

6. Sustainable Development Policy

Among the priority actions of the sustainable development strategy within Chimcomplex SA Borzești that refer to the own workforce are:

- Continuous training and professional development of employees to enhance their skills.

Internal policies are disseminated to department heads and communicated to their subordinate employees, who acknowledge receipt with a signature.

Through the annual report monitoring the established actions, the results obtained are analyzed against the set indicators, improvement proposals are made, and future actions are determined.

At Chimcomplex, we encourage employees to use communication channels to submit proposals or suggestions in this regard, either verbally or in writing.

The person at the highest level within Chimcomplex SA Borzești **responsible for implementing policies** related to the own workforce is the Deputy General Manager.

6.1.4 Processes for collaborating with own workers and worker representatives on impacts

ESRS S1-2

The purpose of performance management at Chimcomplex is to motivate employees to contribute to achieving objectives, improving performance, and developing skills. Productive employees are a valuable resource for the company, and their individual qualities contribute to the organization's success. Individual performance is directly correlated with organizational performance.

At Chimcomplex SA Borzești and affiliated companies (Sistemplast and A5 INVEST), Occupational Health and Safety Committees (CSSM) are established (in accordance with legal provisions) to ensure collaboration and employee involvement in developing and implementing decisions in the field of occupational health and safety, with the aim of improving working conditions, preventing workplace accidents, and preventing occupational illnesses.

The Occupational Health and Safety Committees meet quarterly to inspect workplaces. Irregularities, deficiencies, and deviations from occupational health and safety legislation are reported to the company management and the Representative Union through a report signed by all CSSM members.

Regarding significant, real, and potential impacts, both positive and/or negative, related to our own workforce, at Chimcomplex we encourage employee involvement in decisions or activities aimed at managing these impacts.



We are fully aware of the crucial importance of dialogue with unions to ensure a stable social balance within our organization.

The unions within Chimcomplex SA Borzești that were active in 2024 are:

- Chimistul Onești Union.
- Chimistul Oltchim Rm. Vâlcea Union.
- MENTCHIM Free Union affiliated with the Federation of Free Unions in Chemistry and Petrochemistry.

We recognize the fundamental role that this exchange of opinions plays in strengthening harmonious labor relations and achieving common objectives. The relationship between the unions and the company management is based on constructive dialogue, aimed at aligning employee expectations with the company's capabilities, while ensuring compliance with the stipulations of the Collective Labor Agreement, as well as consultation and negotiation within the joint committee.

This collaboration focuses on mitigation approaches and evaluating the effectiveness of impact mitigation.

The collective labor agreement is concluded under Article 110 of Law No. 367/2022 on social dialogue, between the Representatives of the Chimcomplex SA Borzești Administration and the Representatives of the Chimistul Oltchim Union, as the representative union at the Company level, for a period of 24 months (Onești and Rm. Vâlcea sites).

For Sistemplast employees, the collective labor agreement is concluded between the Representatives of the Sistemplast Administration and the representatives of the MENTCHIM Free Union, and for A5 INVEST SRL, the collective labor agreement is concluded between employee representatives and the Administrator.

The modification, suspension, or termination of the Collective Labor Agreement occurs only under the conditions expressly provided by law or by the agreement of the parties.

Information to employees is communicated through channels for communication and consultation/participation with employee representatives (Union). Communication channels are established both vertically and horizontally, and Chimcomplex considers the opinions and suggestions of all employees, being open to any proposals.

Financial resources allocated for collaboration with employees: The company provides the necessary material resources for the functioning of the Representative Union. Union representatives, called upon or delegated to various union actions within the country for one or more days, will be considered on delegation, and the related expenses (per diem, transport, accommodation) may be covered from the company's funds, in compliance with internal procedures regarding travel, accommodation, and per diem expenses. Participation of union members in meetings organized according to the statute, during working hours, with the Administration's approval, will not affect their salary rights for this period.

In the event that situations arise within the Company leading to a reduction in activity or reorganization of the production process, which would result in the termination of employment contracts, the Administration is obliged to inform the Union about these situations and to undertake the following measures together:

- Identify and utilize opportunities to reassign employees to other departments within the Company;
- Prioritize employees in such situations for retraining courses that align with the Company's future objectives.



At Chimcomplex, we promote diversity, equality, and inclusion throughout the value chain, with employees and management participating directly.

We understand and value diversity, providing equal opportunities to all individuals, as these differences can lead to positive outcomes, ensuring success at individual, team, and organizational levels.

Emphasis is placed on raising awareness among all employees and stakeholders about the principles of diversity and inclusion.

The General Manager represents the highest function and role at Chimcomplex SA Borzești, holding operational responsibility to ensure that this collaboration takes place.

6.1.5 Processes for remedying negative impacts and channels through which own workers can express their concerns

ESRS S1-3

Problem resolution is a crucial aspect of our activity. At Chimcomplex SA Borzești, we have implemented specific channels through which employees can directly express their concerns or needs. Additionally, we have an internal **Whistleblower Policy**, which is described in the ESRs G1-1 section on Corporate Culture and Policies regarding *Professional Conduct and Corporate Culture*.

Currently, for the other companies in the group, we do not have specific policies regarding whistleblower protection. For 2025, we aim to extend the existing Whistleblower Policy at Chimcomplex SA Borzești to cover all companies within the group.

Internal communication includes all the processes of information transmission within the organization. Transparency and honesty are the basic requirements of efficient and open internal communication, aimed at conveying and exchanging information and knowledge.

Communication channels are established both vertically and horizontally, and we take into account the opinions and suggestions of all employees, being open to any proposals.

In the event of **identifying significant negative impacts** on employees, caused directly or indirectly by the company's activities, we implement clear processes **to address and remedy these situations** in a prompt, fair, and efficient manner:

1. **Identification and assessment of negative impacts:** Through internal evaluations and feedback channels, we collect information about potential issues affecting employees.
2. **Employee consultation:** During social dialogue sessions and regular meetings, employees can voice concerns, and solutions are discussed and developed collaboratively.
3. **Adoption of remedial measures:** In the event of an identified impact, we implement appropriate corrective actions, such as:
 - Adjusting working conditions.
 - Financial support or assistance for affected employees.

- Disciplinary measures, if applicable, to prevent the recurrence of similar situations.

We apply a continuous process of evaluating and improving corrective measures, ensuring the involvement of stakeholders, including affected employees, in identifying solutions and monitoring their implementation.

To encourage transparency and open communication, we provide employees with multiple channels through which they can express concerns or grievances:

1. **Employee email address:** A channel where employees can report issues related to working conditions, discrimination, or other negative aspects.
2. **Regular feedback sessions:** Management teams organize active listening sessions to address employee concerns.
3. **Human Resources Department:** This department plays a central role in processing and resolving complaints, providing support to employees in managing reported issues.
4. **Union representatives:** We actively collaborate with union representatives to ensure that employee needs and concerns are appropriately expressed and addressed.

To ensure the effectiveness of remedial measures:

- We monitor the impact of implemented solutions through continuous feedback from employees.
- We periodically evaluate the remediation processes using performance indicators.
- We conduct internal audits to verify the compliance of corrective measures with ethical standards and best practices.





Our commitment to transparency and continuous improvement is reflected in the serious treatment of each concern, and the remedial processes are deeply integrated into the organizational culture.

To ensure the **effectiveness of processes and communication channels**, we have established the following measures:

- **Continuous monitoring:** All received complaints are recorded, analyzed, and resolved in accordance with internal policies.
- **Periodic reports:** The Human Resources Department prepares reports on the issues raised and the solutions implemented, which are discussed at the managerial level.
- **Internal audit:** Processes and channels are periodically evaluated to identify possible improvements.
- **Stakeholder involvement:** The company encourages users of these channels to provide feedback on their accessibility and effectiveness.

To ensure that employees are aware of and trust these structures and processes, Chimcomplex periodically conducts:

- **Information sessions** to ensure employees are familiar with the available mechanisms.

Chimcomplex has adopted strict policies regarding the protection of individuals who use these structures and processes.

- **Protecting whistleblowers** by anonymizing the identity of those who report issues through dedicated channels by the designated person.
- **Prohibiting any retaliation** against employees who express concerns, in accordance with national and international legislation.
- **Continuous training of leaders** and HR personnel to ensure the ethical and impartial management of employee concerns.

We recognize the importance of monitoring the Policy on the Prevention and Combatting of Sexual and Moral Harassment at the Workplace and will ensure its application.

The heads of departments, services, divisions, and those responsible for handling harassment cases will monitor and report to the company's management on the compliance with the application of the Guide's provisions by the end of the first quarter of each year for the previous year, including the number of recorded incidents and how they were resolved, as well as any recommendations made.

The management of Chimcomplex promotes the use of communication channels for submitting harassment complaints/reports and signaling situations of sexual and moral harassment at the workplace, under conditions of security and confidentiality.

To monitor the processes of sexual and moral harassment at the workplace, Chimcomplex opens email accounts dedicated to reporting harassment cases. These are managed by the secretary of the committee for receiving and resolving harassment cases.

6.1.6 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ESRS S1-4

Preventing significant impacts and mitigating risks is a current concern at Chimcomplex. In this regard, the company implements clear measures within its policies, ensuring responsible and efficient conduct of activities.

The Internal Regulations, as well as relevant policies for the own workforce, are updated to align with new legal regulations and union requirements in the CCM negotiation process. The Whistleblower Policy applies to all employees.

Additionally, a series of measures have been planned to efficiently manage the material impact, risks, and opportunities associated with the workforce, in accordance with ESRs 2 MDR-A.

OCCUPATIONAL HEALTH AND SAFETY

Chimcomplex takes **the following measures** regarding occupational health and safety to address **negative impacts and manage relevant risks**:

- **Ensuring a safe work environment:** The company is committed to providing safe and healthy working conditions for employees, contractors, and visitors, in compliance with relevant occupational health and safety regulations.
- **Equipment maintenance:** Ensuring and maintaining work facilities and equipment so they can be used safely and without risks.
- **Chemical management:** Minimizing risks in the use, handling, storage, and transportation of chemicals.
- **Training and supervision:** Providing adequate information, work instructions, training, and supervision to ensure the safety of all employees.
- **Communication and improvement:** Encouraging discussions between employees and management regarding occupational health and safety and proposing improvement measures through the Occupational Health and Safety Committee.
- **Risk assessment:** Identifying and assessing the risks of accidents and occupational illnesses specific to each workplace and establishing prevention and protection measures.



The measures also aim to achieve significant positive impacts, such as: a safer work environment, increased employee morale, and a positive organizational culture.

The employer takes the necessary steps to protect the safety and health of employees, including activities for the prevention of occupational risks, information and training, as well as implementing the organization of workplace safety and the necessary means for it, while adhering to the following general principles of prevention:

- Avoiding risks.
- Evaluating risks that cannot be avoided.
- Combating risks at their source.
- Adapting work to the individual, especially in terms of workplace design and the selection of equipment and methods for repetitive tasks, as well as minimizing health effects.
- Considering the evolution of technology.
- Replacing dangerous elements with non-dangerous or less dangerous ones.
- Planning prevention measures.
- Prioritizing collective protective measures over individual protective measures.
- Informing employees about appropriate instructions.

The company's internal prevention and protection service is responsible for implementing these measures, adhering to the principles of the ISO 45001:2018 occupational health and safety management system. Staff members are responsible for complying with these measures and instructions.

Chimcomplex has a **detailed prevention and protection plan** that is periodically updated, along with a dedicated program for managing workplace health and safety.

Additionally, the company implements an internal inspection program and a hazardous chemical management plan to minimize risks and impacts on employee health and safety.

To enhance employee protection, we have implemented a signaling system that provides clear information about risks and hazards, establishes prohibitions, marks emergency exits, and identifies first aid points and protective equipment.

Each employee is provided with appropriate protective equipment for their workplace, and all facilities are equipped with first aid kits and emergency showers. Furthermore, for employees working under special conditions, we offer protective nutrition and necessary hygiene materials.

Risk assessment takes into account legal requirements, work organization, accidents and non-compliance incidents, employee suggestions, medical observations, and best national and international practices. After identifying and ranking risks, prevention and protection measures are established, which may include technical, organizational, sanitary, and other measures to ensure a safe working environment.

The **review of risks of accidents** and occupational illnesses is conducted in the following cases:

- Changes in technology, equipment, or substances used in the workplace.
- Identification of previously unassessed risks or the emergence of new risks.
- Use of the workplace by employees from sensitive groups.
- Execution of special tasks.
- Following the occurrence of an incident.

Workplace hazards have been assessed based on risk assessment sheets and risk level calculations for each job position. We encourage all employees to report any situation that could lead to an accident. Additionally, every employee has the right to stop work in the case of obvious risks and must immediately inform their superior.

Any person or organization can submit requests, complaints, or notifications to the company's management regarding any situation that could affect health, safety, the environment, or legality during activities.

To improve health and safety management, we conduct periodic inspections in all production units to identify potential non-compliances and implement corrective measures. As part of our sustainability strategy, we continually focus on identifying the best solutions to improve performance in the field of health and safety.

We annually evaluate performance in the field of health and safety, and following this assessment, we establish corrective measures, including:

- Checking compliance with the use of personal protective equipment and applying penalties for non-use.
- Using equipment and installations only in accordance with legal regulations and safety instructions.
- Zero tolerance policy towards the consumption of alcohol, narcotics, or hallucinogens at the workplace and unauthorized changes to industrial processes.
- Disciplinary action against employees who violate health and safety legislation or supervisors who tolerate such violations.

Within Chimcomplex SA Borzești, the organization of prevention and protection activities is ensured by the employer through the establishment of an Internal Prevention and Protection Service. The prevention and protection activities conducted within the company, in accordance with legal provisions (updated HG 1425/2006), are as follows:

- Identification of hazards and risk assessment for each aspect of the work system, including employees, work tasks, work equipment, and the work environment at each location or workstation.
- Preparation and updating of the prevention and protection plan for each workplace.
- Development of specific health and safety instructions, taking into account the specifics of each activity and workplace.
- Verification of the level of knowledge and implementation of the measures included in the prevention and protection plan by all employees, as well as their duties and responsibilities regarding health and safety at work, as specified in the job description.
- Development of training topics, determining the appropriate frequency for each job, ensuring the information and training of workers in the field of health and safety at work, and verifying their understanding and application of the information received.
- Creation of a training and testing program at the company level.
- Preparation of reports on occupational accidents suffered by workers.
- Monitoring the implementation of measures established by labor inspectors during control visits and in investigating events





Employee training in the field of health and safety at work

An essential measure in the field of occupational health and safety is the continuous training of employees, aimed at helping them identify occupational risks, implement accident prevention practices, and promote a safe and healthy work environment. All our employees receive occupational health and safety training in accordance with the Annual Training Plan.

The employee training process is comprehensive and covers all categories of personnel within the company. It is not limited to our permanent employees but also extends to new employees, delegates, interns, students, and pupils. We also ensure training for temporary or subcontracted staff. We organize specialized training sessions tailored for personnel who issue and approve work permits, as well as for rescue teams operating on the two platform.

These sessions provide workers with the information and skills necessary to fulfill their responsibilities efficiently and safely. In preparation for potential emergency situations, we conduct planned exercises that include practical simulations of scenarios such as fires and other crises. Through this proactive approach, we ensure that we are ready to respond quickly and effectively to any emergency that may arise.

Additionally, we provide extra training in cases where employees change their workplace or have been absent for more than 30 days, when new work equipment is introduced or modifications are made to existing equipment, when new technology is introduced or existing ones are modified, or following the occurrence of events related to occupational health and safety (work accidents, incidents).

The evaluation of employee training can be conducted through: written tests, interviews with the participants, or practical demonstrations. During the year 2024, at Chimcomplex, the following were conducted:

- 2,136 hours of introductory general training for new employees.
- 1,382 hours of occupational health and safety training for on-site service providers, pupils, and student interns.
- 43,968 hours of periodic occupational health and safety training (SSM) for company employees

45 employees from the two sites are trained and instructed monthly for intervention and rescue situations in accordance with applicable legislation for units operating in toxic/explosive/flammable environments.

Training and development of employee skills

We continuously invest **in the training and professional development of our employees**, aiming to improve their skills and offer diverse career opportunities. This effort includes:

- On-the-job training programs and specialized courses.
- Collaborations with academic institutions for continuous learning programs.
- Periodic evaluations and the development of personalized development plans for each employee.

Diversity and Equal Opportunities

Chimcomplex emphasizes promoting a fair, respectful, and inclusive work environment that supports the personal and professional development of all employees, regardless of their personal characteristics.

The diversity, equality, and inclusion policy of Chimcomplex SA Borzești is one of the priorities in implementing sustainability programs. It continuously supports awareness of diversity, equality, and inclusion, enhances professional training, ensures a dignified and protective work environment for employees, upholds the right to family life and gender equality, and encompasses all aspects derived from the vision and mission applied at Chimcomplex.

To fulfill this commitment, we undertake the following **internal actions**:

- **Promoting diversity in recruitment and selection** - Implementing recruitment policies that ensure equal access to employment opportunities, based on skills and without discrimination.
- **Developing and promoting equal opportunities** - Creating an environment where all employees have the same chances for professional development through mentoring programs and other support initiatives.
- **Cultivating a culture of respect and inclusion** - Organizing training programs to encourage mutual respect and understanding among employees, ensuring everyone feels valued and included.
- **Evaluating and eliminating disparities** - Periodically assessing internal policies and practices to identify and correct any inequalities related to diversity.
- **Monitoring and reporting performance** - Establishing performance indicators and monitoring progress to ensure diversity and equality objectives are met, with transparent reporting and openness to feedback

All these measures are essential for building an inclusive and equitable work environment, and the commitment to diversity and inclusion is fundamental in this process. Chimcomplex has implemented a series of significant actions to support and improve the working conditions of its employees, considering the economic impact generated by rising prices.

Regarding adequate salaries, at the beginning of 2024, a new Collective Labor Agreement was negotiated for Chimcomplex SA Borzești, six months earlier than the old agreement (June 2024), to assist employees whose incomes have been affected by price increases across the economy.

The salary package for the period 2024 - 2026 is adapted to the new fiscal policies in Romania.

In the new Collective Labor Agreement of Chimcomplex SA Borzești and A5 Invest SRL, bonuses, benefits, and cumulative rewards have been established as follows:

- General increase of all base salaries by 10% in 2024.
- For the year 2025, an increase equal to 125% of the inflation rate for 2024 will be granted.
- Increase in the value of the March 8th Bonus for women.
- Increase in the value of the June 1st Bonus for employees' minor children.
- Increase in the value of Meal Vouchers starting January 2024.

- Private Medical Subscription: All employees receive a private medical subscription that covers high-quality medical services. This subscription includes a set of over 300 laboratory tests, consultations with general practitioners and specialists, including medical imaging services (ultrasounds, MRI, CT, etc.).
- Increase in the value provided for vacation/transport vouchers.
- ESOP Share Package Bonus - this program has been adopted by the company since 2022.

In the Sistemplast Employment Contract, the following bonuses and incentives have been established:

- Increase in the value of Meal Vouchers starting January 2024.
- Granting of bonuses for Easter, Chemist's Day, March 8th, and Christmas.
- Providing a fixed transportation allowance.
- Providing a vacation bonus

Workers play a decisive role in achieving quality, but it's not just the benefits provided to motivate employees that are important. The role of workers in achieving quality is influenced by motivation, skill level, the condition of production equipment, the effectiveness of managerial actions, etc.

We invest in equipment, new production lines, modernizations, and facility upgrades, as well as environmental investments, etc.

At Chimcomplex SA Borzești, we have planned an accelerated dynamic for the next two years, with an ambitious series of investments supported by programs funded by European funds and the National Recovery and Resilience Plan (PNRR). The company's strategy focuses on concrete objectives, including decarbonization, harnessing hydrogen energy, developing renewable green energy, and diversifying production.



6.2 Metrics and Targets

6.2.1 Targets related to managing significant impacts, promoting positive impacts, and managing significant risks and opportunities

ESRS S1-5

The adoption of specific targets related to our own employees has not yet been carried out within an internal process based on materiality, as 2024 is the first year in which Chimcomplex (group) reports according to ESRs standards.

However, at Chimcomplex SA Borzești, annual, measurable, time-bound, results-oriented targets are set to achieve the objectives of policies related to our workforce, and they are presented in the table below, being monitored annually.



Objective	Indicator	Target	Status as of 31.12.2024
Ensuring the participation of women in leadership positions	The proportion of women in leadership positions	Minim 25%	37.5%
Promotion of development-oriented policies	The proportion of non-employed workers per total number of workers	0%	0%
Protecting labor rights and ensuring safe working environments	Work accident rate per 1 million hours worked	0	0.2893
Ensuring the work environment and monitoring for the purpose of preventing occupational illnesses and work accidents	Number of fatalities resulting from work accidents and accidents resulting in medical leave	0	1 on sick leave
Ensuring Universal Health through: Providing access to essential quality health services; Facilitating access to essential, safe, effective, quality, and affordable medicines and vaccines for all employees and their family	Percentage of employee coverage in terms of medical services	100%	100 %
Continuous training and professional development of employees to enhance their skills	Number of external training hours / per employee	min. 8	15.6

These established targets are absolute, fixed objectives, independent of other factors or external conditions.

The significant methodologies and assumptions used to define the targets are related to Chimcomplex's policies and objectives regarding diversity and equal opportunities, professional training and development, and operating in a safe and adequate work environment.

Stakeholders were involved in setting the targets.

6.2.2 Characteristics of the company's employees

ESRS S1-6

We operate in a challenging environment when it comes to identifying qualified personnel, making employee retention essential. Therefore, we aim to recruit colleagues with expertise that can contribute to the organization's dynamics or who can be trained to ensure long-term sustainability. To continuously develop and find optimal solutions for staffing needs, we annually evaluate our performance in recruitment and retention, identifying areas for improvement to remain competitive and attractive as an employer in the labor market.

The total number of employees for Chimcomplex (group), expressed as the average number of people and broken down by gender, is presented in the table below:

Sex	Number of employees
Women	533
Men	1301
Other	-
Not reported	-
Total	1834





The number of employees by type of contract, broken down by gender (number of employees or FTE) for Chimcomplex is presented in the table below.

2024				
FEMININE	MASCULINE	OTHER*	UNDECLARED	TOTAL**
Number of employees (number of people)				
533	1301	0	0	1834
Number of permanent employees (number of people)				
612	958	0	0	1570
Number of temporary employees (number of people)				
83	187	0	0	270
Number of employees with non-guaranteed working hours (number of people / FTE)				
0	0	0	0	0
Number of full-time employees (number of people)				
680	1131			1811
Number of part-time employees (number of people)				
15	8			23

Out of the total 1,834 active individual employment contracts in 2024, 23 are part-time contracts, and 1,811 are full-time. Full-time is considered 40 hours per week, while part-time is considered any work time less than 8 hours per day/40 hours per week.

In Chimcomplex, employees work based on individual employment contracts, with over 82% being indefinite-term contracts, and over 99% are full-time employees, thus providing greater confidence to employees in their future within the Chimcomplex team

The total number of employees who left the group during the reporting period is 309, with a staff turnover rate of **16.85%**

employee turnover = (The total number of people who left the company in the year 2024)/(The average number of employees in the year 2024) x 100

The average number of employees for Chimcomplex (group) in the year 2024, calculated as the average of the monthly employee numbers on the last day of the month, is **1834**.

The figures/data are reported at the end of the reporting period, as an average of the monthly workforce, throughout the reporting period.

6.2.3 Characteristics of workers who are not employees within the company's own workforce

ESRS S1-7

The total number of non-employees in our workforce is 0 for the reporting period, meaning no seconded workers or volunteers were employed.

6.2.4 Diversity indicators

ESRS S1-9

We are firmly committed to promoting diversity and equal opportunities through our Diversity, Equality, and Inclusion Policy, creating an inclusive and respectful work environment. We implement recruitment policies based on skills and abilities, without discrimination, and actively seek candidates from diverse backgrounds. We offer equal opportunities for professional development to all employees, regardless of personal characteristics, through mentoring and development programs. We cultivate respect and inclusion through training programs and periodically assess our practices to eliminate inequalities. We monitor progress with performance indicators and report transparently, being open to feedback for continuous improvement.

The gender distribution at Chimcomplex SA Borzești, both as a number and as a percentage at the management level (department heads), is presented in the table below.

Age	Number of women	Percentage	Number of men	Percent	Total percentage of women
<30 years	0	0%	0	0%	37.5
30 - 50 years	3	25%	5	25%	
>50 years	9	75%	15	75%	
Total	12	100%	20	100%	

The gender distribution within the group, both as a number and as a percentage at the management level (department heads), is presented in the table below.

Age	Number of women	Percentage	Number of men	Percent	Total percentage of women
<30 years	0	0%	0	0%	33,33%
30 - 50 years	6	33,33%	9	25%	
>50 years	12	66,66%	27	75%	
Total	18	100%	36	100%	

The distribution of employees in Chimcomplex (group) by age group is presented in the table below.

Age	Number of women	Percentage	Number of men	Percent	Total percentage of women
<30 years	8	1,5%	50	3,8%	29,06%
30 - 50 years	210	39,4%	372	28,6%	
>50 years	315	59,1%	879	67,6%	
Total	533	100%	1301	100%	

We mention that within Chimcomplex, we do not have employees under 18 years old.

6.2.5 Persons with disabilities

ESRS S1-12

We recognize and respect the rights of persons with disabilities. The Internal Regulations cover aspects related to employees with disabilities. The employer will not reject the employment or, if applicable, the retention of persons with disabilities if they are capable of performing the job tasks associated with the positions.

The minimum annual leave is 23 working days for all companies within the group. The exact duration of this leave is determined by the relevant Collective Labor Agreement (Chimcomplex SA Borzești, Sistemplast, A5 Invest). Employees with disabilities are entitled to an additional 3 days of annual leave.

At Chimcomplex SA Borzești, there are 10 employees with disabilities, of which 2 are women and 8 are men. The percentage of employees with disabilities is 0.63%, with 0.12% being women and 0.50% being men.

The percentage of employees with disabilities at Chimcomplex SA Borzești

FEMININ	MASCULINE	OTHER*	UNDECLARED	TOTAL
0.12%	0.50%	-	-	0.63%

Percentage of employees with disabilities at Chimcomplex = (Percentage of employees with disabilities at Chimcomplexnul 2024) / (The average number of employees in the year 2024) x 100

The other companies in the group do not have employees with disabilities.

6.3 Fair and safe working conditions

6.3.1 Coverage of collective bargaining and social dialogue

ESRS S1-8

The working conditions of employees are determined by the collective labor agreement (for Chimcomplex SA Borzești, Sistemplast, A5 Invest). Employees also benefit from social protection measures, bonuses, and other benefits established through the Collective Labor Agreement.

In the year 2024, all provisions of the Collective Labor Agreement were fully respected. All employees benefited from adequate working conditions, vacation days, financial support, health and safety measures at work, professional training opportunities, meal vouchers and holiday vouchers, and private medical subscriptions, as stipulated in the contract.

Chimcomplex (group)

The percentage of its total employees who are subject to collective labor agreements

99.8%

The overall percentage of employees covered by worker representatives is 99.8%, due to the collective labor agreement (CCM).

6.3.2 Adequate wages

ESRS S1-10

The salaries of employees at Chimcomplex SA Borzești, Sistemplast, and A5 INVEST SRL are uniformly regulated by the Collective Labor Agreement (CLA), respecting the current legislation regarding minimum wage, individual and employer social contributions, and taxes. The other companies in the group, not having a Collective Labor Agreement, comply with the current labor code legislation.

The minimum wage level for all companies in the group exceeds the mandatory level stipulated by applicable legislation and is adapted to the new fiscal policies in Romania. When determining salary levels, Chimcomplex considers the cost of meeting the basic needs of employees and their families.

6.3.3 Social protection

ESRS S1-11

Employees of Chimcomplex SA Borzești, Sistemplast, and A5 INVEST SRL benefit from social protection through the Collective Labor Agreement.

This provides job security and ensures support in the event of major life events or illness.

For the other companies in the group, social protection is provided in accordance with current legislation, namely the Labor Code (Law no. 53/2003).

Our employees are covered by social protection against income loss due to major life events through state-governed national programs, such as those for illness, unemployment, work accidents, disability, maternity leave, and pensions.

The applicable legislation governing medical leave is the Government Emergency Ordinance no. 158/2005 on medical leave and health insurance benefits;

6.3.4 Remuneration indicators (pay gap and total remuneration)

ESRS S1-16

At Chimcomplex SA Borzești, the pay gap between women and men, defined as the difference between the average levels of remuneration for female and male employees, is -17.75%.

The ratio between the total annual remuneration for the highest-paid employee and the median total annual remuneration for all employees is 10.47.

At A5 Invest, the pay gap between women and men, defined as the difference between the average levels of remuneration for female and male employees, is -7.084%

The ratio between the total annual remuneration for the highest-paid employee and the median total annual remuneration for all employees is 0.81.

At Logiserv, the pay gap between women and men, defined as the difference between the average levels of remuneration for female and male employees, is -38.9%.

The ratio between the total annual remuneration for the highest-paid employee and the median total annual remuneration for all employees is 1.6.

4 calculated in accordance with ESRS S1 AR100

5 calculated in accordance with ESRS S1 AR101 (c)

6 calculated in accordance with ESRS S1 AR100

7 calculated in accordance with ESRS S1 AR101 (c)

6.4 Protection of human rights

6.4.1 Incidents, complaints, and issues and serious incidents regarding human rights

ESRS S1-17

We are committed to providing a safe and healthy work environment for all our employees, encouraging diversity and inclusion within the organization, and implementing concrete measures to prevent any form of discrimination or harassment.

In 2024, at the group level, there were no reported incidents of discrimination or harassment among company employees, and no employee complaints regarding occupational health and safety were registered.

Additionally, there were no incidents or complaints related to labor or significant impacts on human rights (e.g., forced labor, human trafficking, or child labor) within our workforce. The company has not received fines, sanctions, or significant compensations related to human rights or its own workforce.

Furthermore, we did not record any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises during the reporting period.

6.5 Employee well-being and development measures

6.5.1 Health and safety indicators

ESRS S1-14

Considering the obligation to apply and adhere to legal provisions in the field of occupational safety and health, we are committed to establishing and implementing technical, organizational, hygienic-sanitary, and other types of measures to ensure that activities are conducted safely and without risks for all employees.

Health and safety indicators:	Chimcomplex	SISTEMPLAST	LOGISERV	A5 INVEST
Number of fatalities resulting from work-related injuries and work-related illnesses	0	0	0	0
Work accident rate	0.2893	0.1049	0	0
Number of cases of work-related illnesses	0	0	0	0
Number of lost days	108	82	0	0

6.5.2 Work-life balance

ESRS S1-15

We believe that balancing professional and personal life plays an important role in the well-being and development of employees. All employees are entitled to leave for family reasons or other justified reasons as mentioned in the Collective Labor Agreement and applicable legislation.

Parental rights are respected at Chimcomplex, with both women and men being encouraged to take advantage of their right to parental leave for child-rearing and care, as well as paternity leave.

The Safety and Health Policy at Chimcomplex SA Borzești ensures and maintains a safe working environment for all employees and visitors, and it prevents potential work accidents or illnesses through existing measures.

Our objective is to provide the safest possible environment for employees in accordance with the relevant regulations in our field of activity. Employees' equipment is specific to each activity they perform, and each facility is equipped with first aid kits and emergency showers.

To enhance the protection of our employees, we have implemented a health and safety signaling system. This system provides information about risks and hazards, establishes prohibitions, marks emergency exits, and identifies first aid points and protective equipment.

To optimize the health and safety management system, we conduct periodic inspections in all production units across the two platforms. These inspections aim to identify non-compliances and implement appropriate corrective measures.

All work accidents occurring on the company's platforms must be reported to the Territorial Labor Inspectorate, in accordance with Romanian legislation. In the case of minor accidents or those causing only a temporary interruption of activity, we form an internal investigation committee that examines the causes and makes recommendations for improvements or corrections. For serious accidents, the investigation is managed by the Territorial Labor Inspectorate. In the case of particularly serious accidents, we initiate an internal investigation to take immediate action and prevent similar events in the future.

The safety of our personnel is paramount, and we hope to maintain the number of accidents at zero in the coming years, at the group level.

The percentage of employees with disabilities at Chimcomplex SA Borzești.

In 2024, at the group level, 5 employees requested and received parental leave for child-rearing and care (2 women and 3 men). Additionally, 7 employees returned to work after completing their parental leave and are still employed.

We received one request from an employee for paternity leave (1 man) and one request for caregiver leave (1 woman).

In addition to legally mandated days off, Chimcomplex S.A. Borzești and A5 Invest provide 5 paid days off for the birth of a child, allowing employees to be with their families during the initial days of the newborn's life.

2024			
	FEMININE	MASCULINE	TOTAL
Total number of employees	533	1301	1834
Employees entitled to receive leave for family reasons	533	1301	1834
Employees who have taken maternity, paternity, or parental leave	2	3	5
Employees who have taken caregiver leave	1	0	1
Percentage of employees entitled to receive leave for family reasons	100%	100%	100%
% of employees who have taken leave for family reasons	0.2%	0.09%	0.12%
% of employees who have taken maternity, paternity, or parental leave	0.4%	0.27%	0.31%
% of employees who have taken caregiver leave	0.06%	0%	0.06%

6.5.3 Training and skills development indicators

ESRS S1-13

The development of personal and professional skills of our employees is a priority for the organization. To enhance the level of professional competence, activities such as organizing and planning internal and external training courses, and participating in symposiums, conferences, and congresses have been conducted.

At Chimcomplex SA Borzești, we apply the Professional Performance Evaluation Regulation, an internal document that describes the organization and conduct of the employee performance evaluation process based on predefined evaluation criteria, in accordance with current labor legislation, the Internal Regulations, and applicable employment contracts at the company level.

The provisions of the regulation apply to all departments and categories of personnel, except for employees who are in a probation period or are executing an adaptation or internship contract. The professional performance evaluation of employees is conducted in January each year for the previous year.

Through the periodic evaluation of professional performance, we also aim to achieve career development objectives, such as: providing supporting information for career and succession planning, providing supporting information for reward programs, identifying training, educational, and professional development needs, professional reorientation of employees based on their knowledge, skills, and professional aptitudes, and providing supporting decision information in the case of collective dismissals and in resolving promotion-related disputes.





AFFECTED COMMUNITIES



ESRS S3

AFFECTED COMMUNITIES

7.1 Strategy and concepts related to affected communities

7.1.1 Interests and views of stakeholders

ESRS 2 SBM 2

We operate with integrity and openness, ensuring that our actions demonstrate a commitment to ethics and responsibility. We take responsibility for our social impact, manage resources efficiently and support the communities in which we operate. We believe in the importance of collaboration, working closely with stakeholders to achieve common goals and promote sustainable development.

Our engagement with local communities and all stakeholders is based on collaboration, transparency and mutual respect. We carry out a variety of activities to ensure that we understand and respond to the needs and concerns of the communities we serve. By maintaining an ongoing dialogue, we strive to be responsive and supportive.



Impact

Sub-topic	Impact description	Location in the value chain	Time horizon	Strategic approach
Communities civil and political rights	Actual positive impact through Community engagement and transparency. Chimcomplex conducts stakeholder consultation processes, ensuring the right to freedom of expression, freedom of assembly, and respect for the rights of human rights defenders through grievance and complaint mechanisms. These rights are also guaranteed for stakeholders across the value chain.	Upstream, Own Operations, Downstream	Short term, medium term, and long term	We consult communities during the approval process for new investments or operational changes. We comply with legal provisions. We have implemented grievance mechanism
	Potential Negative Impact if both Chimcomplex and its value chain fail to consider civil and political rights of the local communities in which they operate, including their rights to freedom of expression, peaceful assembly, or fair participation in decision-making processes. This could lead to increased community discomfort, social unrest, and conflicts.	Upstream, Own Operations, Downstream	Short term, medium term, and long term	

Risks/Opportunities

Subtopic	Risks/Opportunities Description	Financial effects
Communities civil and political rights	Opportunity: Chimcomplex's alignment with civil rights organizations and the respect for these rights can open new markets, strengthen customer loyalty, and attract socially responsible investors.	Effect on Financial Performance Effect on Cash Flows Effect on Asset Value
	Risk: Financial risk if civil and political rights are not respected, especially through public consultations. There is a risk of increased administrative costs due to regulatory oversight and delays in obtaining permits and authorizations, or a risk associated with supply disruptions or reputation loss from upstream production.	Effect on Financial Performance Effect on Cash Flows

As communities could be significantly affected by our activities, we perceive them as a key group of affected stakeholders. Therefore, their interests, opinions and rights have a significant impact on our business model, making our strategy adapt and continuously follow the demands of the community. We adapt our strategy and business model based on material impacts, such as information-related impacts and other customer concerns, having comprehensive policies and procedures that aim to protect and meet the needs of the community, which include privacy, freedom of expression and access to quality information.

7.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM 3 IRO 1

At Chimcomplex we are deeply committed to having a positive impact in the communities in which we operate. Our community engagement and social impact initiatives are designed to foster strong relationships with local communities, support educational institutions and create meaningful employment opportunities.

By actively engaging with communities, we not only contribute to their well-being, but also ensure that our operations align with their needs and aspirations. In the tables below we present the actual and potential impacts on the communities involved, as well as the opportunities we identified in the dual materiality analysis.

Communities that may be affected by Chimcomplex's operations are those located along the value chain, both upstream and downstream.

Upstream, these include localities near the brine transport routes, which represent the main raw material for production, coming from the Tg. Ocna salt mines (for the Onești site, 22 km away) and the Ocnele Mari salt mines (for the Râmnicu Vâlcea site, 8 km away). These communities may be exposed to risks related to brine transportation, such as potential incidents or leaks that could affect the surrounding environment.

At Chimcomplex, we continuously monitor the state of transportation infrastructure to prevent any incidents, and in the case of an unforeseen event, we implement rapid remediation measures with minimal impact on the environment and residents.

Additionally, operations related to the procurement of raw materials and goods, as well as the delivery of products, may affect communities upstream and downstream of Chimcomplex. However, for these operations, we use transport companies authorized in the chemicals field, and raw materials and products are properly packaged and labeled in specific containers made of materials resistant to the action of the products, suitable for their state (solid, liquid, pressurized gas, liquefied gas), equipped with tight-sealing elements to ensure safe transportation to the destination.

All packaged chemical products are individually and collectively labeled in accordance with applicable legislation, with product labels. If the product is hazardous for transportation, in accordance with ADR/RID regulations, each individual and collective package will be labeled with transport hazard labels.

At Chimcomplex, for all investments, we consider contributing to sustainability and complying with regulations (to reduce pollution, noise, and emissions) by employing people from nearby communities. We have not identified any negative impacts on the affected communities.

Regarding **significant positive impacts**, Chimcomplex is committed to supporting the economic and social development of the communities where we operate. Creating meaningful employment opportunities is a key aspect of our social impact strategy. We contribute to the economic development of our communities through job creation initiatives. By focusing on local hiring and skills training, we aim to empower community members and promote sustainable growth in the regions where we operate.

Local Employment Practices: We prioritize hiring from the local community whenever possible. Our recruitment efforts are focused on attracting talent from the areas where we operate, supporting local economies, and reducing unemployment. By emphasizing local hiring, we ensure that the benefits of our business extend directly to the communities that support us.

Skills Training Programs: We offer skills training programs to prepare community members for employment opportunities within our company and in the broader job market. These programs cover a range of technical and soft skills, ensuring that participants are well-equipped for their careers. Our commitment to skills development reflects our belief in the potential of our community members and our desire to support their long-term success.

7.1.3 Policies related to affected communities

ESRS S3-1

At Chimcomplex, we have adopted policies to manage the material impacts, risks, and opportunities related to affected communities, in line with the minimum reporting requirements set out in the MDRP under ESRS 2.

Through the Human Rights Policy, we ensure the active involvement of stakeholders. We develop, adopt, and implement social responsibility programs through participatory processes, collaborating with social partners and other stakeholders. We are committed to promoting a constructive dialogue with local communities that may be affected by our operations. Grievance mechanisms are essential for preventing and managing negative impacts on these communities. Thus, we aim to address and resolve all complaints received, regardless of their nature or whether the complainant is identified or anonymous.

This policy reflects our commitment to respecting human rights in accordance with national and international human rights principles, consistent with Labor Law, the European Convention on Human Rights, the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations (UN) Global Compact, and the UN Guiding Principles on Business and Human Rights.

In line with the Sustainable Development Policy, a priority action for Chimcomplex is our active contribution to the local community's well-being.





Community Consultations: We regularly organize consultations with community members to gather feedback and understand their priorities. These consultations include focus groups and surveys, allowing us to hear directly from residents and stakeholders. Through these interactive sessions, we can identify specific areas where our support is most needed and adapt our initiatives accordingly. The insights gained from these consultations are crucial in shaping our community programs and ensuring they have a meaningful impact. In 2024, as part of the Integrated Environmental Permit review process in Rm. Vâlcea, public consultations were held, including a public debate on the documentation.

Open Communication Channels: We maintain open communication lines with community members through dedicated contact points, such as community liaison officers and online platforms. This ensures that residents can easily address questions, concerns, or suggestions. By offering multiple communication channels, we make it convenient for community members to interact with us. Our community liaison officers are trained to handle inquiries and facilitate discussions, fostering a sense of trust and collaboration. Additionally, our online platforms provide an ongoing engagement space where updates and information about our activities can be regularly shared.

During the reporting period, there were no recorded incidents of human rights violations within Chimcomplex operations.

As part of our supplier sustainability assessment process, we found that 82% of the suppliers who responded to our questionnaires have a policy regarding labor conditions and human rights.

7.1.4 Processes for engaging with affected communities about impacts

ESRS S3-2

Our engagement with local communities is built on principles of collaboration, transparency, and mutual respect. We organize various activities to ensure that we understand and address the needs and concerns of the communities we serve. By maintaining constant dialogue, we are committed to being responsive and supportive.

We organize regular consultations with community members to gather feedback and understand their priorities. These consultations include focus groups and surveys, providing us with the opportunity to hear directly from residents and stakeholders. Through these interactive sessions, we are able to identify areas where our support is most needed and adjust our initiatives accordingly. The insights gained from these consultations are essential in shaping our community programs and ensuring they have a meaningful impact.

We maintain open communication with community members through specialized contact points, such as community representatives and online platforms. This allows residents to easily ask questions, express concerns, or offer suggestions. By diversifying communication channels, we facilitate community interaction with our organization. Community representatives are trained to answer questions and facilitate dialogues, fostering a sense of trust and cooperation. Additionally, our online platforms provide a space for ongoing engagement, where updates and information about our activities are regularly shared.

The Deputy General Manager has the operational responsibility to ensure this collaboration takes place and that its outcomes form the basis of Chimcomplex's approach.

Regarding environmental aspects, collaboration with affected local communities occurs both directly and indirectly through municipal representatives. The collaboration involves participation in public debates, which generally focus on environmental issues.



7.1.5 Processes to remediate negative impacts and channels for affected communities to raise concerns

ESRS S3-3

To ensure a minimal impact on affected communities and promote constructive dialogue, Chimcomplex has implemented processes and mechanisms designed to respond promptly and efficiently to their concerns, following principles of transparency and social responsibility. These processes include the periodic assessment of the impact of our activities on the environment and local communities, as well as corrective measures to address any negative effects identified.

Processes established to remediate negative impacts:

- 1. Social and Environmental Impact Assessment:** At Chimcomplex, we conduct annual assessments that allow us to identify potential risks and negative impacts. Based on these assessments, appropriate corrective measures are developed to prevent or reduce effects on communities.
- 2. Remediation Mechanisms:** If significant impacts on communities are identified, Chimcomplex implements detailed action plans, including investments in local infrastructure, educational programs, ecological initiatives, and support for the sustainable economic development of the region.
- 3. Collaboration with Authorities and Non-Governmental Organizations (NGOs):** We closely cooperate with public authorities, NGOs, and other stakeholders to find sustainable and innovative solutions that address the concerns expressed by communities.

Channels for expressing concerns from affected communities:

- 1. Dedicated Email Address:** At Chimcomplex, we have a special email address (comunicare@chimcomplex.com) to facilitate the receipt of complaints and suggestions from affected communities. These messages are prioritized, and responses are provided within a maximum of 10 working days.
- 2. Periodic Meetings with Communities:** Company representatives regularly meet with local leaders and citizens to discuss reported issues, identify common solutions, and ensure transparency in the resolution process.
- 3. Social Media and Local Mass Media:** At Chimcomplex, we use social media platforms (LinkedIn, Facebook) to actively communicate with communities and promptly address their concerns. We also collaborate with local mass media to address comments and complaints that may arise in the public space.
- 4. Continuous Monitoring and Evaluation:** There is a constant focus on improving processes, using performance indicators and integrating community feedback into future strategic plans.

Our leadership promotes the use of communication channels for reporting, signaling, and warning about environmental incidents, ethical issues, conduct, and professional integrity, ensuring security and confidentiality.

Complaint mechanisms are a key tool for us in preventing and managing negative impacts on employees, local communities, and other stakeholders. Therefore, we are committed to addressing and resolving all complaints received, regardless of their nature and whether the complainant is identified or anonymous.



These mechanisms are designed to provide a channel for identifying potential negative impacts, resolving complaints, and offering solutions to the rights holders who caused or were negatively affected. We recognize that this does not affect the rights of stakeholders to pursue judicial or other forms of redress.

7.1.6 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

ESRS S3-4

At Chimcomplex, we have implemented a series of measures to prevent, mitigate, and remedy significant negative impacts on affected communities. These include:

- Periodic socio-economic and environmental impact assessments:** These assessments help identify potential risks associated with our activities and develop strategies to prevent them.
- Continuous consultations and dialogue with stakeholders:** At Chimcomplex, we regularly hold meetings with local authorities, NGOs, and community leaders to address community needs and ensure transparency in the decision-making process.
- Support for educational and cultural projects:** We support chemistry Olympiads, educational scholarships, and dual education systems. We contribute to the sustainable development of local communities by promoting academic excellence.
- Social programs for vulnerable groups:** The measures we implement include donations and partnerships with charitable organizations to support people in vulnerable communities.



At Chimcomplex, we have implemented specific initiatives to address the needs of communities and create significant positive impacts:

- **Educational and cultural projects:** By supporting educational projects and scholarships, we contribute to sustainable development and the formation of future generations.
- **Support for vulnerable groups:** Social projects, including donations and collaborations with charity organizations, have a direct positive impact on the most vulnerable segments of the population.

At Chimcomplex, we use a structured process for identifying and managing significant risks and opportunities related to affected communities:

- **Continuous compliance monitoring:** We ensure compliance with national and international regulations on human rights and environmental protection.
- **Emergency plans and remedial measures:** We have developed plans to minimize risks that could arise in local communities, including remedial actions and rapid interventions in case of incidents.
- **Impact assessment and monitoring:** We set indicators to measure the effects of our projects on communities and publish sustainability reports to document the results of implemented measures.
- **Risk and opportunity analysis:** We constantly monitor risks associated with operations and identify opportunities to create added value for communities through partnerships with local authorities and NGOs.

To date, Chimcomplex has not reported any serious human rights incidents in the communities affected by its operations. However, we maintain a firm commitment to preventing such situations and actively collaborate with stakeholders to ensure respect for human rights and sustainable development.

Other measures considered to reduce impacts:

- Reduction of industrial emissions in adjacent areas to minimize air pollution and protect the health of nearby residents.
- Improvement of air quality for nearby communities.
- Management of hazardous waste.
- Increasing hazardous waste processing capacity by collaborating with authorized operators and investing in environmental infrastructure.
- Reducing risks of soil and water contamination.
- Minimizing industrial noise.
- Creating educational opportunities: Launching a new annual scholarship program for students from families in affected communities.
- Increasing access to education for young people from disadvantaged areas.
- Supporting cultural and social initiatives.
- Organizing two annual cultural events in partnership with local communities to promote local traditions and values.

Expected outcomes include strengthening the sense of belonging and promoting cultural diversity by encouraging active participation in community life, as well as creating an action plan to enhance their resilience.



The development and implementation of a rapid response plan for emergency situations in adjacent areas, including the organization of simulation exercises, aim to reduce response time and impact in the case of industrial incidents.

Social and Community Engagement of Chimcomplex SA Borzești

Chimcomplex SA Borzești is a company committed to supporting and developing communities through a series of initiatives aimed at promoting sports, culture, education, and health. These activities demonstrate our commitment to improving quality of life and fostering sustainable development in the areas where we operate and beyond.

The total sponsorship budget for 2024 amounted to **1,496,988 RON**.

Supporting Education

We continuously invest in taking Romanian education to the next level. Simply acknowledging that change is needed in education will not make it happen, and hoping for improvement without action will not bring any real progress! What we must do is act, take measures, and be intentional!

The Merito Project, which we support as partners, identifies exceptional teachers who inspire generations, shares their inspirational stories, and helps them reach the next level of excellence. At Chimcomplex, we support them because, together, we are the change we wish to see in Romania!

We were delighted to learn that the award-winning teachers in the Merito Project admire the young people they work with, respect them, and train them for the most challenging competitions through engaging and serious play. They approach their students with love and a big heart, shaping and, in many cases, changing their lives and sculpting their souls. This is how they become reliable individuals and future leaders of Romania!

We have great chemistry with all teachers who, through their dedication and passion for education, shape the future of our youth, the true national values!

Chimcomplex SA Borzești, represented by Mr. Ștefan Vuza, awarded Adelin Stanciu, a biology teacher at Gropnița Vocational School and "Al. I. Cuza" University High School in Iași.

Supporting Sports

• Women's Handball

Chimcomplex SA Borzești continued to be a financial partner of SCM Râmnicu Vâlcea in 2024. Together with the SCM community, Chimcomplex supports and encourages the club's performance in achieving its objectives. We aim for a consistent evolution that makes us proud every day.

A group of 160 Chimcomplex employees, accompanied by their families, cheered for the team at every match of the National Handball Championship held at the stadium in Rm. Vâlcea. Employees could request free invitations from the Communication Department, reinforcing team spirit and community support.

• Women's Rugby

Chimcomplex is a financial partner of Rugby Club Venus, jointly promoting healthy values among young people such as courage, attitude, and discipline, supported by a balanced and healthy lifestyle.

Rugby Club Venus celebrates 33 years this year and is one of the most respected clubs at the national level. With an impressive track record both nationally and internationally, the club is recognized as the birthplace of Romanian women's rugby.

• Sports Dance

Rareș Cojoc has accumulated 26 years of experience in sports dance, becoming a prominent figure in this field.

In October 2022, Rareș Cojoc achieved a historic milestone, becoming the world leader in sports dance—a first-time achievement for a Romanian dancer.

In 2023, he and his dance partner, Andreea Matei, secured second place in the WDSF Grand Slam Standard Adult Final.

This pair, ranked first in the global hierarchy of the International Dance Sport Federation, has demonstrated that sports dance is not only about elegance but also about determination and resilience—just like in chemistry.

In 2024, Rareș Cojoc continued to impress, winning major competitions:

- National champions in the Standard Adults category at the competition in Târgu Mureș.
- Second place at the WDSF Grand Slam in Stuttgart, Germany.
- Bronze medal at the WDSF Grand Slam in Wuxi, China, in July.
- Vice world champions at the WDSF World Championship in Leipzig, Germany, in October.
- Tarcău Half Marathon

A 19 km run at the Tarcău Half Marathon marked the success of our team of employees who completed a challenging mountain route with a 1,160 m elevation gain.

We were delighted to be the main partner in organizing the second edition of the Tarcău Half Marathon, held in the picturesque Tarcău Valley.

The event featured three competitions: Half Marathon (19 km), Cross (8 km), and Family Race (2 km), offering options for all levels of fitness and preferences.

- Gymnastics of Excellence, Chemistry of Excellence

Over 70 young gymnasts from across the country celebrated Children's Day by following in Nadia Comăneci's footsteps at the 10th edition of the "Nadia Comăneci" artistic gymnastics competition.

We are excited that by investing in this sport for the third consecutive year, we contribute to discovering and training Romanian gymnastics talents!

The "Nadia Comăneci" Foundation, with the support of Chimcomplex and other partners, awarded scholarships to gymnasts who stood on the podium for the all-around competition in all four categories.



Supporting Cultural Projects in Our Local Communities

We enthusiastically support the extraordinary cultural events in the communities where we operate.

The anniversary concert at the Casa Sindicatelor in Rm. Vâlcea featured the band Antract and its guests in a special event.

Titled "You Must Believe," the event conveyed a message encouraging new generations of artists to believe in their dreams.

On stage, alongside the ANTRACT band, were nationally recognized artists and an impressive number of young musicians from the new generation. Together, they performed the musical creations of the ANTRACT band.

Future Plans

Chimcomplex reaffirms its commitment to contributing to the development of local communities through a wide range of initiatives planned for the coming years. These initiatives reflect our core values and our desire to support sustainable growth and community well-being.

Strategic Partnerships for Community Development

Chimcomplex SA Borzești plans to establish new strategic partnerships with various educational institutions, non-profit organizations, and local authorities to support community development projects.

These partnerships will focus on renovating schools, modernizing community infrastructure, and supporting local entrepreneurship initiatives. Through these collaborations, we aim to contribute to economic growth and improve the quality of life in our communities.

Partnerships with Educational Institutions

We recognize our responsibility to the community and are committed to shaping future generations.

Chimcomplex has established various partnerships with technical education institutions to provide professional training for students through vocational and dual education programs.

Classes are organized in industrial-profile high schools, where students follow a curriculum adapted to market needs and gain practical experience within our organization. Upon graduation, they can easily integrate into our teams of specialists.

7.1.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS S3-5

The measurable, time-bound, results-oriented targets set at Chimcomplex to achieve the objectives of the policies related to affected communities are presented in the table below, and are monitored annually.



Objective	Indicator	Targets	Status 31.12.2024
Increasing Access to Education	Number of scholarships awarded annually to young people from affected communities.	min. 4	9
	Number of partnerships with local schools for educational support programs	min. 2	3
Increasing Stakeholder Satisfaction, in relation to their requirements and expectations	Number of substantiated complaints regarding environmental performance	max. 3	No complaints regarding environmental performance have been recorded.

These established targets are **absolute**, fixed objectives, independent of other factors or external conditions.





CONSUMERS AND END USERS



ESRS S4

CONSUMERS AND END USERS

8.1 Strategy and concepts related to the protection of consumers and end users

8.1.1 The interests and viewpoints of the stakeholders

ESRS 2 SBM 2

At Chimcomplex, we prioritize the interests, perspectives, and rights of consumers and end users, including a strong commitment to respecting human rights as a central element of our strategy and business model. We are dedicated to engaging with all consumers and end users who may be significantly affected by our operations. To ensure that consumers are well-informed, we constantly update our labels, technical documents, and website, and actively share information with the relevant public.

The current potential impact on consumers and end users is negative if the safety standard is ignored. Chemical products must be packaged and labeled appropriately. The safety of our customers is a priority for us.

Customers and stakeholders have access to safety data sheets that detail the potential health and safety risks of our products. These documents provide essential guidelines for safe handling and use. Our internal standard for managing hazardous substances ensures compliance with current regulations and includes risk assessments for all products and hazardous substances.

At Chimcomplex, we fully comply with EU health and safety regulations, including REACH and CLP, ensuring the provision of all necessary information in safety data sheets. The safety of our products is ensured through advanced technological solutions, which guarantee the highest standards of quality and safety, while also promoting responsible use. We constantly evaluate the impact of our products on the environment, health, and safety, and strive to minimize the associated chemical risks and hazards.

8.1.2 Significant impacts, risks, and opportunities and their interaction with the strategy and business model

ESRS 2 SBM 3 IRO 1

In accordance with ESRs requirements, at Chimcomplex we are committed to identifying and including all relevant categories of consumers and end users who might be significantly affected by our activities and operations. This assessment includes the direct and indirect impacts generated by our products and services, as well as business relationships with partners in the value chain.

In our ESRs-compliant reports, we ensure that all groups of consumers and end users who might be significantly affected, either directly or through our products and services, are included. These encompass:

Direct consumers, who use our products and may be affected by changes related to quality, prices, availability, or safety.

End users, who are indirectly influenced by our products, especially when they are repackaged and used in applications that reach the final consumer (for example, chemicals used in drinking water treatment or for industrial uses)

External stakeholders, including suppliers, business partners, and other entities in our value chain, who may indirectly affect end users through business relationships or impacts on the supply chain.

We are committed to providing complete and transparent information regarding significant impacts on these groups of consumers and end users. We have integrated these considerations into our risk assessments and impact analysis of our operations, ensuring that all relevant aspects are covered in our ESRs-compliant reports.

At Chimcomplex, we provide a diverse range of products used in a variety of essential markets, including metallurgy, steel industry, thermal energy, food and beverage industry, automotive industry, construction materials, mining industry, textiles, pulp and paper, pharmaceuticals, plastics, electronics, furniture, household appliances, packaging, sanitation, and public hygiene, as well as the furniture and household appliances industry.

At Chimcomplex, we comply with relevant European and national legislation for the manufacture and sale of chemical products. Additionally, the production and sale of these products are conducted within certified and accredited management systems that cover quality, environment, food safety, and chemical product testing, and are subject to a continuous improvement process.

All consumers and end users rely on the accurate information presented on our product labels.

At Chimcomplex, we ensure that all manufactured and marketed chemical products comply with European and national legislation, and the production and sale process take place within certified management systems for quality, environment, food safety, and product testing. These systems are subject to continuous improvement.

Consumers and end users rely on the accurate information on our product labels. Some of our products are classified as hazardous, possessing toxic, flammable, oxidizing, corrosive, or environmentally hazardous characteristics. Additionally, some products are legally regulated and prohibited for certain uses, such as precursors for chemical weapons, drugs, or explosives.

At Chimcomplex, we produce food additives and solutions for sanitizing equipment in the food and beverage industry. Throughout the supply chain, production, and marketing process, we constantly communicate with suppliers and customers to ensure compliance with national and European legal requirements, as well as other specific requirements.

The main European regulations governing activities with chemical products manufactured at Chimcomplex include:

Regulation (EC) No. 1907/2006 (REACH): This pertains to the registration, evaluation, authorization, and restriction of chemical substances and led to the establishment of the European Chemicals Agency.

Regulation (EC) No. 1272/2008 (CLP): This regulation deals with the classification, labeling, and packaging of substances and mixtures.

Regulation (EU) No. 528/2012: Regulates the marketing and use of biocidal products.

Regulation (EC) No. 1333/2008: This pertains to food additives.

At Chimcomplex, we provide our clients with updated documentation about the company and its products, including product technical sheets, safety data sheets, biocide approvals, sanitary approvals, usage instructions, usage brochures, declarations, and completed questionnaires. For the authorization of marketing and use of biocidal products, such as chlorine, sodium hypochlorite, and bleaching powder, we at Chimcomplex have registered them in the R4BP registry, in accordance with Regulation (EU) No. 528/2012. The dossiers are currently under evaluation by authorities in the EU member states where these products are marketed.

Our company's chemical products are packaged in specially designed containers made from materials resistant to the action of chemicals and suitable for their state of aggregation (solid, liquid, gas under pressure, or liquefied gas). The packaging is equipped with airtight sealing systems to ensure safe transportation to the destination.

Each packaged chemical product is labeled both individually and collectively, in accordance with current legislation, with product labels. If the product is classified as dangerous for transport, according to ADR/RID regulations, each package will have the appropriate warning labels. In cases where the label cannot include all the necessary information, additional instructions are attached to each package.

Impact

Subtopic	Impact description	Positioning on the value chain	Time horizon	Strategic approach
Impacts related to information for consumers and/or end-users	Actual positive impact: Increased consumer confidence through transparent provision of information on chemical safety, responsible use and measures to protect the confidentiality of their data.	Own operations	Short, medium and long term	We focus on transparency, integrating advanced feedback and communication mechanisms with consumers.
Personal safety of consumers and/or end users	Potential negative impact related to the disregard of safety standards, especially concerning the correct labeling and packaging of chemical products, can have serious consequences on human health, the environment, and economic operations.	Upstream, Own operations, Downstream	Short, medium and long term.	We assume responsibility for developing and providing safe and high-quality chemical products, thereby protecting the safety of consumers and end users through the implementation of actions and policies: providing Safety Data Sheets (SDS), managing hazardous substances in accordance with applicable regulations, including REACH and CLP, monitoring regulations and recommendations, and the continuous evaluation of the impact of products on health.



The transport of chemical products is carried out with clean and covered vehicles, suitable for the type of product being transported. If the product is hazardous, the vehicles are authorized according to ADR/RID standards for the appropriate hazard class.

Our products are accompanied by Safety Data Sheets (SDS), which provide detailed information about potential health, safety, and environmental risks. These SDS include clear instructions for the safe handling and use of our products.

We mention that there are no main categories of consumers or end users who are or could be negatively affected.

At Chimcomplex, we provide information regarding the potential risks associated with its products for safe storage and use.

The table below presents the actual and potential impacts on consumers and end users, as well as the opportunities we have identified within the double materiality analysis.



Risks/Opportunities

Subtopic	Description of risks/opportunities	Financial effect
Personal safety of consumers and/or end users	Risk: Financial risk concerning significant financial losses and a decrease in market share in the event of non-compliance with safety standards related to the chemical products developed and supplied.	Effect on financial performance Effect on cash flows Effect on the value of assets and liabilities

8.2 Management of impacts, risks, and opportunities

8.2.1 Policies regarding consumers and end users

ESRS S4-1

In accordance with the Universal Declaration of Human Rights (UDHR)⁸ and the specific requirements of the chemical industry, we, Chimcomplex, reaffirm our strong commitment to promoting and protecting the rights and well-being of employees, customers, communities, and society as a whole.

Our policy is based on respecting national and international legal principles and requirements regarding human rights. This is in accordance with labor legislation, the European Convention on Human Rights, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights (ICCPR)⁹, and the International Covenant on Economic, Social and Cultural Rights (ICESCR)¹⁰.

At Chimcomplex, we are committed to respecting the International Labour Organization's Declaration on Fundamental Principles and Rights at Work¹¹, as well as the UN Guiding Principles on Business and Human Rights¹². Recognizing the importance of respecting human rights as a core value for ethical business development, we have integrated this principle into our Code of Professional Ethics and Business Conduct, the Collective Bargaining Agreement, and our sustainability strategy.

We actively involve stakeholders in making key decisions that influence our operations and strategic direction. This includes not only employees and customers but also shareholders, suppliers, community members, and regulatory bodies. We organize stakeholder meetings, surveys, and forums to gather suggestions and encourage open dialogue. By collaborating with a variety of stakeholders, we ensure that diverse perspectives are considered and that our decisions reflect the interests and concerns of everyone involved in our activities.

