

EXTENDED CONSOLIDATED QUARTERLY REPORT

OF THE CIECH GROUP FOR THE FIRST QUARTER OF 2023

We are providing a courtesy English translation of our financial statements which were originally written in Polish. We take no responsibility for the accuracy of our translation. For an accurate reading of our financial statements, please refer to the Polish language version of our financial statements.

KRS (National Court Register number) 0000011687

Statistical ID No (REGON): 011179878

Tax ID No (NIP): 118-00-19-377

Share capital: PLN 263,500,965.00 (paid up in full)

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CIECH GROUP — SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED FINANCIAL DATA	in thousand PLN		in thousand EUR	
	3 months ended 31.03.2023	3 months ended 31.03.2022	3 months ended 31.03.2023	3 months ended 31.03.2022
Sales revenues on continued operations	1,730,224	1,242,564	368,094	267,379
Operating profit/(loss) on continued operations	97,171	131,368	20,672	28,268
Profit/(loss) before tax on continued operations	53,464	116,411	11,374	25,050
Net profit / (loss) for the period	56,997	103,984	12,126	22,375
Net profit/(loss) attributable to shareholders of the parent company	57,394	104,307	12,210	22,445
Net profit/(loss) attributed to non-controlling interest	(397)	(323)	(84)	(70)
Other comprehensive income net of tax	1,581	3,260	336	701
Total comprehensive income	58,578	107,244	12,462	23,076
Cash flows from operating activities	(20,042)	150,723	(4,264)	32,433
Cash flows from investment activities	(192,737)	(219,876)	(41,004)	(47,314)
Cash flows from financial activities	(8,995)	(7,546)	(1,914)	(1,624)
Total net cash flows	(221,774)	(76,699)	(47,182)	(16,505)
Earnings (loss) per ordinary share (in PLN/EUR)	1.09	1.98	0.23	0.43
	as at 31.03.2023	as at 31.12.2022	as at 31.03.2023	as at 31.12.2022
Total assets	8,126,418	8,092,527	1,738,085	1,725,523
Non-current liabilities	2,143,628	2,181,430	458,481	465,134
Current liabilities	3,219,902	3,206,787	688,675	683,764
Total equity	2,762,888	2,704,310	590,929	576,625
Equity attributable to shareholders of the parent	2,769,198	2,710,221	592,278	577,885
Non-controlling interest	(6,310)	(5,911)	(1,350)	(1,260)
Share capital	287,614	287,614	61,515	61,326

CIECH S.A. — SELECTED SEPARATE FINANCIAL DATA

SELECTED FINANCIAL DATA	in thousand PLN		in thousand EUR	
	3 months ended 31.03.2023	3 months ended 31.03.2022	3 months ended 31.03.2023	3 months ended 31.03.2022
Sales revenues on continued operations	724,598	502,654	154,153	108,163
Operating profit/(loss) on continued operations	26,156	27,942	5,565	6,013
Profit/(loss) before tax on continued operations	85,515	58,422	18,193	12,571
Net profit for the period	67,962	50,800	14,458	10,931
Other comprehensive income net of tax	(699)	2,208	(149)	475
Total comprehensive income	67,263	53,008	14,309	11,406
Cash flows from operating activities	(19,778)	(54,481)	(4,208)	(11,723)
Cash flows from investment activities	(243,556)	84,376	(51,815)	18,156
Cash flows from financial activities	65,722	39,595	13,982	8,520
Total net cash flows	(197,612)	69,490	(42,041)	14,953
	As at 31.03.2023	As at 31.12.2022	As at 31.03.2023	As at 31.12.2022
Total assets	5,399,220	5,290,147	1,154,790	1,127,987
Total non-current liabilities	1,758,536	1,808,534	376,117	385,623
Total current liabilities	1,440,396	1,348,588	308,073	287,552
Total equity	2,200,288	2,133,025	470,600	454,812
Share capital	287,614	287,614	61,515	61,326

The above selected financial data were converted into PLN in accordance with the following principles:

- items in the consolidated statement of financial position were converted using the average exchange rate determined by the National Bank of Poland on the last day of the reporting period;
- items in the consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows were converted using the exchange rate constituting the arithmetic mean of rates determined by the National Bank of Poland on the last day of each calendar month of the reporting period.

as at 31.03.2023	as at 31.12.2022	3 months ended 31.03.2023	3 months ended 31.03.2022
EUR 1 = PLN 4.6755	EUR 1 = PLN 4.6899	EUR 1 = PLN 4.7005	EUR 1 = PLN 4.6472

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR 3-MONTH PERIOD ENDED 31 MARCH 2023**

Prepared in accordance with International Financial Reporting Standards as endorsed by the European Union

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1. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE CIECH GROUP PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ENDORSED BY THE EUROPEAN UNION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE CIECH GROUP

	01.01.-31.03.2023	01.01.-31.03.2022
CONTINUING OPERATIONS		
Sales revenues	1,730,224	1,242,564
Cost of sales	(1,466,194)	(974,231)
Gross profit/(loss) on sales	264,030	268,333
Other operating income	29,326	12,404
Selling costs	(77,525)	(68,481)
General and administrative expenses	(99,896)	(63,487)
Other operating expenses	(18,764)	(17,401)
Operating profit/(loss)	97,171	131,368
Financial income, including:	26,453	15,877
<i>Profit from financial instruments</i>	24,838	4,396
Financial costs, including:	(71,147)	(30,973)
<i>Loss from financial instruments</i>	(55,855)	(24,484)
Net financial income/(expenses)	(44,694)	(15,096)
Share of profit / (loss) of equity-accounted investees	987	139
Profit/(loss) before tax	53,464	116,411
Income tax	3,533	(12,427)
Net profit/(loss) on continuing operations	56,997	103,984
DISCONTINUED OPERATIONS		
Net profit/(loss) on discontinued operations	-	-
Net profit / (loss) for the period	56,997	103,984
including:		
Net profit/(loss) attributable to shareholders of the parent company	57,394	104,307
Net profit/(loss) attributed to non-controlling interest	(397)	(323)
Earnings per share (in PLN):		
Basic	1.09	1.98
Diluted	1.09	1.98
Earnings/(loss) per share (in PLN) from continuing operations:		
Basic	1.09	1.98
Diluted	1.09	1.98

The condensed consolidated statement of profit or loss of the CIECH Group should be analysed together with the explanatory notes which constitute an integral part of the interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME OF THE CIECH GROUP

	01.01.-31.03.2023	01.01.-31.03.2022
Net profit/(loss) on continuing operations	56,997	103,984
Net profit/(loss) on discontinued operations	-	-
Net profit / (loss) for the period	56,997	103,984
Other comprehensive income before tax that may be reclassified to the statement of profit or loss	(5,037)	(4,384)
Currency translation differences (foreign companies)	(1,026)	7,767
Profit (loss) from cash flow hedge reserve	(49,893)	(9,288)
Profit (loss) from costs of hedging reserve	45,882	(3,236)
Other components of other comprehensive income	-	373
Other comprehensive income before tax that may not be reclassified to the statement of profit or loss	-	-
Actuarial gains	-	-
Income tax attributable to other comprehensive income	6,618	7,644
Income tax attributable to other comprehensive income that may be reclassified to the statement of profit or loss	6,618	7,644
Income tax attributable to other comprehensive income that may not be reclassified to the statement of profit or loss	-	-
Other comprehensive income net of tax	1,581	3,260
TOTAL COMPREHENSIVE INCOME	58,578	107,244
Shareholders of the parent company	58,977	107,472
Non-controlling interest	(399)	(228)

The condensed consolidated statement of other comprehensive income of the CIECH Group should be analysed together with the explanatory notes which constitute an integral part of the interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CIECH GROUP

	31.03.2023	31.12.2022
ASSETS		
Property, plant and equipment	3,889,422	3,933,393
Rights to use an asset	190,937	181,211
Intangible assets other than goodwill	394,244	394,545
Goodwill	151,601	151,852
Investment property	40,181	40,181
Non-current receivables	1,588	41,237
Investments in jointly-controlled entities measured under the equity method	8,016	7,033
Long-term financial assets	22,032	18,516
Deferred income tax assets	177,399	132,774
Total non-current assets	4,875,420	4,900,742
Inventory	799,902	771,541
Short-term intangible assets other than goodwill	809,143	515,934
Short-term financial assets	130,848	359,634
Income tax receivables	56,077	54,334
Trade and other receivables	989,817	805,005
Cash and cash equivalents	464,843	684,969
Non-current assets and groups for disposal held for sale	368	368
Total current assets	3,250,998	3,191,785
Total assets	8,126,418	8,092,527
EQUITY AND LIABILITIES		
Share capital	287,614	287,614
Share premium	470,846	470,846
Cash flow hedge reserve	(7,955)	35,848
Profit (loss) from costs of hedging reserve	(31,698)	(78,108)
Actuarial gains	(973)	(973)
Other reserve capitals	425,021	425,021
Currency translation reserve	(25,089)	(24,065)
Retained earnings	1,651,432	1,594,038
Equity attributable to shareholders of the parent	2,769,198	2,710,221
Non-controlling interest	(6,310)	(5,911)
Total equity	2,762,888	2,704,310
Non-current loans, borrowings and other debt instruments	1,671,672	1,671,280
Lease liabilities	110,005	104,849
Other non-current liabilities	168,923	228,645
Employee benefits reserve	13,935	14,344
Other provisions	136,798	137,189
Deferred income tax liability	42,295	25,123
Total non-current liabilities	2,143,628	2,181,430
Current loans, borrowings and other debt instruments	232,806	193,844
Lease liabilities	32,880	30,471
Trade and other liabilities	2,782,562	2,793,303
Income tax liabilities	57,645	67,224
Employee benefits reserve	2,319	2,764
Other provisions	111,690	119,181
Total current liabilities	3,219,902	3,206,787
Total liabilities	5,363,530	5,388,217
Total equity and liabilities	8,126,418	8,092,527

The condensed consolidated statement of financial position of the CIECH Group should be analysed together with the explanatory notes which constitute an integral part of the interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS OF THE CIECH GROUP

	01.01.-31.03.2023	01.01.-31.03.2022
Cash flows from operating activities		
Net profit/(loss) for the period	56,997	103,984
Adjustments	(94,245)	65,162
Amortisation/depreciation	120,198	97,804
Foreign exchange (profit) /loss	2,608	(9,847)
Investment property revaluation	-	(1,399)
(Profit) / loss on investment activities	235	25
(Profit) / loss on disposal of property, plant and equipment	(158)	(429)
Dividends and interest	43,035	16,508
Income tax	(3,533)	12,427
Share of (profit) / loss on equity accounted investees	(987)	(139)
Valuation of derivatives	5,426	(5,859)
Other adjustments	(3,163)	(30)
Change in receivables	(140,311)	(93,917)
Change in inventory	(32,697)	(14,074)
Change in current liabilities	(37,698)	62,163
Change in provisions and employee benefits	(7,471)	1,929
Interest paid	(2,349)	(2,217)
Income tax (paid)/returned	(20,174)	(16,206)
Net cash from operating activities	(20,042)	150,723
Cash flows from investment activities		
Disposal of intangible assets and property, plant and equipment	2,029	1,427
Interest received	1,030	446
Proceeds from repaid borrowings	-	94
Subsidies received	164	-
Acquisition of intangible assets and property, plant and equipment	(108,644)	(127,343)
Acquisition of financial assets	(11,646)	-
Acquisition of investment property	-	(450)
Development expenditures	(7,631)	(1,848)
Expenditure on the purchase of emission rights	(68,039)	(90,494)
Other investment inflows (outflows)	-	(1,708)
Net cash from investment activities	(192,737)	(219,876)
Cash flows from financial activities		
Proceeds from loans and borrowings	314	4,229
Repayment of loans and borrowings	-	(4,029)
Payments of lease liabilities	(9,309)	(7,746)
Net cash from financial activities	(8,995)	(7,546)
Total net cash flows	(221,774)	(76,699)
Cash and cash equivalents as at the beginning of the period	684,969	799,023
<i>Impact of foreign exchange differences</i>	<i>1,648</i>	<i>655</i>
Cash and cash equivalents as at the end of the period	464,843	722,979

The condensed consolidated statement of cash flows of the CIECH Group should be analysed together with the explanatory notes which constitute an integral part of the interim condensed consolidated financial statements.

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY OF THE CIECH GROUP

	Share capital	Share premium	Cash flow hedge reserve	Profit (loss) from costs of hedging reserve	Other reserve capitals	Actuarial gains	Currency translation reserve	Retained earnings	Equity attributable to shareholders of the parent	Non-controlling interest	Total equity
01.01.2023	287,614	470,846	35,848	(78,108)	425,021	(973)	(24,065)	1,594,038	2,710,221	(5,911)	2,704,310
Total comprehensive income for the period	-	-	(43,803)	46,410	-	-	(1,024)	57,394	58,977	(399)	58,578
Net profit / (loss) for the period	-	-	-	-	-	-	-	57,394	57,394	(397)	56,997
Other comprehensive income	-	-	(43,803)	46,410	-	-	(1,024)	-	1,583	(2)	1,581
31.03.2023	287,614	470,846	(7,955)	(31,698)	425,021	(973)	(25,089)	1,651,432	2,769,198	(6,310)	2,762,888
01.01.2022	287,614	470,846	158,763	(20,331)	425,021	(1,582)	(36,377)	1,106,151	2,390,105	(3,776)	2,386,329
Total comprehensive income for the period	-	-	(1,644)	(3,236)	-	-	7,672	104,680	107,472	(228)	107,244
Net profit / (loss) for the period	-	-	-	-	-	-	-	104,307	104,307	(323)	103,984
Other comprehensive income	-	-	(1,644)	(3,236)	-	-	7,672	373	3,165	95	3,260
31.03.2022	287,614	470,846	157,119	(23,567)	425,021	(1,582)	(28,705)	1,210,831	2,497,577	(4,004)	2,493,573

The condensed statement of changes in consolidated equity of the CIECH Group should be analysed together with the explanatory notes which constitute an integral part of the interim condensed consolidated financial statements.

2. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE CIECH GROUP

2.1. BASIS FOR PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE CIECH GROUP

These interim consolidated financial statements were prepared in compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as approved by the European Union and the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information submitted by issuers of securities and on conditions for deeming equivalent information required by the law of a Non-Member State (Journal of Laws 2018.757 of 29 March 2018). These financial statements present the financial position of the CIECH Group as at 31 March 2023 and as at 31 December 2022, results of the Company’s operations and cash flows for the period of 3 months ended 31 March 2023 and 31 March 2022, and were approved by the Management Board of CIECH S.A. on 25 May 2023.

These interim condensed consolidated financial statements cover the financial statements of the parent company, CIECH S.A., and its significant subsidiaries, as well as interests in significant associates.

These interim condensed consolidated financial statements were prepared under the assumption that the CIECH Group will continue as a going concern in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements, no facts or circumstances are known that would indicate any threat to the Group continuing as a going concern.

The Management Board of CIECH S.A. represents that to the best of its knowledge these interim condensed consolidated financial statements, including corresponding figures, have been prepared in accordance with the generally acceptable accounting principles and that they represent a true, accurate and fair reflection of the CIECH Group’s financial position and the results of operations. Furthermore, the Management Board of CIECH S.A. represents that the Directors’ Report for the period of 3 months ended 31 March 2023 contains a true image of the Group’s developments, achievements, and condition, including the description of major risks and threats.

Preparation of financial statements in accordance with International Financial Reporting Standards (“IFRS”) requires the Management Board to make professional judgements, estimates and assumptions which affect the adopted principles and presented values of assets, equity and liabilities, income and expenses. The estimates and assumptions associated with them are based on historical accuracy and various other factors that are considered to be reasonable under the specific circumstances, and their results provide a basis for professional judgement about the value of assets and liabilities that are not directly apparent from other sources. Actual value may differ from the estimated value. The estimates and the underlying assumptions are reviewed on a continuous basis. Revisions of accounting estimates are recognised in the period in which the changes were made, only if it affects that period or the present and future in case they concern both the current and future periods. The Management Board’s professional judgements which have a significant impact on the consolidated financial statements, and the estimates bearing a risk of significant changes in future years have been presented in Sections 2.6, 2.7, 2.8 and 2.13 hereof. Information on the impact of the Russian invasion of Ukraine on the operations of the CIECH Group is presented in Note 2.18 hereof. During the current quarterly period there were no significant revisions to the estimates presented in previous reporting periods.

2.2. ADOPTED ACCOUNTING PRINCIPLES

The CIECH Group’s accounting principles are described in the Consolidated Financial Statements of the CIECH Group for the year 2022, published on 23 March 2023. The aforementioned Financial Statement include detailed information regarding the principles and methods of valuation of assets, equity and liabilities and measurement of the financial result as well as the method of preparing the financial statements and comparative information. These principles have been applied on a continuous basis with relation to currently published data, the last annual financial statements and comparative data presented.

The CIECH Group intends to adopt amendments to the IFRS that are published but not effective as at the date of publication of this report in accordance with their effective date. The estimated impact of amendments and impact of new IFRSs on the consolidated financial statements of the CIECH Group was presented in the Consolidated Financial Statements of the CIECH Group for the year 2022, published on 23 March 2023.

2.3. FUNCTIONAL AND REPORTING CURRENCY

The Polish zloty (PLN) is the functional currency of the parent company, CIECH S.A., and the reporting currency of these consolidated financial statements. Unless stated otherwise, all financial data in these consolidated financial statements have been presented in thousands of Polish zlotys (PLN '000).

The functional currencies for the significant foreign subsidiaries are as follows: SDC Group, Ciech Group Financing AB, Proplan Plant Protection Company S.L. and CIECH Salz Deutschland GmbH – EUR, CIECH Soda Romania S.A. – RON. For the purpose of conversion into PLN, the following foreign exchange rates determined on the basis of quotations announced by the National Bank of Poland (“NBP”) have been applied for consolidation purposes:

NBP exchange rate as at the end day of the reporting period	31.03.2023 ¹	31.12.2022 ²
EUR	4.6755	4.6899
RON	0.9445	0.9475

Average NBP rate for the reporting period	3 months ended 31.03.2023 ³	3 months ended 31.03.2022 ⁴
EUR	4.7005	4.6472
RON	0.9532	0.9393

¹ NBP's average foreign exchange rates table applicable as at 31 March 2023.

² NBP's average foreign exchange rates table applicable as at 31 December 2022.

³ According to the exchange rate constituting the arithmetic mean of average exchange rates quoted by NBP on the last day of each month of the period from 1 January 2023 to 31 March 2023.

⁴ According to the exchange rate constituting the arithmetic mean of average exchange rates quoted by NBP on the last day of each month of the period from 1 January 2022 to 31 March 2022.

2.4. SEASONALITY AND CYCLICALITY OF ACTIVITY OF THE CIECH GROUP

Seasonality associated with periodic demand and supply fluctuations has little impact on the CIECH Group general sales trends. Products clearly influenced by seasonality are crop protection chemicals. Most crop protection chemicals are used in the first half of the year, during the period of intensive plant growth. However, sales of these products take place mainly in the 1st and 4th quarter of the preceding year. For other products, the Group's revenues and financial results are not influenced by any significant seasonal fluctuations over the year.

2.5. CIECH GROUP'S SEGMENT REPORTING

The CIECH Group's operating segments are designated on the basis of internal reports related to the components of the Group and are regularly reviewed by the Management Board, which is responsible for operating decisions aimed at allocating resources to segments and assessing the subsidiaries performance.

From the product perspective, the CIECH Group has been divided into the following operating segments:

Soda segment (comprising BU Soda and BU Salt)



The most important products manufactured in this Segment are: light and dense soda ash, evaporated salt, sodium bicarbonate and calcium chloride. The products of this area are sold mainly by the parent company CIECH S.A. The Segment's goods are produced in CIECH Soda Polska S.A., the Romanian company CIECH Soda Romania S.A. (until September 2019) and in the German companies CIECH Soda Deutschland GmbH&Co. KG and CIECH Salz Deutschland GmbH (the German companies also sell their products on their own). These products are used in the glass, food, detergent and pharmaceutical industries. The Soda Segment (in the German company) also includes the business of producing and selling electricity.

At the current stage of work on the reorganisation, performance figures for BU Soda and BU Salt are analysed jointly, and the performance of BU Soda and BU Salt are closely linked due to sharing the same raw material, i.e. brine, fed jointly to the production facilities of Soda and Salt, as well as a common power plant and combined heat and power plant providing heat and electricity, within CIECH Soda Polska S.A. For this reason, it is not possible to allocate direct costs in an unambiguous way (mainly: coal, electricity, CO₂, maintenance on shared infrastructure). As a result, business decisions are made jointly for both BUs - e.g. in the case of limitations in the availability of

Soda segment (comprising BU Soda and BU Salt)



raw material or steam, the profitability analysis of all Soda and Salt products, rather than the fact of being part of a specific BU, determines the production of particular products. A shared source of raw material, a shared infrastructure and practically indivisible costs mean that, consequently, it is also not possible to allocate these values to the BU in question as regards liabilities and certain inventories. This all makes the analysis of cash flow generating units at the BU level potentially inappropriate. Decisions on the above matters are made at the level of the Management Board of CIECH S.A.

Agro Segment



The CIECH Group is a manufacturer of crop protection products used in agriculture and produced by the companies: CIECH Sarzyna S.A. and Proplan Plant Protection Company, S.L.

Foams Segment



The CIECH Group is a producer of polyurethane foams manufactured by CIECH Pianki Sp. z o.o. These products are mainly used in the furniture industry – for upholstered furniture and mattresses.

Silicates Segment



It includes mainly the products of CIECH Vitrosilicon S.A. and CIECH Soda Romania S.A.

Products manufactured by Ciech Soda Romania S.A. are sold by CIECH S.A. The Segment manufactures sodium silicates (CIECH Vitrosilicon S.A. and CIECH Soda Romania S.A.) and potassium silicates (CIECH Vitrosilicon S.A.). These products are used in the automotive, cosmetics and construction chemicals industries.

Packaging Segment



It covers products of CIECH Vitro S.A. This Segment manufactures glass packaging – lanterns and jars, used in the food industry and for the production of headstone lamps.

Other activities Segment



It covers mainly services rendered outside the Group and goods sold mainly by CIECH S.A., and within the Group, Ciech Serwis i Remonty Sp. z o.o. provides maintenance services, as well as services are provided by Ciech R&D Sp. z o.o. and CIECH Services Sp. z o.o. that provides support services in various areas.

As of 1 January 2022, other activities include the operations of CIECH Cargo Sp. z o.o. which renders rail transport services, mainly to companies within the CIECH Group.

The Group financing is managed (including finance expenses and income with the exception of interest and exchange differences on trade receivables and liabilities) and income tax is calculated on the Group level and they are not allocated to particular Segments.

The CIECH Group has been divided into the following geographical areas: Poland, European Union, Other European countries, Africa, Asia, Other regions. Information on the Group geographical areas is established based on the Group's assets location.

Revenues and costs, assets and liabilities of Segments are recognised and measured in a manner consistent with the method used in the consolidated financial statements.

Operational Segments results are assessed by the CIECH S.A.'s Management Board on the basis of sales revenue, operating profit, level of EBITDA and adjusted EBITDA. No need to separate additional Segments under IFRS 8 regulations has been identified.

EBITDA should be viewed as a supplement not as a substitute for the business performance presented in accordance with IFRS.

EBITDA is a useful ratio of the ability to incur and service debt. EBITDA and adjusted EBITDA levels are not defined by the IFRS and can be calculated in a different manner by other entities. The reconciliation and definitions applied by the CIECH Group when determining these measures are presented below.

For continued operations, EBITDA and adjusted EBITDA figures are as follows:

	01.01.-31.03.2023	01.01.-31.03.2022
Net profit/(loss) on continuing operations	56,997	103,984
Income tax	(3,533)	12,427
Share of profit / (loss) of equity-accounted investees	(987)	(139)
Financial expenses	71,147	30,973
Financial income	(26,453)	(15,877)
Amortization	120,198	97,804
EBITDA on continued operations	217,369	229,172
EBITDA on discontinued operations	-	-
EBITDA on continued and discontinued operations	217,369	229,172

The catalogue of items for adjusting adjusted EBITDA for the purposes of these financial statements is as follows:

	01.01.-31.03.2023	01.01.-31.03.2022
EBITDA on continued operations	217,369	229,172
One-offs including:	(438)	220
Impairment (a)	-	(2)
Cash items, including, i.a:	(1,143)	(307)
<i>gain/loss on sale of property, plant and equipment</i>	<i>(797)</i>	<i>(1,094)</i>
<i>fees and compensations given and received</i>	<i>(233)</i>	<i>(105)</i>
<i>donations given</i>	<i>74</i>	<i>477</i>
<i>fortuitous events</i>	<i>(339)</i>	<i>6</i>
<i>other</i>	<i>152</i>	<i>320</i>
Non-cash items (without impairment) (c)	705	529
<i>change in provisions</i>	<i>705</i>	<i>392</i>
<i>liquidation of fixed assets</i>	<i>-</i>	<i>171</i>
<i>fair value measurement of investment properties</i>	<i>-</i>	<i>(1,399)</i>
<i>costs of suspended investments</i>	<i>-</i>	<i>1,354</i>
<i>other</i>	<i>-</i>	<i>11</i>
Adjusted EBITDA from continuing operations	216,931	229,392
Adjusted EBITDA on discontinued operations	-	-
Adjusted EBITDA on continued and discontinued operations	216,931	229,392

Additional information on adjustments has been presented under tables presenting the consolidated statement of profit or loss by operating segments.