At Chimcomplex, we place a strong emphasis on protecting the health and safety of consumers and end users of our products. In this regard, we have implemented rigorous measures within the company to manage significant impacts on health and safety through the Quality-Environment Policy and the Sustainable Development Policy.

The Quality-Environment Policy establishes clear regulations regarding the safety and quality of products, ensuring that they comply with relevant safety standards and do not have negative effects on the health of end users. We are committed to delivering safe and high-quality products through a quality management system and continuous monitoring of processes.

The Sustainable Development Policy reflects our commitment at Chimcomplex to positively impact the community and the environment, managing significant risks and opportunities within the value chain. This includes assessing and managing risks related to the health and safety of consumers, encouraging sustainable solutions that reduce negative impacts on the environment and health.

Both policies are interconnected and demonstrate our commitment at Chimcomplex to responsible development, addressing the risks and opportunities associated with products and business relationships.

8.2.2 Collaboration processes with consumers and end users regarding impacts

ESRS S4-2

At Chimcomplex, we work closely with consumers, end users, and their representatives to manage the actual and potential impacts on health and safety. This collaboration takes place through various channels, aligning with our commitments to transparency and social responsibility.

At Chimcomplex, we maintain a close collaboration with end consumers through direct commercial relationships and work closely with distributors and other industries that act as intermediaries in the value chain. This partnership ensures the correct and safe use of our products by indirect end users. We also collaborate with regulatory authorities and other representatives of end users who possess knowledge about the impact of our products on health and safety. These interactions are essential for monitoring and evaluating associated risks.

At Chimcomplex, we work closely with end consumers and partners in the value chain to ensure the correct and safe use of our products. This collaboration involves several essential steps:

Product Development Stage: We work alongside our partners to ensure that products comply with regulations and safety standards before they reach the market.

Product Use Stage: We maintain an ongoing dialogue with our intermediary customers, who inform us about any safety issues that arise during use.

Post-Use Evaluation Stage: We collect feedback and analyze the impact of products on the health and safety of end users through periodic research and audits.

⁸ United Nations. (1948). Universal Declaration of Human Rights.

⁹ United Nations (General Assembly). (1966). International Covenant on Civil and Political Rights. Treaty Series, 999, 171.

¹⁰ United Nations (General Assembly). (1966). International Covenant on Economic, Social and Cultural Rights. Treaty Series, 999, 171.

¹¹ International Labour Organization (ILO) (1998). ILO Declaration on Fundamental Principles and Rights at Work and its Pursuit.

¹² United Nations Commission on Human Rights. (1998). Guiding Principles on Internal Displacement. United Nations Commission on Human Rights.



Our collaboration varies in frequency, influenced by legal requirements, identified risks, and feedback received from clients and authorities. It takes place throughout the entire product life cycle but can be adjusted according to the specific needs of each situation.

Responsibility for collaborating with consumers and end users lies with the Sustainability Department, led by the Sustainability Manager. This department works closely with the regulatory and commercial departments to ensure that all procedures are followed and that the results of the collaboration are integrated into the company's strategy. Additionally, the Audit and Risk Committee monitors progress and contributes to strategic decision-making.

The efficiency of our collaboration is evaluated by analyzing feedback from customers and regulatory authorities. This involves:

- Internal and external audits that verify compliance with safety standards;
- Periodic meetings and consultations organized with clients and authorities to evaluate the impact of products on health and safety;
- Periodic reports that identify possible risks and the corrective measures implemented.

In public debates organized for obtaining regulatory approvals, community members participate regardless of gender, age, or other characteristics. All observations are carefully evaluated, especially those from consumers or end users who may be vulnerable to negative impacts or at risk of marginalization. These perspectives are integrated into the decision-making process for authorization.

If product or process modifications are identified as necessary, we take corrective actions to ensure consumer safety and compliance with applicable legal standards.

Customers have access to safety data sheets that detail potential health, safety, and environmental risks of our products. These documents provide essential guidelines for safe handling and use of the products by customers.

Our internal standard for managing hazardous substances ensures compliance with current regulations and requires risk assessments for all products and hazardous substances. Customers interested in procurement processes and other essential information can access the 'For Business' section on the Chimcomplex website at <https://chimcomplex.com>.

To ensure transparency in communication with consumers and end users, the company also provides the 'Contact Us' section, available at <https://chimcomplex.com/contact/>, where customers can directly contact company representatives for questions and additional information.



8.2.3 Processes for remedying negative impacts and the channels through which consumers and end users can express their concerns

ESRS S4-3

At Chimcomplex, we have implemented effective measures to address and remedy the negative impacts on the health and safety of consumers and end users. We provide dedicated communication channels for expressing concerns, as follows:

- **Complaint Management:** Complaints are received by the commercial department, which records them in a centralized register and coordinates their resolution with other relevant departments.
- **Collaboration with Distributors and Partners:** Distributors are trained to promptly respond to customer concerns and manage potential risks associated with the products.
- **Dialogue with Affected Communities:** We maintain active dialogue with authorities, consumers, and other stakeholders to identify and address emerging risks.
- **Monitoring and Improvement:** The efficiency of the processes is periodically evaluated based on received feedback, and measures are adjusted as needed.
- **Stakeholder Involvement:** At Chimcomplex, we collaborate with relevant authorities and organizations to ensure proper resolution of consumer concerns.

These measures emphasize our commitment to protecting the health and safety of end users.

The introduction of communication channels itself constitutes a remediation process, allowing consumers and end users to report any dissatisfaction regarding our products or services through the 'Contact Us' section on our website.

The process of managing and improving the feedback mechanism within our company includes:

- **Monitoring feedback:** We collect feedback from consumers, end users, and distributors following complaints or interactions to assess whether existing processes are known, accessible, and effective.
- **Periodic consultations:** At Chimcomplex, we collaborate with distributors and business partners to verify how consumers perceive and use communication channels, especially for products that have a significant impact on health and safety.
- **Reviews and adjustments:** Based on the information collected, processes are adjusted and improved to better meet the needs of end users, ensuring their accessibility and transparency.

In 2024, a total of 6 complaints were registered, of which 4 were evaluated and found to be unfounded, not requiring corrective measures. For the other 2 cases, following a detailed analysis, it was decided to return and replace the product, thus ensuring compliance with quality standards and customer satisfaction. No additional remediation measures were necessary, as the solutions adopted were deemed appropriate and in accordance with internal procedures.



8.2.4 Adoption of measures regarding significant impacts on consumers and end users and approaches for managing significant risks and pursuing significant opportunities related to consumers and end users, as well as the effectiveness of these measures

ESRS S4-4

At Chimcomplex, we adopt extensive measures to manage the impact on the health and safety of consumers and end users. We ensure that all products comply with regulations and promote their responsible use through best practices.

To prevent and mitigate negative impacts, all our products are registered under the REACH regulation, and we are part of consortia that conduct health and safety tests for various fields of use.

The products are accompanied by safety data sheets and detailed appendices that include exposure scenarios, protection measures, personal hygiene, and health risk assessments. Additionally, biocidal products such as chlorine, sodium hypochlorite, and bleaching powder are marketed with biocide approvals and are registered at the European level in the R4BP. These come with detailed usage instructions.

To address significant actual impacts, Chimcomplex centralizes and manages received complaints, ensuring their prompt resolution. The company collaborates with end users, distributors, and authorities to address and remediate any identified negative effects.

At Chimcomplex, we are actively involved in initiatives that promote the safe use of chemical products, providing detailed information to partners and users. Additionally, our biocidal products are essential for the treatment of drinking water and wastewater, thereby contributing to improved health conditions in communities.

The effectiveness of actions is monitored and evaluated through periodic audits and assessments, as well as by collecting feedback, thus facilitating a continuous improvement process. Processes are evaluated through periodic audits to verify the effectiveness of safety measures and compliance with legal requirements. The company also analyzes feedback from complaints and end-user evaluations with the aim of continuously improving processes and products.

The measures implemented at Chimcomplex highlight our commitment to protecting the health and safety of consumers and end users. This commitment is demonstrated through an integrated approach that combines regulatory compliance, user education, and close collaboration with all stakeholders.

In the processes for identifying necessary and appropriate actions, Chimcomplex uses the Chemical Safety Report (CSR) of products as the main tool to identify and evaluate actual or potential negative impacts on consumers and end users. The CSR includes product classification, risk assessment, and appropriate control measures. It also includes exposure scenarios that describe safe uses of substances and the conditions necessary to prevent health and safety risks.

At Chimcomplex, we implement **proactive measures to prevent or reduce significant negative impacts on health and safety** by using information from the Chemical Safety Report (CSR) and Safety Data Sheets (SDS). These documents provide detailed instructions on the safe handling, transport, use, and disposal of hazardous chemicals. The CSR also includes personal and technical protection measures for users, thus contributing to risk reduction. At Chimcomplex, we work closely with partners and end users to ensure the implementation of these measures and, when necessary, participate in industry-level initiatives to manage impacts.

At Chimcomplex, we ensure that end users and distributors have access to essential information contained in the Chemical Safety Report (CSR) and Safety Data Sheets (SDS). These documents, along with exposure scenarios, provide detailed instructions for the safe use of products and specify necessary interventions in case of incidents. We monitor the effectiveness of processes by verifying customer compliance with communicated regulations and requirements, continuously improving practices based on feedback received from users.

Measures for reducing significant risks:

- **Regulatory Compliance:** Chimcomplex products are aligned with European regulations such as REACH, CLP, and Biocides, ensuring they meet all safety and health standards.
- **Monitoring and Resolution:** Complaints are centralized and efficiently addressed, allowing for the quick identification and remediation of risks.
- **Training and Education:** Distributors and customers receive specialized training to implement safety measures, thereby reducing the risks associated with the products.
- **Continuous Evaluation:** The effectiveness of measures is monitored through feedback and regularly adjusted for continuous improvements.

Measures for capitalizing on opportunities:

- **Close collaborations with end users:** At Chimcomplex, we maintain a constant dialogue with our customers to better understand their specific needs, thereby developing customized solutions that increase customer satisfaction and loyalty.
- **Strategic partnerships:** We collaborate with distributors and organizations in the chemical industry to identify new opportunities and improve access to international markets.
- **Sustainability and competitiveness:** By adhering to international standards regarding health, safety, and sustainability, Chimcomplex has gained a competitive advantage, attracting customers who value social responsibility.

At Chimcomplex, we adopt a responsible approach to prevent or reduce significant negative impacts on consumers and end users. This is reflected in all stages of the value chain, including marketing, sales, and data management processes.

Prevention of significant negative impacts

Compliance with strict regulations: All Chimcomplex products are registered in accordance with REACH regulations, ensuring that the risks associated with their use are identified, evaluated, and managed. Additionally, biocidal products are approved at the national and European levels (R4BP) and are accompanied by clear usage instructions to prevent misuse.

Exposure scenarios and protection measures: Products are delivered with Safety Data Sheets (SDS) that include exposure scenarios, user protection measures, and recommendations for personnel hygiene, helping to avoid health risks.

Control of products with increased risks: The sale of precursors for drugs (e.g., hydrochloric acid, sulfuric acid) is conducted exclusively with authorization from the National Anti-drug Agency, preventing their abusive or improper use.

At Chimcomplex, we are committed to providing detailed and transparent information about our products, focusing on correct use and safety measures. Sales and technical teams collaborate with distributors and end users to identify potential risks associated with use and provide technical support when necessary. Distributors are trained to monitor how products are used, and end users receive assistance in applying safety measures, thereby reducing the risk of incidents.

Managing tensions between impacts and commercial pressures

To manage tensions between impacts and commercial pressures at Chimcomplex, we prioritize the safety of consumers and end users, placing it ahead of commercial objectives. Products undergo rigorous testing before being marketed, and we will not sell products that do not meet safety standards, regardless of market pressures. If a product is found to pose health risks, we take immediate corrective actions, even if these result in financial losses.

Evaluation and remediation of negative impacts

At Chimcomplex, we implement internal processes and collect feedback from consumers to identify potential significant negative impacts of our products. Any complaint received is promptly recorded, investigated, and resolved. We provide users with direct communication channels to report any issues encountered. In the event of incidents, Chimcomplex works closely with authorities and users to swiftly apply corrective measures.

Approach to consumer data usage

At Chimcomplex, we do not collect sensitive personal data from consumers or end users, but we are committed to respecting the principles of transparency and confidentiality in all commercial interactions.

At Chimcomplex, we demonstrate a strong commitment to preventing and reducing significant negative impacts on consumers and end users. By adhering to regulations, adopting responsible business practices, and constant monitoring, the company successfully balances user safety with our commercial objectives.

In 2024, no complaints or notifications were registered with the National Authority for the Supervision of Personal Data Processing that required responses or clarifications regarding breaches of confidentiality for employees and collaborators. We have not received warnings, sanctions, fines, or recommendations from this authority, and no internal incidents of risk related to non-compliance with internal data protection regulations have been identified. Our management is periodically informed about the processes implemented for the protection and management of personal data through regular reports and presentations.



8.2.5 Targets related to managing significant negative impacts, promoting positive impacts, and managing significant risks and opportunities

ESRS S4-5

At Chimcomplex, we have not developed targets in accordance with ESRs requirements for consumers and end users.



Objective	Indicator	Target	Stage 31.12.2024
Increasing the satisfaction level of customers and stakeholders in relation to their requirements and expectations	Number of justified notifications and complaints regarding the quality/delivery of products	Reduction by 10% compared to the previous year	Reduction by ~82%

Additionally, at Chimcomplex, we are committed to complying with the current legislation regarding the commercialization of chemical products through the following measures:

- Compliance with REACH and CLP: Products are registered according to REACH standards and classified according to CLP regulations, with clear labels specifying risks and necessary protection measures.
- Provision of Safety Data Sheets (SDS): Each product includes an updated SDS, providing essential safety information for users.
- Correct labeling: Products are labeled in accordance with legal regulations, providing information about associated hazards and usage instructions.
- Monitoring regulations: At Chimcomplex, we closely follow legislative changes and align with European standards, collaborating with authorities and industry associations.
- Transparency and communication: At Chimcomplex, we provide detailed information about our products and offer channels through which customers can request additional information.
- Continuous training: Employees and partners are constantly trained to comply with legal requirements and to promote the correct and safe use of products.
- This approach ensures compliance with legal requirements and protects consumers.





INFORMATION REGARDING GOVERNANCE



ESRS G1

Business conduct

9.1 Business Conduct

ESRS 2 GOV 1

The role of the administrative and management bodies regarding professional conduct is essential for ensuring effective and ethical corporate governance. In this context, at Chimcomplex SA Borzești, we have adopted **the Code of Professional Ethics and Business Conduct**, thereby strengthening the normative framework that guides ethical behavior and professional responsibility at all levels of the organization. This code is presented below within ESRs G1-1.

For the reporting year 2024, the codes of conduct and policies regarding professional conduct have not yet been extended to the other companies in the group. Their extension is planned for the year 2025. Therefore, the information we present in this chapter applies exclusively to Chimcomplex SA and is not currently available at the group level.

At Chimcomplex SA Borzești, we apply a corporate governance code in accordance with the provisions of the Bucharest Stock Exchange (BSE) Governance Code, as part of the inclusion of its shares on the Bucharest Stock Exchange.

The leadership structures of Chimcomplex SA Borzești that play a decisive role in establishing professional conduct include the Board of Directors (BoD), Directors, the Audit and Risk Committee, and the Integrity Committee.

The Board of Directors of Chimcomplex SA Borzești plays a crucial role in establishing and promoting standards in an integral and ethical manner, overseeing the implementation of internal policies and procedures that support professional conduct. Specialized committees, such as the Audit and Risk Committee, periodically monitor and analyze risks associated with corruption, fraud, or other unethical practices. The Board also ensures that internal reporting mechanisms are effective and accessible to all employees.

Corporate governance policies aim to ensure transparency, accountability, and integrity, thus protecting the interests of all stakeholders and ensuring the company's long-term sustainability.

The selection of board members was conducted through a secret ballot during the Ordinary General Meeting of Shareholders (AGOA), with candidates proposed by shareholders.

The diversity of the Board of Directors allows for the harnessing of complementary skills, experience, and professional knowledge from various fields.

Members of the administrative and management bodies possess solid expertise in areas such as corporate governance, anti-corruption legislation, and risk management. These competencies are developed through collaboration with external experts, in accordance with best international practices. Their active involvement in overseeing and implementing standards of professional conduct demonstrates our commitment to integrity.

9.1.1 Description of processes for identifying and assessing significant impacts, risks, and opportunities

ESRS 2 IRO 1

The process of identifying and assessing risks

At Chimcomplex SA Borzești, professional conduct is a central pillar of our organizational culture, having a direct impact on the company's reputation, relationships with partners, and the communities in which we operate. We identify and assess significant impacts, risks, and opportunities through a systematic approach, which includes:

- 1. Risk register analysis:** We maintain an updated risk register, which includes aspects related to professional conduct, such as corruption, conflicts of interest, or ethical violations. This register is periodically reviewed to ensure compliance with local and international regulations.
- 2. Stakeholder consultation:** We collaborate with employees, partners, and communities to identify emerging issues related to professional conduct. These feedbacks are integrated into our risk management strategies.
- 3. Monitoring and internal audit:** The internal audit activity is conducted in accordance with the Global Internal Audit Standards, applicable in Romania. Based on these standards, we develop an annual and multi-annual audit plan, because of risk assessment and the audit universe. Therefore, the audit of ESG activities will be included in the audit plan, based on the assessment of identified ESG risks.

Identified risks

In the risk register, which we update annually, we have identified the following significant risks and opportunities related to professional conduct:

- **Risk of corruption and bribery:** The possibility of employees or partners engaging in illegal practices;
- **Conflicts of interest:** Situations that may affect the objectivity of decisions;
- **Reputation:** The impact on public trust and business partners in the event of ethical misconduct;

- Promoting an ethical organizational culture: Through training programs and awareness initiatives, we strengthen our position in the chemical industry;
- Certifications and international recognition: Implementing good practices in corporate governance creates opportunities for certification and collaboration with global partners

Prevention and management measures

To prevent and manage risks, within Chimcomplex SA Borzești, we implemented in the year 2024:

- **Strict compliance policies:** The Code of Conduct, communicated to all employees via email, supplemented by anti-corruption policies, and guidelines for gifts and sponsorships.

- **Whistleblowing channels:** Employees and partners can anonymously report any misconduct to a dedicated email address.
- **Continuous training programs:** Courses for all employees focused on ethics, legislation, and best practices

Through this approach, Chimcomplex SA Borzești identifies and manages risks and strengthens ethical practices in its business conduct.

In the process of identifying impacts, risks, and opportunities (IRO) related to professional conduct, we included all companies in the group, as well as the value chain.

Impacts, risks, and opportunities are identified and assessed as part of the materiality analysis process through internal workshops and consultation of other sources. The results are presented in the tables below.

Impact

Subtopic	Impact description	Position in the value chain	Time Horizon	Strategic approach
Organizational culture	Actual positive impact , through the development of a transparent organizational culture, as well as through the development and implementation of the Code of Ethics.	Own Operations	Short, medium and long term	At Chimcomplex, we have implemented the Code of Professional Ethics, and Business Conduct . We also organize meetings that facilitate the exchange of ideas, constructive feedback, promoting a culture of transparency and open dialogue within the company.
	Potential negative impact in the absence of diversity policies and the promotion of toxic leadership, which lead to distrust and a negative work environment.	Upstream, Own operations, Downstream	Short, medium and long term	
Whistleblower protection	Actual positive impact on whistleblower protection, through the implementation of Whistleblower Policies	Own Operations	Short, medium and long term	We have implemented the Internal Whistleblower Policy.
	Potential negative impact on employees and the work environment. Potential impact on employee motivation due to a possible lack of trust	Upstream, Own operations, Downstream	Short, medium and long term	
Management of supplier relationships	Actual positive impact through adherence to internal procedures in supplier relationships, including timely payments	Own Operations	Short, medium and long term	At Chimcomplex, we prioritize business ethics and prefer to collaborate with suppliers who support sustainability programs. Supplier relationships are managed according to the integrated quality and environmental management system, ISO 9001 and ISO 14001. Suppliers are selected and periodically evaluated based on criteria established for each procurement category, using questionnaires, evaluation sheets, and second-party audits.
	Potential negative impact through the adoption of unfair payment practices, hidden costs, and poor supplier management, which contribute to instability, supply delays, and strained partnerships, endangering the continuity of our business.	Upstream, Own operations, Downstream	Short, medium and long term	
Corruption and bribery	Actual positive impact ensured by adhering to internal codes and procedures regarding the prevention of corruption and bribery	Own Operations	Short, medium and long term	We have implemented a series of values and principles that guide our entire activity: Ethics and Integrity, Anti-competitive Practices, Anti-corruption Practices.
	Potential negative impact on our relationship with investors, regulatory authorities, and the government. Potential negative impact on our reputation	Own Operations	Short, medium and long term	

Risks/Opportunities

Subtopic	Description of risks/opportunities	Financial effect
Organizational culture	Opportunity: By promoting a positive and ethical organizational culture, we can attract top talent, enhance employee retention, and attract investors, which ultimately contributes to improved profitability.	Effect on financial performance Effect on cash flows Effect on asset value
	Risk: Encouraging a corporate culture that lacks ethics can lead to legal issues, talent loss, and deterioration of trust from clients and investors, resulting in financial crises.	Effect on financial performance Effect on cash flows
Whistleblower protection	Opportunity: By strongly protecting whistleblowers, we can improve regulatory compliance and build trust with stakeholders.	Effect on financial performance Effect on cash flows Effect on asset value
	Risk: Damage to our reputation and violation of legal requirements.	Effect on financial performance Effect on cash flows
Management of supplier relationships	Opportunity: By maintaining close relationships with suppliers, we can achieve more competitive pricing, improve product quality, and streamline supply chains, ultimately enhancing our profitability	Effect on financial performance Effect on cash flows Effect on asset value
	Risk: Poor supplier management practices can lead to operational delays, legal disputes, and higher costs due to unstable supply chains.	Effect on financial performance Effect on cash flows
Corruption and bribery	Opportunity: Maintaining a history free of corruption or bribery cases over the years contributes to building a strong reputation with clients and suppliers, which generates business opportunities.	Effect on financial performance Effect on cash flows Effect on asset value
	Reputational risks: Non-compliance with internal codes and procedures regarding the prevention of corruption and bribery can lead to the loss of relationships with suppliers and clients	Effect on financial performance Effect on cash flows

9.2 Governance and business practices

9.2.1 Corporate culture and policies regarding professional conduct and corporate culture

ESRS G1-1

Our corporate governance structure is based on transparency, accountability, and integrity, aiming to protect the interests of all stakeholders.

Corporate governance policies aim to ensure: transparent and sustainable value creation through the clear delineation of responsibilities, management processes, and continuous monitoring of the performance and efficiency of the Board of Directors, as well as appropriate decision-making processes regarding policy principles and controls.

At Chimcomplex SA Borzești, corporate culture is the foundation that supports sustainable development and long-term performance. The company establishes and promotes its values through:

- **Code of Conduct:** An essential document that defines the ethical and professional principles guiding the behavior of all employees, collaborators, and business partners.

- **Annual training sessions:** Dedicated to training employees on professional conduct and principles of integrity.

We promote corporate culture through transparency in communication, by periodically publishing sustainability reports and results regarding ethics and compliance.

We have implemented clear mechanisms for identifying, reporting, and investigating concerns related to illegal behavior or conduct contrary to the code of conduct:

- **Dedicated reporting channels:** We provide employees and internal and external stakeholders with an email address (whistleblower@chimcomplex.com) for anonymously reporting misconduct. In the reporting year 2024, there were no reports.
- **Clear investigation policies:** Each report is analyzed by a designated team that ensures confidentiality and objectivity in the investigation process.
- **Transparency in results:** We periodically communicate, in the annual sustainability report, the progress and conclusions of investigations, in compliance with applicable legislation.



At Chimcomplex SA Borzești, we have adopted **a series of policies and standards** to ensure effective governance, including:

- **Anti-Corruption Policy:** Details about this policy are presented in ESRs G1-3 - Prevention and detection of corruption and bribery.
- **Diversity and Inclusion Policy:** We promote a diverse and inclusive work environment, ensuring that all employees are treated with respect and dignity. This policy is detailed in ESRs S1-1 – Policies related to our own workforce.
- **Remuneration Policy:** Aiming to ensure long-term performance. This policy is described in ESRs2 GOV-3 – Integration of sustainability-related performance into incentive systems.
- **Whistleblower Policy:** Details about this policy are presented below.
- **Code of Professional Ethics and Business Conduct:** Details about this code are presented below.
- **GDPR Policy:** Details about this policy are presented below.
- **Sustainable Development Policy:** Details about this policy are presented below.
- **Sustainable Procurement Policy:** Details about this policy are presented below.

1. GDPR Policy

The purpose of this policy is to regulate how Chimcomplex SA Borzești processes the personal data of individuals (clients, employees, suppliers, etc.) in compliance with applicable legislation. We are committed to protecting this data, respecting the fundamental rights of data subjects, including the right to privacy and data protection.

The policy applies regardless of the method of data collection, processing, or storage (electronic, paper, or other media). The responsibility for data protection lies with the company, employees, collaborators, and service providers who process data on behalf of the group. The policy must be applied in conjunction with other group policies, and in cases where stricter policies exist, those will take precedence.

The policy is periodically reviewed to ensure compliance with current legislation.

2. Sustainable Development Policy

Among the priority actions of the sustainable development strategy at Chimcomplex SA Borzești, which relate to corporate culture, are:

- Sustainable development in the supply chain/ communication with suppliers;
- Compliance with legal provisions and prevention of corruption;
- Increasing customer and stakeholder satisfaction in relation to their requirements and expectations.



3. Sustainable Procurement Policy

Chimcomplex SA Borzești is committed to integrating sustainability principles into its procurement processes, adhering to national and international legislation, as well as sustainable development requirements. The main objective is to optimize economic, social, and environmental impacts in relationships with suppliers, considering global challenges such as climate change, depletion of natural resources, and the circular economy.

4. Code of Professional Ethics and Business Conduct

The Code of Professional Ethics and Business Conduct establishes a set of standards that apply equally to all—namely, the members of the Board of Directors, directors, managers, and our employees. These rules do not cover and cannot anticipate all the aspects that might arise, but they establish the basic principles that apply in conducting our professional activities.

The main aspects addressed within the policy are:

- **Compliance with Competition Law:** We are committed to adhering to the principles and rules of free and fair competition.
- **Anti-corruption:** A zero-tolerance policy towards bribery and corruption is a central aspect of the corporate culture.
- **Conflict of Interest:** We take active measures to avoid conflicts of interest.
- **Anti-money Laundering and Trade Sanctions:** Implementing anti-money laundering measures is essential.
- **Responsible Use of Company Assets:** Employees are responsible for the proper use and protection of company assets.
- **Occupational Health and Safety:** Ensuring a safe and healthy work environment is a fundamental value.
- **Sustainability and Environmental Protection:** We are actively involved in sustainable development.

- **Human Rights and Equal Employment Opportunities:** Respecting human rights and promoting equal opportunities are priorities.
- **Employee Relations:** We promote a work environment based on respect and fairness.
- **Personal Data Protection and Information Security:** Adhering to high standards of data protection is important.
- **Trade Secrets and Insider Information:** Protecting confidential information is essential.
- **Accounting, Reporting, and Taxes:** Accuracy and correctness in accounting records are imperative.

At Chimcomplex SA Borzești, we are committed to strictly adhering to the ethical principles and values that continuously define and shape the company's identity and organizational culture. These values are as follows:

- **Loyalty** - We are devoted to the organization, shareholders, and community to achieve the assumed objectives.
- **Honesty** - We are honest with ourselves, our partners, and our colleagues.
- **Trust and Ethics** - We are trustworthy partners in our relationships with authorities, collaborators, and other stakeholders. We know, acknowledge, and respect social values and ethical principles of conduct.
- **Safety** - Health and safety at work are priorities to provide a safe working environment for all employees, contractors, and visitors.
- **Integrity** - We demonstrate consistency between our actions and values, principles, and legal rules.
- **Responsibility** - We fulfill our obligations and take responsibility for our actions.

The individuals at Chimcomplex SA Borzești at the highest level, responsible for implementing policies regarding professional conduct and corporate culture, are the operations directors at both sites.

9.3 Anti-corruption and fair competition

9.3.1 Prevention and detection of corruption and bribery

ESRS G1-3

In the company and in our dealings with business partners, we prohibit and condemn any form of corruption, bribery, fraud, nepotism, abuse of power, or blackmail, and we eliminate any personal interest or conflict of interest from our operations. The company's vision is to effectively communicate these values and principles, both internally and externally, to prevent non-compliance and to find solutions through an internal monitoring and control procedure.

At Chimcomplex SA Borzești, we monitor the level of training of all personnel in business ethics, as well as the risks related to conflicts of interest that may arise in the company's activities.

To ensure the monitoring of all situations that could affect organizational ethics and integrity, we have integrated sustainability into our management systems and implemented a set of values and principles that guide our activities: ethics and integrity, anti-competitive policy, anti-corruption policy.

In our activities, we promote both compliance with applicable legal regulations and adherence to ethical principles and standards in all aspects of work, from daily interactions with colleagues, clients, and business partners to decision-making in important situations.

The Business Ethics Code establishes safeguards for combating money laundering.

Through our employees, representatives, and collaborators, we verify the identity of clients and, if necessary, the beneficiaries, applying continuous monitoring of the business relationship based on a risk assessment.



Employees are required to immediately report to the National Office for Prevention and Control of Money Laundering any suspicion related to operations that might aim at money laundering or terrorism financing.

We provide annual training to staff and implement rules and procedures tailored to the volume and specifics of activities, ensuring the retention of client identification data and operations in accordance with legal deadlines. The company ensures that individuals involved in financial decisions and operations are subject to effective monitoring and control systems to guarantee compliance with legal obligations.

As part of the governance policies of Chimcomplex SA Borzești, we have adopted and implemented **an Anti-Corruption Policy**. Through this policy, the company commits to preventing all forms of corruption and bribery. This policy includes strict rules regarding gifts and hospitality, as well as mechanisms for reporting incidents of corruption.

Additionally, at Chimcomplex SA Borzești, we monitor the level of business ethics training for all personnel, as well as the **risk of conflicts of interest** that may arise in the company's activities. In this regard, we are committed to conducting regular training for employees on the code of conduct, anti-corruption policy, and other ethical aspects.

The anti-competitive practice implemented within the company is essential for ensuring a free and fair market, benefiting both consumers and the economy as a whole.

In the year 2024, **100% of the positions exposed to risk were covered by training programs**.

During the financial year 2024, we provided internal training courses to our own workers who are exposed to risk concerning the anti-corruption policy. For these risk-exposed positions, training is mandatory, but Chimcomplex also offered voluntary training to an additional 48 of our own workers regarding anti-corruption rules. The details of the training conducted throughout the year are as follows:

	Risk positions	Managers	AMSB ¹³
Training coverage			
Total	31	11	5
Total receiving training	31	11	5
Computer-based training	2 hours	2 hours	2 hours
Frequency			
How often is training necessary	Annually	Annually	Annually
Topics covered			
Anti-corruption Rules	x	x	x
Anti-corruption Policy	x	x	x

At the level of Chimcomplex, there were no integrity incidents during the year 2024, nor any complaints in this regard. There were no reports related to corruption at the group level during the reporting year.

¹³ Administrative, management and supervisory bodies.

9.3.2 Confirmed cases of corruption or bribery

ESRS G1-4

Following rigorous internal checks, for the professional activity conducted in 2024, we confirm that there were no incidents related to **corruption, conflicts of interest, fraud, money laundering, or anti-competitive practices**.

This demonstrates the company's ongoing commitment to ethics, integrity, and information security.

Incidents	Status	Summary of remediation actions
There were none	NA	NA

9.4 Supplier management

9.4.1 Management of supplier relationships

ESRS G1-2

Throughout the supply, production, and commercialization chain of chemical products, at Chimcomplex SA Borzești, we continuously communicate with suppliers and clients to ensure compliance with legal requirements in force at the national and European levels, as well as other requirements they may have. Across the supply chain, activities are conducted in accordance with the following principles: non-discrimination, equal treatment, mutual recognition, transparency, proportionality, efficiency in the use of capital funds, and accountability.

Fair treatment of suppliers is supported by the Human Rights Policy, which is extensively applied to relationships with them, thus ensuring respect for the fundamental principles of human rights and dignity throughout the entire supply chain.

Supplier relationships are standardized within the Integrated Management System for both sites (Onești and Rm. Vâlcea). The current process procedure establishes a set of rules and responsibilities regarding the procurement of raw materials, packaging, consumables, technical and industrial equipment, spare parts, and services to ensure that all purchased products and services comply with specified legislative, technical, quality, environmental, and sustainability requirements.

Approach to supply chain-associated risks

To manage and mitigate risks associated with the supply chain, Chimcomplex SA Borzești operates based on implemented **procedures (Unique Procurement Procedure) and processes that are in line with current legislation**, conducted ethically, environmentally friendly, socially responsible, and economically efficient.

Chimcomplex strongly supports the national economy by sourcing from local suppliers. Despite the collapse of Romanian industry and the disappearance of essential factories for the entire procurement chain in the chemical sector, the company manages to counteract this decline by reintegrating 22.50% of the turnover generated by procurement activities back into the domestic market. This performance underscores Chimcomplex's commitment to supporting local production, despite an increasingly challenging economic environment.

Diversifying suppliers to reduce supply risks is part of the business strategy.

Chimcomplex **has good local and regional integration in the supply chain** with minimal logistics costs.

Supplier selection in the context of risk assessment

Understanding supplier risk is a crucial factor in deciding whether and how we conduct business with a particular supplier. The procurement process involves risk analysis across several categories: environmental and social, financial-banking, legal, and operational. Risk alerts help us implement a preventive risk management process.





Additionally, we ensure that parties sanctioned by the European Union or international organizations, such as the United Nations, are not accepted as procurement partners.

New suppliers undergo a thorough analysis before starting collaboration to identify any associated risks. Existing suppliers, especially those considered strategic or with a significant impact on our operations, are continuously monitored and evaluated. This ongoing evaluation process allows for the proactive identification of potential issues and the timely adoption of preventive or corrective measures, thereby ensuring a safe, responsible, and compliant supply chain with legal and ethical requirements.

The general risk analysis of procurement is an integral part of the procurement strategy, which is periodically reviewed and presented to the board of directors. Through this approach, we ensure that decisions regarding the selection and management of suppliers are aligned with the organization's strategic objectives and comply with corporate governance standards.

Our suppliers are carefully selected based on criteria established for each procurement category and are periodically evaluated through questionnaires, evaluation forms, and internal and/or external audits. Supplier prequalification is part of the pre-contractual activities in which Chimcomplex SA Borzești collects information from a potential supplier to assess compliance with our internal requirements. The purpose of the prequalification process is to examine potential suppliers before contracting them or during the bidding phase to ensure that only those suppliers who meet our standards are considered for future collaboration. After prequalification, the Procurement Department, together with business representatives, selects the best suppliers based on a predefined set of commercial, legal, HSSE (Health, Safety, Security, Environment), and technical criteria during a bidding process.

Sustainability aspects

Working together with our suppliers, we define joint initiatives to consistently reduce carbon emissions in the supply chain and contribute to meeting the commitments of the Paris Agreement.

We are committed to reviewing supply chain policies and processes to include selection and evaluation criteria based on sustainability, conducting sustainability audits, and assessing sustainability risks in our relationship with suppliers. Additionally, at Chimcomplex, we have implemented the Sustainable Procurement Charter, which all company suppliers must adhere to, and this serves as an important selection and evaluation criterion.

In 2024, we actively and intensively engaged with all the company's suppliers regarding sustainable procurement practices. For all suppliers invited to respond to the 'Sustainability Questionnaire,' awareness sessions will be organized to help them understand how to complete it and why Chimcomplex SA Borzești needs this information.

We take responsibility not only for our products but also for the entire supply chain.

The main requirements for suppliers are:

- Integrating sustainability commitments into procurement contracts.
- Using high-performance technologies and raw materials with a reduced carbon footprint.
- Reducing emissions and waste in the production process.
- Promoting a safe working environment and respecting human rights.
- Adhering to business ethics.

Annual objectives for sustainable procurement:

- Training suppliers on sustainability (min 50% in 2024 – achieved 52%).
- Evaluating suppliers through audits and interviews (min. 6 audits in 2024 – achieved 9 second-party audits, 20 by 2030).
- Efficient management of raw material expenses (max. 40% of production value – achieved 44.2% for the year 2024, including costs of raw materials and electricity).

Chimcomplex aims to achieve climate neutrality in the supply chain by 2050 by promoting sustainable practices and collaborating with suppliers who adhere to these principles.

These aspects are specified in the **Sustainable Procurement Policy**.

Sustainable procurement is based on the optimal identification and management of economic, social, and environmental impacts within the supplier network.

In the year 2024, with the desire to ensure knowledge and adherence to sustainable development throughout the entire procurement value chain at Chimcomplex SA Borzești, we undertook the following actions:

- We developed and sent, between March and June 2024, to 269 suppliers (199 from the domestic market and 70 from the foreign market) a Self-assessment Questionnaire regarding suppliers' activities – sustainable procurement, which aimed to train and verify compliance in terms of sustainability. Besides the Self-assessment Questionnaire, we also sent the "Sustainable Procurement Charter for Suppliers" of Chimcomplex SA Borzești, informing suppliers about the principles of sustainable procurement and inviting them to join us in the compliance effort by signing the document. Suppliers of raw materials, materials, products, and services were questioned, representing a source of continuous improvement in terms of sustainability, both for us as a client and for the companies themselves.
- Between July and December 2024, nine important suppliers of raw materials and services were audited by sending an audit questionnaire and conducting online interviews. The level of compliance with sustainability principles and requirements was assessed, and audit reports were prepared and sent to those audited

Specifically, we conducted 9 sustainability audits and assessments with suppliers regarding their approach to the environment, social responsibility, labor, and human rights (e.g., employee health and safety, working conditions, social dialogue, career management and professional training, child labor, forced labor and human trafficking, diversity, discrimination and harassment, human rights), ethics, and supply chain.

We aim to continuously increase the number of sustainability assessments of suppliers (internal assessments and/or EcoVadis).

Preventing delays in making payments

The policy for preventing delays in payments to suppliers has led to the automation of invoice verification and their payment due dates through the company's ERP software, eliminating manual handling of this operation and human errors related to meeting payment deadlines.

9.4.2 Payment practices

ESRS G1-6

According to the contractual provisions regarding payment terms, payments to our suppliers are made in accordance with the agreements individually concluded with each partner, with the standard payment term being 30 days.

We are committed to monitoring and adhering to the payment conditions with suppliers.

Thus, in 2024, there were no delays compared to the contractual terms agreed upon by the parties. The average time required for paying an invoice from the date on which the contractual or statutory payment term begins to be calculated is 15 days.

Our standard payment terms for our main categories of suppliers, based on the negotiated contract, are a maximum of 30 days, and the percentage of our payments within these standard terms is 83%. There are no ongoing legal actions related to delayed payments.





APPENDIX



APPENDIX-REPORT ACCORDING TO ARTICLE 8 OF REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL("TAXONOMY REGULATION")

10.1 INTRODUCTION

The taxonomy reporting has been prepared at the level of the Chimcomplex group. This section presents the key performance indicators provided for in Article 8 of the EU Taxonomy, Regulation (EU) 2020/852, and the associated delegated regulations.

The information complies with the simplified reporting requirements under Article 8 of the Taxonomy Regulation and Article 10(2) of Article 8 of the Commission Delegated Regulation (EU) 2021/2178 and its subsequent amending acts, Delegated Regulation (EU) 2021/2139, Delegated Regulation (EU) 2022/1214, Delegated Regulation (EU) 2023/2485, Delegated Regulation (EU) 2023/2486, and Delegated Regulation (EU) 2024/3215.

This regulation defines the criteria and standards necessary to classify sustainable investments, thereby facilitating the allocation of financial resources towards projects and economic activities that contribute to achieving sustainability and environmental protection goals. The EU Taxonomy is a classification system that establishes six environmental objectives:

- Climate Change Mitigation.
- Climate Change Adaptation.
- Sustainable Use and Protection of Water and Marine Resources.
- Transition to a Circular Economy.
- Pollution Prevention and Control.
- Protection and Restoration of Biodiversity and Ecosystems.

10.2 Article 8 Regulation on taxonomy

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy and represents an important step toward achieving carbon neutrality by 2050, in line with EU objectives, as the Taxonomy serves as a classification system for sustainable economic activities.

In the following section, Chimcomplex, as a non-financial enterprise, presents the share of turnover, capital expenditures (CAPEX), and operational expenditures (OPEX) for the reporting period from January 1, 2024, to December 31, 2024, which are associated with eligible economic activities and have the potential for alignment with the taxonomy. For alignment, activities must substantially contribute to one of the environmental objectives and must not cause significant harm to the other five environmental objective:

- Climate Change Mitigation.
- Climate Change Adaptation.
- Sustainable Use and Protection of Water and Marine Resources.
- Transition to a Circular Economy.
- Pollution Prevention and Control.
- Protection and Restoration of Biodiversity and Ecosystems.

In accordance with Article 8 of the Taxonomy Regulation and Article 10(2) of the Delegated Act (Commission Delegated Regulation (EU) 2021/2178) and its subsequent amending acts, the performance of Chimcomplex for the year 2024 is presented.

10.3 Our Results

General Presentation

Art. 8 (2) of the Taxonomy Regulation combined

The table below presents the proportion of economic activities that are eligible and aligned with the Taxonomy (based on total turnover, capital expenditures (CapEx), and operational expenditures (OpEx) for the financial year 2024.

Chimcomplex		Eligibility - Financial Year 2024		Alignment - Financial Year 2024
KPIs ¹⁴	Total (RON)	Eligible and Aligned Activities (A1) (%)	Eligible but Not Aligned Activities (A2) (%)	Non-eligible Activities (B) (%)
Turnover	1,502,687,570	-	46.10	53.90
Capital Expenditures (CAPEX)	87,979,576	-	63.07	36.93
Operational Expenditures (OPEX)	1,293,568,430	-	67.27	32.73

¹⁴ For the purpose of this report, turnover, capital and operating expenses belong to CHIMCOMPLEX SA BORZESTI.



Definitions

An **eligible** economic activity is one that matches the description of one of the activities defined in Regulation EU 2020/852 and its associated delegated regulations, regardless of whether the economic activity meets all the technical screening criteria provided

An economic activity is aligned with the taxonomy if it meets the following requirements:

- The activity makes a substantial contribution to one of the six environmental objectives by meeting the evaluation criteria defined for that economic activity.
- The activity does not significantly harm (DNSH) any of the other five environmental objectives.
- The activity is conducted in compliance with minimum safeguards, which apply to all economic activities and mainly refer to human rights and social and labor standards.
- The activity meets the technical screening criteria established by the EU and listed in the delegated acts. Eligibility and alignment with the EU taxonomy must be reported financially as percentages of a company's total revenue, total capital expenditures (CapEx), and selected operational expenditures (OpEx).

A **non-eligible** economic activity for the Taxonomy refers to any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

10.4 Description of Activities

We have examined all the economic activities carried out by Chimcomplex to identify those that are eligible and aligned in accordance with Annexes I and II of the Climate Delegated Act. Our activities contribute to climate change mitigation.

Economic activities eligible for taxonomy

The main activity of Chimcomplex, according to the CAEN classification, is 2013 - Manufacture of other inorganic basic chemicals (production of chlor-alkali and inorganic chlorides) and 2014 - Manufacture of other organic basic chemicals. The largest share of the company's revenue in the year 2024, according to the CAEN classification, is 2014 - Manufacture of other organic basic chemicals, mainly: polyether polyols, oxo alcohols, alkylamines, and other chemicals, including services and technical assistance and their commercialization domestically and for export.

The core production of the Group is structured across two locations: the Chemical Platform - Râmnicu Vâlcea Branch and the Chemical Platform Onești.

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



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

- Activity 3.13: Manufacture of chlorine.
- Activity 3.17: Manufacture of plastics in primary forms.
- Activity 4.1: Electricity generation using solar photovoltaic technology.
- Activity 4.30: High-efficiency co-generation of heat /cool and power from fossil gaseous fuels.
- Activity 4.31: Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.
- Activity 6.2: Freight rail transport.
- Activity 6.6: Freight transport services by road.
- Activity 7.2: Renovation of existing buildings.

Activity 3.13: Manufacture of chlorine

The manufacturing of chlorine is carried out at both locations in the brine electrolysis plants with ion-exchange membranes, producing chlorine as the main product alongside sodium hydroxide (lye) and hydrogen. The phases of the technological process (identical at both locations) are:

- Primary purification of brine.
- Polishing filtration of brine.
- Secondary purification of brine.
- Electrolysis of ultrapure brine in an electrolysis unit consisting of 6 electrolyzers, where, from the ultrapure aqueous solution of NaCl, under the action of electric current, the electrochemical production of chlorine, sodium hydroxide, and hydrogen occurs.
- Circulation of catholyte.
- Anolyte treatment.
- Chlorine cooling.
- Chlorine drying.
- Compression and distribution of dry gaseous chlorine.
- Dechlorination of residual gases.
- Cooling - compression of hydrogen.

In 2024, at Onești, operations were mostly conducted with 3-4 electrolyzers, producing 60,994.26 tons of electrolytic chlorine, while at Rm. Vâlcea, 5 electrolyzers were used to produce 88,081.69 tons of electrolytic chlorine.

The electrolytic chlorine was used as a semi-finished product in the production of the following finished products: Liquid chlorine, Hydrochloric acid, Sodium hypochlorite, Ferric chloride, Calcium chloride, Propylene glycol, Special polyols, Flexible polyols, Polymeric polyols, Rigid polyols, Pure dichloropropane, Drinking water, Demineralized water.

Activity 3.17: Manufacture of plastics in primary forms

Onești Site: The POLIEPOXIDES Project (resins based on epichlorohydrin) aims to produce 26,000 tons per year of epichlorohydrin, of which approximately 15,000 tons per year will be processed into 24,000 tons per year of epoxy resins. Various types of epoxy resins can be produced, depending on the desired viscosity, density, and epoxy equivalent. Thus, the parameters of the technological process can be adjusted according to market demands. The proposed project is highly profitable and aligns with global concerns regarding the use of renewable resources and the circular economy.

The project consists of six main units. These units are:

1. Gas hydrochloric acid synthesis unit - HCl unit.
2. Crude glycerin distillation unit - GLY purification unit.
3. Epichlorohydrin synthesis - ECH unit.
4. Epoxy resin synthesis - ERP unit.
5. Brine purification unit - BPP unit.
6. Waste incineration unit - WIP unit.

In 2024, Chimcomplex submitted a funding request to the Ministry of Finance under Government Decision 300 for the project: ESTABLISHMENT OF A NEW POLIEPOXIDES PRODUCTION UNIT WITHIN CHIMCOMPLEX SA. Additionally, expenses were incurred for consultancy services related to fund application documentation and market research, totaling 2,010,500 lei.

Rm. Vâlcea Site:

1. The existing polyether polyol production facilities at the Rm. Vâlcea site, with the main technological phases being: dosing of raw materials; degassing; heating of the reaction mass; dosing of propylene oxide; completion of the reaction; degassing and cooling; storage and conditioning, produced in 2024: Flexible polyols, Polymeric polyols, Special polyols, Rigid polyols.
2. A funding project was submitted to AFM-PNRR – **"Polyurethane Foam Recycling Plant at CHIMCOMPLEX S.A. Borzești, Râmnicu Vâlcea Branch."**

The recycling capacity is 1000 tons per year.

In 2024, expenses were recorded for consultancy services related to documentation preparation for funding, feasibility studies, land registry works, construction fees, and others amounting to 909,686.73 lei.

The project involves the purchase and commissioning of a modern plant for recovering plastic products such as polyurethanes through chemical recycling, using an optimized acidolysis technology. Acidolysis recycling involves breaking down the polyurethane matrix by reacting with inorganic acids, carboxylic acids, or acid anhydrides. For the decomposition of polyurethanes for recycling purposes, mono or dicarboxylic acids are used. Therefore, the process used in the new facility involves the reaction of a mixture consisting of 40% polyurethane, 13% carboxylic acid, 37% polyol, 6% additives, and 4% catalyst. Chemical recycling methods produce a recovered polyol (a complex liquid mixture of compounds with OH groups) that can be used in the production of polyurethane foams mixed with fresh polyol.

Activity 4.1: Electricity generation using solar photovoltaic technology

In 2024, projects were submitted to the Modernization Fund (Supporting investments in new electricity generation capacities from renewable sources related to the project call for applicants from the private sector, within 'Key Program 1' Renewable Energy Sources and Energy Storage) for Onești, Râmnicu Vâlcea, and Dej (a working point of Chimcomplex).



1. Installation of a photovoltaic power plant at Chimcomplex S.A. Borzești – Onești: 14 MW for self-consumption without storage
2. Implementation of a photovoltaic power plant at CHIMCOMPLEX SA Borzești - Râmnicu Vâlcea: 4.6 MW for self-consumption and 1 MWh storage
3. Installation of a photovoltaic power plant at Chimcomplex S.A. Borzești – Dej 1: 2.1 MW production and 0.5 MWh storage
4. Installation of a photovoltaic power plant at Chimcomplex S.A. Borzești – Dej 2: 29.95 MW for self-consumption and 1 MWh storage

Activity 4.30: High-efficiency co-generation of heat /cool and power from fossil gaseous fuels.

COGENERATION PLANTS

The simultaneous production of steam and electricity through cogeneration is a current and technically-economically validated option for utilizing primary energy resources (natural gas). Involvement of excess hydrogen in cogeneration is a beneficial solution for integrating a specific local resource.

At the **Onești site**, there are two cogeneration plants:

Cogeneration I

Year of commissioning: 2009

Cogeneration involves the simultaneous production of electricity and heat by burning natural gas in a high-pressure gas turbine and low-pressure natural gas together with hydrogen in the recovery boiler.

The main equipment has the following technical specifications:

- 1 Taurus 70 gas turbine manufactured by Solar, with a capacity of 7.5 MW;
- 1 electric generator with a capacity of 9000 KVA, 6 KV;
- 1 steam recovery boiler – Astebo, with a capacity of 25 t/h;
- 1 gas compressor – Enerproject type, with a capacity of 2800 Nm³/h, 22 barg, 125 Kwe.

Plant capacity:

- Electric power: 7.38 MW h/h
- Steam: 25 t/h - 16.68 MW
- Hot water: 1.411 MWht/h
- Raw materials: natural gas – 3200 m³/h and
 - Hydrogen: 3000 Nmc/h (the caloric equivalent of natural gases – 910 m³/h, part of the 3200 m³/h).

In the year 2024, Cogeneration I operated according to needs, producing: 50,292 MWh of electricity and 80,217 Gcal of thermal energy.

Cogeneration II

Year of commissioning: 2015

Cogeneration in this plant involves the simultaneous production of electricity and heat by burning natural gas in a high-pressure gas turbine. The main equipment has the following technical specifications:

- 1 gas turbine (GT) of 7.68 MW, GPB80D, Kawasaki
- 1 electric generator of 9800 KVA, 6.3KV
- 1 steam recovery boiler - HRSG of 16 t/h, 16 bar, 250°C



- 1 gas compressor type EGSI-S-50/300 WA
- 1 air compressor type ASK40, Kaeser
- Medium and low voltage electric station
- Internal services transformer
- SCADA system for cogeneration plant control.
- Plant capacity
- Net power: 7.68 MW at 10° C.
- Net capacity: 15.92 t/h /16 barg/ 250° C – 11.7 MW.

In the year 2024, this plant was in conservation.

At the Rm. Vâlcea site, two cogeneration plants were completed and commissioned:

1. High-efficiency cogeneration plant 49 MWe

The high-efficiency cogeneration plant produces:

- Electrical energy: minimum 42.39 MWe, maximum 49 MWe;
- Thermal energy in the form of steam at 16 bar and 280 °C: minimum 68.1 MWth, maximum 69.45 MWth;
- Thermal energy in the form of hot water, pressure 14 bar, temperature min. 70 °C, max. 90 °C: maximum possible from the recovery of residual heat from the chimney

The high-efficiency cogeneration plant of 49 MW is installed outdoors, on isolated reinforced concrete foundations. It consists of new modular (container-type) constructions, single-story, which include a control room, electrical equipment rooms (self-service transformers, power installation for CHP supply, medium voltage station, etc.), locker rooms, and sanitary facilities.

The utilities required for the technological process of the 49 MW high-efficiency cogeneration plant include demineralized water, decanted water, potable water, instrument air, process air, nitrogen, and methane gas. These are supplied from the networks of CHIMCOMPLEX SA Borzești - Râmnicu Vâlcea Branch.

The plant has chimneys for the exhaust gases from the three steam recovery boilers. Each chimney is equipped with a continuous emission monitoring system.

The thermal energy in the form of steam produced by the 49 MW high-efficiency cogeneration plant is entirely consumed internally in its own industrial processes.

The electrical energy produced by the 49 MW high-efficiency cogeneration plant is entirely consumed internally in its own industrial processes. The cogeneration plant is connected to the main consumer – the Membrane Electrolysis 34 MWh, as well as to the other consumers connected via SRA2 – 7 MWh, SRA3 - 5 MWh, SRA4 - 7 MWh, and Station 3 – 2 MWh.

In the year 2024, the 49 MW cogeneration plant produced: 84,065.786 MWh of electrical energy and 86,110.2125 Gcal of thermal energy.

2. High-efficiency cogeneration plant 8 MWe

The high-efficiency cogeneration plant of 8 MWe (trigeneration) produces:

- Electrical energy: max. 8 MWe;
- Thermal energy in the form of steam at 13 bar + hot water: 9.5 MWth;
- Thermal energy in the form of chilled water at 5°C: 7,449 MWh/year

The trigeneration plant with a maximum of 8 MWe consists of the following main equipment:

- Gas turbine;
- Electric generator;
- Gas compressor;
- Steam recovery boiler;
- Absorption chiller.

The fuel, namely natural gas and combustion air is introduced into the combustion chamber where combustion occurs. Before being introduced into the combustion chamber, the air is compressed using a compressor. The combustion gases resulting from the combustion chamber are fed into the gas turbine, which they drive. This, in turn, drives the electric generator that produces electrical energy. After expanding in the turbine, the combustion gases are directed to the recovery boiler, where they are cooled to the exhaust temperature at the chimney using cold water introduced into the boiler. Depending on the needs, the recovery boiler produces steam with various parameters, hot water, or both.

In the case of trigeneration plants, the hot water produced by the recovery boiler is used by an absorption chiller to produce chilled water.

In the year 2024, the production included: 27,623,898 MWh of electrical energy, 33,691.8696 Gcal of thermal energy, and 884.84 Gcal of chilled water.

Activity 4.31: Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

The project was submitted under the PNRR *for high-efficiency gas cogeneration, flexible, in the district heating sector of Râmnicu Vâlcea.*





The general objective of the project is to establish a flexible and high-efficiency gas production capacity of 108 MWe / 89.1 MWt for the cogeneration of electrical and thermal energy (CHP) to supply thermal energy to the residents of Rm. Vâlcea.

In the year 2024, expenses were recorded for consultancy: Purchases in SEAT amounting to 86,817.67 lei.

Activity 6.2. Freight rail transport

Chimcomplex has as a support activity at both sites the freight rail transport (raw materials and finished products) on the industrial railways, from and to the point where the trains are taken over by national rail transport companies, namely to Borzești Station for the Onești site and to Râureni Station for the Rm. Vâlcea site.

On the internal railways, we operate diesel-electric locomotives (1 only at Onești) and diesel-hydraulic locomotives (2 units) at Onești and (2 units) at Rm. Vâlcea.

Activity 6.6. Freight transport services by road.

Chimcomplex has, as a support activity at both sites, the road freight transport (raw materials and finished products), internally and on national roads and highways in Romania, from Chimcomplex (either the Onești site or the Rm. Vâlcea site) to the client or supplier.

For carrying out this activity, we have in operation:

At Onești: 1 N1 utility vehicle (purchased in 2023) and 1 N3 utility vehicle (purchased in 2016),

At Rm. Vâlcea: 1 N3 utility vehicle (purchased in 2022), which in 2024 was used only for internal freight transport.

Activity 7.2 Renovation of existing buildings

In the year 2024, renovation activities took place at the Tarcău Training Center (expenses reimbursed by Chimcomplex) consisting of partial works (only initiated, not completed) in: construction, plumbing, heating installations, and electrical installations.

Assessment of activities regarding alignment.

The results regarding the alignment of activities with the taxonomy were obtained following DNSH (Do No Significant Harm) assessments and evaluations regarding compliance with the minimum safeguards for the identified eligible activities.



The results regarding the alignment of activities with the taxonomy were obtained by following these steps:

- DNSH assessment for eligible activities
- Assessment of compliance with minimum social safeguards
- Climate risk and vulnerability assessment study of activities

The DNSH assessment was developed and documented in detail in documents related to this report, which are available in the records of Chimcomplex and can be consulted upon request. The table below indicates the environmental objective (**Climate Change Mitigation**) for which the activities qualify as eligible and contains a summary of the alignment assessment. The table below summarizes the results of the aforementioned analyses, thus containing the summary of the alignment evaluation.

Eligible economic activity	Environmental objective	Aligned	Substantial contribution	Compliance with requirements	
				DNSH	Compliance with minimum social safeguards requirements *
Activity 3.13 Manufacture of chlorine	Climate Change Mitigation	No	No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	Yes	
	Circular Economy		-	N/A	
	Pollution Prevention and Control		-	Yes	
	Biodiversity and ecosystems		-	Yes	
Activity 3.17 Manufacture of plastics in primary forms	Climate Change Mitigation		No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	Yes	
	Circular Economy		-	N/A	
	Pollution Prevention and Control		-	Yes	
	Biodiversity and ecosystems			Yes	
Activity 4.1 Electricity generation using solar photovoltaic technology;	Climate Change Mitigation	Nu	Yes	-	Yes
	Climate Change Adaptation		-	Nu	
	Water and marine resources		-	N/A	
	Circular Economy		-	Yes	
	Pollution Prevention and Control		-	N/A	
	Biodiversity and ecosystems			Yes	
Activity 4.30 High-efficiency co-generation of heat /cool and power from fossil gaseous fuels	Climate Change Mitigation	Nu	No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	Yes	
	Circular Economy		-	N/A	
	Pollution Prevention and Control		-	Yes	
	Biodiversity and ecosystems			Yes	

				Compliance with requirements	
Eligible economic activity	Environmental objective	Aligned	Substantial contribution	DNSH	Compliance with minimum social safeguards requirements *
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	Climate Change Mitigation	No	No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	Yes	
	Circular Economy		-	N/A	
	Pollution Prevention and Control		-	Yes	
	Biodiversity and ecosystems		-	Yes	
Activity 6.2. Freight rail transport.	Climate Change Mitigation	No	No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	N/A	
	Circular Economy		-	Yes	
	Pollution Prevention and Control		-	No	
	Biodiversity and ecosystems		-	N/A	
Activity 6.6: Freight transport services by road	Climate Change Mitigation	No	No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	N/A	
	Circular Economy		-	Da	
	Pollution Prevention and Control		-	Da	
	Biodiversity and ecosystems		-	N/A	
Activity 7.2 Renovation of existing buildings	Climate Change Mitigation	No	No	-	Yes
	Climate Change Adaptation		-	No	
	Water and marine resources		-	No	
	Circular Economy		-	Yes	
	Pollution Prevention and Control		-	No	
	Biodiversity and ecosystems		-	N/A	

Legend

N/A – there are no technical requirements for this objective for DNSH analysis

Result of the verification of compliance with minimum social criteria

Chimcomplex carries out economic activities aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (including gender equality and child labor exploitation, as well as the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights).

Summary - Compliance with minimum social criteria		Result
Commitment to respecting human rights		Yes
Human rights reflected in operational policies and procedures and embedded throughout the organization		Yes
Background check process regarding non-compliance with human rights to identify, prevent, and mitigate the impact on human rights in operations and the supply chain		Yes
Grievance mechanism (including legal rights to take action in court)		Yes
External communication about how the impact on human rights is addressed		Yes
Identification and remediation of negative impacts on human rights through legitimate processes		Yes
Health and Safety Policy		Yes
Policy on labor practices		Yes
Policies that set standards for responsible business conduct:	GDPR – Processing of personal data	Yes
	Anti-Corruption Policy	
	Whistleblowing mechanism/procedure	
	There are a series of safeguards, and in addition, the procurement procedure for ESG products and services is being developed to align with the Directive on Corporate Sustainability Due Diligence in the process of transposition	
	Employees have the right to voluntarily organize into trade unions to facilitate collective bargaining, inform and consult employees, ensure occupational health and safety, etc. Following the process of informing employees, they have not organized to appoint employee representatives, and as a result, we do not have employee representatives.	

Conclusion on eligibility and alignment assessment

In the case of Chimcomplex, **8 activities are eligible** concerning the taxonomy, as they correspond to the description of activities defined in Regulation EU 2020/852 and the associated delegated regulations.

Regarding the assessment of **the alignment of activities with the taxonomy**, it was found that:

- Only one activity - the production of electricity using photovoltaic solar technology - contributes substantially to climate change mitigation without harming the other 5 environmental objectives.
- All 8 eligible activities do not harm 4 out of the 5 environmental objectives (DNSH): Water and marine resources, Circular economy, Pollution prevention and control, Biodiversity and ecosystems. The main reason these activities do not harm the objective of Climate Change Adaptation is the lack of a climate risk assessment and a climate vulnerability study based on global warming scenarios. We aim to develop this study for the next reporting period.
- All 8 eligible activities meet the minimum social criteria.

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



10.5 Turnover, CAPEX, and OPEX

For Chimcomplex, the total amounts (KPI) were defined and calculated as follows:

Key performance indicators ("Indicators") include Turnover, CAPEX, and OPEX. For the reporting period of 2024, the indicators must be disclosed for both activities eligible/aligned with the taxonomy and for those that are not eligible.

We determine the taxonomy-eligible indicators in accordance with legal requirements and describe our accounting policy in this regard as follows:

• Turnover

Definition – The share of taxonomy-eligible/aligned economic activities in our total turnover was calculated as the portion of net turnover derived from products and services associated with taxonomy-eligible/aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from January 1, 2024, to December 31, 2024.

Net turnover is presented in the Financial Statements as of 31.12.2024, section Individual statement of profit or loss and other comprehensive income for the year ended 31.12.2024.

• KPI CapEx

Definition - The CapEx KPI is defined as the taxonomy-eligible/aligned CapEx (numerator) divided by the total CapEx.

Total capital expenditures are presented in the Financial Statements as of 31.12.2024, in the section Explanatory Notes to the Individual Financial Statements for the year ended 31.12.2024 and represent expenses related to tangible assets under construction and advances granted for tangible assets.

• KPI OpEx

Definition - The OpEx KPI is defined as OpEx (numerator) eligible/aligned for taxonomy divided by total OpEx.

Total OpEx represents total operating expenses from which are subtracted: value adjustments regarding fixed assets and current assets, fixed asset revaluation expenses, expenses regarding provisions adjustments and other operating expenses.



Company KPI Indicators

Fiscal Year				Year 2024		Criteria for substantial contribution						DNSH Criteria										
Economic activities				Code	Turnover	Proportion of Turnover, Year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of turnover aligned with the taxonomy (A.1.) or eligible under the taxonomy (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
Text					RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	enabling	transition
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (taxonomy-aligned)																						
There are no taxonomy-aligned activities																						
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1).					0	0%														%		
Enabling activities					0	0%														%	enabling	
Transitional activities					0	0%														%		transition
A.2 Taxonomy-eligible activities, but not environmentally sustainable (non-taxonomy-aligned activities)																						
Text					RON	%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of chlorine				CCM CCA 3.13	37,488,308	2.49%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of plastics in primary forms				CCM CCA 3.17	655,188,688.85	43.60%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation using solar photovoltaic technology.				CM CCA 4.1	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
High-efficiency co-generation of heat /cool and power from fossil gaseous fuels				CCM CCA 4.30	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system				CCM CCA 4.31	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Rail freight transport				CCM CCA 6.2	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Freight transport services by road				CCM CCA 6.6	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Renovation of existing buildings				CCM CCA 7.2	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of taxonomy-eligible activities, but not environmentally sustainable (non-taxonomy-aligned activities) (A.2)					692,676,997	46.10%																
A. Turnover of taxonomy-eligible activities (A.1+A.2)					692,676,997	46.10%																
B. Taxonomy non eligible activities																						
Turnover of non-taxonomy-eligible activities					802,854,945	53.90%																
TOTAL (A+B)					1,502,687,570	100%																

CapEx

Fiscal Year				Year 2024			Criteria for substantial contribution					DNSH Criteria									
Economic activities	Code	CapEx	Proportion of Turnover, Year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of CapEx aligned with the taxonomy (A.1.) or eligible under the taxonomy (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity		
Text		RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	enabling	transition		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (taxonomy-aligned)																					
CapEx related to environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%														%				
Enabling activities		0	0%														%	enabling			
Transitional activities		0	0%														%		transition		
A.2 Taxonomy-eligible activities, but not environmentally sustainable (non-taxonomy-aligned activities)																					
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Manufacture of chlorine	CCM CCA 3.13	14,936,323	16.98%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Manufacture of plastics in primary forms	CCM CCA 3.17	2,920,186	3.31%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Electricity generation using solar photovoltaic technology.	CM CCA 4.1	522,701	0.59%	EL	EL	N/EL	N/EL	N/EL	N/EL												
High-efficiency co-generation of heat /cool and power from fossil gaseous fuels	CCM CCA 4.30	34,865,307	39.63%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM CCA 4.31	796,181	0.90%	EL	EL	N/EL	N/EL	N/EL	N/EL												
Freight rail transport	CCM CCA 6.2	309,163	0.35%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Freight transport services by road	CCM CCA 6.6	-	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Renovation of existing buildings	CCM CCA 7.2	1,135,440	1.29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
CapEx related to taxonomy-eligible activities, but not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		55,485,301	63.07%																		
A. CapEx related to taxonomy-eligible activities (A.1+A.2)		55,485,301	63.07%														%				
B. Taxonomy non eligible activities																					
CapEx related to non-taxonomy-eligible activities		32,494,275	36.93%																		
TOTAL		87,979,576	100%																		

OpEx

Exercițiul financiar			Anul 2024			Criterii privind contribuția substanțială					Criterii DNSH								
Economic activities	Code	OpEx	Proportion of Turnover, Year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of turnover aligned with the taxonomy (A.1.) or eligible under the taxonomy (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		RON	%	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D; N; N/EL (b)(c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	enabling	transition
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx related to environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%													%	enabling transition		
Enabling activities		0	0%													%			
Transitional activities		0	0%												%				
A.2 Taxonomy-eligible activities, but not environmentally sustainable (non-taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of chlorine	CCM CCA 3.13	19,161,308	1.48%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of plastics in primary forms	CCM CCA 3.17	726,737,983	56.18%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation using solar photovoltaic technology	CM CCA 4.1	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
High-efficiency co-generation of heat /cool and power from fossil gaseous fuels	CCM CCA 4.30	102,638,929	7.93%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM CCA 4.31	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Freight rail transport.	CCM CCA 6.2	12,540,861	0,97%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Freight transport services by road.	CCM CCA 6.6	167,501	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx related to taxonomy-eligible activities, but not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		861,246,582	67.27%																
A. OpEx related to taxonomy-eligible activities (A.1+A.2)		861,246,582	67.27%																
B. Taxonomy non eligible activities																			
OpEx related to non-taxonomy-eligible activities		419,027,023	32.73%																
TOTAL		1,280,273,605	100%																

Abbreviations used in tables:
Y:Yes, N:Nu, EL: Taxonomy Eligible, N/EL: Taxonomy Ineligible

Activities related to nuclear energy and fossil gases

The text refers to compliance with Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022, which amends Delegated Regulation (EU) 2021/2139 regarding economic activities in certain energy sectors, as well as Delegated Regulation (EU) 2021/2178 concerning the disclosure of specific information related to those economic activities. Information related to activities in the nuclear and fossil gas sectors is to be presented in table form, **using the templates provided in Annex XII of the Regulation.**



Activities related to nuclear energy and fossil gases

Nr.	Activities related to fossil gases	
1.	The enterprise engages in, finances, or is exposed to activities related to the research, development, demonstration, and implementation of innovative power generation facilities that produce energy from nuclear processes with minimal waste generated from the fuel cycle	NO
2.	The enterprise carries out, finances, or is involved in the construction and safe operation of new nuclear facilities for the production of electricity or process heat, including for purposes related to district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
3.	The enterprise engages in, finances, or is exposed to the safe operation of existing nuclear facilities that produce electricity or process heat, including for purposes related to district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
4.	The enterprise engages in, finances, or is exposed to the construction or operation of electricity generation facilities that produce electricity using gaseous fossil fuels.	NO
5.	The enterprise engages in, finances, or is exposed to the construction, refurbishment, and operation of facilities that combine the production of thermal energy for heating/cooling and electricity using gaseous fossil fuels.	NO
6.	The enterprise engages in, finances, or is exposed to the construction, refurbishment, and operation of facilities that produce thermal energy for heating/cooling using gaseous fossil fuels.	NO





***We add value to natural
resources for a better life***

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LIMITED ASSURANCE REPORT
of the Independent Auditor on the Sustainability Report - Consolidated
for the financial year 2024
(free translation)

To the shareholders of Chimcomplex S.A. Borzesti

Conclusion of limited assurance

We conducted a limited assurance engagement on the Consolidated Sustainability Report ("*Consolidated Sustainability Reporting*") included in the annual report of Chimcomplex S.A. Borzesti (the "*Company*") together with its subsidiaries (the "*Group*"), as of December 31, 2024 and for the period from January 1, 2024 to December 31, 2024, prepared by the Company, with registered office in Strada Industriilor, nr 3, Onesti, Bacau County, Romania identified by the unique registration code 960322.

Based on the procedures we have carried out and the evidence we have obtained, we have not become aware of any aspect that would lead us to consider that the Group's consolidated sustainability reporting as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 is not prepared, in all material respects, in accordance with the applicable legislative sustainability reporting framework set out in *the Order of the Minister of Public Finance no. 2844/2016, Chapter 7¹, sections 7^{1.3} and 7^{1.4}*, including:

- compliance with the European Sustainability Reporting Standards ("*ESRS*"), including the fact that the process carried out by the Group to identify the information presented in the sustainability reporting (referred to as the "*Process*") is in accordance with the description set out in Chapter 1 included in the consolidated sustainability reporting, and
- compliance of the Taxonomy disclosures, detailed in Chapter 10 of the Enhanced Sustainability Reporting, with the applicable reporting requirements of Article 8 of Regulation (EU) No 852/2020 (the "*Taxonomy Regulation*").

Basis of the assurance conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) "*Assurance engagements other than audits or reviews of historical financial information*".

Our responsibilities under this standard are detailed in the "*Auditor's Responsibilities*" section of our report.

We are independent from the Group in accordance with *the International Code of Ethics for Professional Accountants (including the International Standards on Independence)* issued by the Council for International Ethical Standards for Accountants (IESBA Code), and the other relevant ethical requirements in Romania, including Law no. 162/2017 as amended, for our mission of ensuring sustainability reporting, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies *the International Standard on Quality Management 1* and, consequently, maintains an extensive quality management system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We consider that the evidence we have obtained is sufficient and adequate to provide a basis for our conclusion.

Highlighting some aspects

We draw attention to the information presented in Chapter I, point 1 "*General basis for the preparation of the sustainability report*" of the consolidated sustainability reporting, which describes the uncertainties and limitations encountered by the Group in the general context of the first application of the provisions of *the Order of the Minister of Public Finance no. 2844/2016, Chapter 7¹, sections 7^{1.3} and 7^{1.4}* and, specifically, the difficulties encountered in the financial year 2024 in collecting the information necessary for the publication of certain data points identified in the same chapter. Our conclusion is not altered on this point.

Other aspects – comparative information

Our limited assurance engagement does not extend to information included in consolidated sustainability reporting relating to prior periods. Our conclusion is not altered on this point.

Other aspects

The sustainability reporting for 2024 was prepared by the Group in the context of the first application of the provisions of the Order of the Minister of Public Finance 2844/2016, Chapter 7¹, sections 7^{1.3} and 7^{1.4}, a context characterized by uncertainties regarding the interpretation of laws and regulations, the use of material estimates, the absence of practices and frameworks established in particular for the assessment of double-materiality, as well as a system of internal control in the course of implementation. This allows us to understand the impact of the Group's activity on sustainability issues, as well as how these aspects influence the development of the Group's business, its performance and position. Sustainability issues include environmental, social and corporate governance issues.

Responsibilities for sustainability reporting - strengthened

The Group Directors are responsible for designing, implementing and maintaining a process for identifying the information included in sustainability reporting, in accordance with the ESRS, as well as for presenting this process in Chapter 1 of Sustainability Reporting.

This responsibility includes:

- understanding the context in which the Group's activities and business relationships are carried out and developing an understanding of the affected stakeholders;
- identifying current and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect or are expected to affect the entity's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium or long term;
- assessing the extent to which the impacts, risks and opportunities identified in relation to sustainability issues are significant, by selecting and applying appropriate thresholds; And
- developing methodologies and formulating assumptions that are reasonable in the given circumstances.

The Group directors are also responsible for preparing the consolidated sustainability report, in accordance with the sustainability reporting framework provided by law, including:

- compliance with the European Sustainability Reporting Standards (ESRS);
- the preparation of Taxonomy disclosures in Chapter 10 of the Consolidated Sustainability Reporting in accordance with Article 8 of Regulation (EU) No 852/2020 (the 'Taxonomy Regulation');
- designing, implementing and maintaining those internal controls deemed necessary to enable sustainability reporting without material misstatement, either due to fraud or error; And
- selecting and applying appropriate sustainability reporting methods, as well as making assumptions and estimates about individual sustainability disclosures that are reasonable in the given circumstances.

The persons responsible for governance are responsible for overseeing the sustainability reporting process at group level.

Inherent limitations in the preparation of the sustainability report

In reporting forecasted information, in accordance with the European Sustainability Reporting Standards (ESRS), the Administrators must prepare this forecast information based on assumptions presented regarding events that may occur in the future and possible future actions of the Group. The actual outcome is likely to be different, as anticipated events do not always occur as expected.

In determining disclosures in consolidated sustainability reporting, the Administrators shall interpret undefined legal terms and other terms. These undefined legal terms and other terms may be interpreted differently, including as regards the legal conformity of their interpretation, and are therefore subject to uncertainty.

Auditor's responsibilities

Our objectives are to plan and carry out the assurance engagement in such a way as to obtain limited assurance on the extent to which the enhanced sustainability reporting is free from material misstatement, caused by either fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements may be caused by either fraud or error and are considered material if it can reasonably be expected that they, individually or cumulatively, will influence user decisions taken on the basis of consolidated sustainability reporting as a whole.

As part of a limited assurance engagement under ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism throughout the engagement.

The procedures in a limited assurance engagement differ in nature and timing and are more restricted than those in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is significantly lower than the assurance that would have been obtained if a reasonable assurance engagement had been conducted.

Our responsibilities for enhanced sustainability reporting, in connection with the process, include:

- Obtaining an understanding of the process, but not for the purpose of drawing a conclusion on its effectiveness, including the outcome of the process;
- Design and carry out procedures to assess whether the process is consistent with the Group's description of the process as set out in Chapter 1 in the Consolidated Sustainability Reporting.

Our other responsibilities in relation to enhanced sustainability reporting include:

- Obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of sustainability reporting, but without evaluating the design of certain control activities, without obtaining evidence of their implementation or testing their operational effectiveness;
- Identification of information presentations in which material misstatements are likely to occur, caused by either fraud or error;
- Design and carry out procedures in response to disclosures in enhanced sustainability reporting, where material misstatements are likely to occur. The risk of not detecting material misrepresentation caused by fraud is higher than in the case of error, as fraud may involve complicity, falsification, intentional omissions, misrepresentation or circumvention of internal control.

Summary of the activity performed

A limited assurance engagement involves carrying out procedures to obtain evidence of enhanced sustainability reporting.

The nature, timing and extent of the procedures selected depend on professional judgement, including the identification of disclosures where material misstatements, caused by either fraud or error, are likely to occur in the enhanced sustainability reporting.

In carrying out our limited assurance mission, with respect to the Process, we:

- I gained an understanding of the process by:
 - conducting interviews to understand the sources of information used by management (e.g. stakeholder agreements, business plans and strategy documents); And
 - inspecting/examining the Group's internal documentation relating to its process; And
- We have assessed whether the evidence obtained as a result of our proceedings on the Panel process is consistent with the description of the process presented in Chapter 1.

In carrying out our limited assurance mission, with respect to enhanced sustainability reporting, we:

- We have gained an understanding of the Group's reporting processes relevant to the preparation of consolidated sustainability reporting;
- We have assessed whether the material information obtained through the process of identifying the information required to be disclosed in the sustainability reporting is included in the consolidated sustainability reporting;
- We assessed whether the structure and presentation of sustainability reporting are in line with the European Sustainability Reporting Standards (ESRS);
- We conducted interviews of relevant staff and analytical procedures on selected disclosures from the

enhanced sustainability reporting;

- We have carried out substantive procedures based on a sample of selected disclosures from the consolidated sustainability reporting;
- We obtained evidence on the methods of making significant estimates and forecasted information and on the way in which these methods were applied;
- We have gained an understanding of the process of identifying Taxonomy-eligible economic activities aligned with the Taxonomy and the corresponding disclosures from the consolidated sustainability reporting.
- Based on a selection, we compared information from the sustainability report with the corresponding presentations in the consolidated financial statements.

On behalf of: PKF Finconta SRL

Grigore Street, no. 37, Sector 1, Bucharest

Registered with the Authority for Public Supervision of the Statutory Audit Activity under the number FA32

Audit partner name: Florentina Susnea

Registered with the Authority for Public Oversight of the Statutory Audit Activity under number AF433

Bucharest, April 24, 2025



MANAGEMENT REPORT
REGARDING THE COMPANY'S ACTIVITY
CHIMCOMPLEX SA BORZEȘTI
IN 2024

Drawn up in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished and Annex no. 15 of the ASF Regulation no. 5/2018 on issuers of financial instruments and market operations and the Bucharest Stock Exchange Code,

based on the individual financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union, the individual financial statements prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 with subsequent amendments ("OMFP no. 2844/2016")

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1. IDENTIFICATION DATA OF SC CHIMCOMPLEX SA BORZEȘTI

Company name: CHIMCOMPLEX S.A. BORZEȘTI

Registered office : Onești, 3 Industriilor Street, Bacău County

Phone: 0234/302100

Fax: 0234/302102

Unique registration code: RO 960322

No. in the Trade Register: J1991000493044

LEI Code : 549300FCIHJZOG56WD36

The market on which the issued securities are traded: Bucharest Stock Exchange -

- **Standard Category:** CRC Symbol

Object of activity: Manufacture of other basic inorganic chemicals

Subscribed and paid-up share capital according to the Trade Register: 304,907,851 lei

The main characteristics of the securities issued by the company:

the share capital is divided into 304,907,851 shares with a nominal value of RON 1/share

2. SHAREHOLDING STRUCTURE

CHIMCOMPLEX S.A. BORZEȘTI is a Romanian legal entity, a joint stock company of the open company type. The registered office is in Onești, Industriilor street no. 3, Bacău county.

The company is listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, Symbol CRC starting with 17.01.2022.

From 21.07.2015 to 17.01.2022, 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:

Shareholders	December 31, 2024		December 31, 2023	
	Number Actions	%	Number Actions	%
C.R.C. Alchemy Holding B.V.	258.129.743	84,6583%	259.152.119	84,9936%
The Romanian State through A.A.A.S.	27.305.181	8,9552%	27.305.181	8,9552%
Legal entities	14.409.398	4,7258%	14.423.411	4,7304%
Individuals	5.063.529	1,6607%	4.027.140	1,3208%
TOTAL	304.907.851	100%	304.907.851	100%

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3. COMPANY OVERVIEW

The commercial company CHIMCOMPLEX was established in 1990, based on the Government Decision no. 1200 of 12.11.1990, by division from the Borzești Petrochemical Plant and the full takeover of the patrimony 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. J04/493/1991. In 2025, a new certificate with registration number J1991000493044 was issued.

The company was privatized in 2003 by signing the share sale-purchase agreement on June 9, A2 IMPEX SRL Ploiesti taking over from APAPS (AAAS) 94.7465% of the company's share capital on that date.

Stefan Vuza owns 91.339% of the shares of C.R.C. IMPEX CHEMICALS SRL, which owns 100% of the shares of CRC ZEUS HOLDING BV, which owns 100% of the shares of CRC ALCHEMY HOLDING BV, which owns 84.7763% of the shares of CHIMCOMPLEX SA Borzești

The registered office is in Onești, Industriilor street no. 3, Bacău county.

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.

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

The company has one branch and six work points, namely:

Branch:

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

Work points:

- ✓ Work point in Cazaci village, Tarcău commune, Neamt county;
- ✓ Work point in Pitesti Municipality, 7 Caminelor Street, Arges County;
- ✓ Work point in Dej, Bistritei Street, no. 63 (room no. 1), Cluj County;
- ✓ Bucharest Work Point, 44 Ficusului Blvd., Bucharest Municipality, Sector 1;
- ✓ Tarcău Fish Complex work point located in Cazaci village, Tarcău commune, Neamt county;
- ✓ Bucharest Sector 1, FREE PRESS Square, No. 3-5, City Gate South Tower, 17th Floor.

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3.1. Mission, vision, values

The mission of the management from the highest level to that of the employees of Chimcomplex SA is to offer high-performance products based on new technologies, in order to fully satisfy customers, promoting a sustained and sustainable development with a focus on social and environmentally friendly responsibility, while taking into account the interest of its shareholders.

In the assumed vision of the company's management, it is essential to develop products and methods resulting from its own research activity, thus pursuing expansion in complementary fields, with high growth potential, which ensure the superior capitalization of its research and development resources and its technological base.

Also, SC Chimcomplex SA assumes responsibility for everything it produces, in full compliance with the law, customers and other stakeholders.

The sustainability report for 2024 will be published on the company's website within the deadline provided by law.

The values that permanently define and shape the company's identity and organizational culture are:

Creativity	We are innovative and seek to apply the latest technologies and the most appropriate solutions every time;
Business Ethics	It is the foundation of our business relationships, based on honesty, integrity, communication and mutual trust;
Social responsibility	We consider our employees as one of the most important resources and seek to motivate them and ensure the best working conditions as well as continuous training;
Environmental protection	We act responsibly for the protection of the environment, both by promoting efficient products and by selective collection and recycling measures provided in the production sites;
Adaptability	We are constantly adapting to market requirements, looking for and discovering new opportunities, but remaining constantly focused on the needs and expectations of shareholders.

3.2. Description of the company's core business

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 main products manufactured by Chimcomplex SA Borzești are:

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

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The utilization rate of the plants that operated was 60% in 2024 compared to 53.84% in 2023 and includes the following: Membrane Electrolysis Plant, Propenoxide, Polyol-Polyether Sections, Oxo-alcohols Section.

3.3. Description of any significant merger or reorganisation of the company, subsidiaries or subsidiaries during the financial year

The group of companies within which CHIMCOMPLEX SA is the parent company consists of: Greencomplex SRL, A5 Invest SRL, Sistemplast SA, Logiserv SRL, CRC Worldtrade SRL and A6 IMPEX SA, these mainly representing service providers with the purpose of streamlining their activities.

In 2024, there were no liquidations, mergers or reorganizations within the group.

3.4. Events with a significant impact on the functioning of the company

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.

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.

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.

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.

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%.

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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.

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.

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. Chimcomplex has constantly made efforts to reduce the share of these influences through permanent negotiation of prices for the main categories of utilities with the main suppliers in the profile market.

3.5. Description of the main results of the evaluation of the company's activity

3.5.1. Elements of overall assessment

The structure of the main indicators achieved is 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	1.551.489	1.366.632	184.856	13,53
- operating income	1.538.469	1.343.854	194.615	14,48
- financial income	13.020	22.778	-9.758	-42,84
Total expenses	1.531.239	1.357.807	173.431	12,77
- operating expenses	1.480.315	1.309.448	170.867	13,05
- financial expenses	50.924	48.360	2.564	5,30
Gross result	20.250	8.825	11.425	129,46
- operating result	58.154	34.406	23.748	69,02
- financial result	-37.904	-25.581	-12.323	*
Corporate income tax expenses	11.341	0	11.341	*
Expenses/(Revenues) from deferred tax	4.427	-6.449	10.876	*
Net result	4.481	15.274	-10.792	-70,66

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

- **A 7% increase in turnover** compared to the same period of 2023, amid the increase in volumes of almost all product categories put on the market by the company that compensate for the reduction in prices and a low demand on the European market.

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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 1,551,489 thousand, of which RON 1,538,469 thousand operating revenues and RON 13,020 thousand financial revenues.
- **Costs:** The total expenses recorded in 2024 were RON 1,531,239 thousand, of which RON 1,480,315 thousand operating expenses and RON 50,924 thousand financial expenses. Expenditure on raw materials had a faster growth compared to the increase in revenues.
- **The operating result** increased to RON 58,154 thousand in 2024, compared to RON 34,406 thousand in 2023.
- 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 20,250 thousand, compared to 2023 when a gross profit of RON 8,825 thousand was obtained.

3.5.2. Market share held by the company

On the domestic market, the company holds, by product categories, the following market shares:

Chlorosodium: between 60% - 79%

Inorganic chlorides: between 62% - 98%

Oxo-alcohols: 61%

Polyols: 65%

MPG: 5%

On the relevant foreign markets (Turkey, Bulgaria, Hungary, Greece, Poland, Czech Republic, Slovakia)

Chimcomplex holds, by product categories, the following market shares:

Chlorosodium: between 25% - 55%

Inorganic chlorides: 25 - 30%

Polyols: 20%

3.6. Assessment of the technical level of the company

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

Borzești:

Chlorosodium products: caustic soda solution and flakes, liquid chlorine, hydrochloric acid, sodium hypochlorite;

Inorganic chlorides: ferric chloride, calcium chloride, lime chloride;

Alkylamines: methylamines, isopropylamine;

Other Products: Chlorcholine Chloride

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Brief overview of the main products manufactured:

Chlorosodium products

Caustic soda solution is used in the chemical industry in the manufacture of soaps, detergents, chemical 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. Also, caustic soda in all its forms is found in the rubber regeneration process, in the drying and dechlorination of gases and in the process of manufacturing cellulosic fibers by the "viscose" process.

Solid caustic soda (block, flakes, pearls) is in demand on the market due to the advantages it presents to users: lower storage costs, easier and more precise dosing, qualities that recommend the product for use in the pharmaceutical, cosmetics, detergents and other fields of fine synthesis.

Liquid chlorine is used in the chemical industry for organic and inorganic syntheses, 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 winter transport and storage of ores 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, to obtain 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 ammonium salts, choline hydrochloride, emulsifiers, insectofungicides, solvents, medicines, ion exchangers, dyes, detergents, photographic substances.

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

Chlorcholine chloride – is a product that is used as a 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

Polyether-polyols are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, defoamers, 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.

Synthetic organic products

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

Propylene glycol is mainly used in the production of antifreeze, polyether polyols, defoamers; 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 plasticizers; manufacture of synthetic lubricants; manufacture of surfactants and defoamers; 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 denitrocellulose 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.

3.6.1. Main markets, share of the main products in these markets in 2024 and distribution methods

The company capitalizes 72% of the turnover on exports and on the intra-community market.

The sale of products is made by the method of direct delivery to end users (consumers) or by the method of selective distribution to trading firms, specialized in the distribution of chemical products, which in turn sell to end users. Conducting sales through the second method ensures logistical conditions (warehouses, means of car transport, compliant with the legislation in force, which regulates the sale of chemical products, including hazardous chemicals), helps to reduce the costs of selling products on markets in more distant geographical areas, advance payment, prospecting and promotion of products (depending on the market).

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3.6.2. Share of each product category in the company's turnover for the last three years

	%		
Revenue from the sale of products	2024	2023	2022
chlorosodium	36,4	46,5	44,1
Polyols - Polyethers	44,6	48,9	48,5
oxo-alcohols	14,8	0,4	3,0
Other income	4,2	4,2	4,4

The value of the merchandise production carried out in 2024, compared to 2023, broken down by production sections, is presented as follows:

Location	Year 2024		Year 2023	
	VPM (thousand lei)	%	VPM (thousand lei)	%
Borzesti	289.388	20%	374.548	27%
Soda M	147.031	10%	194.291	14%
Chlorine	119.585	8%	133.524	10%
Organic	8.071	1%	29.651	2%
Inorganic chlorides	14.701	1%	17.082	1%
Rm. Vâlcea Branch	1.169.442	80%	973.912	73%
Chlorosodium	258.311	18%	291.398	22%
Polyols-Polyethers	675.858	46%	672.474	50%
Oxo-alcohols	221.326	15%	0	0%
Other Products	13.947	1%	10.040	1%
TOTAL	1.458.830	100%	1.348.460	100%

Borzesti:

The value of merchandise production in 2024 was 289,388 thousand lei, compared to 374,548 thousand lei in 2023.

Rm.Vâlcea Branch

The value of merchandise production achieved in 2024 was 1,169,442 thousand lei, compared to 973,912 thousand lei in 2023.

The degree of utilization of production capacities at the level of Chimcomplex SA in 2024 is:

Product group	%
-Polyols	68%
-Liquid soda	62%
-Oxo-alcohols	73%
Other Products	13%

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3.6.3. The new products envisaged and for which a substantial volume of assets will be affected in the next financial year as well as the stage of development of these products

This is not the case.

3.7. Evaluation of the technical-material supply activity (indigenous sources, import sources)

The main suppliers of Chimcomplex are:

PRODUCT	SUPPLIERS - indigenous sources, import sources
Salt solution	domestic suppliers SNS SA-SUC. MINING EXPLOITATION RM VALCEA, SNS SA – SALINA TG. NACO
Industrial lime	internal suppliers CARMEUSE HOLDING SRL, CELCO SA
Glycerine	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, SIAD ROMANIA SRL BUCHAREST
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	domestic suppliers PREMIER ENERGY TRADING S.R.L., BURSA ROMANA DE MARFURI SA, SNGN ROMGAZ SA MEDIAS, SNTGN TRANSGAZ SA MEDIAS
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, DELGAZ GRID SA, OPCOM SA BUCURESTI

The procurement activity of Chimcomplex SA Borzești is carried out through the Procurement Service (for the acquisition of raw materials, auxiliary materials, maintenance works and services) and the Logistics Office (for the acquisition of transport services), based on the Internal Procedural Rules regarding the award of contracts.

Of the total staff involved in the procurement process of Chimcomplex SA Borzești, 100% were staff with higher education. The functioning of the procurement system is continuously evolving.

Ex-ante control was carried out through the Procurement Managers, the Legal Service and the Economic Departments - they verified the quality and regularity of the documents drawn up by the staff involved in the procurement activity. The ex-post control of the procurement procedures was carried out by the financial control and the internal audit.

From the point of view of procurement activity, 2024 was a year of development of the company's position on the domestic and foreign markets. Chimcomplex SA Borzești continued the links with old partners and initiated new contacts, expanding more and more the coverage area in terms of the sources of purchase of the necessary goods and services.

For all the raw materials essential to the technological process, firm supply contracts were concluded for the entire quantity of the necessary (propylene, ethylene oxide, etc.), which guaranteed the stability of the company.

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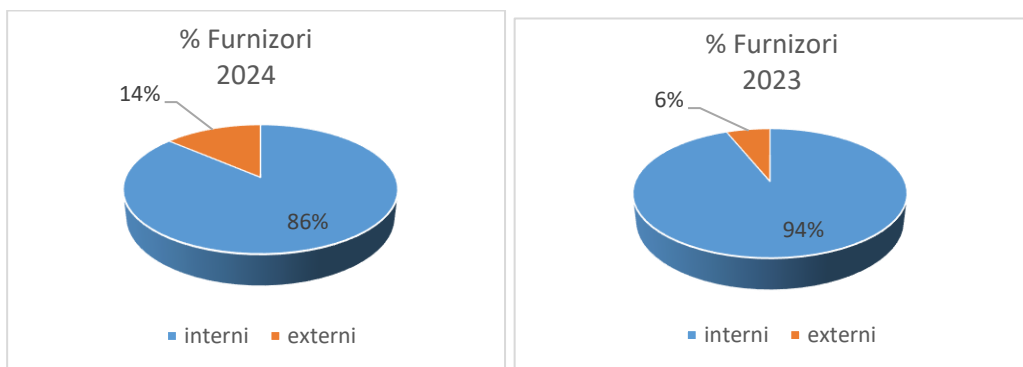


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Relations with suppliers are carried out within the integrated quality management system - environment ISO 9001:2015, ISO 14001:2015.



3.8. Valuation of sales activity

3.8.1. Description of the sequential sales evolution on the domestic and/or foreign market and of the sales prospects in the medium and long term

The basic products of the Borzești chemical platform are chlorosodium products: caustic soda, chlorine, hydrochloric acid, sodium hypochlorite.

The other product groups support the operation of the electrolysis plant through the direct or indirect consumption of chlorine and hydrogen.

In 2024, the company produced and delivered three categories of products:

- Inorganic products - chlorosodium: *caustic soda, chlorine, hydrochloric acid, sodium hypochlorite*;
- Macromolecular and organic synthesis products: *polyether-polyols, propylene oxide, propylene glycol*;
- Oxo-alcohol products: *octanol, iso-butanol, n-butanol*.

In 2024, sales on both the domestic and foreign markets recorded a historic decrease in prices, amid the energy crisis and the increase in electricity and natural gas prices, with an effect on increasing production costs.

The products with the highest share in the turnover were polyols. The company intends to focus its activity on the polyols and caustic soda sectors, but it has also restarted the oxo-alcohol plant in 2024.

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The evolution of sales, by sales markets, in 2024 compared to 2023 and 2022, is presented in the following table:

Product group	Market	2024		2023		2022	
		Quantitative situation	Value situation	Quantitative situation	Value situation	Quantitative situation	Value situation
Chlorosodium products	Internal market	42%	41%	40%	42%	44%	38%
	Foreign market	58%	59%	60%	58%	56%	62%
Inorganic chlorides	Internal market	58%	65%	59%	68%	53%	50%
	Foreign market	42%	35%	41%	32%	47%	50%
Alkylamine	Internal market	29%	44%	56%	68%	37%	50%
	Foreign market	71%	56%	44%	32%	63%	50%
Other products - Onești	Internal market	98%	66%	97%	64%	95%	62%
	Foreign market	2%	34%	3%	36%	5%	38%
Polyols-Polyethers	Internal market	23%	21%	22%	19%	19%	18%
	Foreign market	77%	79%	78%	81%	81%	82%
Oxo-Alcohol Products	Internal market	3%	3%	1%	2%	2%	2%
	Foreign market	97%	97%	99%	98%	98%	98%
Other products - Vâlcea	Internal market	66%	54%	44%	47%	35%	21%
	Foreign market	34%	46%	56%	53%	65%	79%

3.8.2. Description of the competitive situation in the company's field of activity, the market share of the company's products or services and the main competitors

On the domestic market, Chimcomplex SA Borzești, in its field of activity, has become the sole producer, consolidating its position on the market, after the acquisition of the assets of Oltchim SA Rm.Vâlcea, which owns similar technologies for obtaining chlorosodium products.

Chlorosodium Products:

Globally, Chimcomplex has a low market share for chlorosodium products, the main markets being the domestic market and the other countries in Eastern Europe and the Balkans. Among the most important customers of liquid caustic soda are: the alumina plant in Bosnia, Petrotel Lukoil, OMV Petrom, Rompetrol.

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 caustic soda production 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.

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The main competitors are Borsodchem Hungary, Anwil Poland, Spolana Czech Republic and PCC Rokita Poland, Interchim - Greece, Karpatneftehim - Ukraine, Donau Chemie - Austria which, directly or through distribution companies, are present on the Romanian market.

Given the important role of transportation costs in setting the price at the final destination, the export target market for chlorosodium products is composed of countries in Europe, North Africa, and the Middle East.

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.

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

Month	Production (tons)		Capacity Used (%)		
	2023	2024	% change	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 2024	Achieved 2023	Differences	Δ%	Budget 2024	Δ%
	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%

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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.

Compared to the production capacity of the two Chimcomplex electrolysis, totaling 237,783 tons/year, in 2024 168,260 tons of lye of 33% were produced, of which 150,536 tons of lye and 10,149 tons of solid caustic soda were sold, which represents about 70% of the production capacity, above the European average.

Polyethers:

Chimcomplex's production capacity, namely 126,500 tons/year, represents about 2% of the global production capacities.

The main markets are Romania, Poland, Hungary, Turkey, Italy, Benelux, Germany, Greece such as the UK, Ukraine, Sweden and Spain, but has faced declines in Western European markets such as Germany, Italy and Benelux.

On the local market, Chimcomplex holds a market share of approx. 49% in total domestic sales and 21% in total polyether sales.

The main competitors in the European Union markets are Covestro, Shell, Dow Chemicals, Repsol, BASF and PCC Rokita. On markets outside the European Union (Turkey, Russia, Ukraine, Serbia) competition is amplified by imports from China, Korea and Saudi Arabia.

The European polyol market faced unprecedented challenges and uncertainties in 2024, the third year in a row that the European polyol 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.

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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.

European polyether prices 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 been continuously eroded.

Total sales 2024 of polyethers 81,583 tons – 2023 (80,138 tons), respectively 44.6% of the sales volume made in 2024.

Currently, arbitration against China and Korea is closed to flexible polyols, which will lead to a significant decrease in imports, but remains open in the case of rigid polyols and SEAC.

Chimcomplex produces a wide range of polyethers both for flexible foams (mattresses, furniture industry, automotive industry) and for rigid applications (panels, polyurethane systems) and special applications (adhesives, coatings, sealants, elastomers). Chimcomplex has a large portfolio of customers in each field of use, and there is no dependence on a specific customer.

Oxo Alcohols:

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).

Chimcomplex has a relatively small production capacity compared to its main European competitors OXEA, BASF, Ineos, Sibur, Gazprom and Zak.

There is no significant local market for this product group, the main use being the production of plasticizers.

The main market for Chimcomplex is Turkey, a country that has no local producer and imports about 7000 tons of octanol monthly. Chimcomplex's market share in Turkey is in the range of 10-15%. Other important markets are Italy, Poland and Ukraine.

Unlike most competitors, Chimcomplex does not yet have its own production of plasticizers, which is why the operation of the oxo alcohol plant at capacity depends to a large extent on the Turkish market, a market on which Chimcomplex usually delivers based on an annual contract with the price formula.

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.

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3.8.3. Description of any significant dependence of the company on a single client or group of clients whose loss would have a negative impact on the company's revenue.

There are no customers or groups of customers whose loss would have a material negative impact on Chimcomplex's revenues.

The company's clients fall into two categories:

- Strategic;
- customers with low bargaining power and low share in total sales, for whom Chimcomplex is the best supply solution.

3.9. Assessment of aspects related to the company's employees/staff

3.9.1. Specifying the number and level of training of employees as well as the degree of unionization of the workforce

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 and other benefits 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, Procurement and Logistics.

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

Borzești Platform

The staff structure as of 31.12.2024, by category, is as follows:

Total Staff	541 of which:	
Skilled workers	390	
Unskilled workers	12	
Head of Band	23	
Total TESA, of which	116	
-direction	33	
-execution	83, of which: 66 with higher education 17 with secondary education	

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Râmnicu Vâlcea Branch

The staff structure as of 31.12.2024, by category, is as follows:

Total Staff 1,038 of which:

Skilled workers	754	
Unskilled workers	4	
Head of Band	42	
Total TESA, of which	238	
-direction	74	
-execution	164, of which: 147 with higher education	
	17 with secondary education	

The consolidated structure is as follows:

CHIMCOMPLEX employees	Total, of which:	Borzești	Râmnicu Vâlcea
Total number, of which:	1579	541	1038
- skilled workers	1144	390	754
- unskilled workers	16	12	4
- Heads of the band	65	23	42
- TESA	354	116	238
Salary expenses	159,572,859 lei	55,208,103 lei	104,364,756 lei
Social security expenditure	10,338,236 lei	2,136,499 lei	8,201,737 lei

The unions within Chimcomplex that have operated in 2024 are:

- in Borzești: the Chemist Union;
- at the Rm.Vâlcea Branch, the Oltchim Rm.Vâlcea Chemist Union.

3.9.2. Description of the relationships between manager and employees as well as of any conflicting elements that characterize these relationships

The relationship of the two unions with the company's management is based on dialogue whose purpose is to harmonize the employees' expectations with the company's possibilities, to comply with the provisions of the Collective Labor Agreement, to consult and negotiate in the joint committee.

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3.9.3. Annual report on the remuneration of the directors of Chimcomplex S.A. Borzești

The remuneration policy is posted on the company's website www.chimcomplex.com.

Name	Function	Fixed remuneration - lei, net -	Variable remuneration - lei, net -	Remuneration for executive functions - lei, net -	Advantages in kind - lei, net -	Remuneration from affiliates - lei, net -	Period worked in 2024
Vuza Stefan	Chairman of the Board of Directors; CEO on 10.11.2022-31.12.2024	1.196.740			364.378	-	01.01.2024 - 31.12.2024
Coman Dumitru	Member of the Board of Directors on 25.10.2022-31.07.2023 and Technical Director	68.889		227.563	417		16.01.2024 - 01.08.2024
Cojoc Iuliu Liviu	Member of the Board of Directors	139.916			-	-	01.01.2024 - 31.12.2024
Priestess Veronica	Member of the Board of Directors from 01.08.2022 to 01.08.2024	74.301			-	-	01.01.2024 - 01.08.2024
Tischer Gabriel	Member of the Board of Directors since 01.08.2022	181.880			-	69.629	01.01.2024 - 31.12.2024
Urbanowski Wiltold Piotr	Member of the Board of Directors from 01.08.2022 to 16.01.2024	4.478			-	-	01.01.2024 - 16.01.2024
Luca Florin	Member of the Board of Directors from 01.08.2023 to 01.08.2024	74.301			-	-	01.01.2024 - 01.08.2024
Wife Cosmin Ioan	Member of the Board of Directors since 02.08.2024	65.615					02.08.2024 - 31.12.2024
Alexander Madeline	Member of the Board of Directors since 01.08.2022	301.388	-	-	-	-	01.01.2024 - 31.12.2024
Staicu Dumitru Florian	CEO from 31.10.2023 to 31.05.2024	-	-	537.271	417	168.343	31.10.2023 - 31.05.2024
Hunt Steven Lance	CEO since 01.06.2024	-	-	536.679	79.599	-	01.06.2024 - 31.12.2024
Teotoc George Adrian	CFO since 09.04.2024	-	-	334.802	249	-	09.04.2024 - 31.12.2024

In the previous year, there were no comments on the preparation of the remuneration report. The remuneration granted to management is in line with the company's remuneration policy and aims to ensure the company's long-term performance.

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3.10. Assessment of the environmental impact of the core activity

A brief description of the impact of the issuer's core activities on the environment as well as of any existing or anticipated litigation regarding the infringement of environmental protection legislation:

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 Borzești - 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 the specified requirements, in compliance with the legal provisions and other requirements applicable in our field of activity; identification and dynamic assessment of risks in the processes of the activities carried out, as an integral part of them, risk management proactively, 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 the entire 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 the achievements, in conditions of continuous improvement of the 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;

Apart from 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 our own chemical testing laboratories on both platforms, which provide testing and calibration competence.
- Codex Alimentarius - HACCP certification for the production and marketing of chemicals, used as food additives, calcium chloride flakes, sodium hydroxide solution minimum 48% (for both sites) and sodium hydroxide flakes.
- Certification A for the quality of the product PROPYLENE GLYCOL FOR PHARMACEUTICAL USE (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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Chimcomplex operated in 2024 based on the following environmental permits:

- Onesti Platform:
 - Integrated environmental permit permanently valid on the condition of obtaining the annual visa;
 - Water management authorization;
 - Greenhouse gas emissions permit;
 - Environmental permit for the pilot plant for the manufacture of chlorcholine chloride, permanently valid provided that the annual visa is obtained;
 - Environmental permit for the treatment and coating of metals (anti-corrosion protections), permanently valid provided that the annual visa is obtained.
- Râmnicu Vâlcea Branch:
 - Integrated environmental permit, permanently valid provided that the annual visa is obtained;
 - Water Management Permit, Post-Closure Monitoring Permit for Non-Hazardous Waste Landfill, Post-Closure Monitoring Permit for Hazardous Waste Landfill
 - Greenhouse gas emission permit
- Someș-Dej work point:
 - Environmental permit
 - Water management authorization
- Logiserv:
 - Environmental permit
 - Water Authorization

During 2024, the following regulatory acts were obtained:

Chimcomplex SA Borzești - Onesti platform:

1. The annual visa decision no. 126/16.02.2024 for the Integrated Environmental Permit no. 1/20.03.2023,
2. The decision of the classification stage no. 171/01.10.2024 for the project "Installation of a photovoltaic power plant at Chimcomplex SA Borzești - Onești".

Chimcomplex SA Borzești - Rm. Vâlcea Branch:

- Water management authorization no. 1 of 08.01.2024 regarding: Water supply and wastewater disposal at Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch;
- Water management authorization no. 15 of 07.02.2024 regarding: Post-closure monitoring of the non-hazardous waste landfill at Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch;
- Water management authorization no. 46 of 27.03.2024 regarding: Post-closure monitoring of the hazardous waste landfill at Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch;
- The filing of the notification no. 40 of 17.01.2024 for the project "REPAIRS/CONSOLIDATION OF TANK WASHING STATION NO. 2";
- The Integrated Environmental Permit no. 1 of 13.01.2023 updated on 31.05.2024 at Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch;
- The NATURA 2000 Declaration no. 13182 of 06.08.2024 for the project: "Polyurethane foam recycling plant at Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch";
- Classification stage decision no. 696 of 12.08.2024 for the project "Polyurethane foam recycling plant at Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch";
- Classification stage decision no. 737 of 02.09.2024 for the project "Connection to the R.E.D. high-efficiency cogeneration plant";
- Classification stage decision no. 748 of 05.09.2024 for the project "Demolition, construction and demolition of installations for the purpose of sludge dewatering space resulting from the wastewater treatment plant – PO section";
- Classification stage decision no. 772 of 13.09.2024 for the project "Implementation of a Photovoltaic Power Plant within CHIMCOMPLEX S.A. Borzești Râmnicu Vâlcea Branch" - item "At the footbridge";

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- Classification stage decision no. 773 of 13.09.2024 for the project "Implementation of the Photovoltaic Power Plant within CHIMCOMPLEX S.A. Borzești Râmnicu Vâlcea Branch" - item "str. Uzinei";
- Classification stage decision no. 774 of 13.09.2024 for the project "Implementation of the Photovoltaic Power Plant within CHIMCOMPLEX S.A. Borzești Râmnicu Vâlcea Branch" - item "Priza Olt street".
- ANNEX no. 16859 of 30.09.2024 of the Decision of the classification stage no. 696 of 12.08.2024 - "Polyurethane foam recycling plant at Chimcomplex S.A. Borzești - Râmnicu Vâlcea Branch".
- Decision no. 746/26.11.2024 on the application of the annual visa of the Integrated Environmental Permit no. 1 / 13.01.2023 updated on 31.05.2024;
- Classification stage decision no. 993 of 13.12.2024 for the project "Continuation of works on the objective of assembling a 3000 cubic meter propylene sphere, started on the basis of AC 357/9731 of 01.04.2009 and continued by AC 466/15620 of 18.05.2018".

Chimcomplex SA Borzești - Work point Dej

It was not necessary to obtain or update the regulatory acts.

During 2024, the following documents and documentation were developed:

Chimcomplex SA Borzești - Onești platform:

- Elaboration of the atmospheric emissions inventory for 2023 - in the SIM (Integrated Environmental System) application;
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2023 - in the SIM (Integrated Environmental System) application;
- Reporting on waste statistics for 2023 - in the SIM (Integrated Environmental System) application;
- Reporting on the situation of hazardous substances produced/used/exported/imported (SCP) for 2023, in the SIM (Integrated Environmental System) application;
- GFS management reporting for 2022 - in the SIM app;
- PCB equipment management reporting in 2023 - in the SIM app;
- Annual Environmental Report for 2023;
- Greenhouse gas emissions monitoring report for 2023;
- Report on the level of activity for 2022 and 2023, in order to allocate certificates for 2024;
- INEGES Questionnaires - Industrial Processes and Product Use Sector, regarding the collection of the data necessary for the construction of the National Inventory of Greenhouse Gas Emissions, with data from 2023 for the calcined soda questionnaire;
- Statistical questionnaire on wastewater management for 2023 - to SGA Bacău;
- Calculation of the amounts due to the Environmental Fund, according to the legal provisions in force;
- Quarterly reporting of hazardous waste shipments;
- Statistical reporting on environmental protection expenditure for 2023.

Chimcomplex SA Borzești - Râmnicu Vâlcea Branch

- Reporting on waste statistics for 2023 - in the SIM (Integrated Environmental System) application;
- Reporting on the situation of hazardous substances produced/used/exported/imported (SCP) for 2023, in the SIM (Integrated Environmental System) application;
- Reporting of pollutants emitted and transferred (E-PRTR) and IPPC (Integrated Pollution Prevention and Control) for 2023 - in the SIM (Integrated Environmental System) application;
- Elaboration of the atmospheric emissions inventory for 2023 - in the SIM (Integrated Environmental System) application;
- Reporting on packaging/packaging waste management for 2023 in the SIM application;
- Reporting on waste oils for 2021 - in the SIM (Integrated Environmental System) application;
- INEGES Questionnaires - Industrial Processes and Product Use Sector. on the collection of data necessary for the construction of the National Greenhouse Gas Emissions Inventory, with data from 2023 for the lime, carbonate, charred soda questionnaires;
- Annual Environmental Report for 2023;
- Addenda to the Contracts for the provision of wastewater management services have been concluded for: S.C. VILMAR S.A., S.C. CET GOVORA S.A., S.C. UZINA MECANICĂ S.A., CIECH Soda Romania SA., S.C. LOGISERV S.R.L., S.C. SISTEMPLAST S.A. for the year 2024.

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- Addenda to the Contracts for the provision of wastewater management services have been concluded for: S.C. VILMAR S.A., S.C. CET GOVORA S.A., S.C. UZINA MECANICĂ S.A., ALOREF S.R.L., S.C. LOGISERV S.R.L., S.C. SISTEMPLAST S.A. for the year 2025.
- A contract has been concluded with EUROTOTAL COMP SRL - for "Water quality monitoring services from boreholes inside and outside the site, post-closure monitoring boreholes located on closed non-hazardous and hazardous waste landfills - sampling, transport, monitoring and interpretation of results through research works", for the year 2024 at CHIMCOMPLEX S.A. Borzești - Râmnicu Vâlcea Branch.
- A contract has been concluded with INDECO GRUP SRL for the recovery/disposal of polyether filter cake waste, valid until 19.07.2025;
- The form for the approval of the transport of hazardous waste (Annex 1) regarding the transport, disposal/recovery of hazardous waste resulting from the manufacture of exhausted polyethers - other filter cakes and absorbents, code 07 01 10* and was submitted for approval to the environmental authorities involved;
- An Addendum to the Contract with INCD ECOIND Bucharest was concluded - for "Air pollution monitoring services (emissions, immissions and odor) - sampling, transport, monitoring and interpretation of results, related to the year 2025 at CHIMCOMPLEX S.A. Borzești - Râmnicu Vâlcea Branch";
- An addendum to the contract with RematHolding regarding the sale and purchase of waste was drawn up;
- An addendum to the contract with RematHolding was drawn up regarding the provision of packaging waste recovery services;
- Plan for preventing and combating accidental pollution for 2024;
- Reporting on water statistics (SGA) for 2023;
- Statistical reporting on environmental protection expenditures for 2023;
- The Notification of activity at CHIMCOMPLEX S.A. Borzești - Râmnicu Vâlcea Branch has been updated, in accordance with the provisions of Law 59/2016 on the control of major accident hazards involving dangerous substances;
- Notified APM Vâlcea, GNM Vâlcea, ABA Olt, SGA Vâlcea and ISU Vâlcea regarding the Internal Emergency Plan (PUI) and External Emergency Plan (PUE) testing exercise of CHIMCOMPLEX S.A. Borzești - Râmnicu Vâlcea Branch, regarding the management of emergency situations generated by major accidents with implications on and off site;
- A contract has been concluded with IPROCHIM S.A. for the revision of the Security Report;
- A contract was concluded with P.F.A. Ilie I Nelu Corneliu for the elaboration of "Vector topocadastral plans of the areas in the national projection system STEREO 70 at a scale between 1:2,000 and 1:20,000, with the distribution of the impact areas around the site in GIS/electronic format".
- Reporting to APM Vâlcea on the final disposal of mercury waste to BATREC;
- Notification of APM Vâlcea, GNM Vâlcea, ABA Olt, SGA Vâlcea and ISU Vâlcea regarding start/stop of installations related to the Râmnicu Vâlcea site;
- The documentation necessary for the issuance of the Water Management Authorization related to CHIMCOMPLEX S.A. Borzești - Râmnicu Vâlcea Branch has been submitted to ABA Olt;
- The application for the approval of the application of the annual visa of the Integrated Environmental Permit no. 1 / 13.01.2023 updated on 31.05.2024;
- The Addendum to the Contract with ICSI - regarding the weekly natural gas analyzes for the year 2025, at Chimcomplex S.A. Borzești - Râmnicu Vâlcea Branch;
- Greenhouse gas emissions monitoring report for 2023;
- Report on the level of activity for 2022 and 2023 for the allocation of certificates for 2024;
- An addendum was drawn up with VOC Inspect for the verification of data and documents in order to obtain greenhouse gas emission certificates allocated free of charge for the period 2026-2030;
- The monitoring report for the first 9 months of 2024 and the report on the level of activity following the audit carried out by COV INSPECT S.R.L. were verified;
- Following the site visit of the VOC representatives, they revised/issued the revised verification report of the baseline data report for the 2026-2030 allocation period, which we subsequently submitted to the ANPM.
- The documentation for the allocation of EGES 2026-2030 (Methodological Monitoring Plan and Data Collection Report) was developed, sent to the auditor for verification and submitted to the ANPM.
- At the request of the ANPM, the documentation for the allocation of EGES 2026-2030 (Methodological Monitoring Plan and Data Collection Report) was reviewed and submitted to the ANPM.

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- The documentation for the revision of the greenhouse gas permit for the Râmnicu Vâlcea Branch has been prepared and submitted to the ANPM;
- A response was made to the Bucharest ANPM regarding the changes that took place on the site in 2024 regarding greenhouse gas emissions;
- A response was given to the Bucharest ANPM regarding the data of the representatives of the Single European Greenhouse Gas Registry.

Chimcomplex SA Borzesti - Work point Dej

- Statistical questionnaire on wastewater management for 2023 – to SGA Cluj
- Reporting on waste statistics for 2023 - in the SIM (Integrated Environmental System) application;
- Reporting on waste statistics for 2023 – sludge management questionnaire – in the SIM app
- Reporting on the situation of hazardous substances produced/used/exported/imported (SCP) for 2023, in the SIM (Integrated Environmental System) application;
- PCB Equipment Management Reporting in 2023 – in the SIM App

MONITORING OF ENVIRONMENTAL FACTORS

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

AIR

Chimcomplex SA Borzești calculates monthly the quantities of pollutants discharged into the atmosphere for which contributions to the Environmental Fund are paid (dust and pollutants from the combustion of natural gas) and annually reports 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 fixed sources in manufacturing processes and at emissions at the perimeter limit of Chimcomplex, no non-conformities were recorded on both platforms 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.

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 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.

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On the Rm. Vâlcea platform, due to the technology of obtaining Propenoxide by hydrochloride (approx. 50% of European capacities use this technology), there are large volumes of water impurified with calcium chloride and organic compounds, a deficiency common to all technologies based on the hydrochloride route, recognized and accepted by producers and authorities at EU level. For these reasons, the Rm. Vâlcea platform pays penalties to ABA Olt for the quantities of impurifiers that exceed the limits imposed by the Water Management Authorization.

During 2024, there were no differences between the monitoring carried out by the company and those of the authorities.

Both on the Onești 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.

WATER TABLE AND SOIL

The quality of the water table is monitored every six months by a RENAR accredited laboratory, and every two years it is also monitored by S.G.A. Bacău / S.G.A. Olt. The water table quality indicators shall be kept within the limits of the values recorded in the documentation drawn up for the revision of the integrated environmental permits.

The soil quality is monitored at the points and for the indicators established by the integrated environmental permits in force, with a frequency of 1 analysis/5 years in Onești, respectively 1 analysis/10 years, in Rm. Vâlcea; There were no non-compliances with the values established by the regulatory acts in force.

WASTE & PACKAGING MANAGEMENT

The activities carried out in Chimcomplex result in various types and categories of waste, which are properly managed, according to the legal provisions in force.

Annually, Chimcomplex SA Borzești fulfills its obligations regarding the management of packaging and packaging waste, on both platforms.

Also, special importance is given to waste recovery, so that the recovery rate of recoverable waste in 2024 was 90.6%.

MANAGEMENT OF HAZARDOUS SUBSTANCES AND PREPARATIONS

In Chimcomplex there are warehouses for the products used and sold, in which each tank/storage space is marked with the hazard phrases and the related hazard signs, according to the provisions of the safety data sheets.

NOISE

The noise is monitored at the perimeter limit, with the frequency and at the points established by the integrated environmental permits.

From the measurements made in 2024 by an accredited laboratory, the recorded noise level does not exceed the limitations in force, the recorded values being between 43.2 – 47.2 dB (compared to the maximum allowed limit of 65 dB).

CLIMATE CHANGE

In 2024, we carried out our activity in the field of climate change by complying with the provisions of the greenhouse gas emission permits and the EGES monitoring plans for the period 2021-2025, approved by the National Agency for Environmental Protection for each of the two platforms.

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The activity of Chimcomplex SA Borzești resulted in the following amounts of greenhouse gas emissions in 2024:

Direct GHG emissions (Scope 1)

In this category, for the year 2024, the following emissions fall:

- the combustion of natural gas for the production of electricity and heat in the cogeneration plants in Onești and Rm. Vâlcea;
- combustion of natural gas for the production of thermal energy in the thermal power plants of Rm. Vâlcea and Onești;
- combustion of natural gas for the incineration of chlorinated organic residues in the incineration plants in Rm. Vâlcea;
- burning natural gas as a fuel for heating raw materials;
- process emissions: bulk organic products, lime;
- the use of fuel for transport with its own means of transport (cars, trucks, machinery and vehicles for handling and transporting goods, CF locomotives), for carrying out the company's activity;
- industrial cooling installations, which use fluorinated greenhouse gases as a coolant.

Location	Emissions 2024, tons CO2
Onești	34256
V	175404
Total	209660

Indirect GHG emissions (Scope 2)

Indirect GHG emissions in 2024 are those related to electricity and heat purchased and used in the company's operations.

Location	Emissions 2024, tons
Onești	24349
V	153999
Total	178348

No. Crt.	Domain	CO2e emissions (tonnes)		Total CO2e emissions (to)
		Onești	Rm Vâlcea	
1	Goal 1 - direct emissions	34256	175404	209660
2	Scope 2 - indirect emissions	24349	153999	178348
	Goal 1 +2	58605	329406	388008
Total direct GHG emissions = 209660 to CO2e				
Total indirect GHG emissions (Scope 2) =178348 to CO2e				

Direct GHG emissions represent 54% of the total scope 1 and 2 emissions calculated by Chimcomplex SA Borzești for 2024 and are represented by the combustion of natural gas for the production of heat and electricity in its own Cogeneration facilities.

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Indirect GHG emissions – scope 2 – related to electricity and heat consumption represent 46% of the scope 1 and 2 GHG emissions accounted for by Chimcomplex SA Borzești for 2024 and this is due to the fact that we are a large consumer of electricity and heat – additional purchase is necessary in addition to our own production.

Sodium hydroxide ultrapure electrolysis plants, operated on both platforms, use electricity as a feedstock and, in this context, GHG emissions from electricity consumption account for a considerable share of total emissions.

The efficient management of energy consumption, as well as the implementation of the energy efficiency measures established by the company's development plans, have the immediate and direct effect of mitigating the climate effects generated by GHG emissions.

Environmental protection expenses (lei) for 2024.

Onești Platform

Crt No.	Expenditure on environmental protection (lei)	Observations
1	131.248	Environmental taxes (agreements, permits, payments to Apele Române)
2	589.355	Environment Fund
3	0	Fines and penalties to Apele Române
4	0	Environmental Research
5	16.028,17	Waste management
6	51.247,58	Environmental Factors Monitoring
7	0	Staff training
8	0	Investments environment
TOTAL	787.878,75	

Râmnicu Vâlcea Branch

Nr.crt.	Expenditure on environmental protection (lei)	Observations
1	1.758.057,5	Environmental taxes (agreements, permits, payments to Apele Române)
2	441.722,3	Environment Fund
3	37.324.567	Fines and penalties to Apele Române
4	146.537,2	Environmental Research
5	904.031,6	Waste management
6	59.310	Environmental Factors Monitoring
7	0	Staff training
8	909.686,73	Investments environment
TOTAL	41.543.912,36	

The company has no registered litigation regarding the violation of the legislation on environmental protection.

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TAXONOMY

The Taxonomy Regulation (2020/852) is a part of EU legislation tasked with defining environmentally sustainable economic activities and shifting more capital to activities that contribute substantially 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 harming the other 5 environmental objectives (when 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 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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COMPLIANCE ASSESSMENT

The control and regulatory authorities (GNM Bacău, GNM Rm. Vâlcea and APM Bacău, SAPM Rm.Vâlcea) carry out site visits in order to verify compliance with the REACH Regulation, the CLP Regulation, EC Regulation 528/2012 (biocidal products regime), EC Regulation 517/2014 (GFS regime), the compliance of Chimcomplex's activity with the provisions of the integrated authorizations in force, the legislation in force regarding waste landfilling. Following these checks, no sanctions were applied.

In 2024, the following inspection and control actions took place in the company:

1. Control carried out at Chimcomplex S.A. Borzești on 07.02.2024 by the representatives of GNM Bacău. The purpose of the planned control: to verify the compliance with the provisions of the environmental regulatory acts in force.

Established measures: Finalization and submission of the Annual Environmental Report to the competent environmental authorities.

Deadline: 31.03.2024

Sanctions: not applied.

2. Control carried out at Chimcomplex S.A. Borzești on 19.03.2024 by the representatives of GNM Bacău. The purpose of the unplanned control: to verify the compliance with the provisions of the regulatory acts, as well as with the regulations in force, regarding the notification registered with GNM Bacău regarding the existence on 17.03.2024 of the phenomenon of chlorine-smelling fog. A Finding Note was drawn up by which the commissioners of GNM Bacău noted that the activity is carried out under the regulated conditions and during the verified period there were no incidents that would produce polluting gas emissions into the environment.

Measures established: this was not the case

Sanctions: not applied.

3. Between 17÷ 18.06.2024, the thematic control carried out on site by the representatives of GNM Bacău, APM Bacău and IJSU Bacău took place to verify compliance with the requirements of Law 59/2016 on the dangers of major accidents involving dangerous substances. Control theme: Ensuring the safe operating conditions of the installations in the context of the company's reorganization. A SEVESO Inspection Report was drawn up in which all the findings and verifications during the control were recorded.

Established measures: this was not the case.

Sanctions: not applied.

4. Control carried out at Chimcomplex S.A. Borzești on 09.09.2024 by GNM Bacău representatives. The purpose of the unplanned control: to verify the aspects regarding the technical incident of 07.09.2024 that took place at the brine transport pipeline in Onești, str. Alea Slănicului, from Chimcomplex Borzești to the Tg. Ocna Salt Mine.

Established measures:

I. Securing the return wire transport pipe to prevent possible environmental damage.

Deadline: 01.10.2024 – the measure achieved.

II. The APM Bacău will be notified of the preliminary investigation of the potentially contaminated site, and a copy of the preliminary investigation report will also be sent to GNM Bacău.

Deadline: 01.10.2024 – the measure achieved.

Sanctions: The company was sanctioned with a verbal warning.

5. Inspection carried out at Chimcomplex Borzești on 12.11.2024 by GNM Bacău representatives. The purpose of the planned inspection: planned thematic control, according to Circular no. 6760/GM/23.08.2024 on the REACH – ENFORCE 12 project, on ensuring compliance with REACH and CLP obligations, through compliance by economic operators with the requirements of the REACH Regulation, in the case of substances, mixtures and articles imported from outside the EU area in 2023.