OPERATING SEGMENTS OF THE CIECH GROUP

Revenue and costs data as well as assets, equity and liabilities data of particular CIECH Group operating segments for periods disclosed in statements are presented in the tables below:

OPERATING SEGMENTS 01.01.-31.03.2023	Soda Segment	Agro Segment	Foams Segment	Silicates Segment	Packaging Segment	Other operations Segment	Corporate functions	Eliminations (consolidation adjustments)	TOTAL
Revenues from third parties	1,316,194	158,199	80,703	134,353	32,695	8,080	-	-	1,730,224
Revenue from inter-segment transactions	47,043	18	1	107	358	35,319	-	(82,846)	-
Total sales revenues	1,363,237	158,217	80,704	134,460	33,053	43,399	-	(82,846)	1,730,224
Cost of sales	(1,202,824)	(120,382)	(65,936)	(105,553)	(20,609)	(25,559)	43	74,626	(1,466,194)
Gross profit /(loss) on sales	160,413	37,835	14,768	28,907	12,444	17,840	43	(8,220)	264,030
Selling costs	(45,524)	(20,023)	(3,499)	(7,126)	(4,337)	(10,754)	-	13,738	(77,525)
General and administrative expenses	(44,815)	(11,044)	(1,573)	(1,715)	(1,145)	(3,768)	(36,554)	718	(99,896)
Result on management of receivables	(9,298)	-	(53)	(1)	-	-	-	1	(9,351)
Result on other operating activities	19,670	(148)	18	(96)	11	704	627	(873)	19,913
Operating profit /(loss)	80,446	6,620	9,661	19,969	6,973	4,022	(35,884)	5,364	97,171
Exchange differences and interest on trade settlements	(1,057)	523	46	441	22	(218)	(3,341)	-	(3,584)
Group borrowing costs	-	-	-	-	-	-	(21,630)	-	(21,630)
Result on financial activity (non-attributable to segments)	-	-	-	-	-	-	(19,480)	-	(19,480)
Share of profit / (loss) of equity-accounted investees	987	-	-	-	-	-	-	-	987
Profit /(loss) before tax	80,376	7,143	9,707	20,410	6,995	3,804	(80,335)	5,364	53,464
Income tax	-	-	-	-	-	-	-	-	3,533
Net profit /(loss) on continuing operations	-	-	-	-	-	-	-	-	56,997
Net profit /(loss) on discontinued operations	-	-	-	-	-	-	-	-	-
Net profit /(loss) for the period	-	-	-	-	-	-	-	-	56,997
Amortization/depreciation	89,809	11,305	1,384	5,001	1,186	7,020	4,493	-	120,198
EBITDA from continuing operations	170,255	17,925	11,045	24,970	8,159	11,042	(31,391)	-	217,369
Adjusted EBITDA from continued operations	169,638	18,378	11,001	25,064	8,158	10,847	(31,519)	5,364	216,931
ASSETS	5,250,063	855,973	77,004	215,485	62,421	157,237	1,641,701	(133,467)	8,126,418
LIABILITIES	641,358	97,094	45,180	61,385	15,073	46,424	4,563,944	(106,928)	5,363,530
Investments outlays	62,474	8,850	502	3,748	608	1,269	3,791	-	81,242

OPERATING SEGMENTS 01.01.-31.03.2022	Soda Segment	Agro Segment	Foams Segment	Silicates Segment	Packaging Segment	Other operations Segment	Corporate functions	Eliminations (consolidation adjustments)	TOTAL
Revenues from third parties	790,464	245,118	97,764	87,138	18,308	3,772	-	-	1,242,564
Revenue from inter-segment transactions	27,168	94	341	177	302	29,463	-	(57,545)	-
Total sales revenues	817,632	245,212	98,105	87,315	18,610	33,235	-	(57,545)	1,242,564
Cost of sales	(668,842)	(144,391)	(79,044)	(72,994)	(18,908)	(35,188)	-	45,136	(974,231)
Gross profit /(loss) on sales	148,790	100,821	19,061	14,321	(298)	(1,953)	-	(12,409)	268,333
Selling costs	(53,923)	(13,199)	(3,216)	(8,123)	(1,795)	(106)	-	11,881	(68,481)
General and administrative expenses	(31,368)	(8,250)	(1,287)	(1,540)	(1,141)	(2,691)	(19,091)	1,881	(63,487)
Result on management of receivables	(58)	98	20	1	18	(613)	(67)	26	(575)
Result on other operating activities	(6,022)	296	680	(1,721)	73	3,747	(313)	(1,162)	(4,422)
Operating profit /(loss)	57,419	79,766	15,258	2,938	(3,143)	(1,616)	(19,471)	217	131,368
Exchange differences and interest on trade settlements	(804)	(8,382)	8,665	160	(12)	(131)	6	-	(498)
Group borrowing costs	-	-	-	-	-	-	(11,637)	-	(11,637)
Result on financial activity (non-attributable to segments)	-	-	-	-	-	-	(2,961)	-	(2,961)
Share of profit / (loss) of equity-accounted investees	139	-	-	-	-	-	-	-	139
Profit /(loss) before tax	56,754	71,384	23,923	3,098	(3,155)	(1,747)	(34,063)	217	116,411
Income tax	-	-	-	-	-	-	-	-	(12,427)
Net profit /(loss) on continuing operations	-	-	-	-	-	-	-	-	103,984
Net profit /(loss) on discontinued operations	-	-	-	-	-	-	-	-	-
Net profit /(loss) for the period	-	-	-	-	-	-	-	-	103,984
Amortization/depreciation	69,928	10,583	1,137	4,008	632	7,153	4,363	-	97,804
EBITDA from continuing operations	127,347	90,349	16,395	6,946	(2,511)	5,537	(15,108)	217	229,172
Adjusted EBITDA from continued operations	127,632	90,760	15,646	8,566	(2,511)	4,143	(14,757)	(88)	229,392
Investments outlays	34,521	4,310	1,937	22,232	2,997	6,791	4,427	-	77,215
31.12.2022									
ASSETS	4,885,306	897,548	74,655	239,292	66,748	156,980	1,881,428	(109,430)	8,092,527
LIABILITIES	785,819	123,615	65,372	69,328	13,910	32,330	4,395,189	(97,346)	5,388,217

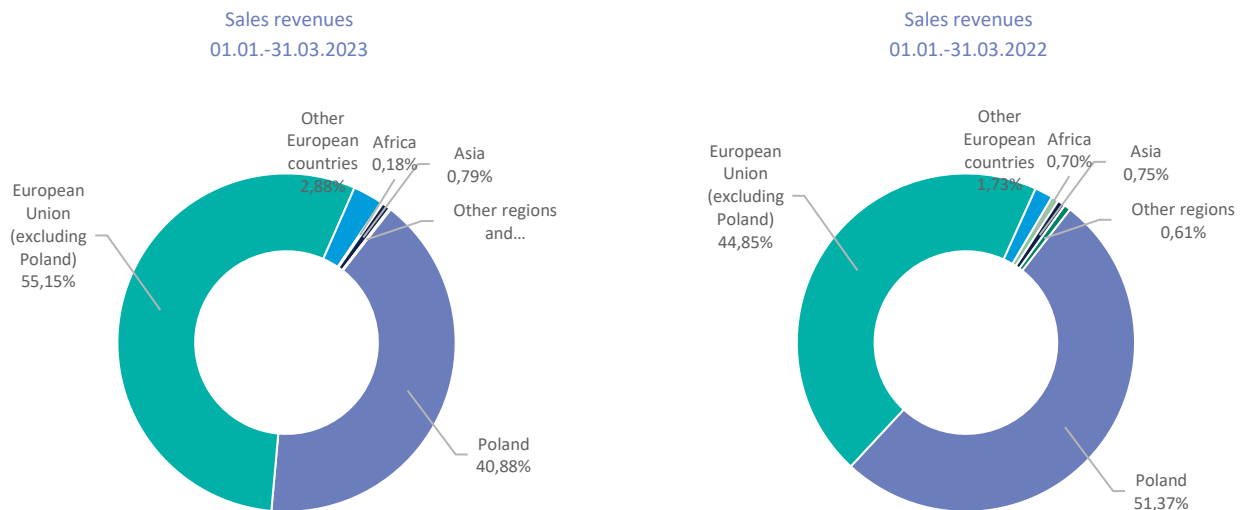
The value of investments in equity-accounted entities occurs only for the assets of the Soda Segment and amounts to PLN 8,016 thousand as at 31 March 2023 (PLN 7,033 thousand as at 31 December 2022).

INFORMATION ON GEOGRAPHICAL AREAS

ASSETS DIVIDED ON GEOGRAPHICAL REGIONS	Non-current assets other than financial instruments	Deferred income tax assets	Other assets	Total assets
31.03.2023				
Poland	2,574,166	59,900	383,408	3,017,474
European Union (excluding Poland)	2,119,935	117,499	2,858,470	5,095,904
Other European countries	-	-	9,794	9,794
Asia	-	-	3,246	3,246
TOTAL	4,694,101	177,399	3,254,918	8,126,418
31.12.2022				
Poland	2,566,830	56,923	2,129,153	4,752,906
European Union (excluding Poland)	2,196,909	75,851	1,056,375	3,329,135
Other European countries	-	-	180	180
Africa	-	-	1,693	1,693
Asia	-	-	6,257	6,257
Other regions	-	-	2,356	2,356
TOTAL	4,763,739	132,774	3,196,014	8,092,527

SALES REVENUES – GEOGRAPHICAL STRUCTURE OF MARKETS

	01.01.-31.03.2023	01.01.-31.03.2022	Change 2023/2022
Poland	707,251	638,269	10.8%
European Union (excluding Poland), including:	954,253	557,261	71.2%
Germany	608,993	307,650	97.9%
Czech Republic	97,262	59,843	62.5%
The Netherlands	72,886	39,096	86.4%
Finland	24,835	18,970	30.9%
Denmark	19,746	14,856	32.9%
Spain	34,424	38,444	(10.5%)
Other European Countries	49,863	21,491	132.0%
Africa	3,051	8,646	(64.7%)
Asia	13,600	9,300	46.2%
Other regions	2,206	6,654	(66.8%)
Cash flow hedge adjustment	-	943	-
TOTAL	1,730,224	1,242,564	39.2%



At the CIECH Group, sales revenues are recognized upon the provision of services or delivery of products or goods in accordance with INCOTERMS terms and conditions contained in contracts with customers. Detailed information on sales revenues broken down by products by operating segment is provided in Note 3.5.2 hereof.

2.6. PROVISIONS AND IMPAIRMENT LOSSES ON ASSETS

During the first quarter of 2023, the following changes in provisions and impairment losses on assets were recognised in the consolidated financial statements of the CIECH Group.

PROVISIONS FOR EMPLOYEE BENEFITS	LONG-TERM		SHORT-TERM	
	01.01.-31.03.2023	01.01.-31.03.2022	01.01.-31.03.2023	01.01.-31.03.2022
Opening balance	14,344	15,273	2,764	2,643
Recognition	21	154	266	1,105
Use and reversal	(415)	(55)	(714)	(98)
Foreign exchange differences	(11)	59	(4)	17
Other	(4)	42	6	-
Closing balance	13,935	15,473	2,318	3,668

CHANGE IN OTHER LONG-TERM PROVISIONS	Provision for liabilities (costs)	Provision for environmental protection	TOTAL
01.01.-31.03.2023			
Opening balance	1,528	135,661	137,189
Foreign exchange differences	-	(402)	(402)
Other	11	-	11
Closing balance	1,539	135,259	136,798
01.01.-31.03.2022			
Opening balance	43,677	226,972	270,649
Recognition	622	-	622
Foreign exchange differences	-	2,562	2,562
Closing balance	44,299	229,534	273,833

CHANGE IN OTHER SHORT-TERM PROVISIONS	Provision for liabilities (costs)	Provision for environmental protection	TOTAL
01.01.-31.03.2023			
Opening balance	118,568	613	119,181
Recognition	2,300	-	2,300
Use and reversal	(9,525)	(169)	(9,694)
Foreign exchange differences	(73)	-	(73)
Other	(24)	-	(24)
Closing balance	111,246	444	111,690
01.01.-31.03.2022			
Opening balance	82,148	1,662	83,810
Recognition	1,791	-	1,791
Use and reversal	(941)	(692)	(1,633)
Foreign exchange differences	338	(0)	338
Closing balance	83,336	970	84,306

CHANGE IN IMPAIRMENT LOSSES	Opening balance	Recognition	Use and reversal	Other changes (including exchange differences)	Closing balance
01.01.-31.03.2023					
Property, plant and equipment	83,554	-	-	(248)	83,305
Intangible assets, including:	494,764	-	-	(630)	494,133
<i>Goodwill</i>	445,898	-	-	(515)	445,383
Long-term receivables	66	-	-	-	66
Long-term financial assets	502	234	-	(541)	195
Inventories	42,343	3,884	(998)	(1,588)	43,642
Short-term financial assets	28,353	-	-	-	28,353
Trade and other receivables	64,553	860	(1,486)	(266)	63,660
Cash and cash equivalents	211	185	(126)	-	270
TOTAL	714,345	5,163	-	2,611	713,624
01.01.-31.03.2022					
Property, plant and equipment	77,362	-	-	918	78,280
Intangible assets, including:	488,947	26	(28)	4,839	493,784
<i>Goodwill</i>	437,598	-	-	4,903	442,502
Long-term financial assets	2,420	-	-	-	2,420
Inventories	34,932	4,004	(1,813)	87	37,210
Short-term financial assets	28,354	-	(1)	-	28,353
Trade and other receivables	69,279	955	(396)	1,107	70,944
Cash and cash equivalents	450	44	(277)	1	218
TOTAL	701,941	5,029	-	2,515	711,405

2.6.1. DETAILED INFORMATION ON SIGNIFICANT IMPAIRMENT LOSSES

In connection with the suspension of production by a subsidiary, CIECH Soda Romania S.A. in 2019, resulting from the discontinuation of supplies of process steam by its supplier, S.C. CET Govora S.A., the CIECH Group evaluated the evidence of impairment of assets, based on possible scenarios of actions. Following the analysis, the Group recognised an impairment loss on property, plant and equipment in the total amount of PLN 73,486 thousand as at 31 December 2019. The status of the Romanian plant has not changed compared to the status at the end of 2019. In 2023, the Group continues to identify the reasons for the decision to recognise an impairment loss in previous years. As a result, the amount of impairment losses on fixed assets in CIECH Soda Romania S.A. did not change.

For details on the impairment loss recognised in previous periods, see Note 3.4.1 to the Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

2.7. INCOME TAX, DEFERRED TAX ASSETS AND LIABILITY

The main components of tax expense include

THE MAIN COMPONENTS OF TAX EXPENSE (TAX INCOME)	01.01.-31.03.2023	01.01.-31.03.2022
Current income tax	(16,851)	(22,044)
Deferred income tax	20,385	9,617
INCOME TAX RECOGNISED IN STATEMENT OF PROFIT OR LOSS	3,533	(12,427)

The amount of current income tax includes the impact of the final decision to discontinue income tax proceedings for 2015 in CIECH Sarzyna S.A. (a reduction in current income tax by PLN 6,385 thousand was recognised). For a detailed description of tax audits and the status of cases, see Note 2.13 to this report.