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Because the substances subject to control are used at the Rm. Vâlcea Branch, during the control the documents for the sulfuric acid purchased from Bulgaria in 2023, storage mode, information from the safety data sheet, purchased and existing stocks on site were checked and an Inspection Report was drawn up. Established measures: this was not the case. Sanctions: not applied.

6. Inspection carried out at Chimcomplex S.A. Borzești on 13.11.2024 by GNM Bacău representatives. Purpose of the planned inspection: Verification of compliance with the environmental regulations in force. An inspection report was drawn up in which the following were recorded: the operation of the factory, the monitoring of environmental factors, waste management, the storage method and the conditions of delivery of chemical products to the beneficiaries. Established measures: this was not the case. Sanctions: not applied.

7. Inspection carried out at Chimcomplex Borzești on 28.11.2024 by GNM Bacău representatives. The purpose of the planned inspection: planned thematic control, according to Circular no. 6760/GM/23.08.2024 on the REACH – ENFORCE 12 project, on ensuring compliance with REACH and CLP obligations, by issuing safety data sheets by economic operators in accordance with the new requirements of Annex II of the REACH Regulation, as amended by Regulation (EU) 2020/878. The Inspection Report recorded the list of chemical substances used/manufactured with the following data about each substance: no. CAS, no. REACH registration, classification according to CLP and storage and location mode. Also, the documents for chlorine were checked, namely manufacturing method, storage method (field visit), the information from the safety data sheet, the existing stocks on the site and an inspection report was drawn up. Established measures: this was not the case. Sanctions: not applied.

Chimcomplex SA Borzești - Rm. Vâlcea Branch:

1. On 04.11.2024, at the company Chimcomplex S.A. Borzești – Râmnicu Vâlcea Branch, the inspection of the competent authorities (ISU Vâlcea, GNM – CJ Vâlcea, APM Vâlcea – risk secretariat) took place, with the theme of verifying the operator according to the provisions of Law no. 59/2016, on the control of major accident hazards involving dangerous substances, with subsequent amendments. During the execution of the inspection, the documents developed in the field of security management, warning/alarm and communication systems, as well as the equipment and means of protection and intervention were verified and evaluated. During the inspection, no deficiencies were found regarding the managerial act in the line of managing hazardous substances and preventing the occurrence of a major accident or in the way of organizing and executing the activities planned and carried out within the objective.

No sanctions or objections were imposed.

Established measures and deadlines for implementation:

- the public information has been sent to the competent authorities and on the operator's website it can be viewed on the link: <https://chimcomplex.com/docs/informatii-seveso/>;
- a training was carried out on the obligations incumbent on the economic operator and which are contained in the joint order MDRAPFE/MM/MAI no. 3710/1212/99/2017, regarding the approval of the methodology for establishing the distances that fall within the provisions of Law no. 59/2016, on the control of major accident hazards involving dangerous substances.
- a testing exercise of the Internal and External Emergency Plan was carried out to limit and remove the consequences of a major accident involving hazardous substances, at the Chlorosodium Section on 30.09.2024. 11:00 a.m.

2. Control carried out at Chimcomplex S.A. Borzești - Râmnicu Vâlcea Branch between 17-18.12.2024 by the representatives of the National Environmental Guard - Vâlcea County Commissariat. The verification is carried out as a result of the planned control.

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Established sanctions:

A contravention sanction will be applied WARNING. for violating the provisions of Law 104/2011 - on ambient air quality, with subsequent amendments and completions, art. 79. in conjunction with OG 2/2001 - on the legal regime of contraventions.

Established measures and deadlines for implementation:

- Appropriate measures will be taken regarding the framing of emissions from fixed sources, coming from the Propenoxide section, within the maximum limits allowed by the legislation in force, as provided by the A.I.M.;

DEADLINE: 18.12.2024 and permanent;

- The operation of the Biological Wastewater Treatment Plant will be considered, at the appropriate parameters, in order to minimize the risk of impurity of the natural receptors;

DEADLINE: 18.12.2024 and permanent;

- Any incident/environmental accident/malfunction of the installations or damage, will be reported to the competent authorities with attributions in the field;

DEADLINE: 18.12.2024 and permanent.

Chimcomplex SA Borzești - Dej Work Point:

No inspection and control activities took place; The authorized wastewater treatment plant did not operate in 2024.

There were no complaints regarding the impact of the activity on the environment.

There were no technical accidents or emergency situations on any of the platforms.

3.11. Evaluation of R&D activity

The research and development activity at the Company is carried out only for the Râmnicu Vâlcea branch

with the staff of the Research Center within the branch, the achievements during 2024 being the following:

Crt. No.	THEME NAME	STAGE
1	Polycarbonate polyols	Covestro Technology Waiver Start of Econic license takeover
2	Polyol Synthesis with Trimethylolpropane Starter	Research continues in 2025
3	Polyether microproduction plant	Completed, put into operation
4	Polyols for flexible foams from foam waste	Submitted project for approval. The program will continue in 2025
5	Polyol-polyester based on vegetable oil	Research continues in 2025
6	Micro-production activities	They were carried out according to the requests
7	Evaluation of the foaming behavior of polyols for industrially manufactured flexible foams	They were carried out according to the requests
8	Evaluation of the performance of polyols for CASE and OCF applications (diols manufactured in KOH catalysis and DMC catalysis; propoxylated glycerines: Petol 160/250/400-3)	They were carried out according to the requests
9	Evaluation and testing of polyols for rigid foams (type PZ; PS; PM; PA)	They were carried out according to the requests

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		Research continues in 2025
10	Evaluation in the laboratory and in the industrial phase of new antioxidant systems for polyol-polyethers; establishing their performance and antioxidant levels for the types of polyols manufactured	Research continues in 2025
11	Monitoring of environmental factors	They were carried out according to the requests
12	Technical assistance for production departments	They were carried out according to the requests
13	Orders for Chimcomplex departments and services	They were carried out according to the requests
14	External orders	They were carried out according to the requests
15	Monitoring of grafted polyethers from the point of view of particle size distribution	They were carried out according to the requests
16	Additional Raw Material Testing	They were carried out according to the requests

In 2025, the research topics refer to:

Crt. No.	THEME NAME	STAGE
1	Polycarbonate polyols	Completion of laboratory research - Eonic Collaboration England
2	DMC Catalyst Testing	Testing at a glance Diol with mass 4000Yes
3	Polyol Synthesis with Trimethylolpropane Starter	Completion of research Pilot scale syntheses Customer approval
4	Ortho-toluenediamine-based amine polyols	New topic Documentation and synthesis on a laboratory scale - Borshodchem collaboration
5	Polyols for flexible foams from foam waste	Project submitted for financing
6	Polyol-polyester based on vegetable oil	Continue Laboratory Documentation/Experiments
7	Sustainable sourcing of Na ₂ CO ₃	New theme Documentation/laboratory experiments
8	Micro-production activities	Made to order
9	Technical assistance for the installation of ecological polyols	On request
10	Evaluation of the foaming behavior of polyols for industrially manufactured flexible foams	On request
11	Evaluation of the performance of polyols for CASE and OCF applications (diols manufactured in KOH catalysis and DMC	On request

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	catalysis; propoxylated glycerines: Petol 160/250/400-3;	
12	Evaluation and testing of polyols for rigid foams (type PZ; PS; PM; PA)	On request
13	Evaluation in the laboratory and in the industrial phase of new antioxidant systems for polyol-polyethers; establishing their performance and antioxidant level for the types of polyols manufactured	Next theme
14	Monitoring of environmental factors	According to the approved Environmental Surveillance Schedule
15	Technical support for production departments	It will be granted on request
16	Orders for CHIMCOMPLEX departments and services	Tests according to the requests of the sections and services
17	External orders	Tests, analyses, interpretation
18	Monitoring of grafted polyethers from the point of view of particle size distribution	In each batch
19	Additional Raw Material Testing	On request

3.12. Evaluation of the integrated management system

As in previous years, in 2024 Chimcomplex SA aims to ensure total compliance with the explicit requirements and expectations of customers, as well as with regulations and legal provisions,

Consistent with the principles of the stated policy, the necessary resources have been provided for:

- designing, developing, executing, marketing and after-sales support the products and services offered that fully meet the requirements and expectations of our customers regarding quality, legal and regulatory requirements, as well as the reasonable expectations of stakeholders, using clean and safe technologies that lead to improved environmental performance;
- occupational health and safety;
- setting measurable annual objectives and performance indicators appropriate to maintain societal balance and development;
- maintaining the certifications of the Integrated Management System according to the reference standards;
- continuous improvement of the effectiveness of the Integrated Management System for the fulfillment of the policy and the achievement of the proposed objectives;
- monitoring, measuring and continuously improving the level of customer satisfaction;
- monitoring, measuring and ensuring economic efficiency, in all actions taken in 2024.

In 2024, all the system certifications previously obtained were maintained, Integrated General Management System: EN ISO 9001:2015 -"Quality management systems. Requirements.;" EN ISO 14001:2015 – "Environmental management systems – Requirements with user guide".

3.13. Assessment of the company's risk management activity

Risk management is an element of the internal control system, with the help of which significant risks within the company are discovered, the ultimate goal being to keep these risks at an acceptable level. Risk management is a continuous and cyclical process based on permanent control and monitoring activities, which involves:

- establishing the objectives of the company corresponding to its hierarchical levels;
- identification of risks that may affect the achievement of objectives, compliance with rules and regulations, trust in financial information, protection of assets, prevention and detection of fraud;
- definition of risk categories (external, operational, change), as well as inherent risk, residual risk and risk appetite;

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- assessing the likelihood that the risk will materialise and the size of its impact;
- monitoring and assessment of risks, as well as the adequacy of internal controls.

Risk management is based on the analysis of risk factors that allows the company's management to know the risks that could affect the achievement of objectives.

It should be noted that certain risks will always exist and will never be completely eliminated. All employees must understand the nature of the risk and accept responsibility for the risks associated with their area of action/authority.

The company has its own internal audit department, which, based on quarterly and annual approved plans, carries out missions to identify and monitor the potential risks of the company's activity, as well as to evaluate the internal control at company level.

The company's risk management policy is to adopt best practices for effectively identifying, assessing and controlling risks, including those relating to fraud, to ensure that they are eliminated or reduced to an acceptable level that does not affect the company's operation or the quality of the products supplied.

Thus, the company has ensured a control environment by applying the following standards: ethics, integrity; attributions, functions, tasks; competence, performance; Delegation; organizational structure, etc. The documents in which these standards are implemented are, among others, the following: the Collective Labor Agreement, the Internal Regulations, the Organization and Functioning Regulations, the job descriptions and the Quality-Environment Manual, brought to the attention of the employees and periodically revised.

Risk management has been implemented in the company by: establishing the general and specific objectives of the company and its structures; the establishment of a performance monitoring and reporting system; identification and assessment of the main risks specific to the activities in the compartments/structures; drawing up the risk register, etc.

By implementing the requirements of the new ISO 9001:2015 and ISO 14001:2015 standards, both the risks generated by the processes identified at the company level and those associated with the environmental aspects generated by the activities, products and services carried out have been identified and assessed, and we have documented the management of these risks.

The management has the obligation to permanently monitor the risk register together with the program of measures to minimize them. Thus, at least once a year, the process managers will systematically analyze the risks related to the performance of its activities and develop appropriate plans in order to limit the possible consequences of these risks.

By the nature of the activities performed, the company is exposed to risks that include, but are not limited to, the risks presented below:

Description of the company's risk exposure:

Market risk

The macroeconomic environment, in general, and the chemicals market, in particular, continue to be affected by the economic crisis, with negative consequences on the company's development potential. Due to its geographical positioning, in the center of the market with the highest consumption growth in Europe, Chimcomplex has the market assured for all its products that are currently manufactured:

- proximity advantage of sources of raw materials (salt, limestone) and utilities (steam)
- Advantage sales in neighboring markets growing
- Advantage of access to rail, road, sea transport

Another advantage is that there is no significant dependence of the company on a single customer or group of customers whose loss would have a negative impact on the company's revenue.

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Interest rate risk

Interest rate risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The Company could be subject to a risk that future cash flows may fluctuate due to changes in market interest rates on loans and cash held.

Credit risk

Credit risk represents the risk that one of the parties participating in a financial instrument will not fulfill an obligation, which will cause the other party to record a financial loss.

The financial assets that subject the Company to potential concentrations of credit risks mainly comprise receivables from the core business. They are presented at the net value of the provision for uncertain receivables. The credit risk related to receivables is limited, as a result of the large number of customers in the Company's client portfolio, the financial instruments used (promissory notes, checks, etc.) and the conclusion of the domestic and export trade credit insurance policy.

At the same time, the Company annually concludes trade credit insurance policies for customers to whom it grants payment terms.

Another method of managing credit risk is the sale of products through distributors, who ensure that the final consumer takes over the risk of non-payment.

RRRiscuity Ratio

Liquidity risk, also referred to as funding risk, is the risk that an undertaking will have difficulties in accumulating funds to meet its commitments associated with financial instruments. Liquidity risk can arise as a result of the inability to quickly sell an asset at a value close to fair. The Company's liquidity policy is to hold sufficient assets so that it can meet its obligations on due dates. Assets and liabilities are analysed according to the period remaining until the contractual maturities.

The company monitors cash flows on a daily basis and permanently updates its receipts and payments forecasts in order to better manage liquidity in the face of the financial difficulties it faces.

Given the nature of its business, the company aims to be flexible in terms of financing options, by maintaining the credit lines available to finance operating activities as well as investments. Liquidity risk management is done with the help of the **current liquidity indicator**, which shows the extent to which current liabilities from current assets (current assets) can be covered.

Capital risk management – the objectives of management are to protect the entity's ability to continue its business in order to provide benefits for shareholders and other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company uses loans that are usually secured by its assets. If the company is unable to generate adequate cash flows to cover debts, it may suffer a partial or total loss of capital. A relatively small movement in the value of assets or income can cause a large disproportionate, unfavorable or favorable movement in the value of the company's economic indicators.

Capital risk management is done with the help of the leverage **ratio**, which shows the degree to which equity finances the business by indicating the extent to which its medium and long-term commitments are guaranteed by equity. It is calculated as the ratio of medium and long-term debts to total capital.

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Economic risk. Any economic recession generally negatively affects the value of a company, so the return on an investment in a productive company depends to a large extent on the economic conditions on the domestic and international market, on the volume of orders received and the value of contracts concluded, as well as on changes in the prices of raw materials and finished products.

The impact of government laws and regulations. The company must be subject to laws and regulations relating to taxation, planning, laws and regulations which, by their application, may have an effect of increasing expenses and decreasing revenues or the rate of return.

Taxation - The taxation system in Romania is constantly changing/modifying and is trying to consolidate and harmonize with the European legislation. QIn this respect, there are still different interpretations of the tax legislation. In certain cases, tax authorities may treat certain tax matters differently, including transfer pricing, and additional taxes and fees and related interest and penalties are calculated.

Litigation –The company is subject to several legal actions that have arisen in the course of the normal course of its activity. Management believes that they will not have any significant negative effect on the Company's financial performance and financial position.

Environment - Environmental regulations are in a phase of development in Romania and Chimcomplex has no debts as of December 31, 2024 for any anticipated costs, including legal and consultancy fees, design and implementation of environmental remediation plans.

Economic, political and social conditions in Romania or other countries

The Company's performance may be particularly affected by changes in legal, regulatory and taxation rules, as well as by general financial conditions at national and global level:

- changes in political, economic and social conditions in Romania and/or other Central and Eastern European countries;
- changes in Government policies or changes in laws and regulations, or interpretation of laws and regulations;
- changing the exchange rate regulations;
- measures that can be introduced to control inflation and the interest rate;
- changes in percentages or methods of taxation.

3.14. Elements of perspective on the activity of the company

3.14.1. Presentation and analysis of all trends, elements, events or uncertainty factors that affect or could affect the liquidity of the company, compared to the same period of the previous year

Following the acquisition by Chimcomplex SA Borzești in December 2018 of the five asset packages belonging to Oltchim, the period 2019 - 2024 was dedicated to the integration of the activities of the Borzești and Rm.Vâlcea platforms (administrative/organizational, financial-accounting, production, IT, etc.) and to capitalize on the synergies between the two platforms.

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.

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

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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.
- 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.

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 substantiating the budget for 2025 , the company envisages a quantitative increase in its production through the operation of the following plants: Membrane electrolysis, Oxo plant – alcohols, Propenoxide plant, Polyol plants – polyethers in relation to propenoxide production and expects a turnover of 301 million euros.

Chimcomplex SA Borzești plans to implement in the coming years an investment program for the chemical platforms in Borzești and Rm.Vâlcea, which will ensure the modernization of existing capacities, the development of new capacities with an impact on increasing turnover and reducing operating costs.

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3.14.2. Presentation and analysis of the effects of current or anticipated capital expenditures on the company's financial situation

Borzești:

During 2024, investments were made on the Onești Platform in the amount of 28,258,429 lei, respectively 5,680,543 euros, for the following investment objectives:

CAPEX Onești	Currency	2024
Photovoltaic panels 8 MWh - Onesti	eur	36.181
Photovoltaic Panels 5 MWh - Dej	eur	56.233
Sustainable epoxy resin manufacturing	eur	1.614.540
Establishment of a new polyepoxide unit	eur	40.794
Power Station	eur	97.119
Others & Maint.	eur	3.835.676
Total new equipment (eur)	eur	5.680.543
Total new equipment (ron)	Ron	28.258.429

Râmnicu Vâlcea Branch:

During 2024, investments in the amount of 66,002,565 lei and 13,267,538 euros were made at the Rm. Vâlcea Branch, respectively, the main allocations of funds being for the following investment objectives:

CAPEX Rm VALCEA	Currency	2024
Propenoxide 1 - Consolidation	eur	44.156
Polyols	eur	125.836
Propylene storage	eur	533.795
Cogeneration station 8 Mwe	eur	538.665
Oxoalcooli - modernization	eur	593.117
Cogeneration station 49.5 Mwe	eur	1.892.222
Works for the non-profit organization CHP 49 MW	eur	4.952.326
Green hydrogen production	eur	2.151
Others & Maint.	eur	4.585.269
Total new equipment (eur)	eur	13.267.538
Total new equipment (ron)	Ron	66.002.565

CAPEX	Currency	2024
TOTAL CAPEX	eur	18.948.081
TOTAL CAPEX	Ron	94.260.994

The investment program of CHIMCOMPLEX SA Borzești for 2025 is 47 mln. euro, a value that includes the investment projects allocated on the two platforms, as described below.

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Investments Onești Platform

The Investment Program for the Onești Platform of Chimcomplex SA Borzești, for 2025, is estimated at 30.7 mln. euro and contains the following investment objectives:

- Integrated Polyepoxies Production Unit
Value for 2025 = 22,000 thousand euros.
The project represents the construction of a complex of flow-connected and integrated installations so as to fit into the concept of circular, sustainable and non-polluting economy. The investment involves purchases of technology, equipment and construction-assembly works, being composed of the following modules/installations: HCl gas synthesis, epichlorohydrin synthesis, polyepoxide synthesis, brine purification, waste incineration.
- Electrolysis Modernization
Value for 2025 = 300 thousand euros.
The investment will focus on equipment purchases and replacements to increase yields and operational safety.
- Onești 14 MW and Dej 7.7 MW photovoltaic plants
Value for 2025 = 6,150 thousand euros.
The proposed objective is to build photovoltaic plants for self-consumption and energy storage.
- Miscellaneous & Upgrades & Facilities
Value for 2025 = 2,297 thousand euros.
Acquisitions/replacements of equipment are envisaged to continue modernization, capacity expansions and ensure the reliability of the operation of manufacturing and commercial flows.

Investments Rm.Vâlcea Branch

The Investment Program of the Râmnicu Vâlcea Branch of CHIMCOMPLEX SA Borzești, for 2025, is estimated at 16.3 mln. euro and contains the following investments:

- Propylene Warehouse
Value for 2025 = 1,500 thousand euros.
Continuation of the assembly works of the 3000 cubic meter propylene sphere to increase the propylene storage capacity and to increase the degree of operational safety.
- Non-profit CHP fittings 49.5 Mwe
Value for 2025 = 1,300 thousand euros.
- Plant for the production of special polyols, including plant for obtaining flexible polyurethane foams, laboratory and monitoring equipment
Value for 2025 = 300 thousand euros.
- Capacity increase at the Polioli-Polieteri Plant
Value for 2025 = 300 thousand euros.
- Green hydrogen production
Value for 2025 = 300 thousand euros.
- 5 MW photovoltaic power plant
Value for 2025 = 1,900 thousand euros.
The proposed objective is to build a photovoltaic plant for self-consumption and energy storage.
- Environmental Investments - Wastewater Treatment from the Propenoxide Section
Value for 2025 = 300 thousand euros for the implementation of solutions for dewatering sludge from wastewater from PO manufacturing.
- Investments Environment – Polyurethane foam recycling plant
Value for 2025 = 4,000 thousand euros.
- Environmental Investments – Opening of a non-hazardous waste pond
Value for 2025 = 115 thousand euros.
- Investments in CF logistics
Value for 2025 = 2,611 thousand euros.
- Miscellaneous & Upgrades & Facilities
Value for 2025 = 3,696 thousand euros.
Acquisitions/replacements of equipment are envisaged to continue the modernization, capacity expansions and ensure the modernization, efficiency and reliability of the operation of manufacturing and commercial flows.

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The investments proposed in the 2025 plan will be physically made and will be promoted for financing in the order and depending on the evolution of the economic and legislative environment, the approval of projects with non-reimbursable financing and the bank financing/investment fund solutions available for Chimcomplex.

4. TANGIBLE ASSETS OF THE COMPANY

4.1. Specification of the location and characteristics of the main production capacities owned by the company

The company's production capacities have two locations, namely: the industrial platform of the Chemical Plant in Rm. Vâlcea and the Onesti industrial platform.

Depending on the period in which they were built, the installations can be grouped as follows:

- Generation 1 plants, put into operation until 1970
- 2nd generation installations, put into operation in the 1970s and 1980s
- 3rd generation installations, put into operation after 1980

After 1990, emphasis was placed on the refurbishment of technological processes and the replacement of energy-intensive technologies, with the aim of reducing manufacturing costs and improving product quality.

In order to increase performance and adapt to market requirements, modernization and refurbishment actions were undertaken.

Starting with 2007, an extensive program of refurbishment and modernization of existing production and auxiliary facilities has been started, as well as the establishment of new chemical and energy production capacities, aimed at: ensuring chlorine consumption by incorporating it into profitable products with significant market potential, increasing the degree of technological and energy integration, reducing the influences generated by the external environment, especially in terms of energy resources, reducing the impact on the environment and complying with current legislative requirements, complying with applicable rules/prescriptions/regulations.

The largest investment is made in December 2018 when Chimcomplex SA Borzești acquired five asset packages out of the nine packages offered in the auction process belonging to Oltchim SA.

The assets acquired include land, buildings, investments in progress, intellectual property rights and other movable property mainly representing machinery, equipment, technology and any other similar goods necessary for the production process.

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Land area owned on 31.12.2024:

Total: 4,478,374 sq.m. with a patrimony registration value of 151,108,287 lei, located as follows:

Crt. No.	Location	Area (sqm)	Accounting value (lei)
1	Onești, str Industriilor nr. 3	1.710.253	61.488.939
2	Sat Cazaci com. Tarcău, Neamt county	41.679	2.356.963
3	Cluj	2.012	167.012
4	Someș Dej, Dealul Tirului, county. Cluj	409.111	11.397.681
5	Pitești, str. Căminelor, nr. 7, Argeș county	1.222	1.212.472
6	Bucharest, 44A Ficusului Blvd., sector 1	39	113.509
7	Rm.Vâlcea	2.314.058	74.371.711

In detail, on the two platforms Borzești and Vâlcea, the tangible assets existing on 31.12.2024 have the following structure:

ASSETS	TOTAL	Lei	
		Onești	Rm.Vâlcea
Land	151.108.287	76.736.577	74.371.711
Construction	597.311.332	91.191.746	506.119.586
Construction, closure of waste	6.634.752	1.614.545	5.020.206
Rights to use leased assets	42.078.176	14.948.421	27.129.755
Technological equipment	1.256.088.283	254.049.376	1.002.038.907
Measuring, control and regulating apparatus and installations	107.510.258	21.981.467	85.528.792
Means of transport	54.336.436	10.954.044	43.382.393
Furniture, office equipment, protective equipment	8.881.843	454.538	8.427.305
Real estate investments	72.928.585	9.225.764	63.702.821
Tangible assets in progress	119.853.052	54.563.043	65.290.008
Machinery and materials for fixed assets in progress	18.792.487	17.587.823	1.204.664
TOTAL	2.435.523.492	553.307.344	1.882.216.148

The company's assets (land, buildings, constructions, technological equipment, ongoing investments, intangible assets) were revalued on December 31, 2024 by S.C. TNP GLOBAL & PARTNERS S.R.L., an independent appraiser, member of the National Association of Authorized Appraisers in Romania.

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4.2. Description and analysis of the degree of wear and tear of the company's properties

A percentage of 62% of the value of the installations operating within the company are new and were put into operation between 2002 and 2024.

For all installations, revisions and capital repairs are periodically carried out so that they have all the conditions for safe operation, given the specificity of special danger in chemical installations.

From the point of view of the physical condition and maintenance in operation of all installations, the degree of wear established according to the technical books of the equipment and machinery is estimated at a level of approximately 30%.

The depreciation is calculated at cost, by the straight-line method, over the estimated useful life in years of the assets, as follows:

Special buildings and constructions	30-50
Technical installations and machines	2-30
Furniture, appliances, office supplies, others	2-15

For purchases made in 2024, the lifespans are those established by the legal norms in force.

Land is not depreciated because it is assumed to have an unlimited lifespan.

Fixed assets in progress are not depreciated. Depreciation of outstanding fixed assets starts when the assets are ready for their intended use.

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

4.3. Clarification of potential problems related to the ownership of the company's tangible assets

- there are no pending disputes;
- The company has mortgages and pledges on tangible assets, as of 31.12.2024, consisting of land, buildings, technological equipment and means of transport with a value of RON 597,014 thousand (inventory value minus depreciation) for short and long-term loans.

5. MARKET FOR SECURITIES ISSUED BY THE COMPANY

5.1. Specification of the markets in Romania and other countries on which the securities issued by the company are traded

Chimcomplex SA Borzești is a Romanian legal entity and operates as a joint stock company in accordance with: Law no. 31/1990 on companies, republished, with subsequent amendments and completions; The Articles of Association of the company and the addenda to it, the Organization and Functioning Regulations. Chimcomplex SA Borzești is established by the Romanian Government Decision no. 1200/12.11.1990, registered at the Bacău Registry Office under the number J04/493 on 15.03.1991 and CUI 960322 on 07.12.1992.

Trading of shares issued by Chimcomplex SA Borzești is done on the Bucharest Stock Exchange starting with January 17, 2022, standard category, stock symbol CRC.

The company's shares are registered, indivisible, are issued in dematerialized form and have the ISIN code ROCHOBACNOR8.

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The level **of the share capital** of a company, as well as of the equity, expresses the size and stability of the company, being one of the conditions for registering an appropriate financial autonomy.

According to the Certificate of Ascertainment no. 1378830/12.12.2023, as of 31.12.2024, the share capital subscribed and paid up is 304,907,851 lei, divided into 304,907,851 registered shares, at the value of 1 lei/share.

As of 21.07.2015, the shares of CHIMCOMPLEX SA BORZEȘTI (CHOB) have been traded on the Securities Market, within the Alternative Trading System, administered by the Bucharest Stock Exchange, Financial Instruments Listed on ATS Section, Capital Securities Sector, Shares Category.

Starting with 17.01.2022, the shares of CHIMCOMPLEX SA BORZEȘTI are traded on the Regulated Market, Standard Section, under the symbol CRC, administered by the Bucharest Stock Exchange.

As of 31.12.2024, according to the records from the Central Depository, the majority shareholder of the company is C.R.C. Alchemy Holding B.V. which holds a number of 258,129,743 shares, worth RON 258,129,743, representing 84.66% of the share capital, and the Romanian State through the Authority for the Administration of State Assets (A.A.A.S.) holds a number of 27,305,181 shares, in the amount of RON 27,305,181, representing 8.96% of the share capital.

The synthetic structure of the company's shareholders as of 31.12.2024 is as follows:

Shareholders	No. of Shares	Lei value	% of share capital
CRC Alchemy Holding B.V.	258.129.743	258.129.743	84,6583%
A.A.A.S.	27.305.181	27.305.181	8,9552%
LEGAL ENTITIES	14.409.398	14.409.398	4,7258%
INDIVIDUALS	5.063.529	5.063.529	1,6607%
TOTAL	304.907.851	304.907.851	100%

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.

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Situation of shareholdings held in other companies as of 31.12.2024:

December 31, 2024	Unique registration code	Investment Value	Number of shares purchased	Nominal value per share	% Owners hip	Bloke
A6 Impex SA	21381692	50.609.823	6.089.521	10,0	49,45%	Associate
Sistemplast SA	11438007	14.966.000	2.138	1036,6	94,40%	Subsidiary
A5 Invest SRL	17701390	6.100.000	610.000	10	100,00%	Subsidiary
Greencomplex SRL	16030164	4.733.030	473.303	10	99,99%	Subsidiary
Logiserv SRL	23136444	2.910.332	-	-	100,00%	Subsidiary
Uzuc SA	1343554	1.680.000	26.880	2,5	0,57%	Other tools equity
Vâlcea Dual Learning Association	39511957	24.000	-	-	16,61%	Other tools equity
CRC Worldtrade SRL	49620978	20.000	-	-	100,00%	Subsidiary
AISA Invest SA	10443641	19.900	8.000	2,5	20,00%	Other tools equity
Association of Producers of Phytosanitary Products	15593836	1.000	-	-	12,50%	Other tools equity
TOTAL COST		81.064.086				

5.2. Description of the Company's dividend policy. Specifying the dividends due/paid/accumulated in the last three years and, if applicable, the reasons for any decrease in dividends during the last three years

According to the Companies Law, the OGMS has, among other things, the obligation to discuss and approve the financial statements annually, respectively to fix the dividend. The OGMS must be convened at least once a year, within no more than 4 (four) months from the end of the financial year, to examine the financial statements for the previous year and to establish the work program and budget for the current year. The General Shareholders' Meeting decides on the possibility of distributing the profit for dividends.

If a loss of net assets is found, the share capital will have to be replenished or reduced before a profit distribution or distribution is made.

Dividends will only be able to be distributed from profits determined according to the law. The dividends will be paid to the shareholders in proportion to the share of participation in the paid-up share capital of the Issuer.

According to the capital market legislation, the OGMS that fixes the dividend establishes the details regarding the conduct of the respective event, i.e. ex date (the date prior to the registration date with a settlement cycle minus one business day, from which the financial instruments subject to the decisions of the corporate bodies are traded without the rights deriving from that decision), the registration date (the calendar date expressly specified, respectively dd/mm/year, established by the GSM, which serves to identify the shareholders who are to benefit from dividends or other rights and on whom the effects of the GSM resolutions are affected) and the payment date (the expressly specified calendar date, respectively dd/mm/year, on which the results of a corporate event, related to the holding of financial instruments, are due).

According to the Issuers' Law, the identification of the shareholders to benefit from dividends (registration date) will be carried out by the General Shareholders' Meeting and will be at least 10 working days after the date of this General Shareholders' Meeting. According to the capital market legislation, the date on which the dividends will be paid (payment date) is the date set by the OGMS that fixes the dividend, so that this date is on a business day no later than 15 working days from the date of registration, but no later than 6 months from the date of the OGMS for determining the dividends.

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The OGMS decision to fix the dividend shall be submitted within 15 days to the Trade Register to be mentioned in the register and published in the Official Gazette of Romania, Part IV.

According to the Issuers' Law, if the General Shareholders' Meeting does not set the date of payment of dividends, they shall be paid within 30 days from the date of publication of the decision of the General Shareholders' Meeting establishing dividends in the Official Gazette of Romania, Part IV, the date from which the Issuer is in arrears by law. The decision constitutes an enforceable title, under which the shareholders can start the forced execution against the Issuer, according to the law. If the dividends are not paid within the established term, the Issuer will pay damages for the period of delay, at the level of the legal interest, if the decision of the General Shareholders' Meeting that approved the financial situation for the financial year ended did not establish a higher interest rate.

Dividends paid contrary to the related provisions are refunded, if the Issuer proves that the shareholders were aware of the irregularity of the distribution or, in the existing circumstances, should have known about it.

The right to an action for the refund of dividends paid contrary to the related provisions is prescribed within 3 years from the date set by the General Shareholders' Meeting for their granting.

Also, the right to request the payment of dividends is prescribed within 3 years from the date set by the General Shareholders' Meeting for their granting.

Dividends due after the date of transmission of the shares belong to the transferee, unless the parties agree otherwise.

According to the NBR Regulation no. 4/2005 on the foreign exchange regime, republished, with subsequent amendments and completions, the repatriation of net income in the form of dividends from capital operations by non-residents can be carried out without restrictions. Romanian law does not provide for cumulative dividend shares.

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

Based on the Resolutions of the Ordinary General Meeting of Shareholders of the Company of September 16, 2022 and November 28, 2022, interim dividends of RON 40,000,000 and RON 127,000,000 (gross amount) were approved for distribution, respectively. On April 28, 2023, the Ordinary General Meeting of Shareholders approved the coverage of the amount of RON 167,000,000 recorded as interim dividends in 2022 from the profit allocated to other reserves for 2022 (deferred result).

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

For 2021, based on the Decision of the Ordinary General Meeting of Shareholders of November 9, 2021, the distribution of the amount of RON 60,000,000 as interim dividends (gross amount) was approved, which was regularized after the approval of the company's annual financial statements for 2021.

The payment of dividends was decided on April 21, 2022, in accordance with the provisions of Regulation no. 5/2018.

CHIMCOMPLEX SA has always had in mind the interest of shareholders, both in terms of development policy and in terms of dividend granting. When the financial results were allowed, it granted dividends to shareholders.

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In the last three years, the situation is as follows: for 2021 - a gross dividend of RON 0.196780/share was granted, for 2022 - interim dividends were granted - gross dividend value of RON 0.131187/share, respectively RON 0.416519/share, 2023 - Gross dividend per share in the amount of RON 0.088551.

No dividends were granted for 2023, the profit made remained at the disposal of the company for use in ongoing investments.

No interim dividends were granted for 2024.

Romanian companies can distribute dividends only from profits according to financial statements prepared in accordance with Romanian accounting regulations.

The dividend policy is available on the company's website, www.chimcomplex.com, Investor Relations – Corporate Governance – Corporate Governance Documents section.

5.3. Description of any activities of the company acquiring its own shares

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.

By Decision no. 1 of 30.09.2024 of the Board of Directors of Chimcomplex S.A. Borzești approved the initiation of phase I of the share buyback program approved by the EGMS of 30.05.2024, which took place between 01.10.2024 – 30.05.2025 for a maximum number of 1,000,000 shares, the minimum purchase price will be the market price on the BVB at the time of the acquisition, and the maximum price – 24 lei/share, according to the EGMS decision of 30.05.2024, the purpose of the program being the distribution of shares as motivational packages (stock option plan) to administrators, managers and employees. The program was carried out through the intermediary SSIF Estinvest S.A.

From the beginning of the buyback operation carried out in accordance with the EGMS Decision of 30.05.2024, until 10.12.2025, 4,938 CRC shares were purchased through transactions on the Regular Market of the Bucharest Stock Exchange, at an average price of RON 13.9268/share.

Between 02.12.2024 and 13.12.2024, based on the same EGMS decision, the takeover bid was carried out through which Chimcomplex S.A. Borzești wanted to buy back 500,000 treasury shares at the price of RON 23.8/share.

Within the offer, a number of 18,548,898 CRC shares were deposited, representing 6.08% of the share capital of the Issuer and 500,000 CRC shares were purchased for which the amount of RON 11,900,000 was paid. Following the closing of the offer, CHIMCOMPLEX S.A. holds 0.4704% of the share capital of the Issuer.

As of 31.12.2024, according to the situation issued by the Central Depository, CHIMCOMPLEX holds a number of 1,434,174 CRC shares.

5.4. Where the company has subsidiaries, specify the number and nominal value of the shares issued by the parent company held by the subsidiaries

This is not the case.

5.5. If the company has issued bonds and/or other debt securities, the presentation of the way in which the company pays its obligations towards the holders of such securities

This is not the case.

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6. MANAGEMENT OF THE COMPANY

6.1. Presentation of the list of directors of the company and the following information for each director

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, following the decrease in the number of members of the Board of Directors from 7 to 5, during the period 02.08.2024-30.09.2024, 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 brief CV of each of the members of the current management of the Board of Directors is presented on the company's website https://chimcomplex.com/#guvernanta_corporativa.

The Board of Directors is responsible for establishing the company's strategy and overseeing its implementation.

Four appointed committees deal with specific topics with the aim of helping the company's Board of Directors to carry out their responsibilities efficiently and effectively: the Audit and Risk Committee, the Integrity Committee, the Nomination and Remuneration Committee and the Strategy, Development and Investment Committee.

Corporate governance policies aim to ensure transparent and sustainable value creation through the clear delineation of responsibilities, management processes and continuous monitoring of the performance and efficiency of the board of directors, the appropriate decision-making process regarding the policy of principles and controls.

The election of the members of the board was made by majority voting at the OGMS, the candidates being proposed by the shareholders.

The composition of the board of directors faithfully reflects the participation in the capital (over 70% of the capital is represented in the Board of Directors). There are no family ties between the directors or members of the executive management with third parties due to which they were elected/appointed to the position.

The diversity of the members of the board of directors allows the capitalization of complementary skills, experience and professional knowledge from different fields. The majority of the members of the board of directors are non-executive directors, so a balance of authority is ensured. In 2024, the board of directors met on a monthly basis, with all members being present in person or using postal voting. The level of the allowances of the members of the Board of Directors is established by the decision of the shareholders in the general meeting.

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The convening, functioning, voting method, as well as other provisions regarding the Board of Directors, the Executive Committee are detailed in the Company's Articles of Association and in the Procedure for the Organization and Conduct of the Meetings of the General Shareholders' Meeting, available on www.chimcomplex.com's website, section about us - Investor Relations - Corporate Governance - Corporate Governance Documents.

6.2. Presentation of the list of members of the company's executive management

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 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
• Dumitru Mihai	Borzești Production Director
• Onofrei Cezar	Rm. Vâlcea Production Director

The brief CV of each of the members of the current management is presented on the company's website https://chimcomplex.com/#guvernanta_corporativa.

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

The company's main management, management and supervisory structures are the Board of Directors, the Directors, the Audit and Risk Committee, the Integrity Committee, the Nomination and Remuneration Committee and the Strategy, Development and Investment Committee. The managerial experience and professional training of the members of the board of directors allows them to periodically evaluate the aspects related to the evaluation of the activity of the directors, nomination, remuneration or internal audit. In order to comply with the requirements of the audit law 162/2017 and the EU regulation 537/2014 on auditing, the board of directors decided to change the status.

Chimcomplex has appointed a new executive team, thus strengthening the company's management structure. The new executive team has the role of implementing the company's development strategy.

The remuneration of the directors is established by the decision of the Board of Directors.

The gross annual remuneration and other benefits, including the one approved by the General Shareholders' Meeting through the BVC due to the management, may not exceed 5% of the value of the equity established by the annual balance sheet.

In order to comply with the legal obligations introduced by Law no. 158/2020 amending Law no. 24/2017 on issuers of financial instruments and market operations, the Remuneration Policy for Administrators, Executive Directors and Members of the Audit Committee was developed and approved in the 2023 GSM.

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Given that we are a company listed on the Bucharest Stock Exchange (BVB), and we have reporting obligations to both the BVB. and to the FSA, the changes within the Board of Directors, as well as the amendment of the Articles of Association in this regard, were notified to the BVB and the FSA at that time.

The internal control at SC CHIMCOMPLEX SA in 2024 was carried out based on the plan approved by the Board of Directors, but also had specific actions requested by the company's management. The control activities are an integral part of the management process through which the entity seeks to achieve the proposed objectives.

The company has an internal/managerial control system, the design and implementation of which allows the executive management and the board of directors to provide reasonable assurance that the company's funds, allocated for the purpose of achieving general and specific objectives, have been used legally, regularly, effectively, efficiently and economically.

The internal/managerial control system includes both self-control mechanisms and subsequent control carried out through the Costs Office and the Internal Auditor, respectively the Audit Committee, and the application of measures aimed at increasing its effectiveness are based on risk assessment.

The company's internal accounting and financial control was applied in order to ensure accounting management and financial monitoring of the Company's activity.

The internal audit missions were carried out throughout 2024 in accordance with the Internal Audit Plan approved by the Audit and Risk Committee, as well as by the Board of Directors, and aim to:

- ✓ ensuring compliance with the legislation in force;
- ✓ the implementation of the decisions taken by the company's management;
- ✓ the proper functioning of the company's internal activity;
- ✓ reliability of financial information;
- ✓ efficient use of resources;
- ✓ risk prevention and control
- ✓ the implementation by Management of the recommendations of the internal auditor and the Audit and Risk Committee.

The purpose of internal control is to ensure the coherence of objectives, to identify key success factors and to communicate to the entity's managers, in real time, information regarding performance and prospects.

From the point of view of accounting rules, the following are considered:

- the existence of an accounting policy manual;
- the existence of a procedure for the application of this manual;
- the existence of controls to ensure compliance with the manual;
- knowledge of the evolution of accounting and tax legislation;
- carrying out specific checks on sensitive points;
- identifying and treating anomalies appropriately;
- adapting the software to the needs of the entity;
- compliance with accounting rules;
- ensuring the accuracy and completeness of accounting records;
- compliance with the qualitative characteristics of the information contained in the financial statements, so as to meet the needs of users.

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During 2024, internal audit missions were carried out and as a result of the completed missions, recommendations were developed to improve internal managerial control, mainly aimed at:

- compliance with applicable laws, regulations/procedures and contracts;
- effectiveness and efficiency of operations;
- management of funds and assets.

Following the meeting of the Board of Directors, held on December 2, 2024, it was decided to mandate PKF Finconta Audit SRL to audit the financial statements for 2024. The audit firm is represented by Ms. Florentina Șuşnea – Audit Partner.

The identification data of PKF Finconta Audit SRL are the following:
CIF RO6383983, Trade Register No. J40/19832/1994
Authorization of the Chamber of Financial Auditors of Romania no.9/25.06.2001
The company's headquarters – Bucharest, Grigore Mora Street, no. 37, Sector 1

In accordance with the provisions of the Audit Law 162/2017 and EU Regulation 537/2014 on auditing and with the recommendations of the BVB for listed companies, the Board of Directors decided to set up an Audit and Risk Committee. It is composed of 3 members.

It is an important structure within corporate governance, ensuring in many cases the interface with the financial auditor and having an important role in the proper functioning of the company. The Audit and Risk Committee establishes responsibilities regarding:

- the quality and integrity of the company's financial statements;
- the company's compliance with legal and regulatory requirements;
- the company's global risk management process;
- periodically monitors the company's financial reporting and risks;
- performing the company's internal audit function and monitoring this function;
- approves the annual internal audit plan and coordinates the activity of the internal auditor, which is an outsourced service.

The company establishes and publishes annually, on the BVB website and on its own website, a financial reporting calendar.

The company prepares and disseminates periodic and continuous information relevant to the investment decision, information published both on its own website and on the BVB website ("CRC" symbol). The staff dedicated to this activity are permanently prepared, trained and professionally trained in aspects regarding the relationship of a company with its shareholders and the principles of corporate governance. During 2024, the dissemination of information was made in Romanian and English, for those categories of documents provided for by the applicable legal framework.

The Company encourages communication with shareholders through the Investors section of its webpage available at <https://chimcomplex.com>

6.3. Specifying any disputes or administrative procedures in which the administrative management and the members of the management have been involved in the last 5 years

This is not the case.

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7. FINANCIAL AND ACCOUNTING STATEMENT

The preparation of the financial statements was made in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/12.12.2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards and with Order no. 107/2025 regarding the main aspects related to the preparation and submission of annual financial statements.

The financial statements were prepared based on the principle of business continuity.

The audit of the company's financial statements prepared as of December 31, 2024 is carried out by PKF Finconta S.R.L.

THE ACCOUNTING PRINCIPLES, POLICIES AND METHODS contained in the Manual of Accounting Policies and Procedures of SC Chimcomplex SA Borzești and which were the basis for the preparation of the Financial Statements on the occasion of the closing of the financial year 2024 were:

- ✓ The financial year starts on 1 January and ends on 31 December
- ✓ The financial statements for the year ended December 31, 2024 have been prepared in accordance with the following principles:
 - business continuity - SC CHIMCOMPLEX SA Borzești will continue its operation normally, in the foreseeable future without being unable to continue the activity considering the order book (contracts) for 2025
 - recording in the accounting and presentation of the assets and results, based on the supporting documents and legally drawn up, according to the legislation in force, thus ensuring the comparability of the information over time
 - Permanence of methods - application of the same rules, methods, norms regarding the valuation, recording and presentation in accounting of patrimonial elements, ensuring the comparability in time of accounting information
 - prudent - value adjustments due to impairment of assets have been taken into account, as well as all foreseeable obligations and potential losses that have arisen during the financial year ended or during a financial year
 - accrual accounting – the effects of transactions and other events are recognised when transactions and events occur and are recorded in accounting and reported in the financial statements of the related period
 - separate valuation of assets and liabilities - in order to establish the total value corresponding to a balance sheet item, the value of each individual asset or liability item was determined separately
 - intangibility - the opening balance sheet of the year 2024 corresponds to the closing balance sheet of the previous year 2023
 - non-offsetting - the values of the items representing assets have not been offset with the values of the items representing liabilities, respectively the income from expenses, except for the offsets between assets and liabilities admitted
 - the prevalence of the economic over the legal – the information presented in the financial statements reflects the economic reality of the events and transactions, not only the legal form
 - the acquisition cost or production cost valuation according to which the items presented in the financial statements are usually measured on the basis of the acquisition cost or production cost principle
 - materiality threshold - any item that has a significant value is presented separately in the financial statements.

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7.1. Statement of financial position

As a reflection of the state of the company's assets, the balance sheet established at the end of the financial year describes the assets and liabilities of the company at that time. The asset consists of assets owned by the company and receivables. The liabilities consist of equity and liabilities.

	31.12.2024	31.12.2023	Lei 31.12.2022 restated¹
ASSETS			
Fixed assets			
Tangible fixed assets	2.290.834.931	1.960.400.057	1.931.882.657
Rights to use leased assets	10.468.421	16.900.411	13.844.826
Real estate investments	72.928.585	29.226.468	31.452.222
Intangible assets	110.042.798	118.212.264	122.407.778
Investments in associates and other entities	70.342.834	67.412.502	57.509.039
Capital investments			
Other long-term financial assets	13.008.273	5.467.193	6.718.514
Total fixed assets	2.567.625.843	2.197.618.895	2.163.815.037
Current assets			
Stocks	137.979.558	144.440.401	237.998.985
Claims	285.905.445	243.339.608	464.340.250
Short-term loans	6.736.718	5.411.291	5.327.386
Cash and cash equivalents	78.831.503	139.761.858	40.466.919
Total current assets	509.453.224	532.953.157	748.133.540
TOTAL ASSETS	3.077.079.067	2.730.572.052	2.911.948.576
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	304.907.851	304.907.851	304.907.851
Own actions	(33.853.662)	(26.657.863)	(26.336.354)
Capital premiums	4.669.565	4.669.565	4.669.565
Legal reserves	109.435.476	109.435.476	109.435.476
Deferred result	675.101.740	693.760.574	850.800.837
Revaluation reserves	987.179.130	651.527.661	653.382.560
Total equity	2.047.440.101	1.737.643.263	1.896.859.935
Long-term debts			
Subsidies	28.915.714	30.633.918	13.778.664
Leasing	3.734.360	9.501.672	8.705.286
Deferred tax liabilities	197.784.936	142.373.862	149.420.130
Provisions	16.360.845	16.171.444	16.302.643
Long-term loans	513.222.606	375.876.794	457.459.739
Other long-term liabilities	564.647	921.138	1.547.368
Total long-term debts	760.583.108	575.478.828	647.213.830
Current payables			
Subsidies	8.623.194	1.990.801	2.163.229
Trade and other payables	118.831.169	137.937.336	265.815.495

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	31.12.2024	31.12.2023	31.12.2022 restated¹
Leasing	6.442.249	8.043.226	5.949.300
Corporate income tax liabilities	5.250.262	-	17.406.339
Provisions	605.883	570.137	30.387.793
Short-term loans	129.303.102	268.908.461	46.152.656
Total current liabilities	269.055.859	417.449.961	367.874.812
Total debts	1.029.638.967	992.928.789	1.015.088.642
Total equity and liabilities	3.077.079.067	2.730.572.052	2.911.948.576

¹Comparative information is restated as a result of error correction for the purpose of comparability of the information presented.

FIXED ASSETS

Analyzing the fixed assets at the net remaining value, there is an increase compared to the previous year by 370,007 thousand lei, from 2,197,619 thousand lei to 2,567,626 thousand lei. The increase in fixed assets is primarily due to revaluation, with an impact of 362,814 thousand RON.

CURRENT ASSETS

STOCKS

Inventories are presented at net realizable value, by decreasing with depreciation adjustments, the value as of December 31, 2024 being RON 137,979 thousand.

CLAIMS

There are no cases of uncertain customers as a result of deliveries of finished products in 2024 and 2023. The sale of Chimcomplex products, with payment on time, is made only to customers with a good financial situation with whom the company has had a long collaboration and is guaranteed either with payment instruments (CEC, promissory notes, letters of credit, etc.), or covered by the non-payment risk insurance policy.

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 "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 electricity grants related to the costs of emission allowances), 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.

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On December 31, 2024, the company registered the subsidy for offsetting greenhouse gas emission costs for the year 2024 considering the percentage of collection from previous years and initiated legal steps to recover the difference not collected, requesting the annulment of the decision not to be granted the full amount of the requested state aid and the obligation of the Ministry of Energy to admit the entire amount of the requested state aid.

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 considered in the calculation for determining the annual corporate income tax for the identified eligible expenses, related to research-development and technology-development projects.

TOTAL LIABILITIES

The value of debts as of December 31, 2024 is RON 1,029,639 thousand, representing obligations towards suppliers of raw materials, materials, utilities and financing institutions.

The company's current obligations to the main suppliers of raw materials, materials are paid through direct payments from current receipts.

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)
- compensation with tax on profit to be received (balance to be received recorded by the Company on 31.12.2024: 17,731,797 lei)
- bank transfer.

Credits

The value of borrowing costs as of December 31, 2024 is RON 14,841,101 (RON 22,136,097 as of December 31, 2023).

All loan agreements concluded contain clauses regarding financial indicators that the Company is obliged to fulfill, the verification being carried out every six months. As of December 31, 2024, the company complied with all the indicators provided for in the contracts, continuously monitors the fulfillment of contractual obligations and expects to continue to comply.

EQUITY

According to the financial statements prepared as of December 31, 2024, the value of equity is 2,047,440,101 lei, with 309,796,837 lei more than on 31.12.2023 (1,737,643,263 lei).

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7.2. Profit and loss account

	Lei	
	31.12.2024	31.12.2023
Detail		
Sales	1.495.531.942	1.399.298.512
Investment income	11.306.208	11.101.938
Other gains or (losses)	5.660.951	43.108.123
Cost of goods sold	(37.705.201)	(39.024.008)
Change in stocks	(11.255.841)	(76.334.265)
Expenditure on raw materials and consumables	(567.416.670)	(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	(370.114.514)	(368.848.660)
Expenses with 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
Gain / (Loss) on revaluation of fixed assets	25.757.567	-
Gain / (Loss) on impairment adjustments to fixed assets	5.427.230	114.510
Other expenses	(67.278.216)	(46.863.483)
Financing costs	(41.655.928)	(37.795.708)
Associate profit share	-	(3.068.769)
Profit / (Loss) before tax	20.250.177	8.825.048
Current income tax expenses	(11.341.449)	-
Deferred corporate income tax	(4.427.346)	6.448.755
Profit / (Loss) for the year	4.481.383	15.273.803
Other comprehensive income (revaluation reserves)	324.773.566	-
Total overall result	329.254.949	15.273.803

TURNOVER

Presentation of the turnover by types of markets:

	Lei	
	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

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Presentation of the turnover by type of product:

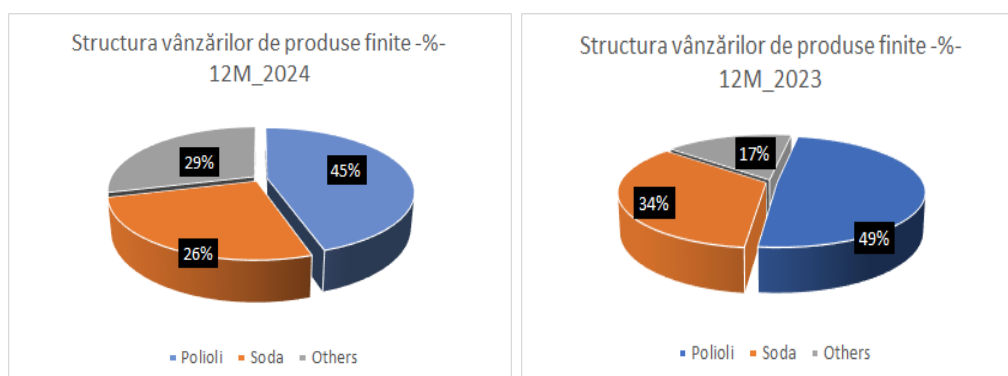
	December 31, 2024 (%)		Lei December 31, 2023 (%)	
Petrochemistry	667.151.618	44,6	684.537.343	48,9
Chlorosodium	545.114.077	36,4	650.943.769	46,5
Oxo-alcohols	221.614.496	14,8	5.561.156	0,4
Goods (mainly utility resales)	41.900.824	2,8	43.025.070	3,1
Various	19.750.927	1,3	15.231.174	1,1
Total	1.495.531.942	100	1.399.298.512	100

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.

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



Chimcomplex has a large portfolio of customers for each of its products, and there is no dependence on a specific customer.

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

	Year 2024		Year 2023	
		(%)		(%)
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	1.399.298.512	100

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.

For 2024, the directions of activity of Chimcomplex SA Borzești were established through the Income and Expenditure Budget, aiming to strengthen the company's position as a regional leader in the chemical products market, by capitalizing on the existing synergies between the 2 chemical platforms (Râmnicu Vâlcea and Onești).

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.

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.

Results of current activity for 2024

As of December 31, 2024, the company recorded an operating profit (operating result) of RON 58,154 thousand. On total activity, the net result was a profit of 4,481 thousand lei.

	31 December 2024	31 December 2023
Gross total result, of which:	20.250.178	8.825.048
-operating result, of which:	58.154.323	34.406.307
<i>-revaluation of assets and adjustments made for non-functional assets</i>	31.184.797	114.510
-Financial Result	(37.904.145)	(25.581.259)
Corporate income tax expenses	(11.341.449)	-
(Expenses)/Deferred tax revenue	(4.427.346)	6.448.755
Net Result	4.481.383	15.273.803

- **The operating result** increased to RON 58,154 thousand in 2024, compared to RON 34,406 thousand in 2023.

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- 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.

• **Corporate income tax expense**

	Year ended December 31, 2024	Year ended December 31, 2023
Current income tax expense	11.341.449	-
(Gain) / Deferred income tax expense	4.427.346	(6.448.755)
Income tax expense / (Income tax income)	15.768.795	(6.448.755)
Profit before tax from continuing operations	20.250.177	8.825.048
Revaluation reserves from disposed or sold fixed assets	204.319	-
Total profit before tax	20.454.497	8.825.048
Tax using domestic tax rate	3.272.719	1.412.008
Tax effect of:		
- Non-deductible expenses	19.025.348	21.684.875
- Tax-exempt income	(8.501.597)	(6.163.347)
Expenses with tax on profit before tax facilities	13.796.470	16.933.535
- Tax facilities	(2.455.021)	(16.933.535)
Current income tax expense	11.341.449	-

According to Law no. 296/2023, the minimum turnover tax (IMCA) was introduced for taxpayers that, in the previous year, recorded a turnover exceeding 50 million euros and whose corporate income tax is lower than the minimum turnover tax. The applicable tax rate on the adjusted turnover is 1% for companies.

Description

	Year ended December 31, 2024
VT - Total revenues	1.551.488.702
Vs - Income that is deducted from total income, of which:	(19.171.230)
Non-taxable income	(29.243.261)
Revenues related to the cost of product inventories	11.253.473
Income from subsidies	(635.586)
Income from compensation	(545.857)
I - Value of assets in progress	(163.754.738)
A - Accounting depreciation at historical cost for assets acquired/produced starting from January 1, 2024:	(140.467.196)

Calculation basis

1.227.685.957

Minimum profit tax (1%)

12.276.860

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If the corporate income tax, calculated before the deduction of certain categories of tax credits/facilities, will be lower than the value of the minimum turnover tax (IMCA), or if the company records a tax loss, it will pay the tax at the level of IMCA.

On 31.12.2024, the Company registered corporate income tax, as the calculation resulted in a higher value, to which the OUG153/2021 facilities on equity were applied.

7.3. Statement of cash flows

thousand lei

	31.12.2024	31.12.2023
Cash flow from operating activity	73.412.611	242.514.441
Cash flow used in investment activity	(84.919.926)	(227.293.663)
Cash flow from financing activity	(49.754.785)	85.143.668
Increase/(Decrease) of cash and of the cash equivalent	(61.262.100)	100.364.447
Cash at the beginning of the year	139.761.858	40.466.919
Effects of changes in the exchange rate on balance of cash held in foreign currency	331.745	(1.069.507)
Cash at the end of the year	78.831.503	139.761.858

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.

The 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).

Cash flows are monitored daily by the financial and commercial departments, and the receipts and payments forecasts are updated daily, in order to better manage liquidity and ensure the collection of all receivables at maturity. Also, the analysis on the prioritization of payments is constantly carried out so that the functioning of the company is not jeopardized.

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Related 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) 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	-
Somes 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

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

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(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	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
Iasitex 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
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

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	December 31, 2024	December 31, 2023
Advances		
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

	December 31, 2024	December 31, 2023
Guarantees		
Sistemplast SA Rm.Vâlcea	2.312.149	3.298.345
Caromet SA Caransebeș	1.959	1.959
Total	2.314.108	3.300.304

	December 31, 2024	December 31, 2023
Debts relating to purchased shares		
Uzuc SA Ploiesti	9.966.000	9.966.000
Total	9.966.000	9.966.000

On 13.05.2024, Chimcomplex 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).

On 19.02.2024, the company CRC WORLDTRADE SRL was registered at the Valcea Trade Register Office with the main object of activity of the company "Supply of steam and air conditioning".

In 2022, the Company acquired 94.4% of the shares held in Sistemplast SA. The debt will be paid within a maximum of one year from the end of the 2024 financial year. The company has the right to continue to hold the acquired shares and is not obliged to return them to the seller as a result of non-payment of the rest of the amounts due.

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8. SUBSEQUENT EVENTS

The company is in negotiations with financial institutions in order to maintain and extend loans for the implementation of the investment plan.

On 23.01.2025, the Company communicates the Decision of the Extraordinary General Meeting of Shareholders of Chimcomplex SA Borzești, by which it ratifies 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 Chimcomplex SA Borzești dated 23.06.2023.

On 25.02.2025, Chimcomplex announces the implementation for 2025 of the second stage of the "Precautionary Measures and Accelerated Development Plan" initiated in 2024. This strategic plan reflects the company's commitment to adapt to market dynamics and strengthen its position through proactive measures and key investments.

The "Precautionary Measures and Accelerated Development Plan" was 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 second phase of this plan mainly concerns the following:

- Reduction of the number of staff (employees who have fixed-term contracts are concerned, as well as those who cumulate the pension with the salary,
- Implementation of 24 projects,
- Renegotiation of procurement contracts.

On 11.04.2025, the company's shareholders approved:

- contracting loans in the amount of up to EUR 60 million from any sources, banking and non-banking, including from shareholders or affiliated persons for the implementation of investments, realization of any expenses provided for in the Company's business plans, refinancing, etc.
- the sale of non-core assets, with a maximum value of EUR 20,000,000. At the date of these statements, there is no identified list of these assets.

Changing the exchange rate

On February 28, 2025, the exchange rate was 4.9765 lei/euro and 4.7844 lei/dollar. This represents a depreciation of the national currency by 0.05% against the euro and a depreciation of 0.16% against the dollar, compared to December 31, 2024 (1 euro = 4.9741 lei; 1 dollar = 4.7768 lei).

Collections and payments of receivables and debts

By February 28, 2025, the Company had collected the amount of EUR 7,755,097, USD 1,544,391 and RON 29,788,872, corresponding to the trade receivables remaining outstanding as of December 31, 2024 and paid trade debts in the amount of EUR 1,840,683, £30,000 and RON 25,635,343 from the outstanding invoices as of December 31, 2024.

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Management Statement

Based on the available information, we confirm that the Individual Financial Statements as of and for the financial year that ended on December 31, 2024, 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, with subsequent amendments and prepared in accordance with the provisions of the FSA Regulation no. 5/2018, provides a correct and realistic picture of the assets, obligations, financial position, profit and loss account and cash flows of the Chimcomplex Group, provides a correct analysis of the development and performance of the issuer, as well as a description of the main risks and uncertainties specific to the activity carried out, available at the date of this report.

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

**Chief Executive Officer,
Steven Hunt**

**Chief Financial Officer,
Cristina Stoian**

**Economic Manager,
Nicolae Stănciugel**

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CHIMCOMPLEX S.A.

STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

**drawn up in accordance with the
Order of the Minister of Public Finance
no. 2844/2016 for the approval of the Accounting Regulations in accordance with
International Financial Reporting Standards adopted by the European Union**

**TO AND FOR THE YEAR that ENDED on
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT
(free translation)

To the shareholders of Chimcomplex S.A. Borzesti

Report on the consolidated financial statements

Qualified opinion

1. We have audited the attached consolidated financial statements of Chimcomplex S.A. Borzesti (*the "Company"*), together with its subsidiaries (*the "Group"*), with its registered office in Str. Industriilor, nr. 3, Onesti, Bacau County, Romania identified by the unique registration code 960322, which include the consolidated statement of the financial position as of December 31, 2024, the consolidated statement of the profit or loss account and other items of the comprehensive result, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year ended on this date, and a summary of significant accounting policies and explanatory notes.
2. The consolidated financial statements as of December 31, 2024 are identified as follows:
 - Total consolidated equity: 2,040,775,531 lei
 - Consolidated net result of the financial year – profit: 2,705,706 lei
3. In our opinion, except for the possible effect of the aspect mentioned in paragraph 4 below, the attached consolidated financial statements provide a true and fair view of the Group's financial position as of December 31, 2024, as well as of the financial performance and cash flows for the financial year ended on this date, 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, with subsequent amendments and with the accounting policies described in the notes to the consolidated financial statements.