Deferred income tax is attributable to the following items:

DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITY	31.03.2023			31.12.2022		
	Total asset	Total liability	Net value	Total asset	Total liability	Net value
Property, plant and equipment	9,167	171,813	(162,646)	9,053	174,229	(165,176)
Intangible assets	1,451	20,947	(19,496)	1,451	21,541	(20,090)
Investment property	4,215	1,107	3,108	2,861	1,106	1,755
Należności długoterminowe	796	1,922	(1,126)	796	1,928	(1,132)
Financial assets	432	84,891	(84,459)	437	83,497	(83,060)
Inventory	4,216	647	3,569	4,516	116	4,400
Trade and other receivables	4,632	5,736	(1,104)	4,837	387	4,450
Provisions for employee benefits	4,336	-	4,336	3,881	-	3,881
Other provisions	38,409	4	38,405	40,373	2	40,371
Tax losses carried forward	142,887	5	142,882	130,881	-	130,881
Foreign exchange differences	1,395	1,142	253	-	2,183	(2,183)
Liabilities	158,673	16,839	141,834	197,808	5,427	192,381
Liabilities due to financial instruments	-	(68,720)	68,720			
Special economic zone	59,014	-	59,014	56,864	-	56,864
Net value of lease liabilities	12,238	-	12,238	-	-	-
Rights to use an asset	440	13,859	(13,419)	-	4,551	(4,551)
Cash and cash equivalents	17	-	17	2	-	2
Other	3,067	5,569	(2,502)	2,655	1,130	1,525
Deferred tax assets/liability	445,385	255,761	189,624	456,415	296,097	160,318
Set - off of deferred tax assets/ liability	(213,466)	(213,466)	-	(270,974)	(270,974)	-
Unrecognized deferred tax assets	(54,520)	-	(54,520)	(52,667)	-	(52,667)
Deferred tax assets/liability recognised in the statement of financial position	177,399	42,295	135,104	132,774	25,123	107,651

In the light of provisions of the General Anti-Avoidance Rule ("GAAR"), applicable as of 15 July 2016 and aimed at preventing the origination and use of factitious legal structures designed to avoid payment of taxes in Poland, the Management Board of the Parent Company considered the impact of transactions which could potentially be subject to the GAAR regulations on the deferred tax, tax value of assets and deferred tax provisions. In the opinion of the Management Board, the analysis conducted did not demonstrate the need to adjust the reported current and deferred income tax items. However, in the opinion of the Management Board, there is an inherent uncertainty arising from GAAR that tax authorities will interpret these provisions differently, will change their approach to their interpretation or the rules themselves will change, which may affect the ability to utilise the deferred tax assets in future periods and the possible payment of an additional tax for past periods.

2.8. INFORMATION ON FAIR VALUE OF FINANCIAL INSTRUMENTS

The following list presents the fair value of financial instruments.

	31.03.2023	31.03.2023	31.12.2022	31.12.2022
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	464,843	464,843	684,969	684,969
Loans granted	274	274	246	246
Trade receivables	368,444	368,444	371,285	371,285
Hedging derivatives with positive value	132,604	132,604	354,070	354,070
Derivatives with positive value	1,861	1,861	9,522	9,522
Factoring receivables	62,513	62,513	55,872	55,872
ASSETS	1,030,539	1,030,539	1,475,964	1,475,964
Credits and loans	(1,904,479)	(1,912,738)	(1,865,124)	(1,873,993)
Trade liabilities	(802,207)	(802,207)	(993,715)	(993,715)
Hedging derivatives with negative value	(235,933)	(235,933)	(462,097)	(462,097)
Derivatives recognised in financial liabilities	-	-	-	-
Factoring liabilities	(33,767)	(33,767)	(28,769)	(28,769)
LIABILITIES	(2,976,385)	(2,984,645)	(3,349,705)	(3,358,575)

The fair value of financial assets and liabilities corresponds with the amounts for which these instruments may be exchanged in a market transaction between well informed parties. The following assumptions were made in establishing the fair value:

- cash, trade receivables and liabilities are not measured at fair value – it is assumed that the carrying amount is the closest to fair value due to the short maturities of these instruments,
- fair value of financial assets and liabilities recognised in the statement of financial position at amortised cost for which no active market exists was established as the present value of future cash flows discounted at market interest rate.

Measurement at fair value is grouped according to three-level hierarchy:

- Level 1 – fair value based on market listing stock exchange prices (unadjusted) offered for identical assets or liabilities on active markets.
- Level 2 – the CIECH Group values derivatives at fair value by using measurement models for financial instruments and applying generally available interest rates, currency exchange rates and adjusting for estimated own credit risk.
- Level 3 – fair value estimated on the basis of various evaluation techniques which are not based on observable market inputs.

Assets and liabilities measured at fair value

	31.03.2023	31.03.2023	31.12.2022	31.12.2022
	Level 2	Level 3	Level 2	Level 3
ASSETS	134,465	40,181	363,592	40,181
Investment properties	-	40,181	-	40,181
Hedging instruments	132,604	-	354,070	-
Derivative instruments with positive valuation	1,861	-	9,522	-
LIABILITIES	(235,933)	-	(462,097)	-
Hedging instruments	(235,933)	-	(462,097)	-
Derivative instruments with negative valuation	-	-	-	-
TOTAL	(101,468)	40,181	(98,505)	40,181

As at 31 March 2023, the CIECH Group held the following types of financial instruments measured at fair value:

- concluded by the parent company, CIECH S.A.: interest rate swap contracts, currency and interest rate swaps EUR/PLN — Level 2, according to the fair value hierarchy,
- currency forwards concluded by CIECH S.A. — Level 2, according to the fair value hierarchy,
- gas and electricity price index swaps concluded by CIECH Energy Deutschland GmbH to hedge the risk of rising gas and energy prices — Level 2, according to the fair value hierarchy.

In the first quarter of 2023, there were no transfers within the fair value hierarchy of instruments measured at fair value. There were no changes in the classification of financial instruments, or in business conditions that could affect the fair value of financial assets or liabilities.

As compared to the previous reporting period, the CIECH Group has not made any changes in methods of measurement of financial instruments held. The descriptions of methods of measurement to fair value was presented in Note 8.4 to the Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

In the consolidated financial statements, all of the concluded financial instruments described above (except for one of the EUR/PLN forward currency contracts and commodity transactions, which are not measured due to the application of the "own use exemption" principle) have been qualified for hedge accounting.

In the separate financial statements, interest rate swaps were designated for hedge accounting.

Fair value of derivative instruments	Long-term financial assets	Short-term financial assets	Other long-term liabilities	Trade and other liabilities	TOTAL
31.03.2023					
IRS EUR	3,919	2,220	-	-	6,139
CIRS	-	98,599	(24,039)	-	74,560
Forward EUR/PLN	-	1,861	-	-	1,861
Gas/energy SWAP	-	27,866	-	(211,894)	(184,028)
TOTAL	3,919	130,546	(24,039)	(211,894)	(101,468)
31.12.2022					
IRS EUR	4,233	2,261	-	-	6,494
CIRS	-	96,376	(86,207)	-	10,169
Forward EUR/PLN	-	9,522	-	(2,832)	6,690
Gas/energy SWAP	-	251,200	-	(373,058)	(121,858)
TOTAL	4,233	359,359	(86,207)	(375,890)	(98,505)

2.9. INFORMATION ON PURCHASE AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

In the period from 1 January to 31 March 2023, the CIECH Group carried out the following transactions increasing and decreasing the gross value of property, plant and equipment:

01.01.-31.03.2023	Land	Buildings, premises, civil and marine engineering structures	Machinery and equipment	Vehicles	Other fixed assets	Property, plant and equipment under construction	TOTAL
Gross value of property, plant and equipment at 01.01.2023	91,899	1,769,967	4,680,880	108,255	75,596	512,532	7,239,129
Purchase	-	-	-	-	-	69,713	69,713
Reclassifications	-	28,973	41,915	2,012	1,358	(73,742)	516
Capitalised borrowing costs	-	-	-	-	-	1,283	1,283
Foreign exchange differences	(278)	(2,112)	(5,912)	(64)	(55)	(954)	(9,375)
Sale	-	-	(172)	(34)	-	-	(206)
Liquidation	-	(21)	(18,417)	(619)	(3)	-	(19,060)
Gross value of property, plant and equipment at the end of the period	91,621	1,796,807	4,698,294	109,550	76,896	508,832	7,282,000

Purchases of property, plant and equipment were made with own financial resources and credit facilities. As at 31 March 2023, commitments to purchase property, plant and equipment amounted to PLN 112 067 thousand (PLN 134,638 thousand as at 31 December 2022). The increase in the value of property, plant and equipment is related to investment projects carried out in the CIECH Group, mainly in the production companies of the Group.

2.10. INFORMATION ON LOAN AGREEMENTS, INCLUDING OVERDUE DEBTS OR OTHER VIOLATIONS OF DEBT-RELATED AGREEMENTS

During the period covered by these financial statements, no loan agreement was called to maturity and there were no violations of payment terms for repayment of principal or interest due in relation to financial liabilities recognised in the balance sheet.

All information concerning the financing conditions, which results from the agreements and arrangements with the banks, has been presented in the Management Board Report on activities of the CIECH Group and CIECH S.A. in 2022, published on 23 March 2023.

For additional information on debt financing in the CIECH Group, see also Section 3.5.5 of this report.

2.11. INFORMATION ON TRANSACTIONS WITH RELATED ENTITIES

Transactions between the parent, CIECH S.A., and its subsidiaries were eliminated during consolidation and have not been presented in this note.

Detailed information about transactions between the CIECH Group and other related entities (i.e. companies controlled by the parent company at the high level in relation to CIECH S.A. — Kulczyk Investments S.A. and non-consolidated companies of the CIECH Group, and with the Polenergia Group companies - linked via a personal relationship with the ultimate parent company of CIECH S.A.) is presented below:

TRANSACTIONS BETWEEN CONSOLIDATED ENTITIES AND OTHER RELATED PARTIES	01.01.-31.03.2023	01.01.-31.03.2022
Revenues from sales of products and services, including:	362	191
<i>associates</i>	8	-
Revenues from sales of goods and materials, including:	7,785	11,094
<i>associates</i>	5,585	7,233
Other operating income, including:	3	-
<i>associates</i>	3	-
Purchases of products, goods and materials:	11,270	25,536
Purchase of services, including:	11,435	10,968
<i>KI One S.A.</i>	38	50
<i>associates</i>	9,108	4,675
Financial expenses, including:	493	403
<i>associates</i>	17	-
	31.03.2023	31.12.2022
Trade receivables, including:	9,047	14,428
<i>associates</i>	7,372	13,481
Trade liabilities, including:	6,593	36,294
<i>associates</i>	3,639	4,930

Terms of transactions with related entities

CIECH Group's companies, to the best of their knowledge and belief, did not conclude significant transactions on the terms other than market ones. Sales to and purchases from related entities are carried out on terms which do not differ from arm's length terms. Liabilities and receivables are not secured and are settled through bank transfers. No material non-standard or non-routine transactions were concluded with related entities in the first quarter of 2023, except for transactions described in Section 3.3 hereof.

In the presented period, the key management personnel of CIECH S.A. did not conclude any material transactions with members of the CIECH Group.

2.12. ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES AND EQUITY SECURITIES IN THE CIECH GROUP

In the presented period, the CIECH Group companies did not issue, redeem or repay any debt or equity securities.

2.13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES, INCLUDING GUARANTEES AND SURETIES

	31.03.2023	31.12.2022
Contingent assets	50,091	38,283
Other contingent receivables	50,091	38,283
Contingent liabilities	467,400	428,823
Tax liabilities (including interest)	68,822	68,822
Letters of support	293,397	254,662
Emission allowances	49,841	50,000
Promissory notes	22,610	22,610
Other	32,730	32,730

The value of contingent assets comprises:

- contingent asset in the amount of PLN 18,864 thousand related to the action against GZNF "FOSFOR" Sp. z o.o. for the payment of compensation for making an alleged untrue declaration by GZNF "FOSFOR" Sp. z o.o. to CIECH S.A. about the condition of Agrochem Człuchów Sp. z o.o. with its registered office in Człuchów.
- contingent asset in the amount of PLN 29,723 thousand related to the value of potential interest to be returned from the tax office in relation to the payment by CIECH S.A., CIECH Soda Polska S.A., CIECH Cargo Sp. z o.o. and CIECH Pianki Sp. z o.o. of the additional income tax liability with interest for 2012 and 2015 following the decision of the 2nd instance authority. The contingent asset relates to interest for the period from the date of payment of tax plus interest to 31 March 2023.
- a contingent asset in the amount of PLN 1,504 thousand – it is the value of energy efficiency certificates received by CIECH Soda Polska S.A. from the President of the Energy Regulatory Office in previous years that have not been recorded yet in the account kept by the Polish Power Exchange.

As at 31 March 2023, contingent liabilities amounted to PLN 467,400 thousand and increased by PLN 38,577 thousand compared to the level recorded on 31 December 2022. The change was mainly as a result of payments received for the caverns covered by the Letter of support.

Other contingent liabilities mainly include the amount of potential environmental penalties in CIECH Soda Polska S.A. in the amount of PLN 26,605 thousand.

The guarantees and sureties granted related to Group companies and are described in Note 9.2. Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

Audits of tax settlements at the CIECH Group and related contingent liabilities

In the first quarter of 2023, the CIECH Group companies were at various stages of proceedings, including inspections, tax proceedings or administrative court cases concerning the settlement of corporate income tax (CIT) and value added tax (VAT).

The CIECH Group companies were subject to CIT proceedings concerning the following years:

Period	Company
2012	CIECH S.A.
2013	CIECH S.A.
2014	CIECH S.A.
2015	CIECH Soda Polska S.A., CIECH Pianki Sp. z o.o., CIECH Cargo Sp. z o.o., CIECH Sarzyna S.A., CIECH Vitrosilicon S.A.
2016	CIECH Sarzyna S.A., CIECH S.A.