Basis for the qualified opinion

4. In the financial year 2023, the Company recognized a subsidy to be collected in the amount of RON 67,988,698, related to the state aid scheme established by GEO no. 138/2022 on the establishment of a 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 actually incur as a result of the transfer of the costs of greenhouse gas emissions in the price of electricity. In December 2024, the Company collected 30,696,497 lei from the above-mentioned subsidy. On the date of issuance of this report, the Company initiated the legal steps to recover the uncollected difference. We were unable to obtain sufficient and adequate audit evidence on the recoverability of the amount remaining to be collected from that grant and, consequently, we were unable to determine whether adjustments to it would have been necessary and what would have been the potential impact on the consolidated financial performance for the year ended 31 December 2024.
5. We conducted our audit in accordance with the International Standards on Auditing ("ISA"), EU Regulation No. 537 of the European Parliament and of the Council (hereinafter the "*Regulation*") and Law No. 162/2017 (the "*Law*"). Our responsibilities under these standards are described in detail in the section "*Auditor's responsibilities in an audit of the consolidated financial statements*" of our report. We are independent from the Group, according to the Code of Ethics for Professional Accountants issued by the Council for International Ethical Standards for Accountants ("*IESBA Code*"), according to the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and adequate to provide a basis for our qualified opinion.

Key audit matters

6. The key audit matters are those aspects that, based on our professional judgment, were of the greatest importance for the audit of the consolidated financial statements of the current period. These issues have been addressed in the context of auditing the consolidated financial statements as a whole and in forming our opinion on them and we do not provide a separate opinion on these key matters.
 - **Revaluation of tangible assets and impairment of tangible and intangible assets.**
 - **Description.** As described in Note 15 and Note 16 to the consolidated financial statements, the Company performed the revaluation of tangible assets, as well as impairment tests for tangible

assets for the cash-generating unit represented by the entire activity of the Company, as well as for intangible assets with an indefinite maturity. The recoverable amount of the aforementioned fixed assets was made based on the estimation of the value in use using the discounted cash flow method.

Determining recoverable amount involves making assumptions and judgments about future cash flows and the discount rate used to update them, with key assumptions related to future sales levels, selling prices, operating costs, net working capital requirements.

Due to the factors mentioned above, together with the significantly higher uncertainty of the estimates, the assessment of the impairment of property, plant and equipment required the application of significant reasoning on our part. Therefore, we consider this area to be a key audit aspect.

- **Our answer.** Our audit procedures to address material misstatement risk in relation to the recognition of impairments for property, plant and equipment and intangible assets, which were considered to be at material risk, included:
 - reviewing the Group's accounting policies regarding the identification, measurement and recording of possible impairments of fixed assets, in relation to the requirements of the relevant financial reporting standards;
 - evaluation of the Group's budgeting process, including the comparison of historical data with those achieved,
 - critical evaluation of the working assumptions and estimates made by the Group regarding the calculation of the recoverable amount, including the critical evaluation of the Group's analysis on the sensitivity of the model used to changes in the main assumptions;
 - the use of valuation specialists to assist the audit team in critically verifying the reasonableness of the Group's key assumptions and judgments used in determining fair value and recoverable amount;
 - the measurement of the information presented in the explanatory notes to the consolidated financial statements regarding the revaluation of tangible fixed assets, as well as the impairment of tangible and intangible fixed assets, in accordance with the requirements of the applicable reporting standards.
- **Recognition of income.**
 - **Description.** The revenue recognition policy is presented in Note 3 "*Accounting policies*". According to International Auditing Standards, there is an implicit risk in the recognition of revenues, due to the pressure that management may feel in relation to obtaining the budgeted results. The main income-generating activities for the Group are represented by revenues from the sale of goods (mainly polyols, chlorosodium and oxo-alcoholic products) and revenues from services rendered.
 - **Our answer.** Our audit procedures to address the risk of material misstatement in relation to revenue recognition included, among others:
 - understanding how to recognize and record the main categories of income, in accordance with the requirements of the applicable accounting reporting standards.
 - detailed tests on the transactions recorded by the Group during the financial year,
 - testing procedures to ensure that revenues are recorded in the correct period,
 - procedures for confirming trade receivables for a representative sample.

Other aspects

7. This report is addressed exclusively to the shareholders of the Company as a whole. Our audit was carried out in order to be able to report to the Company's shareholders those aspects that we must report in a financial audit report and not for other purposes. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders, as a whole, for our audit, for this report.
8. Taxation in Romania is constantly evolving. There is the possibility of different interpretations of the legal provisions by the Ministry of Finance and by the local tax authorities. The Company's management recorded in

the presented accounts various taxes, penalties and fees, based on the best interpretation of the tax provisions in force, an interpretation that can be challenged by a possible tax audit.

Responsibilities of management and persons responsible for governance for consolidated financial statements

9. The Group's management is responsible for preparing consolidated financial statements that provide a true and fair view in accordance with OMFP 2844/2016 and for such internal control as the management deems necessary to allow the preparation of consolidated financial statements free of material misstatements, caused either by fraud or error.
10. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue its business, for presenting in the explanatory notes to the consolidated financial statements, if applicable, business continuity issues and for using going concern accounting, unless management either intends to liquidate the Group or cease operations, or he has no other realistic alternative besides them.
11. The persons responsible for governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the auditor in an audit of the consolidated financial statements

12. Our objectives are to obtain insurance Reasonable regarding the extent to which the financial statements, as a whole, are free from material misstatement, caused by either fraud or error, as well as in the issuance of an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISA will always detect significant misstatement, if any.. Distortions can be caused either by defraud error and are considered significant if it can be expected, flax reasonably, that they, individually or cumulatively, will Influence users' economic decisions, taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:
 - We identify and assess risks of material misstatement of the consolidated financial statements caused by either fraud or error, design and execute audit procedures in response to those risks, and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of non-detection of material misstatement caused by fraud is higher than that of non-detection of material misstatement caused by error, as fraud may involve secret agreements, forgery, intentional omissions, misrepresentation and avoidance of internal control.
 - we mean audit-relevant internal control, with a view to designing audit procedures appropriate to the circumstances, but without having the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - We assess the adequacy of the accounting policies used and the reasonableness of the reasonable estimates and related disclosures made by management.
 - We formulate a conclusion on the adequacy of management's use of accounting on a going concern basis and determine, based on the audit evidence obtained, whether there is significant uncertainty regarding events or conditions that could give rise to significant doubts regarding the Group's ability to continue its activity. If we conclude that there is material uncertainty, we should draw attention in the auditor's report to the related presentations in the consolidated financial statements or, if these presentations are inadequate, change our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to no longer carry out its activity based on the principle of business continuity.
 - We evaluate the presentation, structure and content of the consolidated financial statements, including disclosures, and the extent to which the consolidated financial statements reflect the transactions and events underlying them in a manner that results in a true and fair presentation.
14. We communicate to the persons responsible for governance, among other aspects, the planned area and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, that we identify during the audit.
15. We also provide the persons responsible for governance with a statement on our compliance with the ethical requirements for independence and communicate to them all relationships and other matters that can reasonably be considered to affect our independence and, where applicable, the related safeguards.
16. Among the issues that we have communicated to the persons in charge of governance, we establish those

aspects that were of greater importance in the audit of the consolidated financial statements of the current period and, therefore, represent key audit aspects. We describe these matters in our audit report, unless legislation or regulations prevent the matter from being made public, or where, in extremely rare circumstances, we consider that an matter should not be disclosed in our report because the public interest benefits are reasonably expected to outweigh the negative consequences of such disclosure.

Report on the compliance of the consolidated directors' report with the consolidated financial statements

The directors are responsible for preparing and submitting, in accordance with the requirements of articles 15-19 of the Accounting Regulations approved by OMFP 2844/2016, a consolidated annual report of the directors that does not contain significant misstatements and for that internal control that the management considers necessary to allow the preparation of the consolidated annual report of the directors that does not contain significant misstatements, due to fraud or error. The consolidated annual report of the directors is not part of the Group's consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the consolidated annual report of the directors and unless explicitly stated in our report, we do not express any assurance conclusion regarding it.

In relation to the audit of the consolidated financial statements for the financial year ended December 31, 2024, our responsibility is to read the consolidated annual report of the directors and, in this process, to assess whether it is significantly inconsistent with the consolidated financial statements, or with the knowledge that we have obtained during the audit, or if it appears to be materially distorted.

Regarding the consolidated annual report of the directors, we have read and report whether it has been prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19.

Based exclusively on the activities to be carried out during the audit of the consolidated financial statements, in our opinion:

- a) The information presented in the consolidated annual report of the directors for the financial year for which the consolidated financial statements were prepared are consistent in all material respects with the consolidated financial statements.
- b) The consolidated annual report of the directors was prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19 and 26-28.

In addition, based on our knowledge and understanding of the Group and its environment, acquired during the audit of the consolidated financial statements for the financial year ended December 31, 2024, we are required to report whether we have identified material misstatements in the consolidated directors' report. We have nothing to report on this aspect.

Report on other legal and regulatory provisions

We were appointed by signing the audit contract dated 03.12.2024 to audit the individual and consolidated financial statements of the Company, for the financial year ended December 31, 2024. The total uninterrupted duration of our commitment is one year, covering the financial year ended December 31, 2024.

We confirm that:

- Our audit opinion is consistent with the supplementary report submitted to the Company's Audit Committee, which we issued on the same date we issued this report. Also, in carrying out our audit, we have maintained our independence from the Group.
- We have not provided for the Company the prohibited non-audit services, referred to in Article 5(1) of EU Regulation no. 537/2014.

Report on compliance with Delegated Regulation (EU) 2018/815 of the European Commission with regard to Regulatory Technical Standards on the Specification of a Single Electronic Reporting Format ("ESEF").

We have carried out a reasonable assurance mission on the compliance of the consolidated financial statements included in the annual report of Chimcomplex S.A. Borzesti as of 31.12.2024, as presented in the digital files prepared by the Company, in accordance with art. 4 of Delegated Regulation (EU) 2018/815, which establishes the regulatory technical standards regarding the specification of a single electronic reporting format - „ESEF".

Management's responsibility for digital files prepared in accordance with the ESEF

The Group's management is responsible for the preparation of digital files in accordance with the ESEF. This responsibility includes:

- designing, implementing and maintaining adequate internal control over ESEF reporting,
- selecting and applying the appropriate iXBRL markings,

- ensuring consistency between digitized information and consolidated financial statements published in accordance with the provisions of the International Financial Reporting Standards, adopted by the European Union.

Auditor's responsibility

Our responsibility is to express, on the basis of the audit evidence obtained, a conclusion regarding the compliance of the electronic labelling of the items in the consolidated financial statements, in accordance with Article 4 of the Delegated Regulation, in all material aspects. Our reasonable assurance engagement was carried out in accordance with the International Standard on Assurance Engagements 3000 (revised) - "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves the performance of procedures to obtain evidence of compliance with Article 4 of the ESEF Delegated Regulation. The nature, timing and extent of the selected procedures depends on the auditor's reasoning, including in assessing the risk of significant deviations from the provisions of Article 4, caused either by fraud or error. A reasonable assurance mission involves:

- gaining an understanding of the labelling process and the relevant internal controls,
- reconciliation of labeled data with the audited consolidated financial statements of the Company,
- evaluation of the completeness of the labeling of the Company's consolidated financial statements using the XBRL markup language,
- assess whether all iXBRL tags, including voluntary tags, comply with the ESEF reporting requirements.

We consider that the evidence obtained is sufficient and adequate to provide a basis for our conclusion.

Conclusion

In our opinion, the labelled items in the Group's consolidated financial statements, included in the annual financial report in the digital files for the financial year ended 31 December 2024 are labelled, in all material respects, in accordance with Article 4 of Delegated Regulation (EU) 2018/815.

In this report we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding the consolidated financial statements. Our audit opinion on the Company's consolidated financial statements for the financial year ended December 31, 2024 is included in the *Report on Consolidated Annual Financial Statements section* above.

On behalf of: PKF Finconta SRL

Grigore Mora Street, no. 37, Sector 1, Bucharest

Registered with the Authority for Public Supervision of the Statutory Audit Activity under the number FA32

Audit partner name: Florentina Susnea

Registered with the Authority for Public Oversight of the Statutory Audit Activity under number AF433

Bucharest, April 24, 2025

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	Note	December 31 2024	December 31 2023
ASSETS			
Fixed assets			
Tangible fixed assets	15	2.298.304.264	1.966.231.101
Asset use rights	23.b	10.468.421	16.900.411
Real estate investments	17	72.928.585	29.226.468
Intangible assets	16	110.044.642	118.217.815
Investment	18	48.136.626	51.372.913
Other long-term assets		13.008.273	5.467.193
Total fixed assets		2.552.890.811	2.187.415.901
Current assets			
Stocks	19	139.670.371	145.935.414
Trade receivables and other receivables	20	288.355.507	246.018.611
Short-term loans		5.822.428	5.741.291
Cash and bank balances	21	85.911.077	146.209.462
Total current assets		519.759.383	543.904.778
Total assets		3.072.650.194	2.731.320.679
EQUITY AND LIABILITIES			
Capital and reserves			
Subscribed capital	22	304.907.851	304.907.851
Own actions	22	(33.853.662)	(26.657.863)
Issue premium	22	4.669.565	4.669.565
Legal reserves		110.015.951	109.898.098
Retained earnings		667.271.244	688.340.947
Revaluation reserve		987.179.130	651.527.661
Non-controlling interests	30	585.451	566.806
Equity attributable to Group owners		2.040.775.531	1.733.253.065
DEBT			
Long-term debts			
Subsidies	25	28.915.714	30.633.918
Leasing debts	23.b	3.734.360	9.501.672
Deferred tax liabilities	14	197.784.936	142.373.861
Provisions	26	16.360.845	16.171.444
Long-term loans	23.a	513.222.606	377.508.899
Other debts	24	311.153	208.301
Total long-term debts		760.329.613	576.398.095

The accompanying notes form an integral part of these consolidated financial statements.

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	Note	December 31 2024	December 31 2023
Short-term debts			
Subsidies	25	8.658.402	2.062.121
Trade and other payables	24	120.921.539	140.966.683
Leasing debts	23.b	6.442.249	8.043.226
Corporate income tax liability		5.434.495	592
Provisions	26	785.262	755.805
Short-term loans	23.a	129.303.102	269.841.092
Total short-term liabilities		271.545.049	421.669.519
Total debts		1.031.874.663	998.067.614
Total equity and liabilities		3.072.650.193	2.731.320.679

These consolidated financial statements were authorized to be issued by the management on 24.04.2025 and signed on its behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

The accompanying notes form an integral part of these consolidated financial statements.

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Note</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Sales	5	1.502.687.570	1.404.388.043
Investment income		11.428.048	11.151.151
Other Earnings and (Losses)	6	5.699.144	43.098.696
Cost of goods sold		(37.706.993)	(39.057.889)
Change in stocks		(11.255.841)	(76.320.965)
Expenditure on raw materials and consumables	7	(571.421.828)	(462.203.714)
Salary expenses	8	(186.397.246)	(176.286.091)
Depreciation expenses of fixed assets	9	(155.457.774)	(147.581.908)
Distribution expenses		(42.690.920)	(38.460.679)
Energy and water expenses		(370.308.341)	(368.914.872)
Expenses with services performed by third parties	10	(43.011.233)	(42.551.557)
Maintenance and repair expenses		(5.750.893)	(7.824.153)
Other income	11	4.651.101	2.624.803
Gain on revaluation of fixed assets	15	25.757.567	-
Gain from impairment adjustments to fixed assets	15	5.427.230	114.510
Other expenses	12	(67.899.611)	(48.125.501)
Financing costs	13	(41.820.268)	(38.159.398)
Share of the shareholders' profit		(3.210.458)	(3.068.769)
Profit before tax		18.719.256	12.821.707
Current income tax expenses	14	(11.586.204)	(662.400)
Deferred corporate income tax	14	(4.427.346)	6.448.758
Profit of the year		2.705.706	18.608.065
Earnings per share			
Basic and diluted earnings per share		0,009	0,061

The accompanying notes form an integral part of these consolidated financial statements.

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Note</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Profit for the year		<u>2.705.706</u>	<u>18.608.065</u>
Other comprehensive income:			
<i>Items that will not be reclassified to the profit or loss account:</i>			
Impact of the revaluation	15	337.056.926	-
Deferred tax related to the revaluation	15	(53.929.108)	-
Impact of impairment on revalued assets	15	49.592.456	-
Deferred tax related to depreciation	15	(7.934.793)	-
Impact of disposal of fixed assets	15	(14.185)	-
Deferred tax related to the transfer	15	<u>2.270</u>	-
Other comprehensive income, net		<u>324.773.566</u>	<u>-</u>
Total overall result		<u>327.479.272</u>	<u>18.608.065</u>
Total attributable overall result:			
Owners		327.460.627	18.437.125
Non-controlling interests		18.645	170.940

These consolidated financial statements were authorized to be issued by the management on 24.04.2025 and signed on its behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

The accompanying notes form an integral part of these consolidated financial statements.

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Own actions</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Deferred result</u>	<u>Revaluation reserves</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as of January 1, 2023	304.907.851	(26.336.354)	4.669.565	109.516.233	843.010.141	653.382.560	395.866	1.889.545.862
Profit of the year	-		-	-	18.608.065	-	-	18.608.065
Distribution of dividends (note 20)	-		-	-	(194.000.000)	-	-	(194.000.000)
Revaluation reserve	-	-	-	-	-	(2.422.411)	-	(2.422.411)
Legal reserves	-		-	381.865	(381.865)	-	-	-
Buyback of treasury shares (note 22)	-	(321.510)	-	-	-	-	-	(321.510)
Employee benefits in the form of equity instruments - phase II (note 8)	-	-	-	-	23.387.871	-	-	23.387.871
Adjustment resulting from change in minority interests (note 30)	-	-	-	-	(170.940)	-	170,940	-
Deferred tax	-	-	-	-	-	567.512	-	567.512
Other movements	-		-	-	(2.112.326)	-	-	(2.112.326)
Balance as of December 31, 2023	304.907.851	(26.657.863)	4.669.565	109.898.098	688.340.947	651.527.661	566.806	1.733.253.064

The accompanying notes form an integral part of these consolidated financial statements.

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Own actions</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Deferred result</u>	<u>Revaluation reserves</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as of January 1, 2024	304.907.851	(26.657.863)	4.669.565	109.898.098	688.340.947	651.527.661	566.806	1.733.253.064
Profit of the year	-		-	-	2.705.706	-	-	2.705.706
Distribution of dividends (note 20)	-		-	-	-	-	-	-
Revaluation reserve	-	-	-	-	203.468	386.635.197	-	386.838.666
Legal reserves	-		-	117.854	(117.854)	-	-	-
Buyback of treasury shares (note 22)	-	(33,388,770)	-	-	-	-	-	(33.388.770)
Benefits granted to employees in the form of equity instruments - stage II (note 8)	-	26.192.972	-	-	(23.016.842)	-	-	3.176.129
Adjustment resulting from change in minority interests (note 30)	-	-	-	-	(18.645)	-	(18.645)	-
Surplus resulting from the acquisition of Logiserv	-	-	-	-	(444.662)	-	-	(444.662)
Deferred tax	-	-	-	-		(50.983.728)	-	(50.983.728)
Other movements	-		-	-	(380.874)	-	-	(380.874)
Balance as of December 31, 2024	304.907.851	(33.853.662)	4.669.565	110.015.951	667.271.244	987.179.130	585.451	2.040.775.530

These consolidated financial statements were authorized to be issued by the management on 24.04.2025 and signed on its behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

The accompanying notes form an integral part of these consolidated financial statements.

CHIMCOMPLEX S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Cash flows from operating activities:		
Profit before tax	<u>18.719.256</u>	<u>12.821.707</u>
Adjustments for non-monetary items:		
Interest expense (note 13)	41.682.249	34.167.833
Impairment gain on investments (note 18)	-	(13.972.231)
Gain on impairment of property, plant and equipment (notes 15,17)	(5.427.230)	(114.510)
Interest income (note 5)	(4.792.569)	(4.616.407)
Loss on disposal of fixed assets (note 6)	1.349.988	394.896
Gain from the disposal of financial assets (note 6)	(76.169)	-
Net gain on provisions (note 6)	(218.067)	(30.161.199)
Gain on revaluation of fixed assets	(25.757.567)	-
(Gain)/loss from exchange rate differences (notes 6.13)	(354.548)	5.671.680
Gain from the reversal of inventory impairment (note 6)	(6.471.626)	(1.376.570)
Depreciation (note 9)	155.457.774	147.581.908
(Gain)/impairment loss on trade receivables (note 6)	(43.405)	64.243
Expenditure on remuneration in equity instruments (note 8)	3.176.129	23.387.871
Share of the loss of shareholders	3.210.458	3.068.769
Subsidy revenue (note 11)	(1.481.420)	(1.490.027)
	<u>178.973.253</u>	<u>175.427.963</u>
Working capital movements:		
Decrease in inventories	12.961.811	94.646.007
(Increase)/decrease in trade receivables and other receivables	(51.481.990)	78.034.640
Decrease in commercial and other debts	(21.601.368)	(69.878.618)
Cash generated from operating activities	<u>118.851.706</u>	<u>278.229.992</u>
Interest paid	(42.290.969)	(33.201.234)
Corporate income tax paid	(61.114)	(1.115.776)
Net cash generated from operating activities	<u>76.499.624</u>	<u>243.912.982</u>
Cash flows from investing activities:		
Interest received	4.792.569	4.616.407
Proceeds from the sale of fixed assets	249.831	-
Proceeds from the sale of financial assets	108.499	-
Acquisition of fixed assets	(85.873.506)	(231.000.020)
Subsidiary acquisition	(4.101.159)	-
Net cash used in investment activities	<u>(84.823.766)</u>	<u>(226.383.613)</u>

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

	Year ended December 31, 2024	Year ended December 31, 2023
Cash flow from funding activities:		
Loan receipts (note 23)	66.172.870	191.203.956
Repayment of leasing debts	(7.889.956)	(9.300.404)
Dividends paid (current year and previous year)	(7.186)	(38.341.339)
Repayment of loans (note 23)	(77.206.480)	(59.029.674)
Acquisition of treasury shares (note 22)	(33.388.770)	(321.503)
Net cash (used in)/generated by funding activities	(52.319.523)	84.211.036
(Decrease)/net increase in cash and cash equivalents	(60.643.665)	101.740.405
Cash and cash equivalents at the beginning of the year	146.209.462	45.539,597
Effects of changes in the exchange rate on the balance of cash held in foreign currency	345.280	(1.070.540)
Cash and cash equivalents at year-end	85.911.077	146.209.462

These consolidated financial statements were authorized to be issued by the management on 24.04.2025 and signed on its behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

1. GENERAL INFORMATION

These financial statements are the consolidated financial statements of CHIMCOMPLEX S.A. BORZESTI (the "Company") and its subsidiaries (together the "Group") as of and for the year ended December 31, 2024.

The company is a joint-stock company established in accordance with Romanian legislation and registered in 1991 with the Trade Register.

The company's headquarters are located in Str. Industriilor nr. 3, Onești, Romania.

The group operates in the chemical industry, and its main product groups are:

- chloralkaline,
- organic solvents;
- Inorganic chlorides,
- Alkylamines, polyols
- Oxo-alcohols.

As of December 31, 2024 and December 31, 2023, respectively, the Company's subsidiaries and associates are as follows:

Name	Activity	Item	Tax Code	Headquarters	% of shares	
					December 31, 2024	December 31, 2023
Greenhouse SRL	Manufacture of other basic inorganic chemicals	Subsidiary	16030164	Onești	99,9998%	99,9998%
A5 Invest SRL	Intermediation in the sale of machinery, industrial equipment, ships and aircraft	Subsidiary	17701390	Onești	100,0000%	100,0000%
A6 Impex SA	Electricity production	Associate	21381692	Dej	49,4497%	49,4497%
Sistemplast SA	General mechanical operations	Subsidiary	11438007	Râmnicu Vâlcea	94,4000%	94,4000%
Logiserv SRL	Other activities related to transport	Subsidiary	23136444	Râmnicu Vâlcea	100,0000%	-
CRC Worldtrade SRL	Supply of steam and air conditioning	Subsidiary	49620978	Râmnicu Vâlcea	100,0000%	-

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2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities into Short-Term Liabilities and Long-Term Liabilities, issued by the IASB on 23 January 2020, and Amendments to IAS 1 "Presentation of Financial Statements" - Long-Term Liabilities with Financial Indicators issued by the IASB on 31 October 2022	The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on contractual arrangements in place at the reporting date. The amendments issued in October 2022 clarify how the conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments to the annual periods beginning on or after 1 January 2024	The adoption of the amendments did not have a significant impact on the individual financial statements.
Amendments to IAS 7 Statements of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Vendor Financing Agreements issued by the IASB on 25 May 2023	According to the amendments, there are added requirements regarding the information to be submitted, as well as indications within the existing requirements regarding the information to be provided in order to provide qualitative and quantitative information regarding financing agreements in relation to suppliers	The amendments did not lead to significant changes in the financial statements
Amendments to IFRS 16 Lease Agreements - Lease Liabilities in a Sale and Leaseback Transaction , issued by the IASB on September 22, 2022	The amendments provide that the seller-lessee shall subsequently assess the leasing liabilities arising from a leaseback transaction, so that it does not recognise any gains or losses related to the retained right of use. The new requirements do not prevent the seller-lessee from recognizing in the profit or loss account gains or losses from the partial or total termination of a leasing contract	The amendments did not lead to significant changes in the financial statements

- The following new standards and amendments to existing standards issued by the International Accounting Standards Committee (IASB) and adopted by the European Union (EU) that have not yet entered into force for the annual financial reporting period ended December 31, 2023 and have not impacted or been applied in the preparation of these financial statements: [IAS 8.31 (a)]

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IAS 21 Effects of exchange rate changes – Lack of convertibility issued by the IASB on August 15, 2023, effective January 1, 2025	The amendments contain guidance for entities to specify when a currency is convertible and how to determine the exchange rate when it is not convertible	The adoption of these amendments will not have a significant impact on the financial statements in the future.

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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- As of the date of approval of these financial statements, the following existing standards have been issued by the IASB but have not yet been adopted by the EU:

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments issued by the IASB on 30 May 2024	The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date on which an asset or financial liability is derecognised and introduce additional disclosure requirements with respect to investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent characteristics	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a material impact on the Company's performance in the future
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale of or contribution of assets between an investor and its associates or joint ventures , issued by the IASB on September 11, 2014	The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognised when the assets sold or contributed represent an enterprise. That change could only be applied if the entity has not developed an accounting policy to that effect	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a material impact on the Company's performance in the future
IFRS 19 Non-Public Liability Subsidiaries: Disclosures issued by the IASB on May 9, 2024	The standard allows subsidiaries to provide restricted information when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that choose to apply it	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
IFRS 14 Deferred Accounts for Regulated Activities issued by the IASB on January 30, 2014	This standard is intended to enable entities that are first-time adopters of IFRS, and that currently recognise deferral accounts for activities regulated under previous generally accepted accounting policies, to continue to do so when transitioning to IFRS	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards – Volume 11 issued by the IASB on July 18, 2024	These amendments include clarifications, simplifications, corrections and amendments in the following areas: (a) hedging accounting adopted by an entity adopting the standards for the first time (IFRS 1); (b) the gain or loss on disposal (IFRS 7); (c) the disclosure of the deferred difference between fair value and transaction price (IFRS 7); (d) the introduction and presentation of credit risk information (IFRS 7); (e) the derecognition of leasing liabilities by the lessee (IFRS 9); (f) the trading price (IFRS 9); (g) the establishment of a 'de facto representative' (IFRS 10); (h) the cost-based method (IAS 7).	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a material impact on the Company's performance in the future

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2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
IFRS 18 Presentation and Disclosures to be Disclosed in the Financial Statements issued by the IASB on April 9, 2024 will replace IAS 1 Presentation of Financial Statements	The standard introduces three sets of new requirements for companies to improve their financial performance reporting and to give investors a better basis for analyzing and comparing companies. The main changes in the new standard compared to IAS 1 refer to: (a) the introduction of categories (operating, investment, financing, corporate income tax and discontinued operations) and sub-totals defined in the statement of profit or loss; (b) the introduction of requirements to improve aggregations and disaggregations; (c) the introduction of information on Established Management Performance Measures (MPCs) in the notes to the financial statements. Although IFRS 18 does not affect the recognition or measurement of items in the financial statements, its impact on the presentation is significant, particularly with respect to the statement of financial performance and the inclusion of performance measures defined by management in the financial statements	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future

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EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES

Declaration of conformity

The Group's consolidated financial statements were prepared 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 ("OMFP 28422/2016"). These provisions are in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union ("EU IFRS").

Preparation base

The statutory consolidated financial statements have been prepared on a going concern basis and on a historical cost basis, with the exception of certain classes of financial instruments that are measured at fair value and property, plant and equipment that are measured at revalued values, as explained in the accounting policies below.

Business continuity

The management has, at the time of approval of the financial statements, a reasonable expectation that the Group has adequate resources to continue to exist operationally for the foreseeable future. This reasonable expectation is based on the following:

- The Group recorded a net profit of RON 2,705,706 for 2024 (2023: RON 18,608,065);
- As shown in note 23A., the Group complies with the financial conventions referred to in the loan agreements and expects to comply with them in 2025 as well.

Thus, they continue to adopt the principle of business continuity accounting in the preparation of consolidated financial statements.

(a) Tangible assets and intangible assets

TANGIBLE FIXED ASSETS

(i) Recognition and evaluation

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

Property, plant and equipment are measured at revalued values minus any accumulated depreciation and any accumulated impairment losses since the most recent valuation. Outstanding assets and advance payments on fixed assets are measured at cost less any cumulative impairment losses.

Revaluation of property, plant and equipment shall be carried out on a regular basis to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period. The last revaluation was made on December 31, 2024 by a certified independent appraiser - TNP GLOBAL & PARTNERS.

When a property, plant and equipment is revalued, the accumulated depreciation is removed from the gross carrying amount of that item and the net amount is restated to the revalued value of the asset.

The cost of the Group's own-built assets includes the following:

- i. material costs and direct labour costs;
- ii. any amounts that can be directly attributed to bringing the asset into working order;
- iii. the costs of dismantling, moving and restoring the area in which they have been placed, when the group has to move the assets and restore the land;
- iv. borrowing costs (capitalised).

When parts of an item of tangible assets have different useful lives, they are considered separate parts.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

TANGIBLE FIXED ASSETS (continued)

Borrowing costs directly attributable to major acquisition and installation construction are capitalized in the cost of property, plant and equipment in progress in accordance with IAS 23 "Borrowing costs".

Gains or losses on disposal of an asset (determined by comparing disposal receipts with the carrying amount of tangible assets) are recognised in the profit or loss account.

(ii) Subsequent maintenance expenses

Subsequent expenses related to property, plant and equipment shall be included in the carrying amount of the asset or recognised as a separate asset, as applicable, only when the future economic benefits associated with the item are likely to be generated for the Group and the cost of the item can be reliably assessed. The book value of the replaced part is derecognised.

The cost of other minor maintenance, repairs, and improvements are shown on expenses when they are performed.

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

(iii) Amortization

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

Category	Lifespan
Constructions / special installations	30-50 years
Machinery and equipment	2-30 years
Installations and furniture	2-15 years

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

The estimated useful life, residual values and depreciation method shall be regularly reviewed to ensure their consistency with the estimated period of economic benefits that will result from the use of the assets.

(iv) Revaluation reserve

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

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognised and accrued in equity under the reserve item of the revaluation. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decline in the same asset value previously recognised in profit and loss.

If the carrying amount of an asset is reduced as a result of a revaluation, the decrease is recognised as a profit or loss. However, the decrease is recognised in the equity of revaluation reserves if there are credit balances in the revaluation reserve for that asset.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

TANGIBLE FIXED ASSETS (continued)

The revaluation surplus included in equity for an item of property, plant and equipment may be transferred directly to retained gains when the asset is derecognised. This may involve the transfer of the entire surplus when the asset is decommissioned or disposed of. Transfers from the revaluation surplus to the retained earnings are not made through the profit and loss account.

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

(v) Impairment of non-financial assets

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

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

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

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

An impairment loss is recognised if there have been changes to the estimates used to determine the recoverable amount. An impairment loss is recognised only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, without depreciation, if no impairment had been recognised.

(vi) Reclassification in and from real estate investments

The Group shall reclassify items of property, plant and equipment as investments in real estate or items of real estate investment in property, plant and equipment when:

- there is a change in use, a change in use occurs when the property meets (or no longer meets) the definition of a real estate investment and there is evidence of the change in use;
- it is no longer occupied by the owner, transferring it from occupied property to real estate investment.

INTANGIBLE ASSETS

Separately acquired intangible assets are valued at initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

INTANGIBLE ASSETS (continued)

Finite life intangible assets are amortised over their useful economic life and measured for impairment whenever there are indications that the intangible asset could be impaired. The estimated useful lives used for intangible assets are as follows:

Category	Lifespan
Licenses	2 years
Patent	2-12 years
Concessions	2 years
Trademarks & Customer Lists	Indefinite useful life

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.

Changes in the expected useful life or expected consumption pattern of future economic benefits embodied in the asset shall be accounted for by changing the depreciation period or method, as applicable, and shall be treated as changes in accounting estimates.

The depreciation expense of fixed-term intangible assets is recognised in the profit and loss account in the depreciation expense category.

Intangible assets with an indefinite useful life are tested annually for depreciation, regardless of whether there are indications of depreciation, as well as whenever there are indications that they may be impaired.

(b) Real estate investments

A real estate investment is held to earn rental income or raise capital, or both. Therefore, a real estate investment generates cash flows that are largely independent of other assets held by the Company.

The Company's accounting policy regarding the subsequent valuation of the real estate investment is based on the cost model and is subsequently amortized over its useful life using the straight-line method.

(c) Forex Transactions

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

When preparing the Company's individual financial statements, transactions in currencies other than the Company's functional currency (currency) are recognised at the exchange rates valid at the date of the transactions. At the end of each reporting period, the monetary items denominated in foreign currency are converted at the rates valid on that date. Non-monetary items accounted for at fair value that are denominated in foreign currency are translated at the rates prevailing at the fair value date. Non-monetary items that are measured at historical cost in a foreign currency are not reconverted.

Exchange rate differences on monetary items are recognised in the profit and loss account in the period in which they occur, except:

- the exchange rate differences of foreign currency loans related to assets under construction for future productive use, which are included in the cost of those assets when they are considered an adjustment to the interest costs related to those foreign currency loans;
- exchange rate differences of transactions concluded to hedge certain currency risks.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign exchange transactions (continued)

The official exchange rates used for the translation of balance sheet items denominated in foreign currency at the end of the reporting periods were as follows:

Coin	December 31 2024	December 31 2023
EUR	4,9741	4,9746
USD	4,7768	4,4958

(d) Trade receivables and other receivables

Trade and other receivables include invoices issued at face value and income for goods delivered by the end of the year but invoiced in the first days after the end of the year. Trade receivables and similar accounts are initially recognised at the transaction price and subsequently presented at amortised cost minus impairment losses. Trade and other receivables do not contain any significant financing component and amortised cost approximates fair value. Ultimate losses may vary from current estimates.

The nominal value of receivables to be collected in instalments with a maturity of more than one year shall be updated in the light of the best estimate of an interest rate, in order to take into account the time value of the money and the risk profile of the counterparty.

See note 3 (g) for how the Group recognises expected credit losses over the life of trade receivables. The Company applies the simplified method of expected credit losses.

(e) Stocks

Inventories are valued at the lesser of cost and net realizable value.

Stocks such as raw materials, consumables, inventory materials, goods and packages are valued at purchase cost or at the foreign currency price at the exchange rate on the date of purchase, plus customs duties and travel expenses such as insurance.

Inventory costs are determined on a first-come, first-out basis. Net realizable value is the estimated selling price for inventory minus all estimated completion costs and costs required to make the sale.

Where deemed necessary by the Group, value adjustments shall be made for obsolete stocks or scrap.

(f) Bank deposits, cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an initial maturity of up to 6 months, which are subject to a non-material risk to changes in fair value. Cash in foreign currencies is revalued at the exchange rate at the end of the period. The bank account overdraft is treated as current debts.

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets

The Group recognises a loss adjustment for expected credit losses on investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income. The amount of expected credit losses shall be updated at each reporting date to reflect changes in credit risk since the initial recognition of that financial instrument. The group assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days overdue.

The Group always recognises expected credit losses over the lifetime of trade receivables. The expected credit losses related to these financial assets are estimated using a provisioning matrix based on the Group's historical experience with credit losses, adjusted for borrower-specific factors, general economic conditions and an assessment of both the current and forecasted direction of conditions at the reporting date, including the time value of money, if applicable.

i. Definition of non-reimbursement

The Group considers that the following items constitute a default event for the purposes of internal credit risk management, as historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable:

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

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is overdue for more than 90 days, unless the Group has reasonable and justifiable information demonstrating that a more permissive default criterion is more appropriate.

ii. Financial assets impaired as a result of credit risk

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

- a) significant financial difficulties of the issuer or obligor;
- b) a breach of contract, such as a default or a past due event (see paragraph (ii) above);
- c) the creditor(s) of the borrower, for economic or contractual reasons related to the debtor's financial difficulty, after having offered the borrower a concession(s) that the creditor(s) would not otherwise consider;
- d) it becomes likely that the debtor will go bankrupt or into another type of financial reorganization; or
- e) the disappearance of an active market for that financial asset due to financial difficulties.

iii. Cancellation policy

The group writes off a financial asset when there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example when the debtor has entered liquidation or bankruptcy proceedings. Cancelled financial assets may continue to be subject to foreclosure activities as part of the Group's recovery proceedings, taking into account legal advice, if applicable. Any recoveries made are recognised in the profit and loss account.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets (continued)

iv. Assessment and recognition of expected credit losses

The assessment of expected credit losses depends on the probability of default, the default loss (i.e. the magnitude of the default loss) and the exposure to default risk. The assessment of the probability of default and loss in the event of default shall be based on historical data adjusted with forward-looking information as described above. As regards the exposure to default risk, for financial assets, this is represented by the gross carrying amount of the assets at the reporting date.

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

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

Derecognition of financial assets

The group recognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and, in essence, all the risks and rewards associated with ownership of the asset to another entity.

If the Group does not transfer or retain substantially all the risks and rewards associated with ownership and continues to control the transferred asset, the Company acknowledges its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards associated with ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a secured loan for the income received.

When a financial asset measured at amortized cost is derecognised, the difference between the carrying amount of the asset and the amount of consideration received and receivable is recognised in the profit and loss account.

(h) Share capital

Common shares are classified as part of equity. The Group recognizes the changes in the share capital provided for by law and only after their approval by the shareholders and registration with the Trade Register. Additional costs that can be directly attributed to the issue of shares are recognised as a deduction from equity, without the effects of taxation.

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

(i) Trade and other payables

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

(j) Interest-bearing loans

Interest-bearing loans are initially recognised at fair value without transaction costs. After initial recognition, loans are presented at amortised cost, with any difference between cost and surrender value recognised in the profit and loss account over the life of a loan based on the effective interest rate.

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leasing contracts

The group as a tenant

The group assesses whether a contract is or contains a leasing component at the beginning of the contract. The Group recognises a right-of-use asset and an appropriate lease liability in respect of all leases under which it is a lessee, with the exception of short-term leases (with a lease term of 12 months or less) and leases of small value assets (less than USD 5,000). For these leases, the Group recognises lease payments as an operating expense using the straight-line method over the life of the lease, unless another systematic basis is more representative of the time model in which the economic benefits of the leased assets are consumed.

The lease debt is initially measured at the present value of the lease payments that are not paid on the lease commencement date, discounted by using the implied interest rate in the lease. If this rate cannot be easily determined, the Group uses the incremental borrowing rate.

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

The Group shall revalue the lease liability (and make an appropriate adjustment to the right-of-use asset) whenever:

- the duration of the lease has changed or there is a material event or change in circumstances that leads to a change in the valuation of the exercise of a call option, in which case the lease liability is revalued by updating the revised lease payments using a revised discount rate;
- lease payments are changed as a result of a change in an index or rate or a change in the expected payment within a guaranteed residual value, in which case the lease liability is revalued by updating the revised lease payments using an unchanged discount rate (unless the change in lease payments is due to a change in a variable interest rate); in which case a revised discount rate is used);
- A lease is amended and the amendment to the lease is not accounted for as a separate lease, in which case the lease liability is revalued on the basis of the lease term of the amended lease agreement by updating revised lease payments using a revised discount rate on the effective date of the amendment.

Right-of-use assets are amortised over the shorter period between the term of the lease and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a call option, the right-to-use asset is amortized over the useful life of the underlying asset. The depreciation starts on the date of the start of the leasing contract.

Right-of-use assets are presented as a separate line in the individual statement of financial position.

See note 3(a)(v) for details of the accounting policy on impairment testing.

(l) Employee benefits

i. Short-term employee benefits

Short-term employee benefits are spent as the related service is provided. The Group, in the normal course of business, makes payments to the Romanian State on behalf of its employees for pensions, healthcare and unemployment insurance. The cost of these payments is recorded in the profit and loss account in the same period as the related salary cost.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits (continued)

ii. Share-based payment methods

The fair value at the grant date of equity-settled share-based payment agreements granted to employees is recognised as an expense, with a corresponding increase in equity, during the accrual period. The amount recognised as an expense is adjusted to reflect the number of shares for which the related conditions are expected to be met, so that the amount finally recognised is based on the number of shares that meet the conditions at the date of entitlement.

iii Defined Benefit Plans

The Group pays employees retirement contributions, benefits that are defined in the Company's Collective Bargaining Agreement.

For defined pension benefit plans, the cost of providing benefits is determined using the projected unit credit factor method, with actuarial valuations performed at the end of each annual reporting period. Revaluations comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with an expense or credit for other comprehensive income in the period in which they arise. Remeasurements recognised in other comprehensive income are not reclassified.

(m) Government subsidies

Asset-related government grants are initially recognised as deferred income if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are systematically recognised in profit or loss as other income over the useful life of the asset.

Government subsidies that are to be received as compensation for expenses already incurred or for the purpose of providing immediate financial support to the Group, without related future costs, are recognised as profit or loss during the period in which they become due. Grants linked to the costs of emission allowances are recognised in profit or loss as a reduction in water and energy expenditure (which includes the costs of subsidised allowances).

(n) Provisions

Provisions are recognised when the Group has a present obligation (statutory or implied) as a result of a past event, when the Group is likely to be obliged to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting expected future cash flows using a pre-tax rate that reflects current market valuations of the time-value of money and debt-specific risks. Cancellation of the rebate is recognised as a financial expense. If the time-value effect of money is significant, the value of a provision is the present value of the expenses that are expected to be required to settle the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is practically certain that the repayment will be received and the value of the receivable can be reliably assessed.

Onerous contracts

Current obligations arising from onerous contracts are recognised and measured as provisions. A onerous contract shall be deemed to exist where the Group has a contract under which the unavoidable costs of fulfilling the obligations arising from the contract outweigh the economic benefits expected to be received from the contract.

Provisions on CO2 emissions

During the financial year, in relation to the production schedule, if a shortfall of CO2 emission allowances is estimated at the end of the year, the Group may calculate provisions.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions (continued)

Provisions for end-of-life

Liabilities for decommissioning costs are recognised when the Group has an obligation to dismantle and remove a plant or plant element and to rebuild the site on which it is located, and when a reliable estimate of this obligation can be made. According to the Integrated Environmental Permit no. 1/10.01.2013 issued by the Bacău Environmental Protection Agency, the Company must uninstall the equipment on the date of cessation of activity and bring the land back to its original state. As of December 31, 2024, the Group does not intend to cease all or part of the Group's activity. In addition, since the time of the expected cessation of activity cannot be determined, such provisions that arise at the end of activity cannot be reliably estimated.

However, there was a decommissioning provision for landfills of hazardous and non-hazardous substances for which the decommissioning part would have to be fulfilled in order to comply with environmental requirements.

(o) Corporate income tax

Corporate income tax expenses include current tax and deferred tax.

Current tax is the tax that is expected to be paid or collected on taxable income or losses realized during the year, using the tax rates adopted or substantially adopted at the reporting date, as well as any adjustment to corporate income tax obligations for previous years. The current tax due also includes any tax resulting from the declaration of dividends.

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

- initial recognition of assets or liabilities arising from a transaction that is not a business combination and does not affect accounting or taxable profit or loss;
- differences in investments in subsidiaries or jointly controlled entities, to the extent that they are not likely to be resumed in the near future; and
- taxable temporary differences resulting from the initial recognition of goodwill.

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

A deferred tax claim is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that taxable profits that will be available in the future and used are likely to be realised. Deferred tax claims are reviewed on each reporting date and are reduced to the extent that a tax benefit is no longer likely to be realised. The effect of the change in the tax rate on deferred tax is recognised in the statement of profit and loss, unless it relates to items recognised in other comprehensive income or directly in equity.

The statutory income tax rate for the year ended December 31, 2024 was 16% (December 31, 2023: 16%).

By Law no. 296/2023, the minimum turnover tax (IMCA) was introduced for taxpayers who register a turnover of more than 50 million euros in the previous year and whose corporate income tax is lower than the minimum turnover tax. The tax rate applied to the adjusted turnover is 1% for companies.

(p) Related parties

Companies are considered affiliated if one of the parties, through ownership, contractual rights, family relations or otherwise, has the possibility of directly or indirectly controlling or significantly influencing the other party.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income

Revenues are measured in accordance with IFRS 15 – Revenue from customer contracts.

IFRS 15 establishes a 5-step model for recording revenues resulting from customer contracts:

- Step 1: Identify a contract with a customer
- Step 2: Identifying the payment obligations set out in the contract
- Step 3: Determining the Transaction Price
- Step 4: Allocation of the transaction price for the performance obligations included in the contract
- Step 5: Recognition of income as the company fulfills a performance obligation

Under IFRS 15, revenue is recognised in the amount that reflects the consideration that an entity expects to be entitled to in exchange for the transfer of goods or services to a customer.

Proceeds from the sale of goods

Proceeds from sales of goods are recognized at a time when they transfer control of a product to the buyer.

The consideration promised in sales contracts does not include variable consideration, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses or other similar items expected to be provided to customers.

The group bills the customer the agreed price, with a typical payment term of 30 days, a given customer group could have a maximum duration of 90 payment terms. Advance payments are requested by the Company from external customers, and once the advance payment is received, the goods are delivered in less than 30 days.

The Group does not apply long-term framework contracts with a minimum purchase commitment, as all purchases are ad-hoc orders.

For contracts with customers, the sale of goods (mainly polyols, chlorosodium and oxo-alcoholic products) is generally estimated to be a one-off performance obligation. The Group charges additional fees for shipping if the customer requires delivery services and delivery fees are included in the price of the products sold. Thus, the delivery necessarily takes place before the control of the transfers of goods to the customer, and the Company's policy is to consider that delivery charges are not a separate service provided to the customer and are included in the transaction price. The company does not offer transport services as a stand-alone service, and these are carried out in connection with the sale of goods to certain customers.

The Group expects revenue recognition to occur at some point in time when control of the asset is transferred to the client, namely upon delivery of the goods in accordance with the established Incoterms.

As of December 31, 2024 and 2023, the Group did not have any pre-delivery billing agreement concluded.

Revenue from services

Revenues from sales of services are measured on the basis of the consideration to which the Company expects to be entitled in a contract with a client. The group recognizes revenue when it transfers control of a service to a customer. The services offered by the Group are recognized on a monthly basis once the service is performed. The Company applies typical payment terms of 30 days.

(r) Income and financial expenses

Financial income includes interest income, dividend income, changes in the fair value of financial assets through the profit and loss account. Interest income is recognized as it accumulates in profit or loss using the effective interest method. Dividend income is recognised as profit or loss on the date on which the Group's right to receive dividends is established. Financial expenses include interest expense related to loans, reversal of the reduction of provisions, change in the fair value of financial assets recognised at fair value through the profit or loss account.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

All borrowing costs that cannot be directly attributed to the purchase, construction or production of long-term assets are recognised as profit or loss using the effective interest method.

Gains and losses on exchange rate differences are measured on a net basis.

(s) Contingent liabilities

Contingent liabilities are not recognised in the individual financial statements. They are presented where there is a possibility of an outflow of resources representing possible but not probable economic benefits, and/or the amount can be reliably estimated. A contingent asset is not recognised in these consolidated financial statements, but is presented when an inflow of economic benefits is likely but not distant and the value cannot be reliably estimated.

(t) Fair value

Certain Group accounting policies and disclosure requirements require fair value determination for financial assets and liabilities, such as non-financial liabilities. Fair values have been determined to measure and present information in the individual financial statements using the methods described below. Where appropriate, additional information about the assumptions used in determining fair values shall be presented specifically for the asset or liability.

(u) Business combinations

Enterprise purchases are accounted for using the acquisition method. The value transferred to a business combination is measured at fair value, which is calculated as the sum of the fair values at the date of acquisition of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquired entity and the equity interests issued by the Group in exchange for control of the acquired entity. Acquisition-related costs are recognised in profit or loss as they are incurred.

At the date of acquisition, identifiable assets acquired and liabilities assumed are recognised at their fair value at the date of acquisition, with the following exceptions:

- deferred tax receivables or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Corporate Income Tax and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to the Acquired Entity's Share-Based Payment Arrangements or Group Share-Based Payment Arrangements entered into to replace the Acquired Entity's Share-Based Payment Arrangements are measured in accordance with IFRS 2 Share-Based Payments at the date of acquisition (see below); and
- Assets (or groups to be disposed of) that are classified as held for sale in accordance with IFRS 5 Fixed assets held for sale and discontinued operations are measured in accordance with that standard.

Goodwill is measured as the excess of the amount of the consideration transferred, the amount of any non-controlling interests in the acquired entity and the fair value of the equity interests previously held by the acquirer in the acquired entity (if any) over the net value of the values at the date of acquisition of the identifiable assets acquired and the liabilities assumed. If, after the revaluation, the net value at the date of acquisition of the identifiable assets acquired and the liabilities assumed exceeds the amount of the consideration transferred, the amount of any non-controlling interests in the acquired entity and the fair value of the acquirer's previous interest in the acquired entity (if any), the surplus is immediately recognised in profit or loss as an advantageous purchase gain.

Where the consideration transferred by the Group in a business combination includes a contingent consideration agreement, the contingent consideration shall be measured at fair value at the date of acquisition and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as valuation period adjustments are adjusted retroactively, with corresponding adjustments to goodwill. Valuation period adjustments are adjustments that result from additional information obtained during the "valuation period" (which may not exceed one year from the date of acquisition) regarding facts and circumstances that existed at the date of acquisition.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Business combinations (continued)

The subsequent recognition of changes in the fair value of contingent consideration that do not qualify as valuation period adjustments depends on how the contingent consideration is classified. The contingent value classified as equity is not revalued on subsequent reporting dates and its subsequent settlement is accounted for in equity. Other contingent consideration is restated at fair value at subsequent reporting dates, with changes in fair value recognised in profit or loss.

When a business combination is carried out in stages, the interests previously held by the Group in the acquired entity are revalued at fair value at the date of the acquisition and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests held in the acquired entity prior to the date of acquisition that were previously recognised in other comprehensive income are reclassified to profit or loss, if such treatment would be appropriate if that interest were to be disposed of.

If the initial accounting of a business combination is incomplete by the end of the reporting period in which the combination takes place, the Group shall report provisional values for the items for which the accounting is incomplete. These provisional values are adjusted during the valuation period (see above) or are recognised as additional assets or liabilities to reflect new information obtained on facts and circumstances that existed at the date of acquisition and which, if known, would have affected the values recognised at that date.

(v) Investments in associates

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

The results and assets and liabilities of associates are incorporated in these financial statements using the equity accounting method, unless the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and subsequently adjusted to recognise the Group's share of profit or loss and other comprehensive income of the associate. Where the Group's share of an associate's losses exceeds the Group's stake in that associate's entity (which includes any long-term interests that are essentially part of the Group's net investment in the associate), the Group shall discontinue recognising its share of subsequent losses. Additional losses are recognised only to the extent that the Group has assumed legal or implied obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Upon acquisition of the investment in an associated entity, any excess of the cost of the investment over the Group's share of the net fair value of identifiable assets and liabilities of the investee is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities relative to the cost of the investment, after revaluation, is immediately recognised in profit or loss during the period in which the investment is acquired.

(w) Consolidation of entities under common control

Acquisitions of entities under common control are a transaction in which the merged entities are ultimately controlled by the same party or parties both before and after consolidation, and that control is not transitory. According to the method of the previous value, the consolidation is carried out as follows:

- acquired assets and liabilities are recorded at their existing carrying amount;
- no goodwill is recorded, the surplus from the acquisition is recorded in the Group's retained earnings;
- The carrying amounts of the assets, liabilities, income and expenses of the entities under common control have been aggregated and all balances and transactions between the entities have been eliminated.

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4. CRITICAL ACCOUNTING REASONING AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in Note 3, management must make reasoning (other than those involving estimates) that have a material impact on recognised values and make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant.

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

Critical judgments in the application of the Group's accounting policies

We present below the main reasoning, apart from those involving estimates (which are presented separately below), that management has made in the process of applying the Group's accounting policies and which have the most significant effect on the values recognised in the financial statements.

Revaluation of tangible assets

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

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated to determine the magnitude of the impairment loss (if any). As of December 31, 2024 and December 31, 2023, respectively, management assessed whether there were impairment indicators for tangible and intangible assets.

In measuring the recoverable amount of property, plant and equipment and intangible assets, management estimates future cash flows discounted at their present value, using a pre-tax discount rate that reflects current market valuations of the time value of money and risks specific to property, plant and equipment and intangible assets for which estimates of future cash flows have not been adjusted. The Group considers that the disposal costs are not negligible and the fair value minus the disposal costs of the revalued asset is necessarily lower than its fair value.

The Group considers that the disposal costs of property, plant and equipment are not negligible and the fair value minus the costs of disposing of the revalued asset is necessarily lower than its fair value. Therefore, the revalued asset will be impaired if its fair value minus the cost of sale is less than its revalued value. In this case, after applying the revaluation requirements, the Group applies this to determine whether the asset can be impaired.

The recoverable amount for intangible assets with an indefinite useful life (trademarks and customer lists) is determined annually as fair value minus the costs of selling the specific intangible asset. The group determines the fair value for the impairment analysis specifically for each item of intangible assets with an indefinite useful life.

Therefore, the revalued asset will be impaired if its fair value minus the cost of sale is less than its revalued value. In this case, after applying the revaluation requirements, the Group applies this to determine whether the asset can be impaired.

When measuring the fair value of property, plant and equipment and intangible assets, the Group shall, to the extent possible, use observable market data. Fair values are classified at different levels in a fair value hierarchy based on the inputs used in valuation techniques, as follows:

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

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

Impairment of property, plant and equipment and intangible assets (continued)

The budgets used include forecasts for revenues, raw materials, utilities, personnel costs and other operating expenses and revenues based on current and anticipated market conditions and are approved by the board of directors. However, the budgets used are subject to uncertainties driven mainly by market volatility and the assumptions used by management, with significant room for manoeuvre.

The main sources of uncertainty in the estimates

The main assumptions regarding the future and other main sources of uncertainty in the reporting period that may present a material risk of causing a material adjustment in the carrying amounts of assets and liabilities in the next financial year are discussed below.

Impairment test of tangible and intangible assets

The premises underlying the depreciation test started from the current production capacities, without investments for increasing capacities, restructuring or increasing the efficiency of the machines. For each production unit, the company established production schedules for which it evaluated in value terms the revenues generated by the sale of finished products and the related production costs for a period of five years. As in the budget forecast, the company has taken into account the start-up of electricity and heat production capacities through cogeneration. For perpetuity, net cash flows were estimated by applying the perpetual growth rate of 3% represented by the long-term inflation forecast in lei by the National Bank of Romania. The description of the test results can be found in grade 15.

State aid scheme for the cost of gas emissions

Group a applied reasoning in determining the balance 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 pass-through of the costs of greenhouse gas emissions in the price of electricity, as defined by GEO 138/2022.

GEO 138/2022 is a complex legislation that has been in force since 2019 with some amendments and defines, based on a formula, the amount of the subsidy that each entity is entitled to request. The actual payment of the subsidy by the state may differ from the amount claimed based on other parameters and the budget allocated to the scheme by the Ministry of Energy

The reasoning applied by the Group is based on the management's understanding of the current amendments in GEO 138/2022, the experience of previous years regarding the degree of collection of this subsidy, as well as the discussions of the experts of the environmental department with the authorities related to the probability of collecting the subsidy.

Based on this decision, the Group estimated the amount of state aid by applying a percentage of 92% to the amount to which it is entitled.

Recognition of deferred tax claims

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

Recognition and measurement of provisions and contingent liabilities

The Group is in litigation with a service provider, for the amount of the success fee related to the consultancy services provided in connection with the acquisition of the business from Olchim S.A. The Group, taking into account the lawyer's opinion on the stage of the process, estimates that it will not have losses. The future evolution may differ from the estimate of December 31, 2024.

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

Recognition and measurement of provisions and contingent liabilities (continued)

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

Management exercises its reasoning in measuring and recognising provisions and exposures to contingent liabilities related to outstanding litigation or other outstanding claims that are subject to negotiated settlement, mediation, arbitration or government regulations, as well as other contingent liabilities. Reasoning is necessary to assess the likelihood that an outstanding claim will be successful or a debt will arise and to quantify the possible range of financial settlement. Due to the uncertainty inherent in this valuation process, actual losses may differ from the originally estimated provision.

5. INCOME

Below is an analysis of the Group's revenues for the year from continuing operations.

	Year ended December 31, 2024	Year ended December 31, 2023
Income from the sale of finished products	1.404.533.231	1.324.825.865
Income from services rendered	9.847.703	7.406.362
Income from the sale of goods	41.910.250	43.060.588
Revenue from the sale of waste products	166.839	76.860
Income from miscellaneous activities	46.229.546	29.018.368
Total	1.502.687.570	1.404.388.043

Presentation of income by lines of activity:

	Year ended December 31, 2024	Year ended December 31, 2023
Petrochemistry	667.151.618	684.537.343
Chlorosodium	545.114.077	650.943.769
Oxo-alcohols	221.614.496	5.561.156
Commodities	41.910.724	43.060.588
Others	26.896.655	20.285.188
Total	1.502.687.570	1.404.388.043

Presentation of revenues by geographical segments:

	Year ended December 31, 2024	Year ended December 31, 2023
Europe	1.265.850.475	1.329.426.592
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	1.502.687.570	1.404.388.043

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5. INCOME (continued)

Presentation of income by country:

	Year ended December 31, 2024	Year ended December 31, 2023
Total sales	1.502.687.570	1.404.388.043
Domestic Sales	427.183.658	465.751.736
Export sales	1.075.503.912	938.636.307
<i>Of which:</i>		
Poland	240.631.736	234.680.883
Turkey	223.487.479	70.422.057
Ukraine	90.715.675	89.689.155
Bulgaria	75.932.883	66.434.201
Hungary	61.691.029	83.879.293
Italy	53.320.027	72.387.608
Belgium	43.943.346	33.844.421
Czech Republic	39.789.194	41.454.078
Netherlands	34.718.166	22.726.026
Germany	30.178.880	33.675.502
Others	181.095.497	189.443.083

As of December 31, 2024, the Company has sales commitments in the amount of RON 1,060,708,065 (December 31, 2023: RON 1,419,109,283), the entity expects to recognize the amount presented as income in 2025.

6. OTHER EARNINGS AND (LOSSES)

	Year ended December 31, 2024	Year ended December 31, 2023
(Loss)/net earning on the deletion of non-performing receivables	(58.401)	(2.269)
(Loss)/net earning on provisions	218.067	30.161.199
(Loss)/net foreign exchange gain	298.267	(1.949.895)
(Loss)/net earning on impairment of current assets	6.515.031	1.312.325
(Loss)/net earning on disposal of fixed assets	(1.349.988)	(394.896)
(Loss)/net earning on disposal of financial assets	76.169	-
(Loss)/net earning on impairment of financial assets	-	13.972.231
Other earnings and (losses)	-	-
Total	5.699.144	43.098.696

The amount representing the gain from provisions is detailed in note 26.

The amount representing the gain on impairment of financial assets is detailed in note 18.

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7. RAW MATERIALS AND CONSUMABLES

	Year ended December 31, 2024	Year ended December 31, 2023
Raw	542.099.830	433.016.780
Other consumables	29.321.998	29.186.934
Total	571.421.828	462.203.714

8. EMPLOYEE BENEFITS EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and allowances	151.725.369	129.650.608
<i>of which:</i>		
- the amount paid to the management	13.223.620	10.058.122
- the amount paid to the board of directors	4.068.915	4.161.333
Employee benefits in the form of equity instruments	3.176.129	23.387.871
Expenses with meal vouchers	15.628.435	11.912.302
Expenses with holiday vouchers	4.237.311	1.521.996
Social security expenditure	10.857.354	9.206.858
Benefits in kind	772.648	606.456
Total	186.397.246	176.286.091

The average number of Group employees in 2024 was 1,813, compared to 1,728 in 2023.

The Group has initiated stock option programs that entitle key management personnel and employees to receive shares in the company. Under these programs, option holders are entitled to receive shares with zero value. All options are to be settled through the physical delivery of the shares. The key terms and conditions of grants under these programmes are as follows:

	Lot 1	Lot 2
Date of Grant of Options	2 December 2021	2 December 2022
Total number of shares	929,000 shares	1,145,000 shares
Fair value at grant date	21,924,400 lei	26,564,000 lei
Options strike price	zero	zero
Period of entry into rights	12 months (Jan 2022 – Dec 2022)	13 months (Jan 2023 – Jan 2024)

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.

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

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 "Expenses related to remuneration 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.

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9. DEPRECIATION

	Year ended December 31, 2024	Year ended December 31, 2023
Depreciation of right-of-use assets	7.840.220	8.523.766
depreciation of real estate investments	2.002.041	1.987.337
Depreciation of property, plant and equipment	141.666.758	133.136.673
Depreciation of intangible assets	3.948.755	3.933.631
Total	155.457.774	147.581.908

10. OTHER THIRD-PARTY SERVICES

	Year ended December 31, 2024	Year ended December 31, 2023
Consultancy expenses	683.384	467.262
Other third-party services including:	42.327.848	42.084.295
<i>Logistics services</i>	12.476.011	11.713.415
<i>Security Services</i>	6.767.682	5.944.516
<i>Consulting services</i>	1.082.558	397.050
<i>Wastewater Monitoring</i>	1.963.908	1.517.078
<i>Other services</i>	20.037.690	22.512.236
Total	43.011.233	42.551.557

In 2024, the statutory auditor PKF Finconta Audit SRL had a contractual audit fee 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 (2023: the amount of EUR 134,780 was paid to KPMG Audit SRL). Until the date of approval of the financial statements, no services were contracted with the statutory auditor, other than audit services.

11. OTHER INCOME

	Year ended December 31, 2024	Year ended December 31, 2023
Compensation, fines and penalties	544.859	110.831
Depreciation of investment subsidies	1.481.420	1.490.029
Other income	2.624.823	1.023.943
Total	4.651.101	2.624.803

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12. OTHER EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
ABA Olt penalties - exceeding pollutant concentrations in wastewater	37.324.567	24.214.386
Expenses with taxes and fees	10.792.903	6.186.342
Rent expenses	5.929.621	5.394.273
Insurance expenses	3.170.601	3.261.479
Travel expenses	2.256.502	1.285.468
Protocol, advertising, publicity expenses	2.063.449	2.319.038
Expenses with donations and sponsorships	1.529.535	2.877.763
Expenditure on fines and penalties	1.127.758	90.898
Expenditure on personnel transport	776.103	450.944
Postal and telecommunications expenses	302.660	288.390
Non-stored materials	116.668	158.947
Other operating expenses	2.509.244	1.597.573
Total	67.899.611	48.125.501

The expenses with penalties for the year 2024 in the amount of RON 37,324,567 (December 31, 2023: RON 24,214,386) represent penalties for exceeding the maximum permissible concentration of chemical indicators in wastewater, paid to Apele Române and vary in particular depending on the level of propylene oxide production.

13. FINANCING COSTS

	Year ended December 31, 2024	Year ended December 31, 2023
Bank fees and similar costs	194.300	269.781
Interest expense	41.682.249	34.167.833
Effects of exchange rate changes on loan balances held in foreign currency	(56.282)	3.721.784
Total	41.820.268	38.159.398

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14. CORPORATE INCOME TAX EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
Current income tax expenses	11.586.204	662.400
Expense/(Gain) with deferred tax	4.427.346	(6.448.755)
Expenses with/(Income from) corporate income tax	16.013.550	(5.786.355)
Profit before tax from continuing operations	18.719.256	12.821.710
Revaluation reserves for scrapped or sold fixed assets	204.319	-
Logiserv - reduction of the tax base	(621.355)	-
Profit before tax - total	18.302.220	12.821.710
Tax using the internal tax rate	2.928.355	2.051.474
The tax effect resulting from:		
- Non-deductible expenses	19.668.943	21.862.798
- Tax-exempt income	(8.509.157)	(6.194.336)
- Tax facilities	(2.501.937)	(17.057.535)
Current income tax expenses	11.586.204	662.400

By Law no. 296/2023, the minimum turnover tax (IMCA) was introduced for taxpayers who register a turnover of more than 50 million euros in the previous year and whose corporate income tax is lower than the minimum turnover tax. The tax rate applied to the adjusted turnover is 1% for companies.

Description	Year ended December 31, 2024
VT - Total Revenue	1.551.488.702
Vs - Income that is deducted from total income, of which:	(19.171.230)
Non-taxable income	(29.243.261)
Revenues related to the costs of product inventories	11.253.473
Income from subsidies	(635.586)
Income from compensation	(545.857)
I- Value of fixed assets under execution	(163.754.738)
A- Accounting depreciation at the level of historical cost related to the assets acquired/produced starting with January 1, 2024	(140.467.196)
Calculation basis	1.227.685.957
Minimum profit tax (1%)	12.276.860

If the corporate income tax, calculated before the deduction of certain categories of tax credits, will be lower than the value of the minimum turnover tax (IMCA), or if the company records a tax loss, it will pay the tax at the level of IMCA.

On 31.12.2024, the Company registered corporate income tax, as the calculation resulted in a higher value, to which the OUG153/2021 facilities on equity were applied.

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14. CORPORATE INCOME TAX EXPENSES (continued)

Components of the deferred tax liability:

	Cumulative temporary differences 2024	Deferred tax (active) / passive 2024	Cumulative temporary differences 2023	Deferred tax (active) / passive 2023
Pension provisions and obligations	16.966.728	2.714.676	34.683.970	5.549.435
Tangible fixed assets	(1.168.482.507)	(186.957.201)	(843.615.065)	(134.978.410)
Other intangible assets	(109.251.912)	(17.480.306)	(121.473.111)	(19.435.698)
Right of use and leasing liabilities	762.731	122.037	762.731	122.037
Impairment adjustments for financial investments	10.721.252	1.715.400	24.693.482	3.950.957
Impairment adjustments for inventories	5.568.436	890.950	5.597.608	895.617
Impairment adjustments for trade receivables and other receivables	1.671.708	267.473	2.991.558	478.649
Trade and other payables	5.887.715	942.034	6.522.185	1.043.552
TOTAL	(1.236.155.844)	(197.784.935)	(889.836.634)	(142.373.861)
Impact on the profit and loss account		4.427.346		(6.448.755)
Impact on other items of comprehensive income		50.983.728		-
Variation of the deferred tax liability		(55.411.074)		7.016.268

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15. TANGIBLE FIXED ASSETS

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plants, machinery and equipment</u>	<u>Furniture & Accessories</u>	<u>Assets in execution</u>	<u>Provisions for decommissioni ng</u>	<u>Advance payments for fixed assets</u>	<u>Total</u>
COST								
As of January 1, 2023	119.681.485	627.293.048	1.112.427.517	5.672.038	280.880.381	6.634.752	34.453.693	2.187.042.914
Growth, of which:	-	43.690.124	146.330.172	829.999	196.848.624	-	16.713.344	404.412.263
<i>Entries</i>	-	26.565	310.275	-	149.837.403	-	16.713.344	166.887.587
<i>Transfers</i>	-	43.663.559	146.019.897	829.999	47.011.221	-	-	237.524.676
Decrease, of which:	-	3.478.181	21.023	-	195.113.987	-	47.011.221	245.624.412
<i>Transfers</i>	-	-	-	-	194.739.083	-	47.011.221	241.750.305
As of December 31, 2023	119.681.485	667.504.991	1.258.736.665	6.502.037	282.615.019	6.634.752	4.155.816	2.345.830.764
Growth, of which:	34.425.289	249.154.266	638.269.724	4.557.658	89.530.221	-	16.844.726	1.032.781.884
<i>Entries</i>	-	1.799.503	303.761	-	77.437.236	-	16.840.945	96.381.444
<i>Transfers</i>	-	33.967.476	199.496.495	2.444.147	12.092.985	-	-	248.001.102
<i>Subsidiary acquisition</i>	624.522	2.239.757	4.110.216	89.455	-	-	3.782	7.067.731
<i>Revaluation increases</i>	33.800.768	211.147.530	434.359.252	2.024.057	-	-	-	681.331.606
Decrease, of which:	2.373.965	190.726.951	173.206.760	551.046	236.326.141	-	12.092.985	615.277.848
<i>Transfers</i>	-	-	-	-	236.326.141	-	12.092.985	248.419.126
<i>Revaluation reductions</i>	2.373.965	190.726.951	172.085.203	496.092	-	-	-	365.682.211
Reversal of cumulative depreciation	-	126.381.191	289.016.147	1.520.667	-	-	-	416.918.005
As of December 31, 2024	151.732.809	599.551.114	1.434.783.481	8.987.982	135.819.099	6.634.752	8.907.558	2.346.416.795

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15. TANGIBLE FIXED ASSETS (continued)

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plants, machinery and equipment</u>	<u>Furniture & Accessories</u>	<u>Assets in execution</u>	<u>Provisions for decommissio ning</u>	<u>Advance payments for fixed assets</u>	<u>Total</u>
CUMULATIVE DEPRECIATION								
As of January 1, 2023	<u>-</u>	<u>40.353.022</u>	<u>107.641.786</u>	<u>509.375</u>	<u>-</u>	<u>6.371.919</u>	<u>-</u>	<u>154.876.101</u>
Growth, of which:	-	42.154.118	91.793.218	479.471	-	112.643	-	134.539.450
<i>Transfers</i>	-	623.615	31.086	-	-	-	-	654.700
Subtraction	<u>-</u>	<u>1.496.152</u>	<u>1.250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.497.402</u>
As of December 31, 2023	<u>-</u>	<u>81.010.988</u>	<u>199.433.753</u>	<u>988.847</u>	<u>-</u>	<u>6.484.561</u>	<u>-</u>	<u>287.918.149</u>
Growth, of which:	27.802	46.327.446	101.096.963	610.787	-	112.643	-	148.175.641
<i>Transfers</i>	-	2.956.647	-	-	-	-	-	2.956.647
<i>Subsidiary acquisition</i>	22.274	884.132	2.581.247	64.583	-	-	-	3.552.236
Decrease, of which:	-	-	3.051.651	-	-	-	-	3.051.651
<i>Transfers</i>	-	-	2.956.647	-	-	-	-	2.956.647
Reversal of cumulative depreciation	<u>-</u>	<u>126.381.191</u>	<u>289.016.147</u>	<u>1.520.667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416.918.005</u>
As of December 31, 2024	<u>27.802</u>	<u>957.243</u>	<u>8.462.919</u>	<u>78.966</u>	<u>-</u>	<u>6.597.204</u>	<u>-</u>	<u>16.124.134</u>

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15. TANGIBLE FIXED ASSETS (continued)

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plants, machinery and equipment</u>	<u>Furniture & Accessories</u>	<u>Assets in execution</u>	<u>Provisions for decommissio ning</u>	<u>Advance payments for fixed assets</u>	<u>Total</u>
IMPAIRMENT ADJUSTMENTS								
As of January 1, 2023	<u>-</u>	<u>49.368.635</u>	<u>39.140.805</u>	<u>103.792</u>	<u>3.23.865</u>	<u>-</u>	<u>-</u>	<u>9.849.097</u>
Growth, of which:	-	-	406	219	-	-	-	626
Transfers	-	-	406	-	-	-	-	406
Decrease, of which:	-	140.592	27.171	446	-	-	-	168.209
Transfers	-	-	-	406	-	-	-	406
As of December 31, 2023	<u>-</u>	<u>49.228.043</u>	<u>39.114.040</u>	<u>103.566</u>	<u>3.235.865</u>	<u>-</u>	<u>-</u>	<u>91.681.513</u>
Growth, of which:	-	19.923.775	18.691.400	38.380	32.500	-	-	38.686.056
Transfers	-	7.542.247	-	-	-	-	-	7.542.247
Recognized in other Elements of the result global	-	11.290.359	16.303.173	30.037	-	-	-	27.623.569
Decrease, of which:	-	56.770.290	39.114.040	103.565	2.391.278	-	-	98.379.172
Transfers	-	-	7.542.247	-	-	-	-	7.542.247
Recognized in other Elements of the result global	-	53.264.178	24.106.312	32.147	-	-	-	77.402.636
As of December 31, 2024	<u>-</u>	<u>12.381.528</u>	<u>18.691.400</u>	<u>38.381</u>	<u>877.087</u>	<u>-</u>	<u>-</u>	<u>31.988.396</u>
NET BOOK VALUE								
As of December 31, 2023	<u>119.681.485</u>	<u>537.265.960</u>	<u>1.020.188.872</u>	<u>5.409.625</u>	<u>279.379.154</u>	<u>150.190</u>	<u>4.155.816</u>	<u>1.966.231.101</u>
As of December 31, 2024	<u>151.705.007</u>	<u>586.212.343</u>	<u>1.407.629.163</u>	<u>8.870.635</u>	<u>134.942.011</u>	<u>37.548</u>	<u>8.907.558</u>	<u>2.298.304.264</u>

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15. TANGIBLE FIXED ASSETS (continued)

Measurement of fair value

The Group's land, buildings and equipment are reported at their revalued values, representing the fair value at the revaluation date, less any subsequent accumulated depreciation and amortization and subsequent cumulative impairment losses.

The fair value valuations of the Company's tangible assets as at December 31, 2024 were conducted 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.

The impact of the revaluation of assets on 31.12.2024 is as follows:

Active group	Gross value at 31 December 2024 (before reassessment)	Depreciated amount until 31 December 2024 (before revaluation)	Net Worth As at 31 December 2024 (before revaluation)	Revalued value on December 31, 2024	Revaluation differences as of December 31, 2024
Land	119.681.485	-	119.681.485	151.108.288	31.426.803
Buildings	709.906.721	126.381.191	583.525.530	603.946.109	20.420.579
Equipment, machinery	1.453.551.621	290.536.814	1.163.014.807	1.426.816.821	263.802.014
Real estate investments	34.517.457	7.604.866	26.912.590	72.928.585	46.015.995
Rights to use leased assets	42.072.439	1.143.367	40.929.072	42.078.176	1.149.104
TOTAL	2.359.729.723	425.666.239	1.934.063.484	2.296.877.978	362.814.494

Active group	Impact on the reserve from revaluation - growth	Impact on the reserve from revaluation - decrease	Impact on profit and Loss - Income	Impact on profit and loss - expense	Total impact revaluation - net
Land	20.227.563	389.383	13.573.205	1.984.582	31.426.803
Buildings	205.141.327	184.816.964	6.006.203	5.909.987	20.420.579
Equipment, machinery	413.188.197	164.243.111	23.195.112	8.338.184	263.802.014
Real estate investments	46.869.189	95.851	10.185	767.527	46.015.995
Rights to use leased assets	1.175.961	-	0	26.857	1.149.104
Total	686.602.237	349.545.310	42.784.704	17.027.137	362.814.494

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15. TANGIBLE FIXED ASSETS (continued)

The tangible fixed assets located on the Onești industrial platform were mortgaged for bank loans (see note 23.a). The term loans from CEC Bank and Alpha Bank are jointly and severally guaranteed with the mortgage on the fixed assets on the industrial platform in Onești and the assignment of the insurance policy.

The Group developed internal fixed assets in the amount of RON 19,949,883 for 2024 and RON 21,130,686 for 2023. They are included in the cost of buildings and other constructions.

As a result of the revaluation of assets at fair value, the Group has carried out the profitability test of its business (the impairment test), defining a single cash-generating unit: the entire activity of the Group.

The estimation of the value in use was made by updating the net cash flows expected to be generated by the tested asset base (flows after income tax and interest, without the influence of any necessary or generated flow of investments to increase capacity, restructuring or increase the performance of machinery) in accordance with the budgets and forecasts prepared by the Group. Tangible fixed assets of the nature of buildings, special constructions and machinery from the Group's patrimony were subjected to the impairment test.

Based on the testing carried out, management concluded that the value in use of its assets is higher than their carrying amount at 31 December 2024 and no impairment adjustment was required.

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16. INTANGIBLE ASSETS

	Grants, patents, licenses, trademarks, and similar rights and assets	Other intangible assets	Total
COST			
As of January 1, 2023	149.780.779	835.111	150.615.890
Entries	194.550	262.967	457.517
Exits	935.644	4.361	940.005
As of December 31, 2023	149.039.685	1.093.717	150.133.402
Entries, of which:	217.728	95.075	312.803
<i>Revaluation increases</i>	-	-	-
Outputs, of which:	4.731.771	132.659	4.864.430
<i>Revaluation reductions</i>	4.537.221	-	4.537.221
As of December 31, 2024	144.525.642	1.056.133	145.581.775
ACCUMULATED DEPRECIATION			
As of January 1, 2023	28.173.080	22.943	28.196.023
Entries	3.863.533	70.098	3,933,631
Exits	209.707	4.361	214.068
As of December 31, 2023	31.826.906	88.680	31.915.586
Entries	3.682.688	266.067	3.948.755
Exits	194.550	132.659	327.209
As of December 31, 2024	35.315.045	222.088	35.537.133
NET BOOK VALUE			
As of December 31, 2023	117.212.778	1.005.037	118.217.815
As of December 31, 2024	109.210.597	834.045	110.044.642

The Group owns trademarks worth RON 94,985,000 (December 31, 2023: RON 94,985,000) and customer lists worth RON 3,570,555 (December 31, 2023, RON 3,570,555) with an indefinite useful life. The Company conducts an annual impairment test for these intangible assets using discounted cash flow models. As of December 31, 2024, no impairments were identified. The Group considers that the methods used in the impairment analysis are appropriate given the business context.

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17. REAL ESTATE INVESTMENTS

	31 December 2024	31 December 2023
Balance at the beginning of the year	29.226.468	31.452.222
Entries, of which:	46.954.631	-
<i>Revaluation increases</i>	46.879.373	
Outputs, of which:	1.365.895	839.545
<i>Revaluation reductions</i>	863.378	
Reversal of cumulative depreciation	7.604.866	
Amortization		
Entries	2.002.041	1.333.136
Exits	62.350	
Reversal of cumulative depreciation	7.604.866	
Impairment		
Entries	-	53.073
Outputs, of which:	53.073	-
<i>Recognised in other comprehensive income</i>	2.671	-
Balance at year-end	72.928.585	29.226.468

The real estate investments include land, buildings and related equipment that are located in Onești, Bacău County and in Râmnicu Vâlcea, Vâlcea County and leased to third parties and related parties.

The value of rental income for 2024 was 6,635,478 lei, and for 2023 it was 6,534,744 lei. The group did not carry out significant repairs for real estate investments.

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18. INVESTMENT

The Group's investments as of December 31, 2024 and December 31, 2023, respectively, were as follows:

December 31, 2024	Unique registration code	Investment Value	Number of shares purchased	Nominal value per share	% Ownersh ip
A6 Impex SA	21381692	47.399.366	6.089.521	10,0	49,45%
Uzuc SA	1343554	7.680.000	122.880	2,5	2,59%
Someș SA	199800	4.493.989	1.227.422	2,1	9,74%
Vâlcea Dual Learning Association	39511957	24.000	-	-	16,61%
AISA Invest SA	10443641	19.900	8.000	2,5	20,00%
Association of Tank Washers in Romania	25520505	6.500	-	-	-
Sports Association "Sistemplast" Rm. Vâlcea	47304650	2.500	-	-	-
Association of Producers of Phytosanitary Products	15593836	1.000	-	-	12,50%
TOTAL COST		59.627.255			

December 31, 2023	Unique registration code	Investment Value	Number of shares purchased	Nominal value per share	% Ownersh ip
A6 Impex SA	21381692	50.609.823	6.089.521	10,0	49,45%
Uzuc SA	1343554	7.680.000	122.880	2,5	2,59%
Someș SA	199800	4.493.989	1.227.422	2,1	9,74%
Contactoare SA	1145395	32.330	12.200	2,5	0,40%
Vâlcea Dual Learning Association	39511957	24.000	-	-	16,61%
AISA Invest SA	10443641	19.900	8.000	2,5	20,00%
Sports Association "Sistemplast" Rm. Vâlcea	47304650	2.500	-	-	-
Association of Producers of Phytosanitary Products	15593836	1.000	-	-	12,50%
TOTAL COST		62.863.542			

The following impairment adjustments are recorded in relation to financial assets:

Company name	31 December 2024	31 December 2023
Uzuc SA	6.996.640	6.996.640
Someș SA	4.493.989	4.493.989
Impairment adjustment	11.490.629	11.490.629
Total Net Worth	48.136.626	51.372.913

In 2024, the Company acquired the shares held by the shareholders of Logiserv SRL, a reference company in the field of washing tankers, containers and established a new company for the supply of steam and air conditioning, CRC Worldtrade SRL.

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18. INVESTMENTS (continued)

A6 Impex SA Dej

The company was established in 2013. The company's headquarters are in Dej, Cluj. The main object of activity is the production, transmission and distribution of electricity from renewable sources, energy obtained with the thermoelectric power plant with a production capacity of 9.5 MWh/hour.

As of December 31, 2024, the proportion of equity investments held by Chimcomplex SA Borzesti is 49.4497%, which is equal to the proportion of voting rights.

The financial information of A6 Impex SRL is presented in the table below:

Statement of financial position	December 31, 2024	December 31, 2023
ASSETS		
Fixed assets		
Tangible fixed assets	60.828.066	62.113.360
Investment	5.087.813	5.087.813
Total fixed assets	65.915.879	67.201.173
Current assets		
Stocks	1.228.387	7.973.106
Trade receivables and other receivables	838.634	4.894.201
Cash and bank balances	11.072.845	10.842.063
Total current assets	13.139.866	23.709.370
Total assets	79.055.744	90.910.543
Equity and liabilities		
Capital and reserves		
Subscribed capital	123.145.710	123.145.710
Issue premium	272.727	272.727
Legal reserves	555.144	555.144
Retained earnings	(53.719.774)	(47.227.443)
Revaluation reserve	112.561	112.561
Total equity	70.366.368	76.858.699
Debt		
Long-term debts	2.029.895	2.029.895
Short-term debts	6.659.481	12.021.949
Total debts	8.689.376	14.051.844
Total equity and liabilities	79.055.744	90.910.543

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18. INVESTMENTS (continued)

A6 Impex SA Dej (continued)

Statement of profit or loss and other comprehensive income

	Year ended December 31, 2024	Year ended December 31, 2023
Sales	12.854.616	37.386.539
Investment income	104.530	129.074
Other gains or (losses)	-	(515.419)
Cost of goods sold	(15.848.062)	(30.895.002)
Change in stocks	7.394.672	6.553.024
Expenditure on raw materials and consumables	(6.542.540)	(10.534.259)
Salary expenses	(2.323.708)	(4.390.907)
Depreciation and amortization expenses	(1.308.979)	(3.633.946)
Energy and water expenses	(1.290.780)	(1.524.423)
Expenses for services performed by third parties	(465.301)	(649.031)
Maintenance and repair expenses	(1.433)	(39.883)
Other income	2.286.388	2.859.357
Other expenses	(1.301.651)	(857.051)
Financing costs	(47.795)	-
Pre-tax loss	(6.490.042)	(6.111.926)
Current income tax expenses	(2.289)	(92.649)
Loss for the year	(6.492.331)	(6.204.575)

The company recorded a loss of RON 6,492,331 as of December 31, 2024.

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19. STOCKS

	December 31 2024			December 31 2023		
	Cost	Impairment adjustments	Net book value	Cost	Impairment adjustments	Net book value
Raw	30.300.640	(598.565)	29.702.075	33.075.781	(935.726)	32.140.055
Consumables	16.665.707	(4.027.395)	12.638.312	21.038.229	(8.705.403)	12.332.826
Mouldings	12.513.837	(235.014)	12.278.823	10.371.713	(590.451)	9.781.262
Finished products	71.984.540	(98.613)	71.885.927	85.654.131	(181.470)	85.472.660
Other stocks	13.853.789	(688.554)	13.165.235	7.915.328	(1.706.717)	6.208.611
TOTAL	145.318.513	(5.648.141)	139.670.371	158.055.181	(12.119.767)	145.935.414

20. TRADE RECEIVABLES AND OTHER RECEIVABLES

a) Trade receivables and other receivables

	31 December 2024	31 December 2023
Advance payments to suppliers	15.139.111	19.776.880
Other claims	4.543.736	5.428.957
Trade receivables	92.541.628	87.151.163
Tax claims against the state budget	17.733.767	17.734.031
VAT to be collected	21.550.501	21.257.409
Non-chargeable VAT	2.220.894	4.302.790
Subsidies	-	7.058.473
State aid for the costs of indirect emissions	110.938.628	67.988.698
Claims with related parties	16.086.621	16.039.874
Advance payments	8.815.990	573.647
Miscellaneous debtors	262.009	238.126
Other taxes	258.228	247.573
Less: impairment adjustments for uncertain liabilities	(1.334.695)	(1.378.100)
Less: impairment adjustments for miscellaneous debtors	(58.289)	(58.289)
Less: impairment adjustments for group receivables	(342.622)	(342.622)
TOTAL	288.355.507	246.018.612

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 electricity grants related to the costs of emission allowances), 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.

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21. TRADE RECEIVABLES AND OTHER RECEIVABLES (continued)

On 31 December 2024, the company registered the subsidy for offsetting greenhouse gas emission costs for the year 2024 considering the percentage of collection from previous years and initiated legal proceedings to recover the difference not collected, requesting the annulment of the decision not to be granted the full amount of state aid requested and the obligation of the Ministry of Energy to admit the entire amount of the requested state aid.

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.

b) Adjustments for trade receivables

	31 December 2024	31 December 2023
	<i>Lifetime ECL</i>	<i>Lifetime ECL</i>
Balance at the beginning of the year	1.779.011	1.714.768
Increase	39.285	66.943
Subtraction	82.690	2.700
Balance at year-end	1.735.606	1.779.011

20. TRADE RECEIVABLES AND OTHER RECEIVABLES (continued)

The average credit period for sales of goods is 21 days in 2024.

No interest is charged on outstanding trade receivables.

The group always values the loss allowance for trade receivables at a value equal to the lifetime ECL. Expected credit losses on trade receivables are estimated using a provisioning matrix against the debtor's previous default experience and an analysis of the debtor's current financial position, adjusted for borrower-specific factors, the general economic conditions of the sector in which the borrowers operate, and an assessment of both the current direction, the and the forecasted direction of the conditions at the reporting date. There were no changes to the estimation techniques during the current reporting period.

The group incurs trade receivables losses when there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example when the debtor has been placed in liquidation or entered bankruptcy proceedings, or when trade receivables are more than two years overdue, whichever comes first. None of the trade claims that have been cancelled are subject to enforcement activities.

21. CASH AND BANK BALANCES

	31 December 2024	31 December 2023
Short-term bank deposits	73.720.665	124.922.165
Bank Accounts	11.297.416	20.553.763
Checkbook	857.461	717.897
Cash advances	773	2.672
Cash in the house	34.207	12.462
Cash equivalents	554	502
TOTAL	85.911.077	146.209.462

Cash and cash equivalents comprise cash and short-term bank deposits with an initial maturity of six months or less. The carrying amount of these assets is approximately equal to their fair value. The expected loan loss on bank deposits is not material for the years 2024 and 2023.

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22. CAPITAL AND RESERVES

Ordinary shares	31 December 2024	31 December 2023
Ordinary shares issued	304.907.851	304.907.851
Nominal value per share – RON	1,00	1,00
Statutory share capital – RON	304.907.851	304.907.851
Issue premiums in RON	4.669.565	4.669.565
Share capital – RON	309.577.416	309.577.416

The parent company of the Company is Romanian Commercial Services, which belongs to the individual shareholder Vuza Stefan.

Own actions	31 December 2024	31 December 2023
Own actions	33.853.662	26.657.863

The company has initiated stock option programs that entitle key management personnel and employees to receive shares within the company. Under these programs, option holders are entitled to receive shares with zero value. All options are to be settled through the physical delivery of the shares.

Earnings per share	31 December 2024	31 December 2023
Profit/ (Loss) for that year	2.705.706	18.608.065
Number of shares	304.907.851	304.907.851
Earnings per share	0,009	0,061

The shareholding structure as of December 31, 2024 and December 31, 2023 was as follows:

December 31, 2024		Share capital Face value	
	Number of shares	Shareholders	
Shareholders			
CRC Alchemy Holding B.V.	258.129.743	84,66%	258.129.743
AAAS	27.305.181	8,95%	27.305.181
Legal	14.409.398	4,73%	14.409.398
People	5.063.529	1,66%	5.063.529
Total	304.907.851	100,00%	304.907.851
December 31, 2023		Share capital Face value	
	Number of shares	Shareholders	
Shareholders			
CRC Alchemy Holding B.V.	259.152.119	84,99%	259.152.119
AAAS	27.305.181	8,96%	27.305.181
Legal	14.423.411	4,73%	14.423.411
People	4.027.140	1,32%	4.027.140
Total	304.907.851	100,00%	304.907.851

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23. LOANS AND LEASING

23.A LOANS	31 December 2024	31 December 2023
LONG-TERM LOANS		
CEC Bank	240.586.758	55,112.432
Alpha Bank	57.316.423	112,422.229
UBS Switzerland	107.563.656	132,055.363
Garanti Bank	107.755.769	76,286.770
OTP Bank	-	1.632.105
TOTAL LONG-TERM PORTION (excluding borrowing costs)	513.222.606	377.508.899
SHORT-TERM LOANS	31 December 2024	31 December 2023
CEC Bank	14.065.756	210.017.176
Alpha Bank	55.094.270	19.982.011
UBS Switzerland	25.439.230	26.170.057
Garanti Bank	34.672.646	12.708.017
OTP Bank	-	932.631
Other	31.200	31.200
TOTAL SHORT-TERM PORTION (excluding borrowing costs)	129.303.102	269.841.092
TOTAL	642.525.708	647.349.992

The value of borrowing costs as of December 31, 2024 is RON 14,841,101 (RON 22,136,097 as of December 31, 2023).

The loans from CEC Bank and Alpha Bank were used to refinance loans from VTB and Credit Suisse totalling EUR 56.7 million and were disbursed on 6 October 2021.

Alpha Bank term loan – EUR 30 million credit facility repaid in 28 equal quarterly installments, which started on December 31, 2021, with the final maturity on September 29, 2028. The closing balance as of December 31, 2024 is 16,071,429 euros, of which 4,285,714 euros in the short term and 11,785,715 euros in the long term.

The interest rate is 3M Euribor +1.95%, and the loan is guaranteed by a mortgage on the tangible assets located on the industrial platform in Onești and with the assignment of the insurance policy.

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

The closing balance as of December 31, 2024 is 11,428,571 euros, of which 2,857,143 euros in the short term and 8,571,428 euros in the long term. The interest rate is 3M Euribor +2.15%, and the loan is guaranteed by the mortgage on the tangible assets located on the industrial platform in Onești and by the assignment of the insurance policy.

The revolving credit facility from CEC Bank in the amount of EUR 40 million, drawn in full as of December 31, 2022. The revolving facility matures on September 28, 2026.

The interest rate is 3M EURIBOR +2.45%, and the loan is guaranteed by a pledge on the stocks (raw materials and finished products) located in Rm.Vâlcea and Onești, with a mortgage on commercial receivables and with the assignment of the insurance policy.

Alpha Bank multifunctional credit line - On July 7, 2023, a multifunctional credit line (working capital financing, issuance of letters of guarantee, opening of letters of credit) was contracted from Alpha Bank, with a total value of EUR 10,000,000. It consists of two facilities, as follows:

- Sub-limit A in the amount of EUR 7,000,000 for: working capital financing, issuance of letters of guarantee, opening of letters of credit; the final maturity is July 7, 2025, and the balance on December 31, 2024 is 7,000,000 euros; the interest rate is 3M Euribor +2.45%;

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23. LOANS AND LEASING (continued)

23.A LOANS (continued)

- Sublimit B in the amount of EUR 3,000,000 (non-cash facility) for the issuance of letters of guarantee, opening letters of credit; The final maturity is July 7, 2025, and the amount used on December 31, 2024 is 2,959,278 euro equivalents. The costs are: issuance fee 0.13% per quarter and risk fee 0.75% per year.

Both facilities are guaranteed by a mortgage on the tangible assets located on the industrial platform in Rm.Vâlcea, with a mortgage on commercial receivables and with the assignment of the insurance policy.

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

- an investment facility in the amount of up to EUR 4,500,000 to finance 100% of the Company's contribution to the project with non-reimbursable funds regarding the construction of a high-efficiency trigeneration plant of maximum 8MWe on the chemical platform in Rm.Vâlcea; the facility is repaid in monthly installments in maximum 60 months from the date of each use and with the final maturity on December 31, 2028. The interest rate is 3M Euribor +2.5%. The balance as of December 31, 2024 is 4,166,457 euros, of which 981,933 euros in the short term and 3,184,524 euros in the long term.
 - revolving facility in the amount of EUR 1,500,000 for the financing of 100% of the ineligible VAT related to the invoices issued within the financed project; the facility is repaid within a maximum of 26 months from the date of each use and has a final maturity of February 28, 2026. The interest rate is 3M Euribor +2.5%. The balance as of December 31, 2024 is 1,500,000 euros, of which 1,119,200 euros in the short term and 380,800 euros in the long term.
- Both facilities are guaranteed with a mortgage on the tangible assets located on the industrial platform in Rm.Vâlcea and with the assignment of the insurance policy.

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

- Facility 1 in the amount of EUR 11,600,000 for the financing of 75% of the Project: Connection of the Cogeneration Plant built by Chimcomplex SA Borzești, Râmnicu Vâlcea Branch to the National Energy System (SEN) and to the National Gas Transmission System (SNTGN), drawn in full on December 31, 2024 and which is repaid in 42 monthly installments in maximum 60 months from the date of each use, with a final maturity date of December 31, 2028. The balance as of December 31, 2024 is 9,234,217 euros, of which 2,372,518 euros in the short term and 6,861,699 euros in the long term. The interest rate is 3M Euribor +2.5%.
 - Facility 2 in the amount of EUR 7,000,000 for the refinancing of CAPEX expenses incurred by the company, drawn in full on August 31, 2022; The facility is to be repaid in 60 monthly installments that started in September 2022, with the final maturity on August 31, 2027. The balance of the facility as of December 31, 2024 is EUR 3,733,333, of which EUR 1,400,000 is short-term and EUR 2,333,333 is long-term. The interest rate is 3M Euribor +2.5%.
- Both credit facilities are secured by a mortgage on tangible assets located on the industrial platform in Rm.Vâlcea and by the assignment of insurance policies.

The export financing facility from UBS Switzerland AG in the amount of EUR 23,079,562 was contracted in 2022 to finance 85% of the value of the commercial contract concluded with Solar Turbines Switzerland SAGL for the delivery of equipment for the Cogeneration Plant in Rm Vâlcea (Stage 1). The facility is covered by buyer's credit insurance issued by Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 half-yearly installments that started on May 30, 2023, with the final maturity on November 30, 2029. The balance as of December 31, 2024 is 16,485,401 euros, of which 3,297,080 euros in the short term and 13,188,321 euros in the long term. The interest rate is Euribor 6M +1.7%.

Another export financing facility from UBS Switzerland AG in the amount of EUR 14,258,903 was contracted on March 23, 2023 for the financing of 85% of the value of the commercial contract concluded with Solar Turbines Switzerland SAGL for the delivery of equipment for the Cogeneration Plant in Rm Vâlcea (Stage 2). The facility is covered by buyer's credit insurance issued by Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 half-yearly installments starting with April 15, 2024, with the final maturity on October 15, 2030. The balance as of December 31, 2024 is 12,221,917 euros, of which 2,036,986 euros in the short term and 10,184,931 euros in the long term. The interest rate is Euribor 6M +1.7%.

On April 22, 2024, a new non-revolving credit facility was contracted from Garanti Bank in the amount of EUR 10,000,000 to finance working capital. The facility was fully used on December 31, 2024 and is to be repaid in 18 equal monthly installments starting in November 2025, the final maturity being 21.04.2027. The balance as of December 31, 2024 is 10,000,000 euros, of which 1,096,987 euros in the short term and 8,903,013 euros in the long term. The interest rate is 3M Euribor +1.5%.

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23. LOANS AND LEASING (continued)

23.A LOANS (continued)

The facility is guaranteed by a letter of bank guarantee issued by Exim Banca Românească for 80% of the loan value, and for the remaining 20% with a real estate mortgage for land and buildings in Rm.Vâlcea and with the assignment of insurance policies.

All loan agreements concluded are subject to financial conditionalities, whereby the Group is obliged to meet certain financial indicators. The Group complied on December 31, 2024 with all financial conditionalities stipulated in the contracts.

Table of net debt movements

	2024	2023
Balance of loans as of January 1	647.349.992	507.109.764
Drawdown	66.172.870	191.203.956
Refunds	(77.206.480)	(59.029.674)
Currency exchange differences	(56.282)	3.718.892
Other financial expenses	6.265.608	4.347.054
Balance of loans as of December 31	642.525.708	647.349.992

23.B RIGHT-OF-USE ASSETS AND LEASING LIABILITIES

The Group considered the following aspects for contracts falling under IFRS 16:

- i) it has not recognised any right to use assets or liabilities arising from leases for contracts expiring within 12 months of the date of implementation; and
- ii) have not recognised any rights to use assets or liabilities arising from leases for contracts of lesser value (less than USD 5,000).

The weighted average marginal interest rate of the lessee used by the Group for lease changes and new leases is 5.38%. There were no significant changes in estimation techniques or assumptions made during the current reporting period. The group has lease agreements mainly for the rental of buildings and vehicles, such as wagons. The Group's leasing contracts do not include variable payments. The average rental duration is 4 years.

Assets related to the right of use

Cost	Buildings	Vehicles	Total
As of January 1, 2023	5.793.968	24.454.037	30.248.005
Entries	6.518.710	5.060.641	11.579.351
Exits	-	-	-
As of December 31, 2023	12.312.678	29.514.678	41.827.356
Entries, of which:	-	1.513.231	1.513.231
<i>Revaluation increases</i>	-	1.175.961	1.175.961
Outputs, of which:	-	119.044	119.044
<i>Revaluation reductions</i>	-	26.857	26.857
Reversal of cumulative depreciation	-	1.143.367	1.143.367
As of December 31, 2024	12.312.678	29.765.498	42.078.176

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23. LOANS AND LEASING (continued)

23.B ASSETS RELATED TO THE RIGHT OF USE AND LEASING LIABILITIES (continued)

Accumulated depreciation			
As of January 1, 2023	3.418.507	12.984.672	16.403.179
Entries	1.068.540	7.455.225	8.523.765
Exits	-	-	-
As of December 31, 2023	4.487.047	20.439.897	24.926.944
Entries	1.077.713	6.762.507	7.840.220
Exits	-	14.043	14.043
Reversal of cumulative depreciation	-	1.143.367	1.143.367
As of December 31, 2024	5.564.760	26.044.994	31.609.754
Net book value			
As of December 31, 2023	7.825.631	9.074.780	16.900.411
As of December 31, 2024	6.747.918	3.720.503	10.468.421
Liabilities arising from leasing contracts			
	31 December 2024	31 December 2023	
Leasing debts – long-term	3.734.360	9.501.672	
Leasing debts – short-term	6.442.249	8.043.226	
TOTAL	10.176.609	17.544.898	

The analysis of the maturities of debts arising from leasing contracts is presented in note 27 letter (d).

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24. COMMERCIAL AND OTHER SHORT- AND LONG-TERM LIABILITIES

	31 December 2024	31 December 2023
Trade payables	70.114.277	99.973.356
Payables to related parties	489.093	892.515
Advances from customers	17.112.410	8.409.144
Salaries and other related liabilities	10.996.683	9.622.068
Payroll tax	7.477.626	7.420.444
Other taxes	723.611	869.136
Other debts	1.880.676	1.542.817
Payments to be made for shares held in Sistemplast	9.966.000	9.966.000
Deferred income	163.575	163.575
Amounts due to shareholders representing interim dividends	2.308.740	2.315.926
TOTAL	121.232.692	141.174.984

Advances from customers

	31 December 2024	31 December 2023
Balance at the beginning of the year	8.409.145	14.611.733
Settlement of advances	235.003.167	273.464.822
Advances recorded	243.706.433	267.262.234
Balance at the end of the year	17.112.411	8.409.145

25. SUBSIDIES

Long-term subsidies

Project	31 December 2024	31 December 2023
Cogeneration plant II	10.392.617	10.858.077
Improving energy efficiency	349.756	374.513
POPAM subsidy	1.340.044	1.465.757
8 Mwe cogeneration plant	16.820.467	17.920.297
Other subsidies	12.830	15.274
TOTAL	28.915.714	30.633.918

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25. SUBSIDIES (continued)

Short-term subsidies

Project	31 December 2024	31 December 2023
Cogeneration plant II	465.460	465.460
Improving energy efficiency	24.758	24.758
POPAM subsidy	125.712	125.712
8 Mwe cogeneration plant	1.058.557	1.141.420
Ecological polyols	4.823.118	-
Other subsidies	2.160.797	304.771
TOTAL	8.658.402	2.062.121

The Group has carried out investment projects for the construction of the 8Mwe and Special Polyols Cogeneration plants, which were carried out with subsidies granted by the state and, respectively, Norwegian funds. The amount of outstanding grants is recognised as advance income on the balance sheet and transferred to comprehensive income on a systematic basis over the life of the related assets.

26. PROVISIONS

Long-term provisions

Description	31 December 2024	31 December 2023
Employee benefits provision ²	2.510.897	2.345.918
Provision for decommissioning ¹	13.849.948	13.825.526
TOTAL Long-term provisions	16.360.845	16.171.444

Short-term provisions

Description	31 December 2024	31 December 2023
Employee benefits provision ²	536.020	542.069
Other provisions	249.242	213.736
TOTAL short-term provisions	785.262	755.805
TOTAL	17.146.107	16.927.249

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26. PROVISIONS (continued)

Description	Provision Decommissioning ¹	Employee benefits provision ²	Commercial Litigation ³	Other provisions	Total
Balance as of January 1, 2023	27.089.995	3.123.577	16.258.522	395.665	46.867.760
Increase	69.104	602.892	1.686.926	53.202	2.412.124
Decrease	13.333.573	838.484	17.945.448	235.130	32.352.635
Balance as of December 31, 2023	13.825.526	2.887.986	-	213.737	16.927.249
Increase	24.422	913.234	-	88.707	1.026.363
Decrease	-	754.303	-	53.202	807.505
Balance as of December 31, 2024	13.849.948	3.046.917	-	249.242	17.146.107

- ¹⁾ The provision for decommissioning was recorded in connection with 2 warehouses of non-hazardous substances used by both the Onești and Râmnicu Vâlcea branches.
During 2024, the Group identified as liabilities items related to the landfill closure obligations taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018, these being presented partly as provisions, partly as deferred revenues.
- ²⁾ According to the Group's collective bargaining agreement, each employee is entitled to receive compensation at the time of retirement equal to an average salary. Pension provisions are management's best estimate for employees. The provision represents the current amount of the retirement benefit obligation calculated on an actuarial basis.
The most recent actuarial valuations were carried out on December 31, 2024 by Mr. Gelu Ruptureanu, member of the Institute of Actuaries of Romania.
- ³⁾ The Group is in litigation as a defendant in which the plaintiff seeks payment of the success fee and related late payment penalties (totaling USD 3,039,150) related to the consultancy services provided by the latter. Based on the fact that at the first court decision the group lost, the management considered that this litigation had a negative effect on the financial performance and financial position of the Group as of December 31, 2021 and, as a result, a provision was recorded in this regard. The company won the appeal in 2022, but maintained the provision, because the applicant has filed an appeal with the High Court of Justice. In 2023, the High Court decided that the case should be sent back to the Court of Appeal for trial on the merits. The management, with the support of the legal opinion of the Group's lawyers, assessed that the defense will more than likely have a chance of success, and the previously established provision was reversed in 2023.

27. FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group's objectives in capital management are to protect the Group's ability to continue its business in order to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group's capital structure consists of liabilities, which include loans presented in note 23, cash, cash equivalents and equity attributable to holders of equity securities of the parent company, comprising issued capital, reserves and retained earnings.

Liability (i) is presented in the financial statements as total liabilities, while equity (ii) represents equity attributable to the owners of the Group.

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27. FINANCIAL INSTRUMENTS (continued)

In line with other companies in the industry, the Group monitors capital based on the debt ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total loans (including current and long-term loans as shown in the balance sheet).

Debt ratios as of December 31, 2024 and December 31, 2023:

	31 December 2024	31 December 2023
Indebtedness		
Debt(s)	1.031.874.663	998.067.615
Equity (ii)	2.040.775.531	1.733.253.064
Debt-to-equity ratio	0,51	0,58

b) Interest rate risk management

The Group is exposed to interest rate risk because the entities in the Group lend funds at fixed interest rates and floating rates, the floating interest rates referred to herein being Euribor and ROBOR.

At the reporting date, the interest rate profile for the Group's interest-bearing financial instruments was:

	Book value	
	31 December 2024	31 December 2023
Fixed Rate Financial Assets		
Short-term loans	5.822.428	5.741.291
Cash and bank balances	85.911.077	146.209.462
Fixed Rate Financial Debts		
Leasing	(10.176.609)	(17.544.899)
Floating rate financial debts		
Loans	(642.525.708)	(647.349.993)
Total	(560.968.812)	(512.944.138)

b) Interest rate risk management (continued)

Interest rate sensitivity

The sensitivity analysis presented below was determined for existing interest-bearing loans outstanding at the reporting date and the stipulated change occurred at the beginning of the financial year and remained constant throughout the next reporting period for variable rate loans.

If interest rates on variable interest financial liabilities were higher/lower by 1% (100 basis points) and all other variables remained constant, the Group's net loss for 2024 would increase/decrease by RON 6,425,257 (2023: RON 6,473,500). This is mainly due to the Group's exposure to interest rates on its EUR-denominated floating interest rate loans.

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27. FINANCIAL INSTRUMENTS (continued)

c) Currency risk management

The group is mainly exposed to EURO and USD. The Group is exposed to exchange rate fluctuations in trade and finance. Currency risk arising from recognised assets and liabilities, including loan denominated in foreign currency. The Group does not use derivatives to mitigate this risk.

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

2024	RON	EUR - RON equivalent of EUR balance	Other currencies - RON equivalent of other currencies	Total
Monetary assets				
Other long-term assets	11.867.745	1.140.528	-	13.008.273
Cash and bank balances	84.798.817	418.795	693.465	85.911.077
Trade receivables and other receivables	241.601.931	39.379.672	7.373.903	288.355.507
Short-term loans	5.822.428	-	-	5.822.428
	344.090.921	40.938.996	8.067.368	393.097.285
Monetary debts				
Financial leasing debts	(10.176.609)	-	-	(10.176.609)
Trade and other payables	(102.627.704)	(14.597.458)	(3.696.377)	(120.921.539)
Other long-term liabilities	(311.153)	-	-	(311.153)
Loans	(31.200)	(642.494.508)	-	(642.525.708)
	(113.146.666)	(657.091.965)	(3.696.377)	(773.935.009)
Net balance sheet exposure	230.944.255	(616.152.970)	4.370.991	(380.837.724)

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27. FINANCIAL INSTRUMENTS (continued)

c) Currency risk management (continued)

2023	RON	EUR - RON equivalent of EUR balance	Other currencies - RON equivalent of other currencies	Total
Monetary assets				
Other long-term assets	4.326.550	1.140.643	-	5.467.193
Cash and bank balances	143.236.971	1.713.080	1.259.412	146.209.462
Trade receivables and other receivables	207.148.928	38.869.685	-	246.018.612
Short-term loans	5.741.291	-	-	5.741.291
	360.453.739	41.723.408	1.259.412	403.436.557
Monetary debts				
Financial leasing debts	(17.544.899)	-	-	(17.544.899)
Trade receivables and other receivables	(127.742.208)	(12.833.857)	(390.618)	(140.966.683)
Other long-term liabilities	(208.300)	-	-	(208.301)
Loans	(2.595.937)	(644.754.055)	-	(647.349.992)
	(148.091.343)	(657.587.912)	(390.618)	(806.069.874)
Net balance sheet exposure	212.362.396	(615.864.504)	868.794	(402.633.317)

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27. FINANCIAL INSTRUMENTS (continued)

c) Currency risk management (continued)

Analysis of sensitivity to exchange rate variations

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

The sensitivity analysis shall include only currency items in foreign currency in circulation and shall adjust their conversion at the end of the period for a 10% change in exchange rates for all currencies. A negative number indicates a decrease in profit if the leu depreciates by 10% against the relevant currency.

For a 10% appreciation of the leu against the relevant currencies, there would be an equal and opposite impact on profit and other equity, and the balances below would be positive. The changes will be attributable to exposure to loans and trade liabilities, for the most part, at the end of the reporting period.

	<u>+10%</u>	<u>-10%</u>
Year ended December 31, 2024		
Passive	66.078.834	(66.078.834)
ASSETS	<u>4.900.636</u>	<u>(4.900.636)</u>
Net profit or loss	<u>61.178.198</u>	<u>(61.178.198)</u>
	<u>+10%</u>	<u>-10%</u>
Year ended December 31, 2023		
Passive	65.797.853	(65.797.853)
Active	<u>4.298.282</u>	<u>(4.298.282)</u>
Net profit or loss	<u>61.499.571</u>	<u>(61.499.571)</u>

d) Liquidity risk management

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 Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve lending facilities, continuously monitoring forecasted and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

Based on the multiannual budgetary analyses prepared by the management, positive operating cash flows are expected to be recorded in the coming years.

See also note 3 and note 23.a.

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less than 1 year	Between 1 and 2 years	Across 2 years	TOTAL
As of December 31, 2024				
Financial assets				
Other long-term assets	-	13.008.273	-	13.008.273
Trade receivables and other receivables	288.355.507	-	-	288.355.507
Short-term loans	5.822.428	-	-	5.822.428
Cash and bank balances	85.911.077	-	-	85.911.077
	380.089.012	13.008.273	-	393.097.285
Financial debts				
Trade and other payables	(6.442.249)	(2.033.290)	(1.701.071)	(10.176.609)
Financial leasing debts	(120.921.539)	-	-	(120.921.539)
Other long-term liabilities	-	(311.153)	-	(311.153)
Loans	(129.303.102)	(319.416.388)	(193.806.218)	(642.525.708)
	(256.666.890)	(321.760.830)	(195.507.289)	(773.935.009)
Net	123.422.121	(308.752.557)	(195.507.289)	(380.837.724)

The Group has a negative net position, mainly due to long-term loans. These loans were obtained for investment purposes, therefore, the Group expects these investments to lead to an increase in future economic benefits over the 1-5 year horizon to offset the actual negative net position.

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less than 1 year	Between 1 and 2 years	Across 2 years	TOTAL
As of December 31, 2023				
Financial assets				
Other long-term assets	-	5.467.193	-	5.467.193
Trade receivables and other receivables	246.018.612	-	-	246.018.612
Short-term loans	5.741.291	-	-	5.741.291
Cash and bank balances	146.209.462	-	-	146.209.462
	397.969.364	5.467.193	-	403.436.556
Financial debts				
Trade and other payables	(8.043.226)	(9.501.672)		(17.544.899)
Financial leasing debts	(140.966.683)	-	-	(140.966.683)
Other long-term liabilities		(208.301)	-	(208.301)
Loans	(269.841.092)	(120.872.735)	(256.636.164)	(647.349.991)
	(418.851.002)	(130.582.708)	(256.636.164)	(806.069.873)
Net	(20.881.638)	(125.115.515)	(256.636.164)	(402.633.317)

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27. FINANCIAL INSTRUMENTS (continued)

e) Credit risk

Credit risk is the risk of financial loss for the Group in the event that a client or counterparty to a financial instrument fails to meet its contractual obligations and results mainly from the Group's receivables from clients, cash and cash equivalents and bank deposits. Cash and bank deposits are placed in financial institutions that are considered to have a low risk of default. The carrying amount of financial assets represents the maximum exposure to credit risk.

For trade receivables, the Group does not have significant concentrations of credit risk. The Group is in the process of establishing a trade receivables insurance policy. Also, more than 70% of customers are external, for whom the Group requests advance payments. Due dates are usually up to 30 days, 90 days are only for a group of companies.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover outstanding debts. In addition, the Group reviews the recoverable amount of each trade liability and liability investment on an individual basis at the end of the reporting period to ensure that an appropriate loss adjustment is granted for the sunk amounts. In this regard, the Group directors consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across various industries and geographies. The continuous evaluation of the credit is carried out on the financial statement of the accounts receivable.

For trade receivables, the Group has applied the simplified approach of IFRS 9 to measure the adjustment for loss to lifetime ECL. The Group shall determine the expected credit losses for these items using a provisioning matrix, estimated on the basis of historical credit loss experience on the basis of the outstanding position of obligors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their outstanding status from the perspective of the provisioning matrix. Please refer to Note 20.

The credit risk of liquid funds is limited as counterparties are banks with high credit ratings assigned by international credit rating agencies.

Short-term loans granted are subject to a general adjustment valuation model, however, the Group considers that there is no material impact if the expected credit loss model were applied.

f) Price risk

The price is set based on the agreement of the parties. The management estimates the sale price based on the actual costs incurred. The Group does not use hedging instruments to mitigate price risk.

g) Accounting classifications and fair values

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

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

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

Level 2: Use of asset or liability information, other than quoted prices, identifiable either directly (as prices) or indirect (price-derived). To determine the fair value of the financial instruments, the Group uses the prices of transactions available on the market, where available.

Tier 3: Use of asset or liability information that does not come from identifiable market data, such as prices, but comes from internal models or other valuation methods.

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27. FINANCIAL INSTRUMENTS (continued)

Financial assets measured at amortized cost include all assets with contractual terms that generate cash flows on certain dates. The group includes trade receivables, other long-term assets, short-term loans granted and cash and cash equivalents in this valuation category. The initial measurement of these assets is generally at fair value, which usually corresponds to the transaction price at the time of acquisition or, in the case of trade receivables, the transaction price in accordance with IFRS 15. Due to the short durations of cash and cash equivalents, short-term loans and trade receivables, fair values are largely in line with carrying amounts as they reflect the transaction price.

Financial liabilities measured at amortised cost generally include all financial liabilities, provided that they are not derivatives. They are generally measured at fair value at the time of initial recognition, which usually corresponds to the value of the consideration received. The subsequent measurement is recognised in profit or loss at amortised cost using the effective interest method. For trade payables and other liabilities that are usually due in the short term, the values on the balance sheet represent approximations of their fair value, as the carrying amount is similar to the transaction price.

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28. TRANSACTIONS WITH RELATED PARTIES

Claims	Information about Transactions	Nature Relationship	December 31 2024	December 31 2023
VITORIA SERV SRL BUCHAREST	Revenues from services rendered	Related party, entity under common control	41.400	41.400
SOMEȘ SA DEJ	Revenues from services rendered	Related party, entity under common control	117.185	117.185
SINTEROM SA CLUJ-NAPOCA	Revenues from services rendered	Related party, entity under common control	1.984	1.984
A6 IMPEX SA DEJ	income from services rendered, loans and interest	Associate	4.102.430	4.106.012
CRC IMPEX CHEMICALS SRL PLOIESTI	Income from the sale of finished goods and goods	Related party, entity under common control	13.923.402	13.923.402
NOVA TEXTILE BUMBAC SRL PITEȘTI	Revenues from services rendered	Related party, entity under common control	1.000	1.000
CAROMET SA CARANSEBEȘ	income from services provided to third parties, loans and interest	Related party, entity under common control	1.265.676	1.191.602
CRC EXPLORATION&BUSINESS SRL ONEȘTI	Advances for consumables and interest	Related party, entity under common control	11.861	11.861
IAȘITEX SA IAȘI	Revenues from services rendered	Related party, entity under common control	1.423	1.423
UZUC SA PLOIESTI	investment advances	Related party, entity under common control	821.596	821.596
CRC ZEUS AMSTERDAM	Loans and interest	Related party, entity under common control	207.590	200.526
DAFCOCHIM DISTRIBUTION SRL TG. MUREȘ	Revenue from the sale of finished products	Related party, entity under common control	2.777.731	11.062.657
Total			23.273.277	31.480.648

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Debt	Information about Transactions	Nature Relationship	December 31 2024	December 31 2023
AISA INVEST SA CLUJ-NAPOCA	purchase of other services	Related party, entity under common control	6.664	6.664
CAROMET SA CARANSEBES	purchase of fixed assets and services provided by third parties	Related party, entity under common control	221.259	733.188
CRC IMPEX CHEMICALS SRL PLOIESTI	Purchase of third-party services	Related party, entity under common control	833	833
IAŞITEX SA IAŞI	Purchase of third-party services	Related party, entity under common control	75.842	75.842
SOMES SA DEJ	Purchase of rental services	Related party, entity under common control	3.131	3.131
UZUC SA PLOIESTI	purchase of fixed assets and services provided by third parties	Related party, entity under common control	148.477	72.856
SINTEROM SA CLUJ-NAPOCA	purchase of other services	Related party, entity under common control	2.221	-
A6 IMPEX SA DEJ	Purchase of electricity	Associate	7.237	-
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMȚ	purchase of other services	Related party, entity under common control	23.430	-
Total			489.093	892.514

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Sales during the period	Information about Transactions	Nature Relationship	Year ended December 31 2024	Year ended December 31 2023
A6 IMPEX SA DEJ	Revenue from third-party services	Associate	6.956	15.946
UZUC SA PLOIESTI	Revenue from third-party services	Related party, entity under common control	-	265.668
SOMEȘ LOGISTIC SRL DEJ	Rental Income	Related party, entity under common control	55.523	55.415
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMȚ	Revenue from other services	Related party, entity under common control	3.900	-
CRC IMPEX CHEMICALS SRL PLOIESTI	Revenue from the sale of finished products	Related party, entity under common control	-	1.171
DAFCOCHIM DISTRIBUTION SRL TG. MUREȘ	Revenue from the sale of finished products	Related party, entity under common control	36.412.763	84.440.750
VEDRA SRL RM. VÂLCEA	Revenue from the sale of finished products	Related party, entity under common control	5.065.774	7.815.683
Total			41.544.916	92.594.633

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Acquisitions during the period	Information about Transactions	Nature Relationship	Year Ended December 31 2024	Year Ended December 31 2023
CAROMET SA CARANSEBEȘ	purchase of fixed assets and services provided by third parties	Related party, entity under common control	3.447.909	983.203
NOVA TEXTILE BUMBAC SRL PITEȘTI	Purchase of third-party services	Related party, entity under common control	802	17.596
INAV SA BUCHAREST	purchase of rental services, fixed assets	Related party, entity under common control	-	64.574
UZUC SA PLOIESTI	acquisition of fixed assets, third-party services	Related party, entity under common control	304.727	90.578
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMȚ	purchase of other services	Related party, entity under common control	405.716	-
A6 IMPEX SA DEJ	Purchase of electricity	Associate	16.335.189	45.239.710
CRC EXPLORATION&BUSINESS SRL ONEȘTI	purchase of other services	Related party, entity under common control	166.183	99.972
SINTEROM SA CLUJ-NAPOCA	purchase of other services	Related party, entity under common control	28.780	15.719
Total			20.689.306	46.511.353

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Advances	31 December 2024	31 December 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
CRC EXPLORATION&BUSINESS SRL ONEȘTI	199.142	148.812
TOTAL	1.413.503	1.363.173

Guarantees	31 December 2024	31 December 2023
CAROMET SA CARANSEBEȘ	1.959	1.959
TOTAL	1.959	1.959

Debts relating to purchased shares	31 December 2024	31 December 2023
UZUC SA PLOIESTI	9.966.000	9.966.000
TOTAL	9.966.000	9.966.000

In 2024, the Group owes a debt to UZUC SA Ploiesti for the shares held in Sistemplast. The debt will be paid within a maximum of one year from the end of the 2024 financial year.

The group has the right to continue to hold the purchased shares and is not obliged to return them to the seller as a result of non-payment of the remaining amounts due.

In 2022, the Group acquired 94.4% of the shares held in Sistemplast SA.

Transactions with key management personnel

The net worth transactions carried out with Mr. Vuza Ștefan, as Chairman of the Board of Directors of the Company are:

	Year ended December 31, 2024	Year ended December 31, 2023
Transactions	1.561.118	1.541.293

The remuneration of operational management is presented in notes 29 and 8.

The ultimate parent company is CRC Impex Chemicals SRL Ploiesti, which belongs to the individual shareholder Mr. Vuza Ștefan.

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(all amounts are given in RON, unless otherwise specified)

29. INFORMATION ON EMPLOYEES AND MEMBERS OF THE ADMINISTRATION AND MANAGEMENT

Remuneration of directors and members of the Board of Directors

During the period ended December 31, 2024 and December 31, 2023, respectively, no loans and advances were made to the Company's directors and members of the Board of Directors, except for work-related travel advances, and they do not owe any amount to the Group from such advances.

	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and bonuses paid to management staff and the Board of Directors	17.292.535	14.219.455

The value of the shares granted to the management staff and the board of directors under the stock option programs for the years 2024 and 2023 is presented in note 8.

30. ACQUISITION OF THE SUBSIDIARY

On 13.05.2024, CHIMCOMPLEX BORZESTI S.A acquired 100% of the shares and voting rights in LOGISERV S.A, which carries out operations in the field of washing tankers, containers and IBCs intended for the transport and storage of liquid chemical substances. Logiserv Tank Cleaning S.A. is headquartered in Râmnicu Vâlcea, str. Uzinei nr. 1A, Vâlcea county and is established in accordance with Romanian laws.

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.

The revenues obtained by Logiserv Tank Cleaning S.A. from the acquisition of control by the Group are RON 1,904 thousand, and the net profit was RON 720 thousand, most of these revenues being obtained in relation to customers CHIMCOMPLEX BORZESTI S.A.

(a) Consideration transferred

The transferred consideration consists of cash RON 4,104,623, of which RON 2,910,332 is the amount paid for the shares of Logiserv S.A. and RON 1,194,290 is assigned debts.

(b) Net assets at the date of acquisition

The following table summarizes the recognised amounts of net assets (as recognised in the individual financial statements of LOGISERV S.A.) at the date of acquisition.

	RON
Tangible fixed assets	3.515.495
Financial fixed assets	6.500
Stocks	144.389
Trade receivables	647
Other claims	39.817
Cash and cash equivalents	3.463
Trade payables	(22.709)
Other debts	(1.221.932)
Total Net Identifiable Assets Acquired	2.465.670

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31. ACQUISITION OF THE SUBSIDIARY (continued)

(c) Change in the Group's retained earnings result following the acquisition of the entity under common control

The change in the retained earnings resulting from the acquisition was recognized as follows:

	<u>Note</u>	<u>RON</u>
Consideration transferred	(a)	2.910.332
Net assets acquired	(b)	(2.465.670)
Reduction of the group's deferred result from the acquisition of the entity under common control		444.662

32. INTERESTS THAT DO NOT CONTROL

On April 18, 2022, CHIMCOMPLEX BORZESTI S.A. acquired from UZUC S.A. 94.4% of the shares of SISTEMPLAST S.A. The proportion of equity holdings held by minority shareholders is 5.6%, which is equal to the proportion of voting rights.

(a) As of December 31, 2023, the Group recognized non-controlling interests at a value of RON 566,806.

(b) From the profit reported by SISTEMPLAST SA in the period included in the consolidated financial statements, in the amount of RON 396,514, an amount of RON 22,205 was allocated to non-controlling interests.

(c) The unrealized profit was in the amount of RON 63,567, the part distributed to non-controlling interests being RON 3,560.