In the first quarter of 2023, the following events took place with regard to CIT audits in the Polish companies of the CIECH Group:

CIT audit for 2012 at CIECH S.A.	On 8 February 2023, the Company received a written statement of reasons for the judgment of the Supreme Administrative Court ("SAC") dated 8 December 2023. In its statement of reasons, the Supreme Administrative Court indicated that the Authority, when re-examining the case, would be obliged to follow the court's interpretation of the law. The ruling is final and not subject to appeal. The Company is currently awaiting a decision from the tax authorities in line with the ruling of the Supreme Administrative Court, after which it should receive a refund of the overpaid tax liability, interest paid on arrears, interest for the period when the funds paid were at the disposal of the tax authority and reimbursement of court costs.
CIT audit for 2013 at CIECH S.A.	On 27 February 2023, the Company received the Decision of the Head of the Tax Administration Chamber in Warsaw dated 14 February 2023. In the decision, the Head of the Tax Administration Chamber determined the tax liability to be PLN 1.4 million. The Office has waived the challenge of trademark fees as a deductible cost. However, the Authority did not take into account the additional evidence submitted by the Company concerning the interest on external financing earmarked for the reserve capital in CIECH Soda Deutschland GmbH & Co. KG and the expense in relation to tax consultancy and refused to recognise them as tax costs. The company and its advisers disagree with the Decision and filed a complaint with the Provincial Administrative Court in Warsaw on 28 March 2023.
CIT audit for 2014 at CIECH S.A.	On 27 March 2023, the Company received the Decision of the Head of the Małopolskie Province Customs and Tax Office in Kraków of 22 March 2023 on the resumption, ex officio, of tax proceedings against Ciech S.A. In his reasons, the Head indicated that the Proceedings had been resumed as the reasons for which they had been suspended had ceased to exist.
CIT audit for 2015 at CIECH Soda Polska S.A.	On 30 January 2023, the Company received a written statement of reasons for the judgment of the Supreme Administrative Court ("SAC") in Warsaw dated 14 December 2022, and on 8 May 2023 – the final decision of the Head of the Tax Administration Chamber in Bydgoszcz dated 27 April 2023. In the decision, the Head of the Tax Administration Chamber, guided by the judgments of the Supreme Administrative Court in Warsaw, recognised the right of the Company to settle the tax loss due to a share in a partnership; thus, it decided that the Company had no corporate income tax arrears for 2015, which had previously been determined by it at PLN 3.9 million. On 11 May 2023, the Company received a refund from the Tax Office of the amount paid of PLN 5.0 million (tax of PLN 3.9 million, interest of PLN 1.1 million) and interest for the period when the funds paid were at the disposal of the office in the amount of PLN 1.7 million. The total amount received is PLN 6.7 million.
CIT audit for 2015 at CIECH Pianki Sp. z o.o.	On 30 January 2023, the Company received a written statement of reasons for the judgment of the Supreme Administrative Court ("SAC") in Warsaw dated 14 December 2022, and on 8 May 2023 – the final decision of the Head of the Tax Administration Chamber in Bydgoszcz dated 27 April 2023. In the decision, the Head of the Tax Administration Chamber, guided by the judgments of the Supreme Administrative Court in Warsaw, recognised the right of the Company to settle the tax loss due to a share in a partnership; thus, it decided that the Company had no corporate income tax arrears for 2015, which had previously been determined by it at PLN 2.6 million. On 11 May 2023, the Company received a refund from the Tax Office of the amount paid of PLN 3.3 million (tax of PLN 2.6 million, interest of PLN 0.7 million) and interest for the period when the funds paid were at the disposal of the office in the amount of PLN 1.3 million. The total amount received is PLN 4.6 million.
CIT audit for 2015 at CIECH Cargo Sp. z o.o.	On 30 January 2023, the Company received a written statement of reasons for the judgment of the Supreme Administrative Court ("SAC") in Warsaw dated 14 December 2022, and on 8 May 2023 – the final decision of the Head of the Tax Administration Chamber in Bydgoszcz dated 27 April 2023. In the decision, the Head of the Tax Administration Chamber, guided by the judgments of the Supreme Administrative

	<p>Court in Warsaw, recognised the right of the Company to settle the tax loss due to a share in a partnership; thus, it decided that the Company had no corporate income tax arrears for 2015, which had previously been determined by it at PLN 1.7 million. On 11 May 2023, the Company received a refund from the Tax Office of the amount paid of PLN 2.2 million (tax of PLN 1.7 million, interest of PLN 0.5 million) and interest for the period when the funds paid were at the disposal of the office in the amount of PLN 0.8 million. The total amount received is PLN 3.0 million.</p>
CIT audit for 2015 at CIECH Vitrosilicon S.A.	<p>There were no events in the first quarter of 2023. The company is currently awaiting the decision of the second instance authority.</p>
CIT audit for 2015 at CIECH Sarzyna S.A.	<p>On 8 May 2023, the Company received the final decision of the second instance authority, i.e. the Head of the Tax Administration Chamber in Rzeszów, dated 21 April 2023, repealing the decision of the Head of the Podkarpackie Tax Office in Rzeszów and discontinuing the income tax proceedings for 2015 due to the expiry of the statute of limitations. As a consequence of the decision in question issued by the Head of the Tax Administration Chamber in Rzeszów, CIECH Sarzyna has no corporate income tax arrears for 2015. On 11 May 2023, the Company received a refund from the Tax Office of the amount paid of PLN 7.4 million (tax of PLN 6.4 million, interest of PLN 1.0 million) and interest for the period when the funds paid were at the disposal of the office in the amount of PLN 1.5 million. The total amount received is PLN 8.9 million.</p>
CIT audit for 2016 at CIECH Sarzyna S.A.	<p>There were no events in the first quarter of 2023. The company is currently awaiting the decision of the second instance authority.</p>
CIT audit for 2016 at CIECH S.A.	<p>There were no events in the first quarter of 2023.</p>

The total amount of tax burden resulting from the proceedings described above is PLN 35.5 million. From which, following the decision of the second instance regarding CIT 2013 in CIECH S.A., as well as in the case of CIECH Sarzyna S.A. following the decision of the first instance regarding CIT 2016, a total tax amount of PLN 6.4 million was paid despite further litigation (of which an amount of PLN 0.4 million should be returned by the Tax Office after issuing a new decision in which a smaller tax liability was determined), a provision is recognised for the potential tax liability of PLN 28.4 million, and the remaining amount, i.e. PLN 1.1 million, represents a contingent liability.

A total of PLN 1.1 million in interest has been paid and an amount of PLN 2.4 million represents a contingent liability.

Of the PLN 6.4 million paid, PLN 1.8 million is reported as a receivable from the Tax Office, an impairment loss was recognised for the entire amount.

Following the victory before the Supreme Administrative Court by CIECH Soda Polska S.A, CIECH Cargo Sp. o.o. and CIECH Pianki Sp. z o.o. (in the CIT 2015 case), as well as in connection with the final Decision issued for CIECH Sarzyna S.A (in the CIT 2015 case), on 11 May 2023 the companies received a refund of the overpaid tax liability in the amount of PLN 14.6 million and a refund of the interest paid in the amount of PLN 3.3 million, as well as interest for the period when the funds paid were at the disposal of the office in the amount of PLN 5.3 million. The total amount received is PLN 23.2 million.

In addition, after CIECH S.A. won before the Supreme Administrative Court. (in the CIT 2012 case), the company expects a refund of the overpaid tax liability of PLN 43.8 million and a refund of the interest paid of PLN 22.7 million.

The CIECH Group companies were subject to VAT audits/proceedings concerning the following years:

Period	Company
Fourth quarter of 2013	Verbis KAPPA Sp. z o.o. S.K.A.
Fourth quarter of 2013	Verbis ETA Sp. z o.o. S.K.A.
December 2014	CIECH Soda Polska S.A. (legal successor of Cerium Finance Sp. z o.o.)

In the first quarter of 2023, the following events took place with regard to VAT audits in the Polish companies of the CIECH Group:

VAT audit for the fourth quarter of 2013 at Verbis Kappa Sp. z o.o. S.K.A.	On 31 March 2023, the Company sent a motion to the Supreme Administrative Court ("SAC") to suspend ex officio the judicial and administrative proceedings due to the fact that their resolution depends on the outcome of the pending court proceedings before the Court of Justice of the European Union ("CJEU"), initiated by the referral to the CJEU of the preliminary question covered by the decision of the SAC of 24 February 2023, case number I FSK 2003/18. On 27 April 2023, on the other hand, the Company received an Order of the Supreme Administrative Court dated 18 April 2023 in which the Supreme Administrative Court granted the motion filed by the Company and suspended the proceedings until the CJEU's ruling.
VAT audit for the fourth quarter of 2013 at Verbis ETA Sp. z o.o. S.K.A.	On 31 March 2023, the Company sent a motion to the Supreme Administrative Court ("SAC") to suspend ex officio the judicial and administrative proceedings due to the fact that their resolution depends on the outcome of the pending court proceedings before the Court of Justice of the European Union ("CJEU"), initiated by the referral to the CJEU of the preliminary question covered by the decision of the SAC of 24 February 2023, case number I FSK 2003/18. On 27 April 2023, on the other hand, the Company received an Order of the Supreme Administrative Court dated 18 April 2023 in which the Supreme Administrative Court granted the motion filed by the Company and suspended the proceedings until the CJEU's ruling.
VAT audit for December 2014 at CIECH Soda Polska S.A. (legal successor of Cerium Finance Sp. z o.o.)	On 31 March 2023, the Company sent a motion to the Supreme Administrative Court ("SAC") to suspend ex officio the judicial and administrative proceedings due to the fact that their resolution depends on the outcome of the pending court proceedings before the Court of Justice of the European Union ("CJEU"), initiated by the referral to the CJEU of the preliminary question covered by the decision of the SAC of 24 February 2023, case number I FSK 2003/18. On 27 April 2023, on the other hand, the Company received an Order of the Supreme Administrative Court dated 18 April 2023 in which the Supreme Administrative Court granted the motion filed by the Company and suspended the proceedings until the CJEU's ruling.

In total, in the two aforementioned disputes concerning VAT in Verbis Kappa Sp. z o.o. and Verbis ETA Sp. z o.o. S.K.A., despite the continuation of the dispute, PLN 39 million of VAT and PLN 16.3 million of interest were paid after the decisions of the second instance, and in CIECH Soda Polska S.A. the amount of interest paid is PLN 10 million. These amounts are reported as public-law receivables in the financial statements. The companies did not recognise provisions for the above tax cases, as the companies and their tax advisers estimate the chances of winning these disputes ultimately at more than 50%. At the same time, due to the continuing uncertainty as to the direction of the dispute resolution by the Supreme Administrative Court, these amounts are also reported as contingent liabilities.

Audits at foreign companies of the CIECH Group.

Audit at the Ciech Group in Germany	There were no events in the first quarter of 2023.
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For details of these audits, see Note 9.2. to the Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

2.14. INFORMATION ON DIVIDENDS PAID (OR DECLARED), IN TOTAL AND PER SHARE, BROKEN DOWN INTO ORDINARY SHARES AND PREFERENCE SHARES

On 28 April 2023, the Management Board of CIECH S.A. adopted a resolution in which it recommends to the Annual General Meeting of CIECH S.A. to distribute the Company's net profit for the financial year 2022 in the amount of PLN 612,255 thousand as follows:

- allocate the amount of PLN 79,050 thousand for the payment of dividend to shareholders, which means that the value of the dividend per share will amount to PLN 1.50, which - taking into account the interim dividend for 2022 in the amount of PLN 79,050, i.e. PLN 1.50 per share paid by CIECH S.A. pursuant to Resolution of the Management Board No 194/2022 of 15 November 2022 – fully exhausts the amount of dividend for shareholders, causing the remaining dividend for the financial year 2022 for shareholders to amount to PLN 0.00.
- the remaining amount, i.e. PLN 533,205 thousand:
 - allocate in its entirety to the reserve capital, for the creation of which the Management Board applies and which is to be created by the General Meeting and intended for the payment of dividends and interim dividends, alternatively
 - if such reserve capital is not created by the General Meeting, to allocate the remaining amount to the supplementary capital.

On 28 April 2023, the Supervisory Board of CIECH S.A. adopted a resolution pursuant to which it gave a positive opinion of the Management Board's recommendation. The final decision on the distribution of the net profit for 2022 will be made by the Annual General Meeting of CIECH S.A.

On 28 April 2022, the Ordinary General Meeting resolved to distribute CIECH S.A.'s net profit for the financial year 2021, amounting to PLN 133,206 thousand, and to allocate the entire profit to CIECH S.A.'s supplementary capital.

2.15. DISCONTINUED OPERATIONS, NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND LIABILITIES RELATED THERETO

Discontinued operations

During first quarter of 2023, there were no discontinued operations at the CIECH Group.

Assets and liabilities classified as held for sale

As at 31 March 2023 and 31 December 2022, under the item "Non-current assets and groups held for sale", the CIECH Group presented property, plant and equipment of CIECH Vitrosilicon S.A. in the amount of PLN 368 thousand (land located in the town of Iłowa), which are redundant from the point of view of the enterprise; a potential buyer of the land is now being sought. These assets are included in the Silicates Segment.

2.16. INFORMATION ON IMPORTANT EVENTS IN THE CIECH GROUP DURING THE FIRST QUARTER OF 2023

Information on important events taking place in the CIECH Group during the first quarter of 2023 has been presented in Sections 3.3 and 3.4 hereof.

2.17. INFORMATION ON POST-BALANCE-SHEET EVENTS

There were no significant events after the balance sheet date.

2.18. INFORMATION ON THE CURRENT SITUATION IN CONNECTION WITH THE IMPACT OF THE RUSSIAN INVASION OF UKRAINE ON THE CIECH GROUP'S ACTIVITIES

During the first quarter of 2023, the Management Board of CIECH S.A. continued to monitor the situation in Ukraine in detail and on an ongoing basis and analysed various scenarios for market reactions and administrative decisions and their impact on the Group.

The CIECH Group and individual segments of the Group were not directly affected by Russia's invasion of Ukraine during the first quarter of 2023, due to the fact that the Group and its entities did not conduct or have any business relationships with these markets. However, the Group was indirectly affected by the impact on its current operations and financial performance. This is related to the volatility and fluctuation of energy commodity prices. At the end of 2022, when the Group and individual segments prepared their financial forecasts for 2023, energy commodity prices were at record high levels. This fact has been taken into account in the financial projections for the current year. This results in high manufacturing costs for the products offered by the CIECH Group. This is particularly true of soda products because energy raw materials were purchased by this segment at agreed, high prices, which meant that the possibilities of price reductions were very limited. 2023 brought a decline and stabilisation of energy commodity prices and, in addition, an apparent economic downturn and a decline in demand for soda products, crop protection products and foams.

For detailed information on the factors affecting the CIECH Group's individual operating segments, see Section 3.5.3 of this report.

Strengthening IT infrastructure

In the first quarter of 2023, in the context of the effect of the Russian invasion of Ukraine and the impact of the conflict on the CIECH Group's day-to-day operations, the threat of cyber-attacks has not diminished. The Group continued with the measures it had initiated to improve the security of its IT systems and the data processed. The security measures in place were updated on an ongoing basis, and monitoring of unusual events, logs and operations was intensified and increased. All these measures are part of the implementation of the IT security policy and information security policy in place at the Group.

Addressing financial risks

Another significant issue that affected the Group in connection with Russia's invasion of Ukraine is that prices in the financial markets, including commodity prices, exchange rates and interest rates, become highly volatile.

In the initial phase of the conflict, prices of assets perceived as more risky weakened, which translated into the depreciation of PLN against, among others, EUR and USD. The Group has a significant exposure to the EUR/PLN exchange rate (total position of EUR -203.5 million) and a relatively low exposure to USD/PLN (total position of USD 0.8 million). However, changes in exchange rates, due to the subsequent appreciation of the PLN, did not have a significant negative impact on the Group's current liquidity and performance.

The conflict also resulted in an increase in inflation and indirectly in market interest rates. The increase in interest rates drove up the cost of servicing short-term working capital funding (factoring and credit facilities) and lease funding. In contrast, there was no impact on the cost of servicing the Group's long-term debt on account of term loans, as the interest rate risk on these loans was fully hedged with the PLN IRS and CCIRS transactions entered into in May 2021.

In addition, the CIECH Group enters into derivative transactions to hedge commodity risks, including regarding the sale of electricity, the purchase of natural gas and CO₂ emission allowance units (EUAs). Due to significant changes in the prices of these raw materials, there were significant changes in valuations of hedging transactions concluded. Due to the very high volatility in the pricing of commodity contracts for gas and electricity and CO₂, resulting in exceeding transaction limits, it was necessary to use cash collateral for some of the transactions, which had a negative impact on the Group's current liquidity in the short term – at the end of March 2023, the amount of margin provided in connection with open derivatives amounted to PLN 236.8 million.

Maintaining a secure financial position

The CIECH Group's liquidity position during the first quarter of 2023 was and is stable. The CIECH Group companies have sufficient cash and available sources of financing to be able to meet their obligations on time, even if current cash flows deteriorate and access to new sources of financing becomes limited. As at 31 March 2023, the Group held cash of (PLN 465 million) and limits available under committed credit facilities of (PLN 498 million).

The Group had access to funds made available under committed facility agreements (syndicated facility agreement with a total value of PLN 2,115 million) and additional sources of financing in the form of receivables factoring agreements, reverse factoring agreements and overdraft facilities. In the first quarter of 2023, the risk of default on repayment liabilities under the loan agreements or risk of loans being called in due to failure to meet the level of ratios tested under the loan agreements has not materialised.

In the case of the syndicated facility agreement, the majority of the debt is of a long-term nature, with the short-term portion representing principal repayment due on the end of June and December 2023 in the amount of PLN 187 million.

No indication of impairment

The first quarter of 2023 did not bring indications of a materially higher risk of impairment of property, plant and equipment and intangible assets in use or investments in progress was found.

However, due to the uncertainty associated with the conflict and its further development and subsequent impact on the global economy, the measurement of individual balance sheet items, including: fixed assets and intangible assets, inventories, receivables, measurement of financial instruments, provisions and liabilities, were and will be monitored and it is not excluded that they may change in subsequent reporting periods.

It should be reiterated that the Management Board of CIECH S.A. monitors the situation related to the conflict on an ongoing basis and takes measures to ensure the continuity of the Group's and its individual companies' operations and to maintain the assumed margin levels.

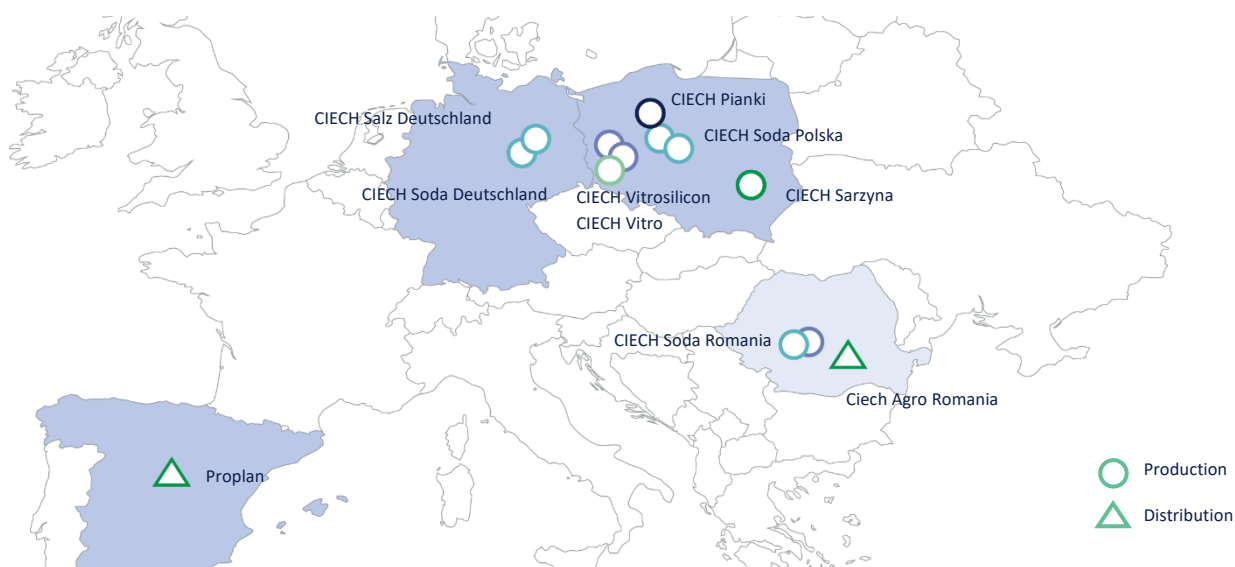
MANAGEMENT BOARD REPORT ON THE CIECH GROUP'S ACTIVITIES

3. MANAGEMENT BOARD REPORT ON THE CIECH GROUP'S ACTIVITIES

3.1. DESCRIPTION OF THE CIECH GROUP'S ORGANISATION

CIECH is a diversified chemical group with a strong position on European markets. The group was founded in 1945 and currently employs approximately 3,512 people. Since 2005, the shares of CIECH S.A. are listed on the Warsaw Stock Exchange, and from August 2016 also on the Frankfurt Stock Exchange.

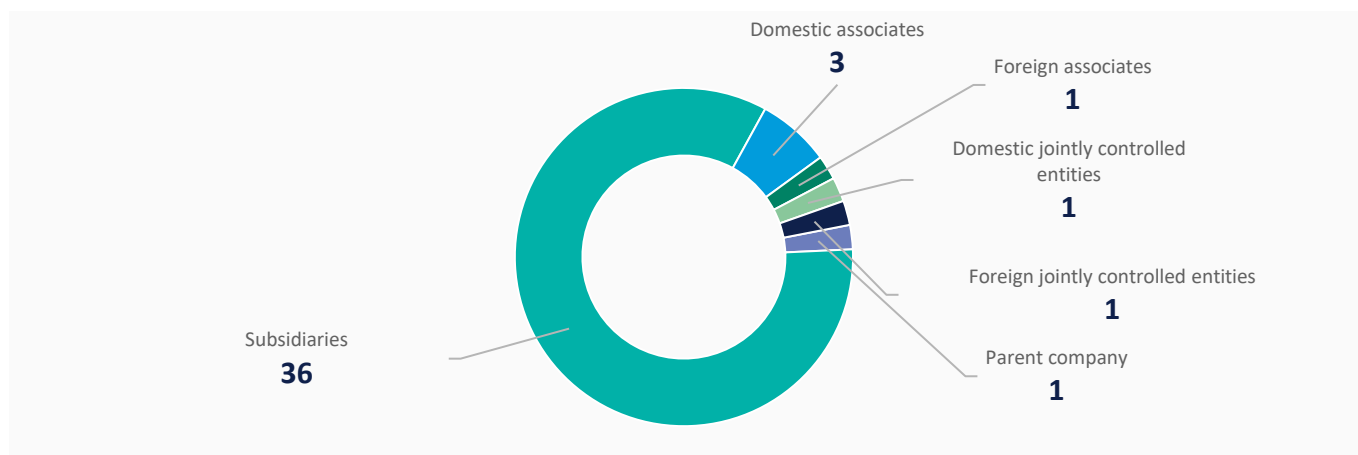
Products of the CIECH Group are manufactured in 9 production plants. The five largest production plants (2 in Poland, 2 in Germany and 1 in Romania) operate in the Soda Segment and manufacture soda ash, soda derivatives and salt; the plant in Romania produces glassy sodium silicate and sodium water glass. The remaining 4 plants operating in the Agro, Foams, Silicates and Packaging segments are located in Poland. Soda production at the Romanian plant was suspended in the third quarter of 2019 (for more information, see current report No 40/2019). In addition, Proplan outsources product formulation and packaging services to two plants.



The CIECH Group consists of domestic and foreign manufacturing, distribution and trade companies operating in the chemical industry. The CIECH Group comprises CIECH S.A. as the parent company, and related companies located, inter alia, in Poland, Germany, Romania and Spain.

Parent company	CIECH S.A.
Legal form	Joint-stock Company
Registered office	Warsaw, Poland
Address	ul. Wspólna 62, 00-684 Warsaw, Poland
KRS (National Court Register number)	0000011687 (District Court for the capital city of Warsaw in Warsaw 12 th Commercial Division of the National Court Register)
Country of registration	Poland
Statistical identification number (REGON)	011179878
Tax ID No (NIP)	118-00-19-377
BDO Registry Number	000015168
Website	www.ciechgroup.com
Branches held	CIECH S.A.'s Branch in Romania CIECH S.A.'s Branch in Germany
Principal place of business	European Union
Ultimate parent company	KI Chemistry s. à r. l (a subsidiary of Kulczyk Investments)
Ultimate parent company	Luglio Limited

As at 31 March 2023, the CIECH Group comprised 43 business entities, including:

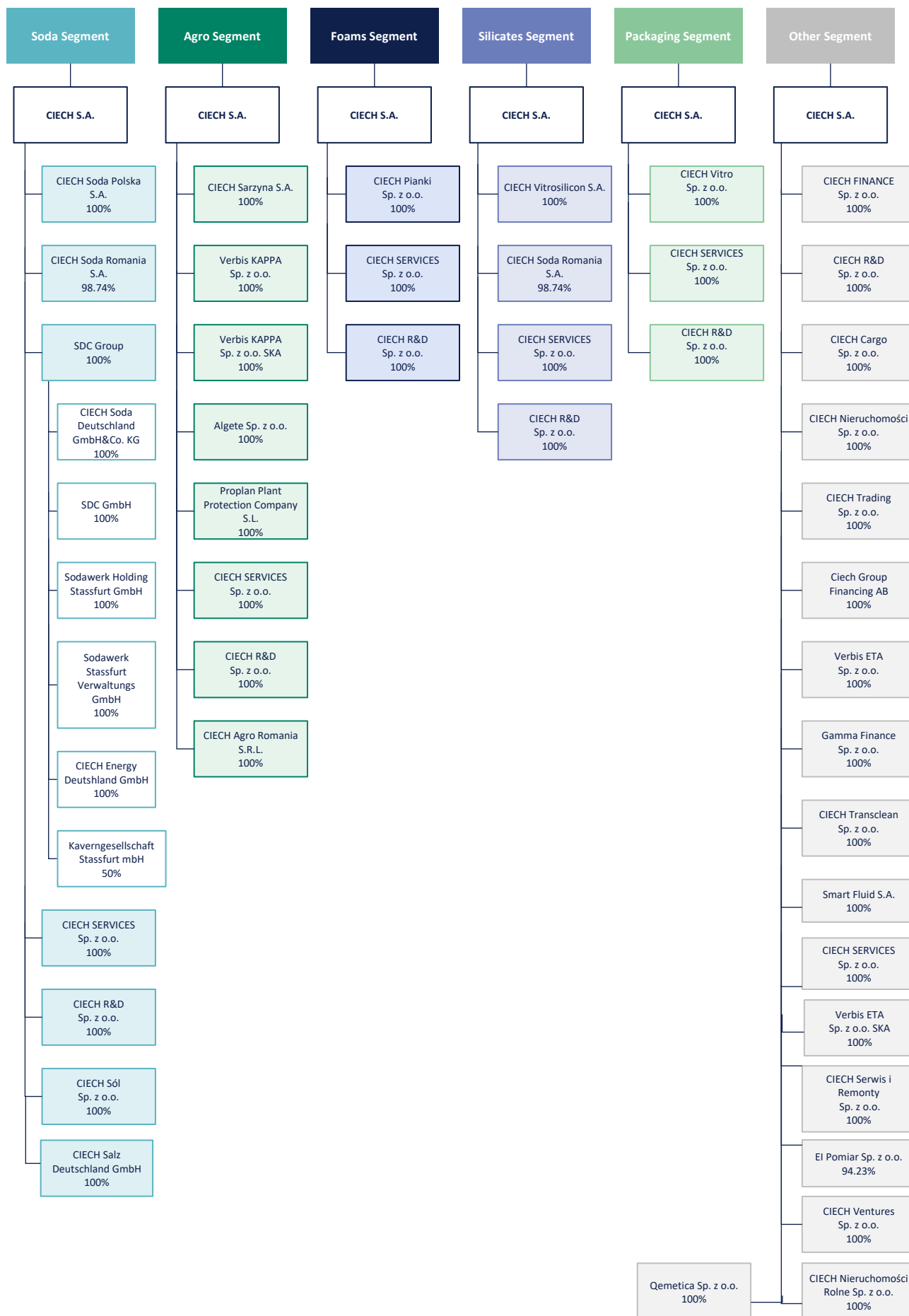


The Parent company of the Group is CIECH S.A. It is a holding company that manages domestic and foreign manufacturing, trade and service companies of the Group. CIECH S.A. also provides support services to key subsidiaries. Key products manufactured by the CIECH Group include: soda ash, sodium bicarbonate, evaporated salt, agrochemical products, polyurethane foams, lanterns and jars, sodium and potassium silicates.