The reconciliation is carried out in the table below.

	<u>Note</u>	<u>RON</u>
Interests that do not control at the beginning of the year	(a)	566.806
Interests that do not control the profit of the year	(b)	22.205
Non-controlling interests related to unrealized profit	(c)	(3.560)
Non-controlling interests at the end of the year		<u>585.451</u>

33. COMMITMENTS AND QUOTAS

Litigation

The group is the subject of several legal actions that have arisen in the normal course of business. Management considers that all disputes that will have a material adverse effect on the Group's financial performance and financial position have been recorded, see note 26. In addition, the Group is involved in a dispute with the former management, the claims being estimated at RON 45,000,000. The Group considers this to be a contingent liability.

Medium

Environmental regulations are in a development phase in Romania, and the Group has not recorded any obligations as of December 31, 2024 for any anticipated costs, including legal and consultancy fees, design and implementation of environmental remediation plans.

The Group remains committed to strictly complying 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.

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR that ENDED on DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

32. COMMITMENTS AND QUOTAS (continued)

Climate

In 2024, we carried out our activity in the field of climate change by complying with the provisions of the greenhouse gas emission permits and the EGES monitoring plans for the period 2021-2025, approved by the National Agency for Environmental Protection for each of the two platforms.

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

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

Levy

The tax 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 may calculate additional taxes and levies, as well as the related interest and penalties.

According to the legislation in force, interest and late payment penalties were charged in 2023 for taxpayers' failure to pay tax obligations on time.

In 2024, the interest rate is 0.02%, and the late payment penalty is 0.01% for each day of delay.

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

Purchases

As of December 31, 2024, the Group has purchase commitments related to utilities and raw materials in the amount of RON 650,315,255 (December 31, 2023: RON 213,319,254).

Others

The group signed the "Antwerp Declaration" - an urgent call to revitalise European industry, strengthen basic industrial sectors and ensure their competitiveness and resilience in the context of geopolitical changes. These are the industries that can and want to deliver the climate solutions Europe needs.

34. SUBSEQUENT EVENTS

The group is in negotiations with financial institutions in order to maintain and extend loans for the implementation of the investment plan.

On 23.01.2025, Chimcomplex communicates 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 Chimcomplex SA Borzești dated 23.06.2023.

On 25.02.2025, Chimcomplex announces the implementation for 2025 of the second stage of the "Precautionary Measures and Accelerated Development Plan" initiated in 2024. This strategic plan reflects the company's commitment to adapt to market dynamics and strengthen its position through proactive measures and key investments.

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(all amounts are given in RON, unless otherwise specified)

33. SUBSEQUENT EVENTS (continued)

The "Precautionary Measures and Accelerated Development Plan" was 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 second stage of this plan mainly aims at the following:

- Reduction of the number of staff (employees who have fixed-term contracts are concerned, as well as those who cumulate the pension with the salary,
- Implementation of 24 projects,
- Renegotiation of procurement contracts

On 11.04.2025, the shareholders of Chimcomplex approved:

- contracting loans in the amount of up to EUR 60 million from any sources, banking and non-banking, including from shareholders or affiliated persons for the implementation of investments, realization of any expenses provided for in the Company's business plans, refinancing;
- the sale of non-core assets, with a maximum value of EUR 20,000,000. At the date of these financial statements, a list of these assets was not identified.

These consolidated financial statements were authorized to be issued by the management on 24.04.2025 and signed on its behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

CHIMCOMPLEX S.A.

STATUTORY INDIVIDUAL FINANCIAL STATEMENTS

**drawn up in accordance with the
Order of the Minister of Public Finance
no. 2844/2016 for the approval of the Accounting Regulations in accordance with
International Financial Reporting Standards adopted by the European Union**

**TO AND FOR THE YEAR that ENDED on
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT
(free translation)

To the shareholders of Chimcomplex S.A. Borzesti

Report on standalone financial statements

Qualified opinion

1. We audited the attached standalone financial statements of **Chimcomplex S.A. Borzesti** ("Company"), with its registered office on Street Industriilor, no. 3 Onesti, district Bacau, Romania, identified by the unique registration code 960322, which includes the standalone statement of financial position as at December 31, 2024, the standalone statement of profit and loss and other comprehensive income, the standalone statement of changes in equity and the standalone statement of cash flows for the financial year ended, including a summary of significant accounting policies and explanatory notes.
2. The standalone financial statements as at December 31, 2024 are identified as follows:
 - Net asset/Total equity: 3,077,079,067 lei
 - Net result for the financial year - profit: 4,481,383 lei
3. In our opinion, except for the possible effect of the matter mentioned in paragraph 4 below, the attached standalone financial statements give a true and fair view of the Company's financial position as at 31 December 2024, as well as its financial performance and cash flows for the financial year ended on that date, in accordance with Order of the Minister of Public Finance No. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, as subsequently amended and with the accounting policies described in the notes to the standalone financial statements.

Basis for qualified opinion

4. In the financial year 2023, the Company recognized a receivable grant amounting to 67,988,698 lei, related to the state aid scheme established by Government Emergency Ordinance no. 138/2022 regarding the establishment of a state aid scheme granted to enterprises in sectors deemed at risk of carbon dioxide emissions relocation, due to significant indirect costs they effectively bear as a result of transferring greenhouse gas emission costs into the price of electricity. In December 2024, the Company received 30,696,497 lei from the aforementioned grant. As of the date of issuing this report, the Company has initiated legal proceedings to recover the outstanding difference. We were unable to obtain sufficient and appropriate audit evidence regarding the recoverability of the remaining receivable amount from the mentioned grant, and consequently, we were unable to determine whether adjustments thereto would have been necessary and what the potential impact on the financial performance for the year ended December 31, 2024, would have been.
5. We conducted our audit in accordance with International Standards on Auditing ("ISA"), EU Regulation No. 537 of the European Parliament and of the Council (hereinafter referred to as *the "Regulation"*) and Law no. 162/2017 (the *"Law"*). Our responsibilities under these standards are described in detail in the *"Auditor's Responsibilities in an Audit of Standalone Financial Statements"* section of our report. We are independent from the Company under the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (*"IESBA Code"*), according to ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities in accordance with these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

6. Key audit matters are those aspects that, based on our professional judgement, were of the greatest importance for the audit of standalone financial statements of the current period. These issues have been addressed in the context of auditing the financial statements as a whole and forming our opinion on them, and we do not provide a standalone opinion on these key matters.
 - **Revaluation of tangible assets and impairment of tangible and intangible assets.**
 - **Description:** As disclosed on Note 15 and Note 16 to the standalone financial statements, the Company performed a revaluation of tangible assets, as well as impairment tests for tangible assets

for the cash-generating unit represented by the entire activity of the Company, and for intangible assets with an indefinite useful life. The recoverable value of the aforementioned fixed assets was determined based on the estimated value in use using the discounted cash flow method. Determining the recoverable value involves making assumptions and judgments about future cash flows and the discount rate used to discount them, with key assumptions related to future sales levels, selling prices, operational costs, and net working capital requirements.

Due to the aforementioned factors, along with the significantly higher uncertainty of estimates, the evaluation of the impairment of tangible assets required the application of significant reasoning on our part. Therefore, we consider this area a key audit matter.

- **Our response:** Our audit procedures to address the risk of material misstatement related to the recognition of impairments for tangible and intangible fixed assets, which was considered a significant risk, included:
 - Reviewing the Company's accounting policies regarding the identification, measurement, and recording of potential impairments of fixed assets, in relation to the requirements of the applicable financial reporting standards;
 - Assessing the Company's budgeting process, including comparing historical data with actual figures;
 - Critically evaluating the assumptions and estimates made by the Company regarding the calculation of recoverable value, including a critical assessment of the Company's analysis of the sensitivity of the model used to changes in key assumptions;
 - Utilizing valuation specialists to assist the audit team in critically reviewing the reasonableness of the Company's key assumptions and judgments used in determining fair value and recoverable value;
 - Evaluating the information presented in the explanatory notes to the individual financial statements regarding the revaluation of tangible assets, as well as the impairment of tangible and intangible assets, in accordance with the applicable financial reporting standards.

• Revenue recognition.

- **Description:** The revenue recognition policy is presented in Note 3 "Accounting Policies." According to International Standards on Auditing, there is an inherent risk in revenue recognition due to the pressure management may feel in relation to achieving budgeted results. The main revenue-generating activities for the Company include revenue from the sale of goods (mainly polyols, chlorosodic, and oxo-alcohol products) and revenue from services provided.
- **Our response:** Our audit procedures to address the risk of material misstatement related to revenue recognition included, among others:
 - Understanding how the main categories of revenue are recognized and recorded, in accordance with the requirements of the applicable accounting reporting standards;
 - Performing detailed testing of transactions recorded by the Company during the financial year;
 - Testing procedures to ensure that revenues are recorded in the correct period;
 - Performing confirmation procedures on trade receivables for a representative sample.

Other matters

7. This report is addressed exclusively to the shareholders of the Company as a whole. Our audit was carried out in order to be able to report to the Company's shareholders those aspects that we must report in a financial audit report and not for other purposes. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders as a whole for our audit, for this report.
8. Taxation in Romania is constantly evolving. There is a possibility of different interpretations of legal provisions by the Ministry of Finance and local tax authorities. The Company's management recorded in the submitted accounts various taxes, penalties and fees, based on the best interpretation of the tax provisions in force, an interpretation which, however, can be challenged by a possible fiscal control.

Responsibilities of management and persons responsible for governance for standalone financial statements

9. The Company's management is responsible for preparing standalone financial statements that provide a true and fair view in accordance with OMFP 2844/2016 and for that internal control that management considers

necessary to allow the preparation of standalone financial statements free from material misstatements, caused either by fraud or error.

10. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing going concern in the notes to the consolidated financial statements, if any, and for using going concern accounting, unless management either intends to liquidate the Company or cease operations, or has no realistic alternative other than these.
11. The persons responsible for governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities in an audit of standalone financial statements

12. Our objective is to obtain a reasonable assurance on whether the financial statements, as a whole, are free from material misstatements, whether caused by fraud or error, and in issuing an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if one exists. Distortions can be caused either by fraud or error and are considered material if that can be expected, taken reasonably well, that they, standalone or cumulatively, will influence economic decisions of users, taken on the basis of these standalone financial statements.
13. As part of an ISA audit, we exercise professional judgement and maintain professional skepticism throughout the audit. Also:
 - We identify and assess risks of material misstatement of standalone financial statements caused by either fraud or error, design and execute audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than not detecting a material misstatement due to error, as fraud can involve collusion, forgery, intentional omissions, misrepresentation and avoidance of internal control.
 - We understand internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
 - We conclude on the appropriateness of management's use of accounting on a going concern basis and determine, based on the audit evidence obtained, whether there is material uncertainty about events or conditions that could raise significant doubts about the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we should draw attention in the auditor's report to related disclosures in the standalone financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on a going concern basis.
 - We evaluate the presentation, structure and content of standalone financial statements, including disclosures, and the extent to which standalone financial statements reflect underlying transactions and events in a manner that results in a fair presentation.
14. We communicate to those responsible for governance, among other aspects, the planned scope and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, that we identify during the audit.
15. We also provide those responsible for governance with a statement as to our compliance with ethical independence requirements and communicate to them all relationships and other matters that may reasonably be considered to affect our independence and, where applicable, related safeguards.
16. Among the issues we have communicated to those responsible for governance, we determine those aspects that were of greater importance in the audit of standalone financial statements in the current period and are therefore key audit issues. We describe these matters in our audit report unless legislation or regulation prevents the matter from being made public, or in extremely rare circumstances we believe that something should not be disclosed in our report because the benefits of the public interest are reasonably expected to be outweighed by the negative consequences of such disclosure.

Report on compliance of the Administrators' report with the standalone financial statements

The Administrators of the Company are responsible for preparing and submitting, in accordance with the

requirements of Articles 15-19 of the Accounting Regulations approved by OMFP 2844/2016, an annual Administrators' report that is free of material misstatements and for that internal control that the administrators considers necessary to allow the preparation of the annual report of the Administrators that does not contain significant misstatements, due to fraud or error.

The annual Administrators' report is not part of the Company's standalone financial statements.

Our opinion on the standalone financial statements does not cover the annual Administrators' report.

In relation to the audit of the standalone financial statements for the year ended December 31, 2024, it is our responsibility to read the annual Administrators' report and, in doing so, to assess whether it is materially inconsistent with the standalone financial statements, or with knowledge we have obtained during the audit, or whether it appears to be materially misstated.

Regarding the annual Administrators' report, we have read and report whether it has been prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19.

Based solely on the activities to be carried out during the audit of the standalone financial statements, in our opinion:

- a) The information presented in the annual Administrators' report for the financial year for which the standalone financial statements have been prepared is consistent in all material respects with the standalone financial statements.
- b) The annual administrators' report was prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19 and 26-28,
- c) The annual Adminstrators' report includes the non-financial statement provided for in art. 39 of OMFP 2844/2016.

In addition, based on our knowledge and understanding of the Company and its environment acquired during the audit of the standalone financial statements for the year ended December 31, 2024, we are required to report whether we have identified material misstatements in the annual Administrators' report. We have nothing to report on this.

Report on other legal and regulatory provisions

i) Requirements regarding the information in the Remuneration Report

In accordance with the requirements of art. 107 paragraph (7) of Law no. 24/2017, as subsequently amended ("Law 24/2017"), we have read the Remuneration Report prepared by the Company for the financial year ended December 31, 2024 and confirm that, in our opinion, it presents, in all material aspects, the information provided in art. 107 of Law 24/2017.

ii) Audit requirements for public-interest entities

We were appointed auditors by signing the engagement letter dated 03.12.2024 to audit the Company's standalone and consolidated financial statements for the financial year ended December 31, 2024. The total uninterrupted duration of our commitment is 1 year, covering financial year ended December 31, 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Company's Board of Directors, which we issued on the same date we issued this report. Also, in conducting our audit, we maintained our independence from the audited entity.
- Our audit opinion on the standalone financial statements expressed in this report is consistent with the additional report submitted to the Company's Audit Committee,

iii) Report on compliance with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which includes regulatory technical standards on the single electronic reporting format

We have performed a reasonable assurance mission on the compliance of the standalone XHTML financial statements of the Company on 31.12.2024 ("XHTML statements"), with the provisions of Delegated Regulation (EU) 2018/815 of the European Commission, which sets out the regulatory technical standards on specifying a single electronic reporting format ("ESEF RTS").

The responsibility of the Company's management for XHTML situations prepared in accordance with RTS regarding ESEF

The Company's management is responsible for preparing XHTML statements in accordance with the RTS on ESEF. This responsibility involves:

- ensuring consistency between XHTML statements and standalone financial statements prepared for submission to the relevant authorities in accordance with OMFP 2844/2016,
- designing, implementing and maintaining internal control relevant to the preparation and presentation of ESEF RTS-compliant XHTML statements that are free from material misstatement, fraud or error.

Our responsibility

It is our responsibility to express, based on the evidence obtained, a conclusion as to whether XHTML situations comply, in all material respects, with RTS ESEF requirements. Our reasonable assurance engagement has been conducted in accordance with International Standard on Assurance Engagements 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000") issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement under ISAE 3000 involves conducting procedures to obtain evidence of ESEF compliance with the RTS. The nature, timing and extent of the procedures selected depend on the auditor's judgement, including the assessment of the risk of significant deviations from the ESEF RTS provisions due to either fraud or error. A reasonable assurance mission involves:

- obtaining an understanding of the process of preparation by the Company of XHTML statements in accordance with the ESEF RTS, and of the relevant internal controls,
- assessing whether the standalone financial statements have been prepared in a valid XHTML format,
- reconciliation of XHTML statements with audited standalone financial statements prepared by the Company in accordance with OMFP 2844/2016 for submission to the relevant authorities.

We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the XHTML statements for the financial year ended 31.12.2024 comply, in all material respects, with the RTS ESEF requirements.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion regarding the standalone financial statements. Our audit opinion on the Company's standalone financial statements for the financial year ended 31.12.2024 is included in the section "*Report on the audit of standalone financial statements*" above.

On behalf of: PKF Finconta SRL

St. Grigore Mora, nr. 37, Sector 1, Bucharest

Registered with the Authority for Public Oversight of Statutory Audit under number FA32

Name of audit partner: Florentina Susnea

Registered with the Authority for Public Oversight of Statutory Audit under number AF433

Bucharest, April 24, 2025

CHIMCOMPLEX S.A.
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024
(all amounts are expressed in RON, unless otherwise specified)

	Note	December 31 2024	December 31 2023
ASSETS			
Fixed assets			
Tangible fixed assets	15	2.290.834.931	1.960.400.057
Asset use rights	23.b	10.468.421	16.900.411
Real estate investments	17	72.928.585	29.226.468
Intangible assets	16	110.042.798	118.212.264
Investment	18	70.342.834	67.412.502
Other long-term assets		13.008.273	5.467.193
Total fixed assets		2.567.625.843	2.197.618.895
Current assets			
Stocks	19	137.979.558	144.440.401
Trade receivables and other receivables	20	285.905.445	243.339.608
Short-term loans		6.736.718	5.411.291
Cash and bank balances	21	78.831.503	139.761.858
Total current assets		509.453.224	532.953.157
Total assets		3.077.079.067	2.730.572.052
EQUITY AND LIABILITIES			
Capital and reserves			
Subscribed capital	22	304.907.851	304.907.851
Own actions	22	(33.853.662)	(26.657.863)
Issue premium	22	4.669.565	4.669.565
Legal reserves		109.435.476	109.435.476
Retained earnings		675.101.740	693.760.574
Revaluation reserve		987.179.130	651.527.661
Equity attributable to owners		2.047.440.101	1.737.643.263
DEBT			
Long-term debts			
Subsidies	25	28.915.714	30.633.918
Leasing debts	23.b	3.734.360	9.501.672
Deferred tax liabilities	14	197.784.936	142.373.862
Provisions	26	16.360.845	16.171.144
Long-term loans	23.a	513.222.606	375.876.794
Other debts	24	564.647	921.138
Total long-term debts		760.583.108	575.478.828

The accompanying notes form an integral part of these financial statements.

CHIMCOMPLEX S.A.
INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	Note	December 31 2024	December 31 2023
Short-term debts			
Subsidies	25	8.623.194	1.990.801
Trade and other payables	24	118.831.169	137.937.336
Leasing debts	23.b	6.442.249	8.043.226
Corporate income tax liability		5.250.262	-
Provisions	26	605.883	570.137
Short-term loans	23.a	129.303.102	268.908.461
Total short-term liabilities		269.055.859	417.449.961
Total debts		1.029.638.967	992.928.789
Total equity and liabilities		3.077.079.067	2.730.572.052

These individual financial statements were authorized to be issued by the management on 24.04.2025 and signed on their behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

The accompanying notes form an integral part of these financial statements.

CHIMCOMPLEX S.A.
INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Note</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Sales	5	1.495.531.942	1.399.298.512
Investment income		11.306.208	11.101.938
Other Earnings	6	5.660.951	43.108.123
Cost of goods sold		(37.705.201)	(39.024.008)
Change in stocks		(11.255.841)	(76.334.265)
Expenditure on raw materials and consumables	7	(567.416.670)	(456.689.428)
Salary expenses	8	(169.911.095)	(161.790.448)
Depreciation expenses of fixed assets	9	(153.456.357)	(145.828.657)
Distribution expenses		(42.658.980)	(38.436.453)
Energy and water expenses		(370.114.514)	(368.848.660)
Expenses with services performed by third parties	10	(42.635.204)	(52.519.517)
Maintenance and repair expenses		(23.954.539)	(20.186.454)
Other income	11	4.608.823	2.587.813
Gain on revaluation of fixed assets	15	25.757.567	-
Gain from impairment adjustments to fixed assets	15	5.427.230	114.510
Other expenses	12	(67.278.216)	(46.863.483)
Financing costs	13	(41.655.928)	(37.795.708)
Profit before tax		20.250.177	8.825.048
Current income tax expenses	14	(11.341.449)	-
Deferred corporate income tax	14	(4.427.346)	6.448.755
Profit for the year		4.481.383	15.273.803
Earnings per share			
Basic and diluted earnings per share	22	0,015	0,050

The accompanying notes form an integral part of these financial statements.

CHIMCOMPLEX S.A.
INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Note</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Profit for the year		4.481.383	15.273.803
Other comprehensive income:			
<i>Items that will not be reclassified in the income statement or loss:</i>			
Impact of the revaluation	15	337.056.926	-
Deferred tax related to the revaluation	15	(53.929.108)	-
Impact of impairment on revalued assets	15	49.592.456	-
Deferred tax related to depreciation	15	(7.934.793)	-
Impact of disposal of fixed assets	15	(14.185)	-
Deferred tax related to the transfer	15	2.270	-
Other comprehensive income, net		324.773.566	-
Total overall result		329.254.949	15.273.803

These individual financial statements were authorized to be issued by the management on 24.04.2025 and signed on their behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

CHIMCOMPLEX S.A.
INDIVIDUAL SITUATION OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Own actions</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Deferred result</u>	<u>Revaluation reserves</u>	<u>Total</u>
Balance as of January 1, 2023	304.907.851	(26.336.354)	4.669.565	109.435.476	850.800.837	653.382.560	1.896.859.935
Profit of the year	-	-	-	-	15.273.803	-	15.273.803
Distribution of dividends (note 20)	-	-	-	-	(194.000.000)	-	(194.000.000)
Revaluation reserve	-	-	-	-	-	(2.422.411)	(2.422.411)
Legal reserves	-	-	-	-	-	-	-
Buyback of treasury shares (fn. 22)	-	(321,510)	-	-	-	-	(321.510)
Employee benefits in the form of equity instruments - phase II (note 8)	-	-	-	-	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

The accompanying notes form an integral part of these financial statements.

CHIMCOMPLEX S.A.
INDIVIDUAL SITUATION OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Own actions</u>	<u>Issue premiums</u>	<u>Legal reserves</u>	<u>Deferred result</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 of the year	-	-	-	-	4.481.383	-	4.481.383
Distribution of dividends (note 20)	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	203.468	386.635.197	386.838.666
Legal reserves	-	-	-	-	-	-	-
Buyback of treasury shares (fn. 22)	-	(33.388.770)	-	-	-	-	(33.388.770)
Benefits granted to employees in the form of equity instruments - stage II (note 8)	-	26.192.972	-	-	(23.016.842)	-	3.176.129
Deferred tax	-	-	-	-	-	(50.983.728)	(50.983.728)
Other movements	-	-	-	-	(326.842)	-	(326.842)
Balance as of December 31, 2024	304.907.851	(33.853.662)	4.669.565	109.435.476	675.101.740	987.179.130	2.047.440.100

These individual financial statements were authorized to be issued by the management on 24.04.2025 and signed on their behalf by:

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CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

The accompanying notes form an integral part of these financial statements.

CHIMCOMPLEX S.A.
INDIVIDUAL SITUATION OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Cash flows from operating activities:		
Profit before tax	20.250.177	8.825.048
Adjustments for non-monetary items:		
Interest expense (note 13)	41.575.658	33.872.110
Impairment gains on investments (note 18)	-	(13.972.231)
Gain on impairment of property, plant and equipment (fn. 15, 17)	(5.427.230)	(114.510)
Interest income (note 5)	(4.670.730)	(4.567.194)
Loss on disposal of fixed assets (note 6)	1.316.379	394.896
Net gain on provisions (note 6)	(211.778)	(30.169.543)
Gain on revaluation of fixed assets	(25.757.567)	-
Loss/(gain) on exchange rate differences (notes 6, 13)	(341.731)	5.670.596
Gain from the reversal of inventory impairment (note 6)	(6.471.626)	(1.376.570)
Depreciation (note 9)	153.456.357	145.828.657
(Gain)/impairment loss on trade receivables (note 6)	(66.943)	64.243
Expenditure on remuneration in equity instruments (note 8)	3.176.129	23.387.871
Share of the loss of shareholders	-	3.068.769
Subsidy revenue (note 11)	(1.445.309)	(1.453.916)
	175.381.788	169.458.226
Working capital movements:		
Decrease in inventories	13.013.222	94.939.686
(Increase)/decrease in trade receivables and other receivables	(51.777.020)	72.126.166
Decrease in commercial and other debts	(21.021.001)	(61.104.125)
Cash generated from operating activities	115.596.988	275.419.953
Interest paid	(42.184.377)	(32.905.512)
Corporate income tax paid	-	-
Net cash generated from 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)
Subsidiary share capital contribution	(20.000)	-
Subsidiary acquisition	(4.104.623)	-
Net cash used in investment activities	(84.919.926)	(227.293.663)

CHIMCOMPLEX S.A.
INDIVIDUAL SITUATION OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

	Year ended December 31, 2024	Year ended December 31, 2023
Cash flow from funding activities:		
Loan receipts (fn. 23)	66.172.870	191.203.956
Repayment of leasing debts	(7.889.956)	(9.300.404)
Dividends paid (current year and previous year)	(7.186)	(38.341.339)
Repayment of loans (fn. 23)	(74.641.743)	(58.097.042)
Acquisition of treasury shares (fn. 22)	(33.388.770)	(321.503)
Net cash (used in)/generated by funding activities	(49.754.785)	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

These individual financial statements were authorized to be issued by the management on 24.04.2025 and signed on their behalf by:

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CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

1. GENERAL INFORMATION

These financial statements are the individual financial statements of CHIMCOMPLEX S.A. BORZESTI (the "Company") as of and for the year ended December 31, 2024.

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

Name	Activity	Item	Tax Code	Headquarters	% of shares	
					December 31, 2024	December 31, 2023
Greenhouse SRL	Manufacture of other basic inorganic chemicals	Subsidiary	16030164	Onești	99,9998%	99,9998%
A5 Invest SRL	Intermediation in the sale of machinery, industrial equipment, ships and aircraft	Subsidiary	17701390	Onești	100,0000%	100,0000%
A6 Impex SA	Electricity production	Associate	21381692	Dej	49,4497%	49,4497%
Sistemplast SA	General mechanical operations	Subsidiary	11438007	Râmnicu Vâlcea	94,4000%	94,4000%
Logiserv SRL	Other activities related to transport	Subsidiary	23136444	Râmnicu Vâlcea	100,0000%	-
CRC Worldtrade SRL	Supply of steam and air conditioning	Subsidiary	49620978	Râmnicu Vâlcea	100,0000%	-

The company was established in 1990, based on the Government Decision no. 1200/12.11.1990, by dividing the Borzesti Petrochemical Plant and subsequently 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 at the Trade Register Office under no. J04/493/1991.

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

The registered office is in Onești, Industriilor street no. 3, Bacău county.

The company's main activity, according to the 2013 NACE codification, is the manufacture of other basic inorganic chemicals.

On December 7, 2018, the Company acquired from Oltchim SA the assets (intellectual property rights, land, constructions, equipment and ongoing investments) related to sodium chloride, propene oxide, polyol-polyether, oxoalcohol, monomer, PVC, utilities, wagon park, from the Rm. Vâlcea industrial platform.

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

1. GENERAL INFORMATION (continued)

The company has one branch and six work points, namely:

Branch:

- Râmnicu Vâlcea Branch, with its registered office in Râmnicu Vâlcea Municipality, Uzinei Street no. 1, Vâlcea county;

Work points:

- ✓ Work point in the village of Cazaci, Tarcău commune, Neamț county;
- ✓ Work point in Pitesti municipality, Căminelor Street, no. 7, Argeș county;
- ✓ Work point in the city of Dej, Bistritei Street, no. 63 (room no. 1), Cluj County;
- ✓ Bucharest, Ficusului Blvd., no. 44, Bucharest Municipality, sector 1;
- ✓ The working point of the Tarcău Fish Complex located in the village of Cazaci, Tarcău commune, Neamț county;
- ✓ Bucharest Sector 1, FREE PRESS Square, No. 3-5, South Gate Tower, 17th Floor.

Shareholding structure

The company is listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, CRC Symbol as of January 17, 2022.

Between July 21, 2015 and January 17, 2022, the Company was listed on the Alternative Trading System, Financial Instruments Section listed on ATS, Equity Sector, Share Class, CHOB Symbol.

The shareholding structure is as follows:

December 31, 2024

	Number of Shares	Percentage
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%

Activities carried out by the Company

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

The activity that holds the largest share in the Company's revenues between January and December 2024, according to the NACE codification, is 2014 - the manufacture of other basic organic chemicals.

The main products manufactured by Chimcomplex SA Borzesti are:

- **Macromolecular products:** polyethers - polyols for polyurethane foams;
- **Chlorosodium products:** 50% caustic soda solution, caustic soda flakes, technical sodium hypochlorite, synthetic hydrochloric acid, liquid chlorine, bottled liquid chlorine;
- **Synthetic organic products:** propylene oxide, propylene glycol, oxoalcohols, isopropylamine, methylamines;
- **Inorganic chlorides:** calcium chloride solution, technical calcium chloride, lime chloride, ferric chloride;
- **Other products:** demineralized water, concentrated sulfuric acid, ammonia water, chlorocholine chloride

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities into Short-Term Liabilities and Long-Term Liabilities, issued by the IASB on 23 January 2020, and Amendments to IAS 1 "Presentation of Financial Statements" - Long-Term Liabilities with Financial Indicators issued by the IASB on 31 October 2022	The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on contractual arrangements in place at the reporting date. The amendments issued in October 2022 clarify how the conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments to the annual periods commencing on or after 1 January 2024	The adoption of the amendments did not have a significant impact on the individual financial statements.
Amendments to IAS 7 Statements of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Vendor Financing Arrangements issued by the IASB on 25 May 2023	According to the amendments, requirements on the information to be submitted are added, as well as indications within the existing requirements on the information to be provided for the provision of qualitative and quantitative information on financing agreements in relation to suppliers	The amendments did not lead to significant changes in the financial statements
Amendments to IFRS 16 Lease Agreements - Lease Liabilities in a Sale and Leaseback Transaction , issued by the IASB on September 22, 2022	The amendments provide for the seller-lessee to subsequently assess the leasing liabilities arising from a leaseback transaction, so as not to recognise any gains or losses related to the retained right of use. The new requirements do not prevent the seller-lessee from recognising in the profit or loss account gains or losses from the partial or total termination of a leasing contract	The amendments did not lead to significant changes in the financial statements

- The following new standards and amendments to existing standards issued by the International Accounting Standards Committee (IASB) and adopted by the European Union (EU) that have not yet entered into force for the annual financial reporting period ended December 31, 2023 and have not impacted or been applied in the preparation of these financial statements: [IAS 8.31 (a)]

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IAS 21 Effects of exchange rate changes – Lack of convertibility issued by the IASB on 15 August 2023, effective from 1 January 2025	The amendments contain guidance for entities to specify when a currency is convertible and how to determine the exchange rate when it is not convertible	The adoption of these amendments will not have a significant impact on the financial statements in the future.

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- As of the date of approval of these financial statements, the following existing standards have been issued by the IASB but have not yet been adopted by the EU:

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments issued by the IASB on 30 May 2024	The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date on which an asset or financial liability is derecognised and introduce additional disclosure requirements with respect to investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent characteristics	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a material impact on the Company's performance in the future
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale of or contribution of assets between an investor and its associates or joint ventures , issued by the IASB on September 11, 2014	The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognised when the assets sold or contributed represent an enterprise. That change could only be applied if the entity has not developed an accounting policy to that effect	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a material impact on the Company's performance in the future
IFRS 19 Non-Public Liability Subsidiaries: Disclosures issued by the IASB on May 9, 2024	The standard allows subsidiaries to provide restricted information when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that choose to apply it	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
IFRS 14 Deferral Accounts for Regulated Activities issued by the IASB on January 30, 2014	This standard is intended to enable entities that are first-time adopters of IFRS, and that currently recognise deferral accounts for activities regulated under previous generally accepted accounting policies, to continue to do so when transitioning to IFRS	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards – Volume 11 issued by the IASB on July 18, 2024	These amendments include clarifications, simplifications, corrections and amendments in the following areas: (a) hedge accounting adopted by an entity adopting the standards for the first time (IFRS 1); (b) the gain or loss on disposal (IFRS 7); (c) the disclosure of the deferred difference between fair value and transaction price (IFRS 7); (d) the introduction and presentation of credit risk information (IFRS 7); (e) the derecognition of leasing liabilities by the lessee (IFRS 9); (f) the trading price (IFRS 9); (g) the establishment of a 'de facto representative' (IFRS 10); (h) the cost-based method (IAS 7).	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a material impact on the Company's performance in the future

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Norm/Interpretation <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the impending change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
IFRS 18 Presentation and Disclosures to be Disclosed in the Financial Statements issued by the IASB on April 9, 2024 will replace IAS 1 Presentation of Financial Statements	The standard introduces three sets of new requirements for companies to improve their financial performance reporting and to give investors a better basis for analysing and comparing companies. The main changes in the new standard compared to IAS 1 relate to: (a) the introduction of categories (operating, investing, financing, corporate income tax and discontinued operations) and defined sub-totals in the statement of profit or loss; (b) the introduction of requirements to improve aggregations and disaggregations; (c) the introduction of information on Established Management Performance Measures (MPCs) in the notes to the financial statements. Although IFRS 18 does not affect the recognition or measurement of items in the financial statements, its impact on presentation is significant, particularly with respect to the statement of financial performance and the inclusion of performance measures defined by management in the financial statements	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

3. SIGNIFICANT ACCOUNTING POLICIES

Declaration of conformity

The individual financial statements of the Company were prepared 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 ("OMFP 28422/2016"). These provisions are in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union ("EU IFRS").

Preparation base

The individual statutory financial statements have been prepared on a going concern basis and historical cost, with the exception of certain classes of financial instruments that are measured at fair value and property, plant and equipment that are measured at revalued values, as explained in the accounting policies below.

Business continuity

Management has, at the time of approval of the financial statements, a reasonable expectation that the Company has a reasonable expectation that the Company has a reasonable expectation. adequate resources to continue to exist operationally for the foreseeable future. This reasonable expectation is based on the following:

- The company recorded a net profit of RON 4,481,383 for 2024 (2023: RON 15,273,803);
- As shown in note 23A., the Company complies with the financial agreements mentioned in the loan agreements and expects to comply with them in 2025 as well.

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

(a) Tangible assets and intangible assets

TANGIBLE FIXED ASSETS

(i) Recognition and evaluation

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

Property, plant and equipment are measured at revalued values minus any accumulated depreciation and any accumulated impairment losses since the most recent valuation. Outstanding assets and advance payments on fixed assets are measured at cost less any cumulative impairment losses.

Revaluation of property, plant and equipment shall be carried out on a regular basis to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period. The last revaluation was made on December 31, 2024 by a certified independent appraiser - TNP GLOBAL & PARTNERS.

When a property, plant and equipment is revalued, the accumulated depreciation is removed from the gross carrying amount of that item and the net amount is restated to the revalued value of the asset.

The cost of the assets built on its own by the Company includes the following:

- i. material costs and direct labour costs;
- ii. any amounts that can be directly attributed to bringing the asset into working order;
- iii. the costs of dismantling, moving and restoring the area in which they were located, when the Company is obliged to move the assets and restore the land;
- iv. borrowing costs (capitalised).

When parts of an item of tangible assets have different useful lives, they are considered separate parts.

CHIMCOMPLEX S.A.
EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are given in RON, unless otherwise specified)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

TANGIBLE FIXED ASSETS (continued)

Borrowing costs directly attributable to major acquisition and installation construction are capitalized in the cost of property, plant and equipment in progress in accordance with IAS 23 "Borrowing costs".

Gains or losses on disposal of an asset (determined by comparing disposal receipts with the carrying amount of tangible assets) are recognised in the profit or loss account.

(ii) Subsequent maintenance expenses

Subsequent expenses related to property, plant and equipment are included in the carrying amount of the asset or recognised as a separate asset, as applicable, only when the future economic benefits associated with the item are likely to be generated for the Company and the cost of the item can be reliably assessed. The book value of the replaced part is derecognised.

The cost of other minor maintenance, repairs, and improvements are shown on expenses when they are performed.

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

(iii) Amortization

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

Category	Lifespan
Constructions / special installations	30-50 years
Machinery and equipment	2-30 years
Installations and furniture	2-15 years

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

The estimated useful life, residual values and depreciation method shall be regularly reviewed to ensure their consistency with the estimated period of economic benefits that will result from the use of the assets.

(iv) Revaluation reserve

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

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognised and accrued in equity under the reserve item of the revaluation. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decline in the same asset value previously recognised in profit and loss.

If the carrying amount of an asset is reduced as a result of a revaluation, the decrease is recognised as a profit or loss. However, the decrease is recognised in the equity of revaluation reserves if there are credit balances in the revaluation reserve for that asset.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

TANGIBLE FIXED ASSETS (continued)

The revaluation surplus included in equity for an item of property, plant and equipment may be transferred directly to retained gains when the asset is derecognised. This may involve the transfer of the entire surplus when the asset is decommissioned or disposed of. Transfers from the revaluation surplus to the retained earnings are not made through the profit and loss account.

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

(v) Impairment of non-financial assets

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

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

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

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

An impairment loss is recognised if there have been changes to the estimates used to determine the recoverable amount. An impairment loss is recognised only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, without depreciation, if no impairment had been recognised.

(vi) Reclassification in and from real estate investments

The Company reclassifies property, plant and equipment as investment property or real estate investment items to property, plant and equipment when:

- there is a change in use, a change in use occurs when the property meets (or no longer meets) the definition of a real estate investment and there is evidence of the change in use;
- it is no longer occupied by the owner, transferring it from occupied property to real estate investment.

INTANGIBLE ASSETS

Separately acquired intangible assets are valued at initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

INTANGIBLE ASSETS (continued)

Finite life intangible assets are amortised over their useful economic life and measured for impairment whenever there are indications that the intangible asset could be impaired. The estimated useful lives used for intangible assets are as follows:

Category	Lifespan
Licenses	2 years
Patent	2-12 years
Concessions	2 years
Trademarks & Customer Lists	Indefinite useful life

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.

Changes in the expected useful life or expected consumption pattern of future economic benefits embodied in the asset shall be accounted for by changing the depreciation period or method, as applicable, and shall be treated as changes in accounting estimates.

The depreciation expense of fixed-term intangible assets is recognised in the profit and loss account in the depreciation expense category.

Intangible assets with an indefinite useful life are tested annually for depreciation, regardless of whether there are indications of depreciation, as well as whenever there are indications that they may be impaired.

(b) Real estate investments

A real estate investment is held to earn rental income or raise capital, or both. Therefore, a real estate investment generates cash flows that are largely independent of other assets held by the Company.

The Company's accounting policy regarding the subsequent valuation of the real estate investment is based on the cost model and is subsequently amortized over its useful life using the straight-line method.

(c) Forex Transactions

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

When preparing the Company's individual financial statements, transactions in currencies other than the Company's functional currency (currency) are recognised at the exchange rates valid at the date of the transactions. At the end of each reporting period, the monetary items denominated in foreign currency are converted at the rates valid on that date. Non-monetary items accounted for at fair value that are denominated in foreign currency are translated at the rates prevailing at the fair value date. Non-monetary items that are measured at historical cost in a foreign currency are not reconverted.

Exchange rate differences on monetary items are recognised in the profit and loss account in the period in which they occur, except:

- the exchange rate differences of foreign currency loans related to assets under construction for future productive use, which are included in the cost of those assets when they are considered an adjustment to the interest costs related to those foreign currency loans;
- exchange rate differences of transactions concluded to hedge certain currency risks.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign exchange transactions (continued)

The official exchange rates used for the translation of balance sheet items denominated in foreign currency at the end of the reporting periods were as follows:

Coin	December 31 2024	December 31 2023
EUR	4,9741	4,9746
USD	4,7768	4,4958

(d) Trade receivables and other receivables

Trade and other receivables include invoices issued at face value and income for goods delivered by the end of the year but invoiced in the first days after the end of the year. Trade receivables and similar accounts are initially recognised at the transaction price and subsequently presented at amortised cost minus impairment losses. Trade and other receivables do not contain any significant financing component and amortised cost approximates fair value. Ultimate losses may vary from current estimates.

The nominal value of receivables to be collected in instalments with a maturity of more than one year shall be updated in the light of the best estimate of an interest rate, in order to take into account the time value of the money and the risk profile of the counterparty.

See note 3(g) for how the Company recognises expected credit losses over the life of trade receivables. The Company applies the simplified method of expected credit losses.

(e) Stocks

Inventories are valued at the lesser of cost and net realizable value.

Stocks such as raw materials, consumables, inventory materials, goods and packages are valued at purchase cost or at the foreign currency price at the exchange rate on the date of purchase, plus customs duties and travel expenses such as insurance.

Inventory costs are determined on a first-come, first-out basis. Net realizable value is the estimated selling price for inventory minus all estimated completion costs and costs required to make the sale.

If the Company deems it necessary, value adjustments are made for obsolete stock or scrap.

(f) Bank deposits, cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an initial maturity of up to 6 months, which are subject to a non-material risk to changes in fair value. Cash in foreign currencies is revalued at the exchange rate at the end of the period. The bank account overdraft is treated as current debts.

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets

The Company recognises an adjustment for expected credit losses for investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income. The amount of expected credit losses shall be updated at each reporting date to reflect changes in credit risk since the initial recognition of that financial instrument. The company assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days overdue.

The company always recognises expected credit losses over the lifetime of trade receivables. Projected credit losses for these financial assets are estimated using a provisioning matrix based on the Company's historical credit loss experience, adjusted for debtor specific factors, general economic conditions, and an assessment of both the current and forecasted direction of conditions at the reporting date, including the time value of money, if applicable.

i. Definition of non-reimbursement

The Company considers the following items to constitute a default event for internal credit risk management purposes, as historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable:

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

Regardless of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days overdue, unless the Company has reasonable and justifiable information demonstrating that a more permissive default criterion is more appropriate.

ii. Financial assets impaired as a result of credit risk

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

- a) significant financial difficulties of the issuer or obligor;
- b) a breach of contract, such as a default or a past due event (see paragraph (ii) above);
- c) the creditor(s) of the borrower, for economic or contractual reasons related to the debtor's financial difficulty, after having offered the borrower a concession(s) that the creditor(s) would not otherwise consider;
- d) it becomes likely that the debtor will go bankrupt or into another type of financial reorganization; or
- e) the disappearance of an active market for that financial asset due to financial difficulties.

iii. Cancellation policy

The company writes off a financial asset when there is information indicating that the debtor is in serious financial difficulty and there are no realistic prospects for recovery, for example when the debtor has entered liquidation or bankruptcy proceedings. Cancelled financial assets may continue to be subject to foreclosure activities as part of the Company's recovery proceedings, taking into account legal advice, where appropriate. Any recoveries made are recognised in the profit and loss account.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of financial assets (continued)

iv. Assessment and recognition of expected credit losses

The assessment of expected credit losses depends on the probability of default, the default loss (i.e. the magnitude of the default loss) and the exposure to default risk. The assessment of the probability of default and loss in the event of default shall be based on historical data adjusted with forward-looking information as described above. As regards the exposure to default risk, for financial assets, this is represented by the gross carrying amount of the assets at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company pursuant to the Agreement and all cash flows that the Company expects to receive, discounted at the initial effective interest rate.

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

Derecognition of financial assets

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

If the Company does not transfer or retain substantially all of the risks and rewards associated with ownership and continues to control the transferred asset, the Company acknowledges its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all of the risks and rewards associated with ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a secured loan for income received.

When a financial asset measured at amortized cost is derecognised, the difference between the carrying amount of the asset and the amount of consideration received and receivable is recognised in the profit and loss account.

(h) Share capital

Common shares are classified as part of equity. The company recognizes the changes in the share capital provided by law and only after their approval by the shareholders and registration with the Trade Register. Additional costs that can be directly attributed to the issue of shares are recognised as a deduction from equity, without the effects of taxation. The company's dividend policy is published on the company's website.

(i) Trade and other payables

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

(j) Interest-bearing loans

Interest-bearing loans are initially recognised at fair value without transaction costs. After initial recognition, loans are presented at amortised cost, with any difference between cost and surrender value recognised in the profit and loss account over the life of a loan based on the effective interest rate.

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leasing contracts

The company as a lessee

The company assesses whether a contract is or contains a leasing component at the beginning of the contract. The Company recognizes a right-of-use asset and a corresponding lease debt in respect of all leases in which it is a lessee, except short-term leases (with a lease term of 12 months or less) and leases of small value assets (less than \$5,000). For these leases, the Company recognises the lease payments as an operating expense using the straight-line method over the life of the lease, unless another systematic basis is more representative of the time model in which the economic benefits of the leased assets are consumed.

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

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

The Company shall revalue the lease debt (and make an appropriate adjustment to the right-of-use asset) whenever:

- the duration of the lease has changed or there is a material event or change in circumstances that leads to a change in the valuation of the exercise of a call option, in which case the lease liability is revalued by updating the revised lease payments using a revised discount rate;
- lease payments are changed as a result of a change in an index or rate or a change in the expected payment within a guaranteed residual value, in which case the lease liability is revalued by updating the revised lease payments using an unchanged discount rate (unless the change in lease payments is due to a change in a variable interest rate); in which case a revised discount rate is used);
- A lease is amended and the amendment to the lease is not accounted for as a separate lease, in which case the lease liability is revalued on the basis of the lease term of the amended lease agreement by updating revised lease payments using a revised discount rate on the effective date of the amendment.

Right-of-use assets are amortised over the shorter period between the term of the lease and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a call option, the right-to-use asset is amortized over the useful life of the underlying asset. The depreciation starts on the date of the start of the leasing contract.

Right-of-use assets are presented as a separate line in the individual statement of financial position.

See note 3(a)(v) for details of the accounting policy on impairment testing.

(l) Employee benefits

i. Short-term employee benefits

Short-term employee benefits are spent as the related service is provided. The company, in the normal course of business, makes payments to the Romanian state on behalf of its employees for pensions, medical assistance and unemployment insurance. The cost of these payments is recorded in the profit and loss account in the same period as the related salary cost.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits (continued)

ii. Share-based payment methods

The fair value at the grant date of equity-settled share-based payment agreements granted to employees is recognised as an expense, with a corresponding increase in equity, during the accrual period. The amount recognised as an expense is adjusted to reflect the number of shares for which the related conditions are expected to be met, so that the amount finally recognised is based on the number of shares that meet the conditions at the date of entitlement.

iii Defined Benefit Plans

The Company pays employees retirement contributions, benefits that are defined in the Company's Collective Bargaining Agreement.

For defined pension benefit plans, the cost of providing benefits is determined using the projected unit credit factor method, with actuarial valuations performed at the end of each annual reporting period. Revaluations comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with an expense or credit for other comprehensive income in the period in which they arise. Remeasurements recognised in other comprehensive income are not reclassified.

(m) Government subsidies

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

Government grants that are to be received as compensation for expenses already incurred or for the purpose of providing immediate financial support to the Company, without related future costs, are recognised as profit or loss during the period in which they become due. Grants linked to the costs of emission allowances are recognised in profit or loss as a reduction in water and energy expenditure (which includes the costs of subsidised allowances).

(n) Provisions

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

Provisions are determined by discounting expected future cash flows using a pre-tax rate that reflects current market valuations of the time-value of money and debt-specific risks. Cancellation of the rebate is recognised as a financial expense. If the time-value effect of money is significant, the value of a provision is the present value of the expenses that are expected to be required to settle the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is practically certain that the repayment will be received and the value of the receivable can be reliably assessed.

Onerous contracts

Current obligations arising from onerous contracts are recognised and measured as provisions. A onerous contract is considered to exist if the Company has a contract under which the unavoidable costs of fulfilling the obligations arising from the contract exceed the economic benefits expected to be received from the contract.

Provisions on CO2 emissions

During the financial year, in relation to the production schedule, if a shortage of CO2 emission allowances is estimated at the end of the year, the company may calculate provisions.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions (continued)

Provisions for end-of-life

Liabilities for decommissioning costs are recognised when the Company has an obligation to dismantle and remove a plant or plant element and to rebuild the site on which it is located, and when a reliable estimate of this obligation can be made. According to the Integrated Environmental Permit no. 1/10.01.2013 issued by the Bacău Environmental Protection Agency, the Company must uninstall the equipment on the date of cessation of activity and bring the land back to its original state. As of December 31, 2024, the Company does not intend to totally or partially cease its activity. In addition, since the time of the expected cessation of activity cannot be determined, such provisions that arise at the end of activity cannot be reliably estimated.

However, there was a decommissioning provision for landfills of hazardous and non-hazardous substances for which the decommissioning part would have to be fulfilled in order to comply with environmental requirements.

(o) Corporate income tax

Corporate income tax expenses include current tax and deferred tax.

Current tax is the tax that is expected to be paid or collected on taxable income or losses realized during the year, using the tax rates adopted or substantially adopted at the reporting date, as well as any adjustment to corporate income tax obligations for previous years. The current tax due also includes any tax resulting from the declaration of dividends.

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

- initial recognition of assets or liabilities arising from a transaction that is not a business combination and does not affect accounting or taxable profit or loss;
- differences in investments in subsidiaries or jointly controlled entities, to the extent that they are not likely to be resumed in the near future; and
- taxable temporary differences resulting from the initial recognition of goodwill.

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

A deferred tax claim is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that taxable profits that will be available in the future and used are likely to be realised. Deferred tax claims are reviewed on each reporting date and are reduced to the extent that a tax benefit is no longer likely to be realised. The effect of the change in the tax rate on deferred tax is recognised in the statement of profit and loss, unless it relates to items recognised in other comprehensive income or directly in equity.

The statutory income tax rate for the year ended December 31, 2024 was 16% (December 31, 2023: 16%).

By Law no. 296/2023, the minimum turnover tax (IMCA) was introduced for taxpayers who register a turnover of more than 50 million euros in the previous year and whose corporate income tax is lower than the minimum turnover tax. The tax rate applied to the adjusted turnover is 1% for companies.

(p) Related parties

Companies are considered affiliated if one of the parties, through ownership, contractual rights, family relations or otherwise, has the possibility of directly or indirectly controlling or significantly influencing the other party.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income

Revenues are measured in accordance with IFRS 15 – Revenue from customer contracts.

IFRS 15 establishes a 5-step model for recording revenues resulting from customer contracts:

- Step 1: Identify a contract with a customer
- Step 2: Identifying the payment obligations set out in the contract
- Step 3: Determining the Transaction Price
- Step 4: Allocation of the transaction price for the performance obligations included in the contract
- Step 5: Recognition of income as the company fulfills a performance obligation

Under IFRS 15, revenue is recognised in the amount that reflects the consideration that an entity expects to be entitled to in exchange for the transfer of goods or services to a customer.

Proceeds from the sale of goods

Proceeds from sales of goods are recognized at a time when they transfer control of a product to the buyer.

The consideration promised in sales contracts does not include variable consideration, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses or other similar items expected to be provided to customers.

The company bills the customer the agreed price, with a typical payment term of 30 days, a certain group of customers could have a maximum duration of 90 payment terms. Advance payments are requested by the Company from external customers, and once the advance payment is received, the goods are delivered in less than 30 days.

The company does not apply long-term framework contracts with a minimum purchase commitment, as all purchases are ad-hoc orders.

For contracts with customers, the sale of goods (mainly polyols, chlorosodium and oxo-alcoholic products) is generally estimated to be a one-off performance obligation. The Company charges additional fees for shipping if the customer requires delivery services and delivery fees are included in the price of the products sold. Thus, the delivery necessarily takes place before the control of the transfers of goods to the customer, and the Company's policy is to consider that delivery charges are not a separate service provided to the customer and are included in the transaction price. The company does not offer transport services as a stand-alone service, and these are carried out in connection with the sale of goods to certain customers.

The Company expects revenue recognition to occur at some point in time when control of the asset is transferred to the client, namely upon delivery of the goods in accordance with the established Incoterms.

As of December 31, 2024 and 2023, the Company did not have any pre-delivery billing arrangements concluded.

Revenue from services

Revenues from sales of services are measured on the basis of the consideration to which the Company expects to be entitled in a contract with a client. The company recognizes revenue when it transfers control of a service to a customer. The services offered by the Company are recognized on a monthly basis once the service is performed. The Company applies typical payment terms of 30 days.

(r) Income and financial expenses

Financial income includes interest income, dividend income, changes in the fair value of financial assets through the profit and loss account. Interest income is recognized as it accumulates in profit or loss using the effective interest method. Dividend income is recognised as profit or loss on the date on which the Company's right to receive dividends is established. Financial expenses include interest expense related to loans, reversal of the reduction of provisions, change in the fair value of financial assets recognised at fair value through the profit or loss account.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

All borrowing costs that cannot be directly attributed to a purchase, construction or production of long-term assets are recognised in the statement of profit or loss using the effective interest method.

Gains and losses on foreign exchange differences are measured on a net basis.

(s) Contingent liabilities

Contingent liabilities are not recognised in the individual financial statements. They are presented where there is a possibility of an outflow of resources representing possible but not probable economic benefits, and/or the amount can be reliably estimated. A contingent asset is not recognised in these consolidated financial statements, but is presented when an inflow of economic benefits is likely but not distant and the value cannot be reliably estimated.

(t) Fair value

Certain of the Company's accounting policies and disclosure requirements require the determination of fair value for financial assets and liabilities, such as non-financial assets. Fair values have been determined to measure and present information in the individual financial statements using the methods described below. Where appropriate, additional information about the assumptions used in determining fair values shall be presented specifically for the asset or liability.

(u) Investments in subsidiaries

Investments in subsidiaries represent the shares held in these entities.

These investments are initially recorded at the acquisition cost and later at cost minus the accumulated depreciation.

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

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

In the event that there are impairment indices, the Company performs an impairment test and calculates the value of the impairment losses as the difference between the recoverable amount and the net book value.

The impairment loss resulting from impairment tests is an expense of the current financial year and is recognised in the profit and loss account.

(v) Investments in associates

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

These investments are initially recorded at the acquisition cost and later at cost minus the accumulated depreciation.

At each date of the financial statements, the Company assesses whether there are indications of loss of the value of investments in the associated entities.

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

In the event that there are impairment indices, the Company performs an impairment test and calculates the value of the impairment losses as the difference between the recoverable amount and the net book value.

The impairment loss resulting from impairment tests is an expense of the current financial year and is recognised in the profit and loss account.

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EXPLANATORY NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
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4. CRITICAL ACCOUNTING REASONING AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, which are described in note 3, management must make reasoning (other than those involving estimates) that have a material impact on recognised values and make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant.

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

Critical judgments in the application of the Company's accounting policies

We present below the main reasoning, apart from those involving estimates (which are presented separately below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the values recognized in the financial statements.

Revaluation of tangible assets

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

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated to determine the magnitude of the impairment loss (if any). As of December 31, 2024 and December 31, 2023, respectively, management assessed whether there were impairment indicators for tangible and intangible assets.

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

The Company considers that the costs of disposing of property, plant and equipment are not negligible and the fair value minus the costs of disposing of the revalued asset is necessarily lower than its fair value. Therefore, the revalued asset will be impaired if its fair value minus the cost of sale is less than its revalued value. In this case, after applying the revaluation requirements, the Company applies this to determine whether the asset can be impaired.

The recoverable amount for intangible assets with an indefinite useful life (trademarks and customer lists) is determined annually as fair value minus the costs of selling the specific intangible asset. The Company determines the fair value for the impairment analysis specifically for each item of intangible assets with an indefinite useful life.

Therefore, the revalued asset will be impaired if its fair value minus the cost of sale is less than its revalued value. In this case, after applying the revaluation requirements, the Company applies this to determine whether the asset can be impaired.

In measuring the fair value of property, plant and equipment and intangible assets, the Company uses, to the extent possible, observable market data. Fair values are classified at different levels in a fair value hierarchy based on the inputs used in valuation techniques, as follows:

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

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

Impairment of property, plant and equipment and intangible assets (continued)

The budgets used include forecasts for revenues, raw materials, utilities, personnel costs and other operating expenses and revenues based on current and anticipated market conditions and are approved by the board of directors. However, the budgets used are subject to uncertainties driven mainly by market volatility and the assumptions used by management, with significant room for manoeuvre.

The main sources of uncertainty in the estimates

The main assumptions regarding the future and other main sources of uncertainty in the reporting period that may present a material risk of causing a material adjustment in the carrying amounts of assets and liabilities in the next financial year are discussed below.

Impairment test of tangible and intangible assets

The premises underlying the depreciation test started from the current production capacities, without investments for increasing capacities, restructuring or increasing the efficiency of the machines. For each production unit, the company established production schedules for which it evaluated in value terms the revenues generated by the sale of finished products and the related production costs for a period of five years. As in the budget forecast, the company has taken into account the start-up of electricity and heat production capacities through cogeneration. For perpetuity, net cash flows were estimated by applying the perpetual growth rate of 3% represented by the long-term inflation forecast in lei by the National Bank of Romania. The description of the test results can be found in grade 15.

State aid scheme for the cost of gas emissions

The company applied reasoning in determining the balance 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 pass-through of the costs of greenhouse gas emissions in the price of electricity, as defined by GEO 138/2022.

GEO 138/2022 is a complex legislation that has been in force since 2019 with some amendments and defines, based on a formula, the amount of the subsidy that each entity is entitled to request. The actual payment of the subsidy by the State may differ from the amount claimed.

The reasoning applied by the Company is based on the management's understanding of the current amendments in GEO 138/2022, the experience of previous years regarding the degree of collection of this subsidy, as well as the discussions of the experts of the environmental department with the authorities related to the probability of collecting the subsidy.

Based on this decision, the Company estimated the amount of state aid by applying a percentage of 92% on the amount for which it is entitled.

Recognition of deferred tax claims

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

Recognition and measurement of provisions and contingent liabilities

The company is in litigation with a service provider, for the amount of the success fee related to the consultancy services provided in connection with the acquisition of the business from Olchim S.A. The company, taking into account the lawyer's opinion on the stage of the process, estimates that it will not have losses. The future evolution may differ from the estimate of December 31, 2024.

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

Recognition and measurement of provisions and contingent liabilities (continued)

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

Management exercises its reasoning in measuring and recognising provisions and exposures to contingent liabilities related to outstanding litigation or other outstanding claims that are subject to negotiated settlement, mediation, arbitration or government regulations, as well as other contingent liabilities. Reasoning is necessary to assess the likelihood that an outstanding claim will be successful or a debt will arise and to quantify the possible range of financial settlement. Due to the uncertainty inherent in this valuation process, actual losses may differ from the originally estimated provision.

5. INCOME

Below is an analysis of the company's revenue for the year from continuing operations.

	Year ended December 31, 2024	Year ended December 31, 2023
Income from the sale of finished products	1.404.542.076	1.324.825.865
Income from services rendered	2.741.613	2.377.643
Income from the sale of goods	41.900.824	43.025.070
Revenue from the sale of waste products	116.653	1.566
Income from miscellaneous activities	46.230.776	29.018.368
Total	1.495.531.942	1.399.298.512

Presentation of income by lines of activity:

	Year ended December 31, 2024	Year ended December 31, 2023
Petrochemistry	667.151.618	684.537.343
Chlorosodium	545.114.077	650.943.769
Oxo-alcohols	221.614.496	5.561.156
Commodities	41.900.824	43.025.070
Others	19.750.927	15.231.175
Total	1.495.531.942	1.399.298.512

Presentation of revenues by geographical segments:

	Year ended December 31, 2024	Year ended 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

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5. INCOME (continued)

Presentation of income by country:

	Year ended December 31, 2024	Year ended December 31, 2023
Total sales	1.495.531.942	1.399.298.512
Inside Sales	420.028.030	460.662.205
Export sales	1.075.503.912	938.636.307
<i>Of which:</i>		
Poland	240.631.736	234.680.883
Turkey	223.487.479	70.422.057
Ukraine	90.715.675	89.689.155
Bulgaria	75.932.883	66.434.201
Hungary	61.691.029	83.879.293
Italy	53.320.027	72.387.608
Belgium	43.943.346	33.844.421
Czech Republic	39.789.194	41.454.078
Austria	34.718.166	22.726.026
Germany	30.178.880	33.675.502
Others	181.095.497	189.443.083

As of December 31, 2024, the Company has sales commitments in the amount of RON 1,060,708,065 (December 31, 2023: RON 1,419,109,283), the entity expects to recognize the amount presented as income in 2025.

6. OTHER GAINS AND (LOSSES)

	Year ended December 31, 2024	Year ended December 31, 2023
Net loss on write-off of non-performing loans	(58.465)	(2.269)
Net gain on provisions	211.778	30.169.543
Net foreign exchange gain/(loss)	285.450	(1.948.812)
Net gain on impairment of current assets	6.538.567	1.312.325
Net loss on disposal of fixed assets	(1.316.379)	(394.896)
Net gain from impairment of financial assets	-	13.972.231
Total	5.660.951	43.108.123

The amount representing the gain from provisions is detailed in note 26.

The amount representing the gain on impairment of financial assets is detailed in note 18.

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7. RAW MATERIALS AND CONSUMABLES

	Year ended December 31, 2024	Year ended December 31, 2023
Raw	542.099.830	433.005.451
Other consumables	25.316.840	23.683.977
Total	567.416.670	456.689.428

8. EMPLOYEE BENEFITS EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and allowances	137.777.576	117.433.377
<i>of which:</i>		
- the amount paid to the management	13.223.620	10.058.122
- the amount paid to the board of directors	4.068.915	4.161.333
Employee benefits in the form of equity instruments	3.176.129	23.387.871
Expenses with meal vouchers	13.722.400	10.201.462
Expenses with holiday vouchers	4.124.106	1.474.496
Social security expenditure	10.338.236	8.686.786
Benefits in kind	772.648	606.456
Total	169.911.095	161.790.448

The average number of employees of the Company in 2024 was 1,540 compared to 1,449 in 2023.

The company has initiated stock option programs that entitle key management personnel and employees to receive shares within the company. Under these programs, option holders are entitled to receive shares with zero value. All options are to be settled through the physical delivery of the shares. The key terms and conditions of grants under these programmes are as follows:

	Lot 1	Lot 2
Date of Grant of Options	2 December 2021	2 December 2022
Total number of shares	929,000 shares	1,145,000 shares
Fair value at grant date	21,924,400 lei	26,564,000 lei
Options strike price	zero	zero
Period of entry into rights	12 months (Jan 2022 – Dec 2022)	13 months (Jan 2023 – Jan 2024)

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.

The expense of RON 23,387,871 recognized in 2023 is reported to 12 months of the total effective period of entry into rights of 13 months, therefore part of the value of POS Lot #2 is recognized in 2024, January.

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 "Expenses related to remuneration 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.