The core sales market for the CIECH Group is the European Union, including mainly Poland, Germany and Central Eastern European countries. Products manufactured by the CIECH Group are also exported to overseas markets.

The parent company of CIECH S.A. has a branch in Romania, a branch in Germany, and operates through its offices in Inowrocław and Janikowo. CIECH Trading Sp. z o.o. subsidiary has a branch in Bydgoszcz.

The lists of fully consolidated companies and companies accounted for under the equity method are provided below:



Company name	Registered office	Segment	Business	Share in equity as at 31.03.2023 / % of votes at the GMS	Share in equity as at 31.03.2022 / % of votes at the GMS
Parent company					
CIECH S.A.	Warsaw	Soda, Agro, Foams, Silicates, Packaging, Other, (Resins – discontinued operations)	Sales of chemical products manufactured by the CIECH Group companies, sales of chemical products and semi-finished products purchased from third-party producers, holding activities, managing a portfolio of the Group's subsidiaries, provision of support services (including in the area of sales, purchases, finance, HR and the legal area) for the Group's companies, financial service activities not elsewhere classified (so-called intercompany loans) for the benefit of the Group's companies.	-	-
Fully consolidated direct and indirect subsidiaries					
CIECH Trading Sp. z o.o.	Warsaw	Other	The company is preparing for the liquidation process, operations are being phased out.	100%	100%
CIECH Soda Romania S.A.	Ramnicu Valcea, Romania	Soda, Silicates	Manufacture of other basic inorganic chemicals, wholesale of chemical products. Production suspended in the Soda Segment.	98.74%	98.74%
CIECH Vitrosilicon S.A.	Iłowa	Silicates	Manufacture of other basic inorganic chemicals, manufacture of other chemical products.	100%	100%
CIECH Vitro Sp. z o.o. ¹	Iłowa	Packaging	Manufacture of hollow glass, manufacture and processing of other glass.	100%	100%
CIECH Transclean Sp. z o.o.	Bydgoszcz	Other	Since 2017, the Company has not carried out any operating activities.	100%	100%
CIECH Pianki Sp. z o.o.	Bydgoszcz	Foams	Manufacture of plastics in primary forms and other plastic products.	100%	100%
Ciech Group Financing AB	Stockholm, Sweden	Other	Financing activities.	100%	100%
Verbis ETA Sp. z o.o.	Warsaw	Other	General partner of Verbis ETA Sp. z o.o. SKA.	100%	100%
Verbis ETA Sp. z o.o. SKA	Warsaw	Other	Financing activities, direct lending to the CIECH Group companies.	100%	100%
CIECH Serwis i Remonty Sp. z o.o.	Warsaw	Other	Provision of repair and maintenance services, repair and maintenance of machinery.	100%	100%
CIECH Nieruchomości Sp. z o.o. ²	Warsaw	Other	Buying and selling of own real estate, estate agency, real estate management.	100%	100%
Proplan Plant Protection Company S.L.	Madrid, Spain	Agro	Production of crop protection chemicals.	100%	100%
CIECH Salz Deutschland GmbH	Stassfurt, Germany	Soda	Production and sales of salt products.	100%	100%
CIECH SERVICES Sp. z o.o.	Bydgoszcz	Soda, Agro, Foams, Silicates, Packaging, Other	Provision of support services for companies of the CIECH Group.	100%	100%
CIECH Ventures Sp. z o.o.	Warsaw	Other	Holding activities, other financial activities.	100%	100%
CIECH Sól Sp. z o.o.	Warsaw	Soda	Production and sales of salt products.	100%	100%
CIECH Nieruchomości Rolne Sp. z o.o.	Warsaw	Other	Support activities for crop production, property management.	100%	-
CIECH Finance Sp. z o.o.	Warsaw	Other	Implementing divestment projects concerning obsolete fixed assets (property) and financial assets (shares in companies).	100%	100%
Qemetica Sp. z o.o. ³	Bydgoszcz	Foams	Manufacture of mattresses, wholesale and retail.	100%	-
CIECH R&D Group					
CIECH R&D Sp. z o.o.	Warsaw	Soda, Agro, Foams, Silicates, Packaging, Other	Research and developments activities, granting licenses to the CIECH Group companies to use the trademarks: "Ciech", "Ciech Trading" and "Sól Kujawska naturalna czysta".	100%	100%
Smart Fluid S.A.	Warsaw	Other	Research & Development.	52.83%	52.83%
CIECH Soda Polska Group					

Company name	Registered office	Segment	Business	Share in equity as at 31.03.2023 / % of votes at the GMS	Share in equity as at 31.03.2022 / % of votes at the GMS
CIECH Soda Polska S.A.	Inowrocław	Soda	Manufacture of other basic inorganic chemicals, wholesale of chemical products, power generation and distribution.	100%	100%
CIECH Cargo Sp. z o.o.	Inowrocław	Soda	Freight transport services.	100%	100%
Gamma Finanse Sp. z o.o. ⁴	Warsaw	Other	Financing activities.	100%	100%
El-Pomiar Sp. z o.o.	Inowrocław	Other	Repair and maintenance of electrical equipment.	94.23%	94.23%
CIECH Sarzyna Group					
CIECH Sarzyna S.A.	Nowa Sarzyna	Agro	Manufacture of resins, manufacture of pesticides and other chemical products.	100%	100%
Verbis KAPPA Sp. z o.o.	Nowa Sarzyna	Agro	General partner of Verbis KAPPA Sp. z o.o. SKA, other financial intermediation.	100%	100%
Verbis KAPPA Sp. z o.o. SKA	Nowa Sarzyna	Agro	Other financial intermediation.	100%	100%
Algete Sp. z o.o.	Nowa Sarzyna	Agro	Granting CIECH Sarzyna Group companies the license for using the trademark of "Chwastox" for the purpose of business.	100%	100%
CIECH Agro Romania S.R.L.	Ramnicu Valcea, Romania	Agro	Wholesale of chemical products.	100%	100%
SDC Group					
SDC GmbH	Stassfurt, Germany	Soda	Holding company for all SDC Group entities.	100%	100%
CIECH Soda Deutschland GmbH&Co. KG	Stassfurt, Germany	Soda	Manufacture of other basic inorganic chemicals, wholesale of chemical products.	100%	100%
Sodawerk Holding Stassfurt GmbH	Stassfurt, Germany	Soda	Holding activities.	100%	100%
Sodawerk Stassfurt Verwaltungs GmbH	Stassfurt, Germany	Soda	Management and financial activities.	100%	100%
CIECH Energy Deutschland GmbH	Stassfurt, Germany	Soda	Power generation and distribution.	100%	100%
Kavernengesellschaft Stassfurt GbmH ⁵	Stassfurt, Germany	Soda	Management and maintenance of gas caverns.	50%	50%

¹Number of shares / votes at the GMS attributable directly to CIECH S.A. — 39.41%, indirect share through CIECH Soda Polska S.A. — the remaining 60.59%.

²Shares in the share capital acquired by CIECH S.A. — 99.18% and CIECH Soda Polska S.A. — 0.82%.

³Shares in the share capital acquired by CIECH S.A. — 1% and CIECH Soda Polska S.A. — 99%.

⁴Shares in the share capital acquired by CIECH S.A. — 1.4% and CIECH Soda Polska S.A. — 98.6%.

⁵Jointly-controlled company accounted for under the equity method.

3.2. INFORMATION ON NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

When selecting entities for consolidation, the Management Board was guided by the criteria of significance of their financial data (according to the concept assumptions of IFRS), for executing the obligation of an actual and reliable image of the material and financial situation, and the financial result of the Group.

The total share of data of subsidiaries not covered by consolidation under the full method, due to their irrelevance, in relation to the total values of the CIECH Group for the period from 1 January 2023 to 31 March 2023 does not exceed 1% of total consolidated assets of the Group and 0.5% of consolidated net revenues from sales of goods and products and financial operations. The non-consolidated subsidiary is Nordiska Unipol AB.

Aggregated data of associates and jointly-controlled which were not measured under the equity method for the period from 1 January 2023 to 31 March 2023 did not exceed 1% of the total consolidated equity of the CIECH Group.

3.3. SIGNIFICANT EFFECTS OF CHANGES TO THE ORGANISATIONAL STRUCTURE OF THE CIECH GROUP IN THE FIRST QUARTER OF 2023

CIECH Nieruchomości Rolne Sp. z o.o.	On 19 January 2023, the Extraordinary Shareholders' Meeting of CIECH Nieruchomości Rolne Sp. z o.o. increased the Company's share capital by PLN 200 thousand, i.e. from PLN 5 thousand to PLN 205 thousand through creation of 40,000 new, equal and indivisible shares with a nominal value of PLN 50 per share. The right to subscribe for all 40,000 shares was granted to CIECH S.A., the sole shareholder of the Company. The court registered the share capital increase on 23 February 2023.
CIECH Sól sp. z o.o.	On 6 February 2023, the Extraordinary Shareholders' Meeting of CIECH Sól Sp. z o.o. increased the Company's share capital by PLN 150 thousand, i.e. from PLN 5 thousand to PLN 155 thousand through creation of 3,000 new, equal and indivisible shares with a nominal value of PLN 50 per share. The right to subscribe for all 3,000 newly created shares was granted to the existing shareholder, CIECH S.A. The court, by decision of 27 March 2023, registered the capital increase of CIECH Sól sp. z o.o.
Qemetica Sp. z o.o. – new company in the Group	On 17 November 2022, CIECH Pianki Sp. z o.o. and CIECH S.A. established a company under Polish law, operating under the name Dreamly Sp. z o.o., with its registered office in Bydgoszcz with share capital of PLN 100 thousand, which is divided into 100 equal and indivisible shares with a nominal value of PLN 1 thousand per share. Subsequently, the shareholders of Dreamly Sp. z o.o., by Notarial Deed dated 18 January 2023, amended the Company's Articles of Association so as to change the Company's name to: Qemetica Sp. z o.o. The court, by order of 20 February 2022, registered Qemetica Sp. z o.o. whose shares were acquired for a cash contribution, including: CIECH Pianki Sp. z o.o. acquired 99 shares, with a total nominal value of PLN 99 thousand, and CIECH S.A. acquired 1 share, with a nominal value of PLN 1 thousand.
EI-Pomiar Sp. z o.o.	On 2 January 2023, the Extraordinary Shareholders' Meeting of EI-Pomiar Sp. z o.o. resolved to dissolve the Company and open its liquidation. On 12 January 2023, the court registered the decision of the Extraordinary Shareholders' Meeting to dissolve the Company and proceed with its liquidation

3.4. THE MOST IMPORTANT EVENTS IN THE CIECH GROUP IN THE FIRST QUARTER OF 2023

On 31 January 2023, Mr Mirosław Skowron tendered his resignation as Member of the Management Board of CIECH S.A.
On 31 January 2023, CIECH Salz Deutschland GmbH filed a lawsuit against EVATHERM AG at the Magdeburg District Court for the payment of approximately EUR 20 million (including interest and legal costs). The lawsuit was filed due to improper performance of the contract, delayed commissioning of the installation and problems with the operation of the installation and the production process at the CIECH Salz Deutschland GmbH evaporated salt plant located in Staßfurt, launched in 2021. For details, see current report No 4/2023.
On 13 February 2023, a notice of intention to announce a tender offer to subscribe for the shares in CIECH S.A. issued by Santander Bank Polska S.A. – Santander Brokerage Office on behalf of KI Chemistry SARL, the main shareholder of CIECH S.A., was published.
On 9 March 2023, a notice was published announcing a tender offer for the sale of CIECH S.A. shares. Subscriptions for shares under the Tender Offer was accepted from 10 March 2023 to 17 April 2023. The date of settlement of the share purchase transaction in the Tender Offer was 21 April 2023.
On 10 March 2023, CIECH Soda Polska S.A. was granted state aid under the programme "Aid for energy-intensive sectors related to sudden increases in natural gas and electricity prices in 2022" in the amount of PLN 18,734.4 thousand.

3.5. REVIEW OF KEY ECONOMIC AND FINANCIAL FIGURES CONCERNING THE CIECH GROUP

3.5.1. BASIC FINANCIAL DATA

During the first quarter of 2023, the CIECH Group earned net profit from continuing operations of PLN 56,997 thousand, net cash decreased by PLN 221,774 thousand and total assets as at the end of the first quarter of 2023 amounted to PLN 8,126,418 thousand. The table below presents selected financial data and basic financial ratios for the first quarter of 2023 and 2022.