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9. AMORTIZATION

	Year ended December 31, 2024	Year ended December 31, 2023
Depreciation of right-of-use assets	7.840.220	8.523.766
Amortization of real estate investments	2.002.041	1.987.837
Depreciation of property, plant and equipment	139.669.048	131.390.961
Depreciation of intangible assets	3.945.047	3.926.094
Total	153.456.357	145.828.657

10. OTHER THIRD-PARTY SERVICES

	Year ended December 31, 2024	Year ended December 31, 2023
Consultancy expenses	683.044	467.262
Other third-party services including:	41.952.160	52.052.255
<i>Logistics services</i>	12.476.011	11.713.415
<i>Security Services</i>	6.469.480	5.809.196
<i>Consulting 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 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 (2023: the amount of EUR 134,780 was paid to KPMG Audit SRL). Until the date of approval of the financial statements, no other services have been contracted with the statutory auditor, other than audit services.

11. OTHER INCOME

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

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12. OTHER EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
ABA Olt penalties - exceeding pollutant concentrations in wastewater	37.324.567	24.214.386
Expenses with taxes and fees	10.596.626	5.904.774
Rent expenses	6.765.908	5.705.181
Insurance expenses	3.118.256	3.176.262
Protocol, advertising, publicity expenses	2.052.104	2.238.696
Travel expenses	1.926.169	1.143.444
Expenses with donations and sponsorships	1.529.535	2.745.763
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
Non-stored materials	113.470	151.149
Other operating expenses	1.661.145	763.175
Total	67.278.216	46,863.483

The expenses with penalties for the year 2024 in the amount of RON 37,324,567 (December 31, 2023: RON 24,214,386) represent penalties for exceeding the maximum permissible concentration of chemical indicators in wastewater, paid to Apele Române and vary in particular depending on the level of propylene oxide production.

13. FINANCING COSTS

	Year ended December 31, 2024	Year ended December 31, 2023
Bank fees and similar costs	136.552	201.813
Interest expense	41.575.658	33.872.110
Effects of exchange rate changes on loan balances held in foreign currency	(56.282)	3.721.784
Total	41.655.928	37.795.708

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14. CORPORATE INCOME TAX EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
Current income tax expenses	11.341.449	-
Deferred tax expense/(gain)	4.427.346	(6.448.755)
Expenses with/(Income from) corporate income tax	15.768.795	(6.448.755)
Profit before tax from continuing operations	20.250.177	8.825.048
Revaluation reserves for scrapped or sold fixed assets	204.319	-
Profit before tax - total	20.454.497	8.825.048
Tax using the internal tax rate	3.272.719	1.412.008
The tax effect resulting from:		
- Non-deductible expenses	19.025.348	21.684.875
- Tax-exempt income	(8.501.597)	(6.163.347)
Expenses with tax on profit before tax facilities	13.796.470	16.933.535
- Tax facilities	(2.455.021)	(16.933.535)
Current income tax expenses	11.341.449	-

By Law no. 296/2023, the minimum turnover tax (IMCA) was introduced for taxpayers who register a turnover of more than 50 million euros in the previous year and whose corporate income tax is lower than the minimum turnover tax. The tax rate applied to the adjusted turnover is 1% for companies.

Description	Year ended December 31, 2024
VT - Total Revenue	1.551.488.702
Vs - Income that is deducted from total income, of which:	(19.171.230)
Non-taxable income	(29.243.261)
Revenues related to the costs of product inventories	11.253.473
Income from subsidies	(635.586)
Income from compensation	(545.857)
I- Value of fixed assets under execution	(163.754.738)
A- Accounting depreciation at the level of historical cost related to the assets acquired/produced starting with January 1, 2024	(140.467.196)
Calculation basis	1.227.685.957
Minimum profit tax (1%)	12.276.860

If the corporate income tax, calculated before the deduction of certain categories of tax credits/facilities, will be lower than the value of the minimum turnover tax (IMCA), or if the company records a tax loss, it will pay the tax at the level of IMCA.

On 31.12.2024, the Company registered corporate income tax, as the calculation resulted in a higher value, to which the OUG153/2021 facilities on equity were applied.

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14. CORPORATE INCOME TAX EXPENSES (continued)

Components of the deferred tax liability:	Cumulative temporary differences 2024	Deferred tax (active) / passive 2024	Cumulative temporary differences 2023	Deferred tax (active) / passive 2023
Pension provisions and obligations	16.966.728	2.714.676	34.877.650	5.580.424
Tangible fixed assets	(1.168.482.507)	(186.957.201)	(843.615.065)	(134.978.410)
Other intangible assets	(109.251.912)	(17.480.306)	(121.473.111)	(19.435.698)
Right of use and leasing liabilities	762.731	122.037	762.731	122.037
Impairment adjustments for financial investments	10.721.252	1.715.400	24.693.483	3.950.957
Impairment adjustments for inventories	5.568.436	890.950	5.597.608	895.617
Impairment adjustments for trade receivables and other receivables	1.671.708	267.473	2.991.558	478.649
Trade and other payables	5.887.715	942.034	6.328.506	1.012.561
TOTAL	(1.236.155.850)	(197.784.936)	(889.836.640)	(142.373.862)
Impact on the profit and loss account		4.427.346		(6.448.755)
Impact on other items of comprehensive income		50.983.728		-
Variation of the deferred tax liability		(55.411.074)		7.016.268

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15. TANGIBLE FIXED ASSETS

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plants, machinery and equipment</u>	<u>Furniture & Accessories</u>	<u>Assets in execution</u>	<u>Provisions for decommissioni ng</u>	<u>Advance payments for fixed assets</u>	<u>Total</u>
COST								
As of January 1, 2023	119.681.485	627.293.048	1.100.102.323	5.659.163	282.470.864	6.634.752	34.453.693	2.176.295.328
Growth, of which:	-	43.690.124	146.019.897	826.190	198.017.206	-	16.713.344	405.266.760
<i>Entries</i>	-	26.565	-	-	151.005.984	-	16.713.344	167.745.894
<i>Transfers</i>	-	43.663.559	146.019.897	826.190	47.011.221	-	-	237.520.867
Decrease, of which:	-	3.478.181	21.023	-	195.110.178	-	47.011.221	245.620.603
<i>Transfers</i>	-	-	-	-	194.735.274	-	47.011.221	241.746.495
As of December 31, 2023	119.681.485	667.504.991	1.246.101.197	6.485.353	285.377.892	6.634.752	4.155.816	2.335.941.485
Growth, of which:	33.800.768	246.914.509	633.855.747	4.468.203	89.593.788	-	16.840.945	1.025.473.959
<i>Entries</i>	-	1.799.503	-	-	77.500.803	-	16.840.945	96.141.250
<i>Transfers</i>	-	33.967.476	199.496.495	2.024.057	12.092.985	-	-	248.001.102
<i>Revaluation increases</i>	33.800.768	211.147.530	434.359.252	2.040.887	-	-	-	681.331.606
Decrease, of which:	2.373.965	190.726.951	173.005.819	551.046	236.326.141	-	12.092.985	615.076.906
<i>Transfers</i>	-	-	-	-	236.326.141	-	12.092.985	248.419.126
<i>Revaluation reductions</i>	2.373.965	190.726.951	172.085.203	496.092	-	-	-	365.682.211
Reversal of cumulative depreciation	-	126.381.191	289.016.147	1.520.667	-	-	-	416.918.005
As of December 31, 2024	151.108.288	597.311.357	1.417.934.978	8.881.843	138.645.539	6.634.752	8.903.776	2.329.420.532

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15. TANGIBLE FIXED ASSETS (continued)

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plants, machinery and equipment</u>	<u>Furniture & Accessories</u>	<u>Assets in execution</u>	<u>Provisions for decommissio ning</u>	<u>Advance payments for fixed assets</u>	<u>Total</u>
CUMULATIVE DEPRECIATION								
As of January 1, 2023	<u>-</u>	<u>40.353.022</u>	<u>105.342.139</u>	<u>496.500</u>	<u>-</u>	<u>6.371.919</u>	<u>-</u>	<u>152.563.579</u>
Growth, of which:	-	42.154.118	90.048.061	478.916	-	112.643	-	132.793.737
<i>Transfers</i>	-	623.615	31.086	-	-	-	-	654.700
Subtraction	<u>-</u>	<u>1.496.152</u>	<u>1.250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.497.402</u>
As of December 31, 2023	<u>-</u>	<u>81.010.988</u>	<u>195.388.950</u>	<u>975.416</u>	<u>-</u>	<u>6.484.561</u>	<u>-</u>	<u>283.859.914</u>
Growth, of which:	-	45.370.203	96.597.598	545.252	-	112.643	-	142.625.695
<i>Transfers</i>	-	2.956.647	-	-	-	-	-	2.956.647
Decrease, of which:	-	-	2.970.400	-	-	-	-	2.970.400
<i>Transfers</i>	-	-	2.956.647	-	-	-	-	2.956.647
Reversal of cumulative depreciation	<u>-</u>	<u>126.381.191</u>	<u>289.016.147</u>	<u>1.520.667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416.918.005</u>
As of December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.597.204</u>	<u>-</u>	<u>6.597.204</u>

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15. TANGIBLE FIXED ASSETS (continued)

	<u>Land</u>	<u>Buildings and other constructions</u>	<u>Plants, machinery and equipment</u>	<u>Furniture & Accessories</u>	<u>Assets in execution</u>	<u>Provisions for decommissio ning</u>	<u>Advance payments for fixed assets</u>	<u>Total</u>
IMPAIRMENT ADJUSTMENTS								
As of January 1, 2023	<u>-</u>	<u>49.368.635</u>	<u>39.140.805</u>	<u>103.792</u>	<u>3.235.865</u>	<u>-</u>	<u>-</u>	<u>91.849.097</u>
Growth, of which:	-	-	406	219	-	-	-	626
Transfers	-	-	406	-	-	-	-	406
Decrease, of which:	-	140.592	27.171	446	-	-	-	168.209
Transfers	-	-	-	406	-	-	-	406
As of December 31, 2023	<u>-</u>	<u>49.228.043</u>	<u>39.114.040</u>	<u>103.566</u>	<u>3.235.865</u>	<u>-</u>	<u>-</u>	<u>91.681.513</u>
Growth, of which:	-	19.923.775	18.691.400	38.380	32.500	-	-	38.686.056
Transfers	-	7.542.247	-	-	-	-	-	7.542.247
Recognized in other Elements of the result global	-	11.290.359	16.303.173	30.037	-	-	-	27.623.569
Decrease, of which:	-	56.770.290	39.114.040	103.565	2.391.278	-	-	98.379.172
Transfers	-	-	7.542.247	-	-	-	-	7.542.247
Recognized in other Elements of the result global	-	53.264.178	24.106.312	32.147	-	-	-	77.402.636
As of December 31, 2024	<u>-</u>	<u>12.381.528</u>	<u>18.691.400</u>	<u>38.381</u>	<u>877.087</u>	<u>-</u>	<u>-</u>	<u>31.988.396</u>
NET BOOK VALUE								
As of December 31, 2023	<u>119.681.485</u>	<u>537.265.960</u>	<u>1.011.598.206</u>	<u>5.406.371</u>	<u>286.142.027</u>	<u>150.190</u>	<u>4.155.816</u>	<u>1.960.400.057</u>
As of December 31, 2024	<u>151.108.288</u>	<u>584.929.829</u>	<u>1.399.243.577</u>	<u>8.843.462</u>	<u>137.768.451</u>	<u>37.548</u>	<u>8.903.776</u>	<u>2.290.834.931</u>

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15. TANGIBLE FIXED ASSETS (continued)

Measurement of fair value

The Company's land, buildings and equipment are reported at their revalued values, representing fair value at the revaluation date, less any subsequent accumulated depreciation and amortization and subsequent cumulative 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.

The impact of the revaluation of assets on 31.12.2024 is as follows:

Active group	Gross value at 31 December 2024 (before reassessment)	Depreciated amount until 31 December 2024 (before revaluation)	Net Worth As at 31 December 2024 (before revaluation)	Revalued value on December 31, 2024	Revaluation differences as of December 31, 2024
Land	119.681.485	-	119.681.485	151.108.288	31.426.803
Buildings	709.906.721	126.381.191	583.525.530	603.946.109	20.420.579
Equipment, machinery	1.453.551.621	290.536.814	1.163.014.807	1.426.816.821	263.802.014
Real estate investments	34.517.457	7.604.866	26.912.590	72.928.585	46.015.995
Rights to use leased assets	42.072.439	1.143.367	40.929.072	42.078.176	1.149.104
TOTAL	2.359.729.723	425.666.239	1.934.063.484	2.296.877.978	362.814.494

Active group	Impact on the reserve from revaluation - growth	Impact on the reserve from revaluation - decrease	Impact on profit and Loss - Income	Impact on profit and loss - expense	Total impact revaluation - net
Land	20.227.563	389.383	13.573.205	1.984.582	31.426.803
Buildings	205.141.327	184.816.964	6.006.203	5.909.987	20.420.579
Equipment, machinery	413.188.197	164.243.111	23.195.112	8.338.184	263.802.014
Real estate investments	46.869.189	95.851	10.185	767.527	46.015.995
Rights to use leased assets	1.175.961	-	-	26.857	1.149.104
Total	686.602.237	349.545.310	42.784.704	17.027.137	362.814.494

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15. TANGIBLE FIXED ASSETS (continued)

The tangible fixed assets located on the Onești industrial platform were mortgaged for bank loans (see note 23.a). The term loans from CEC Bank and Alpha Bank are jointly and severally guaranteed with the mortgage on the fixed assets on the industrial platform in Onești and the assignment of the insurance policy.

The company developed internal fixed assets in the amount of RON 19,949,883 for 2024 and RON 21,130,686 for 2023. They are included in the cost of buildings and other constructions.

As a result of the revaluation of the assets at fair value, the Company performed the profitability test of its business (the impairment test), defining a single cash-generating unit: the entire business of the Company.

The estimation of the value in use was made by updating the net cash flows expected to be generated by the tested asset base (flows after income tax and interest, without the influence of any necessary or generated flow of investments for capacity increase, restructuring or increasing the performance of machinery) in accordance with the budgets and forecasts prepared by the Company. Tangible fixed assets of the nature of buildings, special constructions and machinery from the Company's patrimony were subjected to the depreciation test.

Based on the testing carried out, management concluded that the value in use of its assets is higher than their carrying amount at 31 December 2024 and no impairment adjustment was required.

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16. INTANGIBLE ASSETS

	Grants, patents, licenses, trademarks, and similar rights and assets	Other intangible assets	Total
COST			
As of January 1, 2023	149.780.779	811.614	150.592.393
Entries	194.550	261.967	456.517
Exits	935.644	4.361	940.005
As of December 31, 2023	149.039.685	1.069.220	150.108.905
Entries, of which:	217.728	95.075	312.803
<i>Revaluation increases</i>	-	-	-
Outputs, of which:	4.731.771	132.659	4.864.430
<i>Revaluation reductions</i>	4.537.221	-	4.537.221
As of December 31, 2024	144.525.642	1.031.636	145.557.278
ACCUMULATED DEPRECIATION			
As of January 1, 2023	28.173.080	11.535	28.184.615
Entries	3.863.533	62.560	3.926.094
Exits	209.707	4.361	214.068
As of December 31, 2023	31.826.906	69.734	31.896.641
Entries	3.682.688	262.359	3.945.047
Exits	194.550	132.659	327.209
As of December 31, 2024	35.315.045	199.435	35.514.479
NET BOOK VALUE			
As of December 31, 2023	117.212.778	999.486	118.212.264
As of December 31, 2024	109.210.597	832.202	110.042.798

The company owns trademarks worth RON 94,985,000 (December 31, 2023: RON 94,985,000) and customer lists worth RON 3,570,555 (December 31, 2023, RON 3,570,555) with an indefinite useful life. The Company conducts an annual impairment test for these intangible assets using discounted cash flow models. As of December 31, 2024, no impairments were identified. The company believes that the methods used in the impairment analysis are appropriate given the business context.

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17. REAL ESTATE INVESTMENTS

	31 December 2024	31 December 2023
Balance at the beginning of the year	29.226.468	31.452.222
Entries, of which:	46.954.631	-
<i>Revaluation increases</i>	46.879.373	-
Outputs, of which:	1.365.895	839.545
<i>Revaluation reductions</i>	863.378	-
Reversal of cumulative depreciation	7.604.866	-
Amortization		
Entries	2.002.041	1.333.136
Exits	62.350	
Reversal of cumulative depreciation	7.604.866	-
Impairment		
Entries	-	53.073
Outputs, of which:	53.073	-
<i>Recognised in other comprehensive income</i>	2.671	-
Balance at the end of the year	72.928.585	29.226.468

The real estate investments include land, buildings and related equipment that are located in Onești, Bacău County and in Râmnicu Vâlcea, Vâlcea County and leased to third parties and related parties.

The value of rental income for 2024 was 6,635,478 lei, and for 2023 it was 6,534,744 lei. The company did not carry out significant repairs for real estate investments.

18. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED ENTITIES

The Company's investments as of December 31, 2024 and December 31, 2023 were as follows:

December 31, 2024	Unique registration code	Investment Value	Number of shares purchased	Nominal value per share	% Owners hip	Bloke
A6 Impex SA	21381692	50.609.823	6.089.521	10,0	49,45%	Associate
Sistemplast SA	11438007	14.966.000	2.138	1036,6	94,40%	Subsidiary
A5 Invest SRL	17701390	6.100.000	610.000	10	100,00%	Subsidiary
Greencomplex SRL	16030164	4.733.030	473.303	10	99,99%	Subsidiary
Logiserv SRL	23136444	2.910.332	-	-	100,00%	Subsidiary
Uzuc SA	1343554	1.680.000	26.880	2,5	0,57%	Other equity instruments
Vâlcea Dual Learning Association	39511957	24.000	-	-	16,61%	Other equity instruments
CRC Worldtrade SRL	49620978	20.000	-	-	100,00%	Subsidiary
AISA Invest SA	10443641	19.900	8.000	2,5	20,00%	Other equity instruments
Association of Producers of Phytosanitary Products	15593836	1.000	-	-	12,50%	Other equity instruments
TOTAL COST		81.064.086				

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18. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED ENTITIES (continued)

December 31, 2023	Unique registration code	Investment Value	Number of shares purchased	Nominal value per share	% Owners hip	Bloke
A6 Impex SA	21381692	50.609.823	6.089.521	10,0	49,45%	Associate
Sistemplast SA	11438007	14.966.000	2.138	1036,6	94,40%	Subsidiary
A5 Invest SRL	17701390	6.100.000	610.000	10	100,00%	Subsidiary
Greencomplex SRL	16030164	4.733.030	473.303	10	99,99%	Subsidiary
	1343554					Other tools
Uzuc SA		1.680.000	26.880	2,5	0,57%	equity
Vâlcea Dual Learning Association	39511957	24.000	-	-	16,61%	Other tools equity
	10443641					Other tools
AISA Invest SA		19.900	8.000	2,5	20,00%	equity
Association of Producers of Phytosanitary Products	15593836	1.000	-	-	12,50%	Other tools equity
TOTAL COST		<u>78.133.753</u>				

The following impairment adjustments are recorded in relation to financial assets:

Company name	31 December 2024	31 December 2023
A6 Impex SA	-	-
A5 Invest SRL	4.730.302	4.730.302
Greencomplex SRL	4.375.302	4.375.302
Uzuc SA	1.615.648	1.615.648
Impairment adjustment	<u>10.721.252</u>	<u>10.721.252</u>
Total Net Worth	<u>70.342.834</u>	<u>67.412.502</u>

In 2024, the Company acquired the shares held by the shareholders of Logiserv SRL, a reference company in the field of washing tankers, containers and established a new company for the supply of steam and air conditioning, CRC Worldtrade SRL.

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19. STOCKS

	December 31 2024			December 31 2023		
	Cost	Impairment adjustments	Value Accounting net	Cost	Impairment adjustments	Net book value
Raw	30.300.640	(598.565)	29.702.075	33.075.781	(935.726)	32.140.055
Consumables	15.378.955	(3.947.689)	11.431.266	19.949.278	(8.625.698)	11.323.581
Mouldings	12.513.837	(235.014)	12.278.823	10.371.713	(590.451)	9.781.262
Finished products	71.984.540	(98.613)	71.885.927	85.654.131	(181.470)	85.472.660
Other stocks	13.372.370	(688.554)	12.681.468	7.429.560	(1.706.717)	5.722.843
TOTAL	143.547.994	(5.568.436)	137.979.558	156.480.462	(12.040.061)	144.440.401

20. TRADE RECEIVABLES AND OTHER RECEIVABLES

a) Trade receivables and other receivables

	31 December 2024	31 December 2023
Advance payments to suppliers	14.613.341	19.194.352
Other claims	4.517.782	5.357.100
Trade receivables	90.803.053	85.376.249
Tax claims against the state budget	17.731.797	17.731.797
VAT to be collected	21.550.501	21.257.409
Non-chargeable VAT	2.296.809	4.302.760
Subsidies	-	7.058.473
State aid for the costs of indirect emissions	110.938.628	67.988.698
Claims with related parties	16.088.535	16.040.270
Advance payments	8.815.990	573.647
Miscellaneous debtors	220.715	197.503
MINUS: impairment adjustments for uncertain liabilities	(1.311.157)	(1.378.100)
Minus : impairment adjustments for miscellaneous debtors	(17.929)	(17.929)
Minus: impairment adjustments for group receivables	(342.622)	(342.622)
TOTAL	285.905.445	243.339.608

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 electricity grants related to the costs of emission allowances), 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.

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20. TRADE RECEIVABLES AND OTHER RECEIVABLES (continued)

On 31 December 2024, the company registered the subsidy for offsetting greenhouse gas emission costs for the year 2024 considering the percentage of collection from previous years and initiated legal proceedings to recover the difference not collected, requesting the annulment of the decision not to be granted the full amount of state aid requested and the obligation of the Ministry of Energy to admit the entire amount of the requested state aid.

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.

b) Adjustments for trade receivables

	31 December 2024	31 December 2023
	<i>Lifetime ECLs</i>	<i>Lifetime ECLs</i>
Balance at the beginning of the year	1.738.651	1.674.408
Increase	15.747	66.943
Subtraction	82.690	2.700
Balance at year-end	1.671.708	1.738.651

The average credit period for sales of goods is 21 days in 2024. No interest is charged on outstanding trade receivables.

The company always values the loss indemnity for trade receivables at an amount equal to the lifetime ECL. Expected credit losses on trade receivables are estimated using a provisioning matrix against the debtor's previous default experience and an analysis of the debtor's current financial position, adjusted for borrower-specific factors, the general economic conditions of the sector in which the borrowers operate, and an assessment of both the current direction, the and the forecasted direction of the conditions at the reporting date. There were no changes to the estimation techniques during the current reporting period.

The company records trade receivables losses when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example when the debtor has been placed in liquidation or has entered bankruptcy proceedings or when trade receivables are more than two years overdue, whichever comes first. None of the trade claims that have been cancelled are subject to enforcement activities.

21. CASH AND BANK BALANCES

	31 December 2024	31 December 2023
Short-term bank deposits	70.373.591	124.922.165
Bank Accounts	7.593.302	14.110.578
Checkbook	857.461	717.897
Cash advances	773	845
Cash in the house	5.820	9.871
Cash equivalents	554	502
TOTAL	78.831.503	139.761.858

Cash and cash equivalents comprise cash and short-term bank deposits with an initial maturity of six months or less. The carrying amount of these assets is approximately equal to their fair value. The expected loan loss on bank deposits is not material for the years 2024 and 2023.

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22. CAPITAL AND RESERVES

Ordinary shares	31 December 2024	31 December 2023
Ordinary shares issued	304.907.851	304.907.851
Nominal value per share – RON	1,00	1,00
Statutory share capital – RON	304.907.851	304.907.851
RON Premium Issue	4.669.565	4.669.565
Share capital – RON	309.577.416	309.577.416

The parent company of the Company is Romanian Commercial Services, which belongs to the individual shareholder Vuza Ștefan.

Own actions	31 December 2024	31 December 2023
Own actions	33.853.662	26.657.863

The company has initiated stock option programs that entitle key management personnel and employees to receive shares within the company. Under these programs, option holders are entitled to receive shares with zero value. All options are to be settled through the physical delivery of the shares.

Earnings per share	31 December 2024	31 December 2023
Profit for the year	4.481.383	15.273.803
Number of shares	304.907.851	304.907.851
Earnings per share	0,015	0,050

The shareholding structure as of December 31, 2024 and December 31, 2023 was as follows:

December 31, 2024		Share capital Face value
	Number of shares	
Shareholders		
CRC Alchemy Holding B.V.	258.129.743	258.129.743
AAAS	27.305.181	27.305.181
Legal entities	14.409.398	14.409.398
Individuals	5.063.529	5.063.529
Total	304.907.851	304.907.851
December 31, 2023		Share capital Face value
	Number of shares	
Shareholders		
CRC Alchemy Holding B.V.	259.152.119	259.152.119
AAAS	27.305.181	27.305.181
Legal entities	14.423.411	14.423.411
Individuals	4.027.140	4.027.140
Total	304.907.851	304.907.851

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23. LOANS AND LEASING

23.A LOANS	31 December 2024	31 December 2023
LONG-TERM LOANS		
CEC Bank	240.586.758	55.112.432
Alpha Bank	57.316.423	112.422.229
UBS Switzerland	107.563.656	132.055.363
Garanti Bank	107.755.769	76.286.770
TOTAL LONG-TERM PORTION (excluding borrowing costs)	513.222.606	375.876.794
	31 December 2024	31 December 2023
SHORT-TERM LOANS		
CEC Bank	14.065.756	210.017.176
Alpha Bank	55.094.270	19.982.011
UBS Switzerland	25.439.230	26.170.057
Garanti Bank	34.672.646	12.708.017
Other	31.200	31.200
TOTAL SHORT-TERM PORTION (excluding borrowing costs)	129.303.102	268.908.461
TOTAL	642.525.708	644.785.255

The value of borrowing costs as of December 31, 2024 is RON 14,841,101 (RON 22,136,097 as of December 31, 2023).

The loans from CEC Bank and Alpha Bank were used to refinance loans from VTB and Credit Suisse totalling EUR 56.7 million and both were disbursed on 6 October 2021.

The term loan from Alpha Bank – the EUR 30 million credit facility is to be repaid in 28 equal quarterly installments, which started on December 31, 2021, with the final maturity on September 29, 2028. The closing balance as of December 31, 2024 is 16,071,429 euros, of which 4,285,714 euros in the short term and 11,785,715 euros in the long term. The interest rate is 3M Euribor +1.95%, and the loan is guaranteed by a mortgage on the tangible assets located on the industrial platform in Onești and with the assignment of the insurance policy.

The investment loan from CEC Bank - the EUR 20 million credit facility is to be repaid in 28 quarterly installments starting on January 31, 2022, with the final maturity on September 29, 2028. The closing balance as of December 31, 2024 is 11,428,571 euros, of which 2,857,143 euros in the short term and 8,571,428 euros in the long term. The interest rate is 3M Euribor +2.15%, and the loan is guaranteed by the mortgage on the tangible assets located on the industrial platform in Onești and by the assignment of the insurance policy.

The revolving credit facility from CEC Bank in the amount of EUR 40 million, drawn in full as of December 31, 2022. The revolving facility matures on September 28, 2026. The interest rate is 3M EURIBOR +2.45%, and the loan is guaranteed by a pledge on the stocks (raw materials and finished products) located in Rm.Vâlcea and Onești, with a mortgage on commercial receivables and with the assignment of the insurance policy.

Alpha Bank multifunctional credit line - On July 7, 2023, a multifunctional credit line (working capital financing, issuance of letters of guarantee, opening of letters of credit) was contracted from Alpha Bank, with a total value of EUR 10,000,000. It consists of two facilities, as follows:

- Sub-limit A in the amount of EUR 7,000,000 for: working capital financing, issuance of letters of guarantee, opening of letters of credit; the final maturity is July 7, 2025, and the balance on December 31, 2024 is 7,000,000 euros; the interest rate is 3M Euribor +2.45%;

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23. LOANS AND LEASING (continued)

23.A LOANS (continued)

- Sublimit B in the amount of EUR 3,000,000 (non-cash facility) for the issuance of letters of guarantee, opening letters of credit; The final maturity is July 7, 2025, and the amount used on December 31, 2024 is 2,959,278 euro equivalents. The costs are: issuance fee 0.13% per quarter and risk fee 0.75% per year.

Both facilities are guaranteed by a mortgage on the tangible assets located on the industrial platform in Rm.Vâlcea, with a mortgage on commercial receivables and with the assignment of the insurance policy.

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

- an investment facility in the amount of up to EUR 4,500,000 to finance 100% of the Company's contribution to the project with non-reimbursable funds regarding the construction of a high-efficiency trigeneration plant of maximum 8MWe on the chemical platform in Rm.Vâlcea; the facility is repaid in monthly installments in maximum 60 months from the date of each use and with the final maturity on December 31, 2028. The interest rate is 3M Euribor +2.5%. The balance as of December 31, 2024 is 4,166,457 euros, of which 981,933 euros in the short term and 3,184,524 euros in the long term.
 - revolving facility in the amount of EUR 1,500,000 for the financing of 100% of the ineligible VAT related to the invoices issued within the financed project; the facility is repaid within a maximum of 26 months from the date of each use and has a final maturity of February 28, 2026. The interest rate is 3M Euribor +2.5%. The balance as of December 31, 2024 is 1,500,000 euros, of which 1,119,200 euros in the short term and 380,800 euros in the long term.
- Both facilities are guaranteed with a mortgage on the tangible assets located on the industrial platform in Rm.Vâlcea and with the assignment of the insurance policy.

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

- Facility 1 in the amount of EUR 11,600,000 for the financing of 75% of the Project: Connection of the Cogeneration Plant built by Chimcomplex SA Borzești, Râmnicu Vâlcea Branch to the National Energy System (SEN) and to the National Gas Transmission System (SNTGN), drawn in full on December 31, 2024 and which is repaid in 42 monthly installments in maximum 60 months from the date of each use, with a final maturity date of December 31, 2028. The balance as of December 31, 2024 is 9,234,217 euros, of which 2,372,518 euros in the short term and 6,861,699 euros in the long term. The interest rate is 3M Euribor +2.5%.
 - Facility 2 in the amount of EUR 7,000,000 for the refinancing of CAPEX expenses incurred by the company, drawn in full on August 31, 2022; The facility is to be repaid in 60 monthly installments that started in September 2022, with the final maturity on August 31, 2027. The balance of the facility as of December 31, 2024 is EUR 3,733,333, of which EUR 1,400,000 is short-term and EUR 2,333,333 is long-term. The interest rate is 3M Euribor +2.5%.
- Both credit facilities are secured by a mortgage on tangible assets located on the industrial platform in Rm.Vâlcea and by the assignment of insurance policies.

The export financing facility from UBS Switzerland AG in the amount of EUR 23,079,562 was contracted in 2022 to finance 85% of the value of the commercial contract concluded with Solar Turbines Switzerland SAGL for the delivery of equipment for the Cogeneration Plant in Rm Vâlcea (Stage 1). The facility is covered by buyer's credit insurance issued by Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 half-yearly installments that started on May 30, 2023, with the final maturity on November 30, 2029. The balance as of December 31, 2024 is 16,485,401 euros, of which 3,297,080 euros in the short term and 13,188,321 euros in the long term. The interest rate is Euribor 6M +1.7%.

Another export financing facility from UBS Switzerland AG in the amount of EUR 14,258,903 was contracted on March 23, 2023 for the financing of 85% of the value of the commercial contract concluded with Solar Turbines Switzerland SAGL for the delivery of equipment for the Cogeneration Plant in Rm Vâlcea (Stage 2). The facility is covered by buyer's credit insurance issued by Swiss Export Risk Insurance (SERV). The facility is to be repaid in 14 half-yearly installments starting with April 15, 2024, with the final maturity on October 15, 2030. The balance as of December 31, 2024 is 12,221,917 euros, of which 2,036,986 euros in the short term and 10,184,931 euros in the long term. The interest rate is Euribor 6M +1.7%.

On April 22, 2024, a new non-revolving credit facility was contracted from Garanti Bank in the amount of EUR 10,000,000 to finance working capital. The facility was fully used on December 31, 2024 and is to be repaid in 18 equal monthly installments starting in November 2025, the final maturity being 21.04.2027. The balance as of December 31, 2024 is 10,000,000 euros, of which 1,096,987 euros in the short term and 8,903,013 euros in the long term. The interest rate is 3M Euribor +1.5%.

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23. LOANS AND LEASING (continued)

23.A LOANS (continued)

The facility is guaranteed by a letter of bank guarantee issued by Exim Banca Românească for 80% of the loan value, and for the remaining 20% with a real estate mortgage for land and buildings in Rm.Vâlcea and with the assignment of insurance policies.

All loan agreements concluded are subject to financial conditionalities, whereby the Company is obliged to meet certain financial indicators. The company complied on December 31, 2024 with all financial conditionalities stipulated in the contracts.

Table of net debt movements

	2024	2023
Balance of loans as of January 1	644.785.255	503.612.395
Drawdown	66.172.870	191.203.956
Refunds	(74.641.743)	(58.097.042)
Currency exchange differences	(56.282)	3.718.892
Other financial expenses	6.265.607	4.347.054
Balance of loans as of December 31	642.525.708	644.785.255

23.B RIGHT-OF-USE ASSETS AND LEASING LIABILITIES

The Company has considered the following aspects for contracts falling under IFRS 16:

- i) it has not recognised any right to use assets or liabilities arising from leases for contracts expiring within 12 months of the date of implementation; and
- ii) have not recognised any rights to use assets or liabilities arising from leases for contracts of lesser value (less than USD 5,000).

The lessee's weighted average marginal interest rate used by the Company for lease changes and new leases is 5.38%. There were no significant changes in estimation techniques or assumptions made during the current reporting period.

The company has rental agreements mainly for the rental of buildings and vehicles, such as wagons. The Company's leases do not include variable payments. The average rental duration is 4 years.

Assets related to the right of use

Cost	Buildings	Vehicles	Total
As of January 1, 2023	5.793.968	24.454.037	30.248.005
Entries	6.518.710	5.060.641	11.579.351
Exits	-	-	-
As of December 31, 2023	12.312.678	29.514.678	41.827.356
Entries, of which:	-	1.513.231	1.513.231
<i>Revaluation increases</i>	-	1.175.961	1.175.961
Outputs, of which:	-	119.044	119.044
<i>Revaluation reductions</i>	-	26.857	26.857
Reversal of cumulative depreciation	-	1.143.367	1.143.367
As of December 31, 2024	12.312.678	29.765.498	42.078.176

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23. LOANS AND LEASING (continued)

23.B ASSETS RELATED TO THE RIGHT OF USE AND LEASING LIABILITIES (continued)

Accumulated depreciation			
As of January 1, 2023	3.418.507	12.984.672	16.403.179
Entries	1.068.540	7.455.225	8.523.765
Exits	-	-	-
As of December 31, 2023	4.487.047	20.439.897	24.926.944
Entries	1.077.713	6.762.507	7.840.220
Exits	-	14.043	14.043
Reversal of cumulative depreciation	-	1.143.367	1.143.367
As of December 31, 2024	5.564.760	26.044.994	31.609.754
Net book value			
As of December 31, 2023	7.825.631	9.074.780	16.900.411
As of December 31, 2024	6.747.918	3.720.503	10.468.421
Liabilities arising from leasing contracts			
	31 December 2024	31 December 2023	
Leasing debts – long-term	3.734.360	9.501.672	
Leasing debts – short-term	6.442.249	8.043.226	
TOTAL	10.176.609	17.544.898	

The analysis of the maturities of debts arising from leasing contracts is presented in note 27 letter (d).

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24. COMMERCIAL AND OTHER SHORT- AND LONG-TERM LIABILITIES

	31 December 2024	31 December 2023
Trade payables	62.516.122	91.248.525
Payables to related parties	5.583.245	6.425.334
Advances from customers	17.112.380	8.289.144
Salaries and other related liabilities	10.493.448	9.095.948
Payroll tax	6.775.159	6.229.552
Other taxes	284.323	283.306
Other debts	4.192.824	4.841.163
Payments to be made for shares held in Sistemplast	9.966.000	9.966.000
Deferred income	163.575	163.575
Amounts due to shareholders representing interim dividends	2.308.740	2.315.926
TOTAL	119.395.817	138.858.473

Advances from customers

	31 December 2024	31 December 2023
Balance at the beginning of the year	8.289.144	11.812.041
Settlement of advances	234.622.049	270.662.879
Advances recorded	243.445.285	267.139.982
Balance at the end of the year	17.112.380	8.289.144

25. SUBSIDIES

Long-term subsidies

Project	31 December 2024	31 December 2023
Cogeneration plant II	10.392.617	10.858.077
Improving energy efficiency	349.756	374.513
POPAM subsidy	1.340.044	1.465.757
8 Mwe cogeneration plant	16.820.467	17.920.297
Other subsidies	12.830	15.274
TOTAL	28.915.714	30.633.918

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25. SUBSIDIES (continued)

Short-term subsidies

Project	31 December 2024	31 December 2023
Cogeneration plant II	465.460	465.460
Improving energy efficiency	24.758	24.758
POPAM subsidy	125.712	125.712
8 Mwe cogeneration plant	1.058.557	1.141.420
Ecological polyols	4.823.118	-
Other subsidies	2.125.589	233.451
TOTAL	8.623.194	1.990.801

The company has carried out investment projects for the construction of the 8Mwe and Special Polyols Cogeneration plants, which were made from subsidies granted by the state and, respectively, Norwegian funds. The amount of outstanding grants is recognised as advance income on the balance sheet and transferred to comprehensive income on a systematic basis over the life of the related assets.

26. PROVISIONS

Long-term provisions

Description	31 December 2024	31 December 2023
Employee benefits provision ²	2.510.897	2.345.918
Provision for decommissioning ¹	13.849.948	13.825.526
TOTAL Long-term provisions	16.360.845	16.171.444

Short-term provisions

Description	31 December 2024	31 December 2023
Employee benefits provision ²	536.020	542.068
Other provisions	69.863	28.069
TOTAL short-term provisions	605.883	570.137
TOTAL	16.966.728	16.741.581

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26. PROVISIONS (continued)

Description	Provision Decommissioning ¹	Employee benefits provision ²	Commercial Litigation ³	Other provisions	Total
Balance as of January 1, 2023	27.089.995	3.123.577	16.258.522	218.341	46.690.436
Increase	69.104	602.892	1.686.926	28.069	2.386.991
Decrease	13.333.573	838.484	17.945.448	218.341	32.335.846
Balance as of December 31, 2023	13.825.526	2.887.986	-	28.069	16.741.581
Increase	24.422	913.234	-	69.863	1.007.519
Decrease	-	754.303	-	28.069	782.372
Balance as of December 31, 2024	13.849.948	3.046.917	-	69.863	16.966.728

- ¹⁾ The provision for decommissioning was recorded in connection with 2 warehouses of non-hazardous substances used by both the Onești and Râmnicu Vâlcea branches.
During 2024, the Company identified as liabilities items related to the obligations to close the landfills taken over as part of the acquisition of assets from Oltchim Râmnicu Vâlcea in 2018, these being presented partly as provisions, partly as deferred revenues.
- ²⁾ According to the Group's collective bargaining agreement, each employee is entitled to receive compensation at the time of retirement equal to an average salary. Pension provisions are management's best estimate for employees. The provision represents the current amount of the retirement benefit obligation calculated on an actuarial basis.
The most recent actuarial valuations were carried out on December 31, 2024 by Mr. Gelu Ruptureanu, member of the Institute of Actuaries of Romania.
- ³⁾ The company is in litigation as a defendant in which the plaintiff seeks payment of the success fee and related late payment penalties (totaling \$3,039,150) related to the consulting services provided by the latter. Based on the fact that at the first court decision the group lost, the management considered that this litigation had a negative effect on the financial performance and financial position of the Company as of December 31, 2021 and, as a result, a provision was recorded in this regard. The Company won the appeal in 2022, but maintained the provision, because the applicant has filed an appeal with the High Court of Justice. In 2023, the High Court decided that the case should be sent back to the Court of Appeal for trial on the merits. The management, with the support of the legal opinion of the Company's lawyers, assessed that the defense would more than likely have a chance of success, and the previously established provision was reversed in 2023.

27. FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Company's objectives in capital management are to protect the Company's ability to continue its business in order to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital structure consists of liabilities, which include the loans presented in note 23, cash and cash equivalents and equity attributable to the holders of equity securities of the parent company, comprising the issued capital, reserves and retained earnings.

Liability (i) is presented in the financial statements as total liabilities, while equity (ii) represents equity attributable to the owners of the Company.

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27. FINANCIAL INSTRUMENTS (continued)

In line with others in the industry, the Company monitors capital based on the leverage ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total loans (including current and long-term loans as shown in the balance sheet).

Debt ratios as of December 31, 2024 and December 31, 2023:

Indebtedness	31 December 2024	31 December 2023
Debt(s)	1.029.638.967	992.928.789
Equity (ii)	2.047.440.101	1.737.643.263
Debt-to-equity ratio	0,50	0,57

b) Interest rate risk management

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.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	Book value	
	31 December 2024	31 December 2023
Fixed Rate Financial Assets		
Short-term loans	6.736.718	5.411.291
Cash and bank balances	78.831.503	139.761.858
Fixed Rate Financial Debts		
Leasing	(10.176.609)	(17.544.899)
Floating rate financial debts		
Loans	(642.525.708)	(644.785.255)
Total	(567.134.096)	(517.157.005)

b) Interest rate risk management (continued)

Interest rate sensitivity

The sensitivity analysis presented below was determined for existing interest-bearing loans outstanding at the reporting date and the stipulated change occurred at the beginning of the financial year and remained constant throughout the next reporting period for variable rate loans.

If interest rates on variable interest financial liabilities were higher/lower by 1% (100 basis points) and all other variables remained constant, the Company's net loss for 2024 would increase/decrease by RON 6,425,257 (2023: RON 6,447,853). This is mainly due to the Company's exposure to interest rates on its EUR-denominated floating interest rate loans.

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27. FINANCIAL INSTRUMENTS (continued)

c) Currency risk management

The company is mainly exposed to EURO and USD. The company is exposed to exchange rate fluctuations in trade and finance. Currency risk arising from recognised assets and liabilities, including loan denominated in foreign currency. The Company does not use derivatives to mitigate this risk.

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

2024	RON	EUR - RON equivalent of EUR balance	Other currencies - RON equivalent of other currencies	Total
Monetary assets				
Other long-term assets	11.867.745	1.140.528	-	13.008.273
Cash and bank balances	77.719.243	418.795	693.465	78.831.503
Trade receivables and other receivables	239.151.869	39.379.672	7.373.903	285.905.444
Short-term loans	6.736.718	-	-	6.736.718
	335.475.575	40.938.996	8.067.368	384.481.939
Monetary debts				
Financial leasing debts	(10.176.609)	-	-	(10.176.609)
Trade and other payment obligations	(100.540.955)	(14.593.837)	(3.696.377)	(118.831.169)
Other long-term liabilities	(564.647)	-	-	(564.647)
Loans	(31.200)	(642.494.508)	-	(642.525.708)
	(111.313.411)	(657.088.345)	(3.696.377)	(772.098.134)
Net balance sheet exposure	224.162.164	(616.149.349)	4.370.991	(387.616.195)

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27. FINANCIAL INSTRUMENTS (continued)

c) Currency risk management (continued)

2023	RON	EUR - RON equivalent of EUR balance	Other currencies - RON equivalent of other currencies	Total
Monetary assets				
Other long-term assets	4.326.550	1.140.643	-	5.467.193
Cash and bank balances	136.790.087	1.712.526	1.259.246	139.761.859
Trade receivables and other receivables	204.469.923	38.869.685	-	243.339.608
Short-term loans	5.411.291	-	-	5.411.291
	350.997.850	41.722.854	1.259.246	393.979.950
Monetary debts				
Financial leasing debts	(17.544.899)	-	-	(17.544.899)
Trade and other payment obligations	(124.729.309)	(12.817.408)	(390.618)	(137.937.336)
Other long-term liabilities	(921.138)	-	-	(921.138)
Loans	(31.200)	(644.754.055)	-	(644.785.255)
	(143.226.546)	(657.571.463)	(390.618)	(801.188.627)
Net balance sheet exposure	207.771.304	(615.848.609)	868.628	(407.208.677)

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27. FINANCIAL INSTRUMENTS (continued)

c) Currency risk management (continued)

Analysis of sensitivity to exchange rate variations

The company is mainly exposed to the EUR/RON exchange rate. The following table details the Company's sensitivity to a 10% rise and fall of the leu against the relevant currencies. 10% is the sensitivity rate used in the internal reporting of currency risk to key management personnel and represents management's assessment of the possible reasonable change in exchange rates.

The sensitivity analysis shall include only currency items in foreign currency in circulation and shall adjust their conversion at the end of the period for a 10% change in exchange rates for all currencies. A negative number indicates a decrease in profit if the leu depreciates by 10% against the relevant currency.

For a 10% appreciation of the leu against the relevant currencies, there would be an equal and opposite impact on profit and other equity, and the balances below would be positive. The changes will be attributable to exposure to loans and trade liabilities, for the most part, at the end of the reporting period.

	+10%	-10%
Year ended December 31, 2024		
Passive	66.078.472	(66.078.472)
Active	4.900.636	(4.900.636)
Net profit or loss	61.177.836	(61.177.836)
	+10%	-10%
Year ended December 31, 2023		
Passive	65.796.208	(65.796.208)
Active	4.298.210	(4.298.210)
Net profit or loss	61.497.998	(61.497.998)
	+10%	-10%

d) Liquidity risk management

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.

Based on the multiannual budgetary analyses prepared by the management, positive operating cash flows are expected to be recorded in the coming years.

See also note 3 and note 23.a.

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less 1 year	Between 1 and 2 years	Across 2 years	TOTAL
As of December 31, 2024				
Financial assets				
Other long-term assets	-	13.008.273	-	13.008.273
Trade receivables and other receivables	285.905.445	-	-	285.905.445
Short-term loans	6.736.718	-	-	6.736.718
Cash and bank balances	78.831.503	-	-	78.831.503
	371.473.666	13.008.273	-	384.481.939
Financial debts				
Trade and other payables	(6.442.249)	(2.033.290)	(1.701.071)	(10.176.609)
Financial leasing debts	(118.831.169)	-	-	(118.831.169)
Other long-term liabilities	-	(564.647)	-	(564.647)
Loans	(129.303.102)	(319.416.388)	(193.806.218)	(642.525.708)
	(254.576.520)	(322.014.325)	(195.507.289)	(772.098.134)
Net	116.897.145	(309.006.052)	(195.507.289)	(387.616.195)

The company has a negative net position, which is mainly due to long-term loans. These loans were obtained for investment purposes, therefore, the Company expects these investments to lead to an increase in future economic benefits over the 1-5 year time horizon to offset the actual negative net position.

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27. FINANCIAL INSTRUMENTS (continued)

d) Liquidity risk management (continued)

	Less 1 year	Between 1 and 2 years	Across 2 years	TOTAL
As of December 31, 2023				
Financial assets				
Other long-term assets	-	5.467.193	-	5.467.193
Trade receivables and other receivables	243.339.608	-	-	243.339.608
Short-term loans	5.411.291	-	-	5.411.291
Cash and bank balances	139.761.858	-	-	139.761.858
	388.512.757	5.467.193	-	393.979.949
Financial debts				
Trade and other payables	(8.043.226)	(9.501.672)		(17.544.899)
Financial leasing debts	(137.937.336)	-	-	(137.937.336)
Other long-term liabilities		(921.138)	-	(921.138)
Loans	(268.908.461)	(119.940.103)	(255.936.691)	(644.785.254)
	(414.889.023)	(130.362.913)	(255.936.691)	(801.188.626)
Net	(26.376.266)	(124.895.721)	(255.936.691)	(407.208.677)

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27. FINANCIAL INSTRUMENTS (continued)

e) Credit risk

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

For trade receivables, the Company does not have significant concentrations of credit risk. The company is in the process of establishing a policy on trade receivables insurance. Also, more than 70% of the clients are external, for whom the Company requests advance payments. Due dates are usually up to 30 days, 90 days are only for a group of companies.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover outstanding debts. In addition, the Company reviews the recoverable amount of each trade liability and investment in debt on an individual basis at the end of the reporting period to ensure that an appropriate adjustment of losses is made for the non-recoverable amounts. In this regard, the Company's directors consider that the Company's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across various industries and geographies. The continuous evaluation of the credit is carried out on the financial statement of the accounts receivable.

For trade receivables, the Company has applied the simplified approach of IFRS 9 to measure the adjustment for loss to lifetime ECL. The Company determines the expected credit losses for these items using a provisioning matrix, estimated on the basis of historical credit loss experience based on the outstanding position of borrowers, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their outstanding status from the perspective of the provisioning matrix. Please refer to Note 20.

The credit risk of liquid funds is limited as counterparties are banks with high credit ratings assigned by international credit rating agencies.

The short-term loans granted are subject to the general indemnity valuation model, however, the Company considers that there is no material impact if the expected credit loss model were applied.

f) Price risk

The price is set based on the agreement of the parties. The management estimates the sale price based on the actual costs incurred. The Company does not use hedging instruments to mitigate price risk.

g) Accounting classifications and fair values

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

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

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

Level 2: Use of asset or liability information, other than quoted prices, identifiable either directly (as prices) or indirect (price-derived). To determine the fair value of the financial instruments, the Company uses the prices of the transactions available in the market, where available.

Tier 3: Use of asset or liability information that does not come from identifiable market data, such as prices, but comes from internal models or other valuation methods.

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27. FINANCIAL INSTRUMENTS (continued)

Financial assets measured at amortized cost include all assets with contractual terms that generate cash flows on certain dates. The Company includes trade receivables, other long-term assets, short-term loans granted and cash and cash equivalents in this valuation category. The initial measurement of these assets is generally at fair value, which usually corresponds to the transaction price at the time of acquisition or, in the case of trade receivables, the transaction price in accordance with IFRS 15. Due to the short durations of cash and cash equivalents, short-term loans and trade receivables, fair values are largely in line with carrying amounts as they reflect the transaction price.

Financial liabilities measured at amortised cost generally include all financial liabilities, provided that they are not derivatives. They are generally measured at fair value at the time of initial recognition, which usually corresponds to the value of the consideration received. The subsequent measurement is recognised in profit or loss at amortised cost using the effective interest method. For trade payables and other liabilities that are usually due in the short term, the values on the balance sheet represent approximations of their fair value, as the carrying amount is similar to the transaction price.

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28. TRANSACTIONS WITH RELATED PARTIES

Claims	Information about Transactions	Nature Relationship	December 31 2024	December 31 2023
VITORIA SERV SRL BUCHAREST	Revenues from services rendered	Related party, entity under common control	41.400	41.400
SOMEȘ SA DEJ	Revenues from services rendered	Related party, entity under common control	117.185	117.185
SINTEROM SA CLUJ-NAPOCA	Revenues from services rendered	Related party, entity under common control	1.984	1.984
A6 IMPEX SA DEJ	income from services rendered, loans and interest	Associate	4.102.430	4.106.012
CRC IMPEX CHEMICALS SRL PLOIESTI	Income from the sale of finished goods and goods	Related party, entity under common control	13.923.402	13.923.402
NOVA TEXTILE BUMBAC SRL PITEȘTI	Revenues from services rendered	Related party, entity under common control	1.000	1.000
SISTEMPLAST SA RM. VÂLCEA	Revenue from third-party services	Subsidiary	2.788	3.109
CAROMET SA CARANSEBEȘ	income from services provided to third parties, loans and interest	Related party, entity under common control	1.265.676	1.191.602
CRC EXPLORATION&BUSINESS SRL ONEȘTI	Advances for consumables and interest	Related party, entity under common control	11.861	11.861
IAȘITEX SA IAȘI	Revenues from services rendered	Related party, entity under common control	1.423	1.423
CRC ZEUS AMSTERDAM	Loans and interest	Related party, entity under common control	207.590	200.526
LOGISERV SRL RM. VÂLCEA	loans and assignments of debt, proceeds from the sale of utilities	Subsidiary	1.246.129	-
DAFCOCHIM DISTRIBUTION SRL TG. MUREȘ	Revenue from the sale of finished products	Related party, entity under common control	2.777.731	11.062.657
Total			23.700.598	30.662.161

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Debt	Information about Transactions	Nature Relationship	December 31 2024	December 31 2023
AISA INVEST SA CLUJ-NAPOCA	purchase of other services	Related party, entity under common control	6.664	6.664
CAROMET SA CARANSEBEȘ	purchase of fixed assets and services provided by third parties	Related party, entity under common control	221.259	733.188
CRC IMPEX CHEMICALS SRL PLOIESTI	Purchase of third-party services	Related party, entity under common control	833	833
IAȘITEX SA IAȘI	Purchase of third-party services	Related party, entity under common control	75.842	75.842
SOMES SA DEJ	Purchase of rental services	Related party, entity under common control	3.131	3.131
SISTEMPLAST SA RM. VÂLCEA	Maintenance services	Subsidiary	4.574.978	4.799.825
UZUC SA PLOIESTI	purchase of fixed assets and services provided by third parties	Related party, entity under common control	148.477	72.856
A5 INVEST SRL ONEȘTI	Maintenance expenses	Subsidiary	483.818	727.760
GREENCOMPLEX SRL ONEȘTI	purchase of other services	Subsidiary	5.355	5.235
SINTEROM SA CLUJ-NAPOCA	purchase of other services	Related party, entity under common control	2.221	-
A6 IMPEX SA DEJ	Purchase of electricity	Associate	7.237	-
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMT	purchase of other services	Related party, entity under common control	23.430	-
CRC WORLDTRADE SRL RM. VÂLCEA	purchase of other services	Subsidiary	30.000	-
Total			5.583.244	6.425.334

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Sales during the period	Information about Transactions	Nature Relationship	Year ended December 31 2024	Year ended December 31 2023
A6 IMPEX SA DEJ	Revenue from third-party services	Associate	6.956	15.946
SISTEMPLAST SA RM. VÂLCEA	Revenue from third-party services	Subsidiary	11.289	40.207
GREENCOMPLEX SRL ONEȘTI	Revenues from services rendered	Subsidiary	13.022	-
SOMEȘ LOGISTIC SRL DEJ	Rental Income	Related party, entity under common control	55.523	55.415
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMT	Revenue from other services	Related party, entity under common control	3.900	-
CRC IMPEX CHEMICALS SRL PLOIESTI	Revenue from the sale of finished products	Related party, entity under common control	-	1.171
LOGISERV SRL RM. VÂLCEA	loans and assignments of debt, proceeds from the sale of utilities	Subsidiary	15.161	-
DAFCOCHIM DISTRIBUTION SRL TG. MUREȘ	Revenue from the sale of finished products	Related party, entity under common control	36.412.763	84.440.750
VEDRA SRL RM. VÂLCEA	Revenue from the sale of finished products	Related party, entity under common control	5.065.774	7.815.683
Total			41.584.389	92.369.172

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(all amounts are given in RON, unless otherwise specified)

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Acquisitions during the period	Information about Transactions	Nature Relationship	Year ended December 31 2024	Year ended December 31 2023
CAROMET SA CARANSEBEȘ	purchase of fixed assets and services provided by third parties	Related party, entity under common control	3.447.909	983.203
NOVA TEXTILE BUMBAC SRL PITEȘTI	Purchase of third-party services	Related party, entity under common control	802	17.596
INAV SA BUCHAREST	purchase of rental services, fixed assets	Related party, entity under common control	-	64.574
SISTEMPLAST SA RM. VÂLCEA	Maintenance expenses	Subsidiary	31.359.686	38.714.154
UZUC SA PLOIESTI	acquisition of fixed assets, third-party services	Related party, entity under common control	304.727	90.578
ROMANIAN COMMERCIAL SERVICES SA PIATRA NEAMȚ	purchase of other services	Related party, entity under common control	405.716	-
A5 INVEST SRL ONEȘTI	Maintenance expenses	Subsidiary	5.285.500	7.195.251
GREENCOMPLEX SRL ONEȘTI	purchase of other services	Subsidiary	64.260	54.740
A6 IMPEX SA DEJ	Purchase of electricity	Associate	16.335.285	45.239.710
CRC EXPLORATION&BUSINESS SRL ONEȘTI	purchase of other services	Related party, entity under common control	166.183	99.972
SINTEROM SA CLUJ-NAPOCA	purchase of other services	Related party, entity under common control	28.780	15.719
CRC WORLDTRADE SRL RM. VÂLCEA	purchase of other services	Subsidiary	30.000	-
Total			57.428.849	92.475.498

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Advances	31 December 2024	31 December 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	31 December 2024	31 December 2023
SISTEMPLAST SA RM. VÂLCEA	2.200.185	3.298.345
CAROMET SA CARANSEBEȘ	1.959	1.959
TOTAL	2.314.108	3.300.304

Debts relating to purchased shares	31 December 2024	31 December 2023
UZUC SA PLOIESTI	9.966.000	9.966.000
TOTAL	9.966.000	9.966.000

In 2024, the Company owes a debt to UZUC SA Ploiesti for the shares held in Sistemplast. The debt will be paid within a maximum of one year from the end of the 2024 financial year.

The company has the right to continue to hold the purchased shares and is not obliged to return them to the seller as a result of non-payment of the remaining amounts due.

In 2022, the Company acquired 94.4% of the shares held in Sistemplast SA.

Transactions with key management personnel

The net worth transactions carried out with Mr. Vuza Ștefan, as Chairman of the Board of Directors of the Company are:

	Year ended December 31, 2024	Year ended December 31, 2023
Transactions	1.561.118	1.541.293

The remuneration of operational management is presented in notes 29 and 8.

The ultimate parent company is CRC Impex Chemicals SRL Ploiesti, which belongs to the individual shareholder Mr. Vuza Ștefan.

29. INFORMATION ON EMPLOYEES AND MEMBERS OF THE ADMINISTRATION AND MANAGEMENT

Remuneration of directors and members of the Board of Directors

During the period ended December 31, 2024 and December 31, 2023, respectively, no loans and advances were made to the Company's directors and members of the Board of Directors, except for work-related travel advances, and they do not owe any amount to the Company from such advances.

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Salaries and bonuses paid to management staff and the Board of Directors	17.292.535	14.219.455

The value of the shares granted to the management staff and the board of directors under the stock option programs for the years 2024 and 2023 is presented in note 8.

30. COMMITMENTS AND QUOTAS

Litigation

The company is the subject of several legal actions that have arisen in the normal course of business. Management considers that all disputes that will have a material adverse effect on the Company's financial performance and financial position have been recorded, see note 26. 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.

Medium

Environmental regulations are in a development phase in Romania, and the Company has not registered any obligations as of December 31, 2024 for any anticipated costs, including legal and consultancy fees, design and implementation of environmental remediation plans.

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.

Climate

In 2024, we carried out our activity in the field of climate change by complying with the provisions of the greenhouse gas emission permits and the EGES monitoring plans for the period 2021-2025, approved by the National Agency for Environmental Protection for each of the two platforms.

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

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

30. COMMITMENTS AND QUOTAS (continued)

Levy

The tax 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 may calculate additional taxes and levies, as well as the related interest and penalties.

According to the legislation in force, interest and late payment penalties were charged in 2024 for taxpayers failing to pay their tax obligations on time.

In 2024, the interest rate is 0.02%, and the late payment penalty is 0.01% for each day of delay.

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

Purchases

As of December 31, 2024, the Company has purchase commitments related to utilities and raw materials in the amount of RON 650,315,255 (December 31, 2023: RON 213,319,254).

Others

The company has signed the "Antwerp Declaration" - an urgent call to revitalize European industry, strengthen basic industrial sectors and ensure their competitiveness and resilience in the context of geopolitical changes. These are the industries that can and want to deliver the climate solutions Europe needs.

31. SUBSEQUENT EVENTS

The company is in negotiations with financial institutions in order to maintain and extend loans for the implementation of the investment plan.

On 23.01.2025, the Company communicates the Decision of the Extraordinary General Meeting of Shareholders of Chimcomplex SA Borzești, by which it ratifies 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 Chimcomplex SA Borzești dated 23.06.2023.

On 25.02.2025, Chimcomplex announces the implementation for 2025 of the second stage of the "Precautionary Measures and Accelerated Development Plan" initiated in 2024. This strategic plan reflects the company's commitment to adapt to market dynamics and strengthen its position through proactive measures and key investments.

The "Precautionary Measures and Accelerated Development Plan" was 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 second phase of this plan mainly concerns the following:

- Reduction of the number of staff (employees who have fixed-term contracts are concerned, as well as those who cumulate the pension with the salary,
- Implementation of 24 projects,
- Renegotiation of procurement contracts.

31. SUBSEQUENT EVENTS (continued)

On 11.04.2025, the company's shareholders approved:

- contracting loans in the amount of up to EUR 60 million from any sources, banking and non-banking, including from shareholders or affiliated persons for the implementation of investments, realization of any expenses provided for in the Company's business plans, refinancing, etc.
- the sale of non-core assets, with a maximum value of EUR 20,000,000. At the date of these financial statements, a list of these assets was not identified.

These individual financial statements were authorized to be issued by the management on 24.04.2025 and signed on its behalf by:

STEVEN HUNT,
CHIEF EXECUTIVE OFFICER

CRISTINA STOIAN,
CHIEF FINANCIAL OFFICER

NICOLAE STĂNCIUGEL,
ECONOMIC MANAGER

STATEMENT

**in accordance with the provisions of art. 30 of the Accounting Law no. 82/1991,
republished, with subsequent amendments and completions**

The annual financial statements as of 31/12/2024 have been prepared for:

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

County: 04-BACAU

Address: ONESTI locality, str. INDUSTRIILOR, nr. 3, tel. 0234/302100

Trade register number: J1991000493044

Form of ownership: 34-Joint stock companies

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

Unique registration code: RO960322

The undersigned Steven Hunt as Chief Executive Officer, Cristina Stoian as Chief Financial Officer and Nicolae Stanciugel as Economic Manager, according to art.10 para. (1) of the Accounting Law no. 82/1991, republished, with subsequent amendments and completions, we assume responsibility for the preparation of the annual financial statements as of 31/12/2024 and confirm the following:

- a) The accounting policies used in the preparation of the annual financial statements are in accordance with the applicable accounting regulations;
- b) The annual financial statements provide a true picture of the financial position, financial performance and other information related to the activity carried out;
- c) The legal person carries out its activity in conditions of continuity.

Signature

**Chief Executive Officer
Steven Hunt**

**Chief Financial Officer
Cristina Stoian**

**Economic Manager
Nicolae Stanciugel**