Selected financial data

	01.01.-31.03.2023	01.01.-31.03.2022	Change 2023/2022	Change 2023/2022
CONTINUING OPERATIONS				
Sales revenues	1,730,224	1,242,564	39.2%	487,660
Cost of sales	(1,466,194)	(974,231)	(50.5%)	(491,963)
Gross profit/(loss) on sales	264,030	268,333	(1.6%)	(4,303)
Selling costs	(77,525)	(68,481)	(13.2%)	(9,044)
General and administrative expenses	(99,896)	(63,487)	(57.3%)	(36,409)
Other operating income/expense	10,562	(4,997)	-	15,559
Operating profit/(loss)	97,171	131,368	(26.0%)	(34,197)
Net financial income/expenses	(44,694)	(15,096)	(196.1%)	(29,598)
Share of profit of equity-accounted investees	987	139	610.1%	848
Income tax	3,533	(12,427)	-	15,960
Net profit/(loss) on continuing operations	56,997	103,984	(45.2%)	(46,987)
DISCONTINUED OPERATIONS				
Net profit/(loss) on discontinued operations	-	-	-	-
Net profit / (loss) for the period	56,997	103,984	(45.2%)	(46,987)
including:				
Net profit/(loss) attributed to non-controlling interest	57,394	104,307	(45.0%)	(46,913)
Net profit/(loss) attributable to shareholders of the parent company	(397)	(323)	(22.9%)	(74)
EBITDA from continuing operations	217,369	229,172	(5.2%)	(11,803)
Adjusted EBITDA from continuing operations*	216,931	229,392	(5.4%)	(12,461)

* Principles of calculating EBITDA and adjusted EBITDA have been described in section "Ratio calculation methodology". EBITDA and adjusted EBITDA are presented in other sections, and are taken into account when calculating selected financial ratios.

3.5.2. SALES REVENUES

Consolidated net sales revenues from continued operations of the CIECH Group for the first quarter of 2023 amounted to PLN 1,730,224 thousand. Compared to the corresponding period of the previous year, revenues increased by PLN 487,660 thousand. Among other factors, the increase was driven by high sales of soda products, higher sales energy, higher sales of silicate products.

In the first quarter of 2023, the CIECH Group's activities were focused on four business segments: Soda, Agro, Foams, Silicates. These segments generate in total more than 90% of the Group's sales revenues. The structure of sales revenues, by business segment, has not changed significantly in comparison with 2022. Invariably, the largest share in revenues was attributed to the sales of soda segment products, i.e. 78.8%.

Sales revenues — business segments

	01.01.-31.03.2023	01.01.-31.03.2022	Change 2023/2022	Change %
Soda segment, including:	1,363,237	817,632	545,605	66.7%
Dense soda ash	580,360	401,007	179,353	44.7%
Light soda ash	124,077	107,763	16,314	15.1%
Salt	126,528	65,369	61,159	93.6%
Sodium bicarbonate	84,355	64,493	19,862	30.8%
Energy	381,150	134,596	246,554	183.2%
Calcium chloride	4,826	5,329	(503)	(9.4%)
Other products	14,898	11,907	2,991	25.1%
Revenues from inter-segment transactions	47,043	27,168	19,875	73.2%
Agro segment, including:	158,217	245,212	(86,995)	(35.5%)
Agro products	158,199	245,118	(86,919)	(35.5%)
Revenues from inter-segment transactions	18	94	(76)	(80.7%)
Foams segment, including:	80,704	97,804	(17,100)	(17.5%)
Polyurethane foams	80,703	97,764	(17,061)	(17.5%)
Revenues from inter-segment transactions	1	40	(39)	(97.5%)
Silicates segment, including:	134,460	87,315	47,145	54.0%
Sodium silicates	126,287	84,114	42,173	50.1%
Potassium silicates	4,317	2,992	1,325	44.3%
Other products	3,749	32	3,717	11615.6%
Revenues from inter-segment transactions	107	177	(70)	(39.5%)
Packaging segment, including:	33,053	18,610	14,443	77.6%
Glass packaging	32,695	18,308	14,387	78.6%
Revenues from inter-segment transactions	358	302	56	18.5%
Other segment, including:	43,399	33,235	10,164	30.6%
Revenues from third parties	8,080	3,772	4,308	114.2%
Revenues from inter-segment transactions	35,319	29,463	5,856	19.9%
Consolidation adjustments	(82,846)	(57,244)	(25,602)	(44.7%)
TOTAL	1,730,224	1,242,564	487,660	39.2%

3.5.3. PROFIT/(LOSS) ON SALES AND OPERATING PROFIT/(LOSS)

Gross profit on sales

Cost of goods sold for the first quarter of 2023 amounted to PLN 1,466,194 thousand, which represents an increase by PLN 491,963 thousand (i.e. by 50.5%) compared to the cost of goods sold in the first quarter of 2022, amounting to PLN 974,231 thousand. The increase was mainly driven by higher sales in the soda and silicates segment; except in the soda segment, high prices of raw materials for production (coal, gas, electricity), also of fuel inputs (coke, anthracite) and by the persistently high prices of EUA certificates.

After the first quarter of 2023, gross profit on sales from continuing operations amounted to PLN 264,030 thousand, whereas in the same period of the previous year it amounted to PLN 268,333 thousand.

Operating profit/loss

Selling costs for the first quarter of 2023 amounted to PLN 77,525 thousand, which represents an increase by PLN 9,044 thousand as compared to PLN 68,481 thousand for the first quarter of 2022. Selling costs accounted for 4.5% of sales revenues for the first quarter of 2023.

General and administrative expenses for the first quarter of 2023 amounted to PLN 99,896 thousand which is an increase by PLN 36,409 thousand (i.e. by 57.3%) as compared to PLN 63,487 thousand in the first quarter of the corresponding period. The increase was driven, among other factors, by higher personnel costs and higher fixed costs related to inflationary pressure.

Other operating income for the first quarter of 2023 amounted to PLN 29,326 thousand which represents an increase by PLN 16,922 thousand, compared to PLN 12,404 thousand for the first quarter of 2022. In the first quarter of 2023, CIECH Soda Polska S.A. received PLN 18,734 thousand in aid from the Ministry of Development and Technology due to the high energy costs incurred in 2022 as a result of the above-average increase in energy and gas prices.

Other operating expenses for the first quarter of 2023 amounted to PLN 18,764 thousand which represents a slight increase by PLN 1,363 thousand from the first quarter of 2022, when these expenses amounted to PLN 17,401 thousand.

Operating profit for the first quarter of 2023 stood at PLN 97,171 thousand, whereas in the comparative period it reached PLN 131,368 thousand.

For the continuing operations, the EBIT margin for the first quarter of 2023 amounted to 5.6% (10.6% in the prior year), and the EBITDA margin amounted to 12.6% (18.4% in the prior year). The EBIT margin (excluding one-off events) for first quarter of 2023 amounted to 5.6% (10.6% in the prior year), and the EBITDA margin (excluding one-off events) amounted to 12.5% (18.5% in the prior year).

The factors described below had a key impact on the performance of individual operating segments:

Soda Segment



In the first quarter 2023, the Group's results **in the Soda Segment** were most significantly shaped by:

Positive developments:

- The increase in the price of salt products, with the decrease in energy prices, allows for margin expansion.
- Soda prices remaining above average market prices in the global market.

Negative developments:

- High prices for energy commodities due to long-term contracts concluded in the period of high prices (coal, gas) and high prices for EUA certificates.
- Increased price of fuel commodities (coke and anthracite) and reduced availability of anthracite.
- Increased imports of salt from Turkey, Egypt and Belarus into Central and Eastern Europe.
- Reduced demand from the Ukrainian market and noticeably lower demand for table salt.
- The warm winter meant that wet salt levels remained high, resulting in difficulties in selling the product range and the need to maintain large product inventories.

Agro Segment



In the first quarter of 2023, the Group's results **in the Agro Segment** were most significantly shaped by:

Positive developments:

- A return to a situation of raw material availability, after recent years of turmoil in supply caused by the pandemic.
- Development of the maize segment in Poland.

Negative developments:

- Herbicide market collapse due to significant drop in raw material prices and high stock levels.
- Slower pace of sales due to the downward price trend of crop protection products, tendency of distributors to minimize their inventory levels and reduction of consumption by farmers related to the supply of grain from Ukraine.
- Increasing competitive pressure.
- High risk of drought in Europe, especially in the southern region, limiting the volumes of certain crops and the use of crop protection products.

Foams Segment



In the first quarter of 2023, the Group's results **in the Foams Segment** were most significantly shaped by:

Positive developments:

- Successful price negotiations with suppliers, ensuring competitive pricing and availability of raw materials.

Foams Segment



- Maintaining cooperation with key customers despite strong competitive pressure.
- Securing monthly contracts with significant customers, partially buffering the decline in orders in the industry.

Negative developments:

- High inflation and high interest rates, resulting in a decline in demand for durable goods.
- Downward pressure on foam prices, in the face of low raw material prices and competitors' efforts.

Silicates Segment



In the first quarter 2023, the Group's results **in the Silicates Segment** were most significantly shaped by:

Positive developments:

- Decrease in gas prices and stabilisation of prices of other raw materials, while maintaining their availability on the market.
- Increased price competitiveness in the European market following the depreciation of PLN.
- A systematic decrease in road transport costs, increased capacity in rail transport and a decrease in costs at seaports.

Negative developments:

- A decline in sodium silicate orders associated with a drop in demand for precipitated silica in Europe has forced a reduction in the capacity of glassy sodium silicate furnaces.
- Economic downturn in Europe in other industries to which Group's products are distributed, e.g. construction, chemical, paper, detergent sectors.
- Increased imports of precipitated silica from Asia to Europe.
- Reducing orders due to high inventories of finished goods.

Packaging Segment



In the first quarter 2023, the Group's results **in the Packaging Segment** were most significantly shaped by:

Positive developments:

- Optimisation of production rates and costs including the raw material mix to improve quality and reduce costs, as well as reducing waste.
- Higher sales volume delivered in the first quarter of 2023 compared to the first quarter of 2022.

Negative developments:

- Turmoil in raw material and electricity prices.
- The observed reduction in demand for lanterns coupled with an increase in the proportion of headstone lamp refills sold by customers.

3.5.4. FINANCING ACTIVITIES AND NET PROFIT/LOSS

Financial income for the first quarter of 2023 amounted to PLN 26,453 thousand and increased compared to the corresponding period of the previous year, when it amounted to PLN 15,877 thousand.

Financial expenses for the first quarter of 2023 amounted to PLN 71,147 thousand and increased compared to the corresponding period of the previous year, when it amounted to PLN 30,973 thousand.

The area of financing activities was mainly affected by interest on loans, foreign exchange losses and results on financial instruments.

The consolidated net profit for the first quarter of 2023 amounted to PLN 56,997 thousand (of which PLN 57,394 thousand was a net profit attributable to the shareholders of the parent company and PLN -397 thousand as the loss of non-controlling interest).

The decrease in net profit as compared to the corresponding period of 2022 resulted from, among other factors:

- year-on-year decrease in operating profit for the first quarter of 2023,
- increased interest expenses in 2023,
- year-on-year increase in general and administrative expenses – including higher personnel costs.

On the other hand, the lower level of income tax in the current period was mainly due to:

- received final decision to discontinue income tax proceedings for 2015 in CIECH Sarzyna S.A. The financial statements as at 31 March 2023 include an adjustment to current income tax of PLN 6,385 thousand and interest income of PLN 2,477 thousand (for a detailed description of tax audits and the status of cases, see Note 2.13 to this report);
- unwinding the discount of the amount of the relief for operating in the Special Economic Zone in CIECH Soda Polska S.A.

Factors and events that may affect future performance

The CIECH Group is pursuing its Strategy for 2022-2024, which provides for stable growth, building dividend capacity and transformation in the soda business. At the moment, the CIECH Group is convinced that the new Strategy is achievable, despite the very dynamic economic and geopolitical situation. The target for the current year is to maintain EBITDA (A), close to the figure reached in 2022. The most important external factors affecting the Group include, first and foremost, the observed economic slowdown and downward pressure on prices accompanied by falling demand. Secondly, the high inflation rate, which has a negative impact in particular on fixed costs (mainly remuneration and third-party services). Thirdly, it should be added that the aggressive actions of the competition aimed at liquidating high inventories are a challenge, which negatively affects the margins of crop protection products. There is still a risk of sudden changes to the markets for energy commodities, due to the ongoing Russian aggression in Ukraine.

The Group continues to analyse the impact of external factors on the company's situation. In addition to analysing and preparing plans for prompt response to external threats, the CIECH Group will focus on the following activities:

- in an environment of a weaker economy and intensifying competition, stabilising and ensuring steady cash flow from the soda business through better planning, optimising variable costs, focusing on the development of the sodium bicarbonate business,
- energy transformation in soda plants to reduce CO₂ emissions and environmental impact while controlling the cost of process steam,
- commercialisation of the innovative Halvetic product in the Agro business and development of further hybrid products, as well as further geographical expansion with a continuously expanding product portfolio,
- expansion of the salt business by entering new markets and increasing sales through new production capacity at the Stassfurt plant, as well as the introduction of higher processed products,
- development of the silicates business, among others through the commercialisation of new production capacity and improvement of its efficiency, which will strengthen the CIECH Group's position on the European market,
- increase of operational effectiveness due to, among others, optimisation of production costs and process improvements in the Foams business, as well as the development of new formulations, such as bio- and repolyols,
- optimisation of costs of repairs and maintenance of assets, especially in the area of maintenance in all CIECH Group production plants through, among other things, increasing the scope of work performed internally,
- continuous process of improving business and operational processes in all companies of the CIECH Group.
- optimisation of the CIECH Group's corporate and organisational model towards greater agility enabling quick response to the changing environment.

It should be noted that the Management Board of CIECH S.A. keeps track of and analyses scenarios of possible macroeconomic, geopolitical and pandemic (COVID-19) developments on an ongoing basis with a view to its obligations to stakeholders and the overriding objective of building the Group's long-term value.

3.5.5. ASSET POSITION OF THE CIECH GROUP

Basic consolidated balance sheet data

	31.03.2023	31.12.2022	Change 2023/2022	Change 2023/2022
Total assets	8,126,418	8,092,527	0.4%	33,891
Total non-current assets	4,875,420	4,900,742	(0.5%)	(25,322)
Total current assets	3,250,998	3,191,785	1.9%	59,213
Inventory	799,902	771,541	3.7%	28,361
Short-term intangible assets other than goodwill	809,143	515,934	56.8%	293,209
Current receivables	1,045,894	859,339	21.7%	186,555
Cash and cash equivalents	464,843	684,969	(32.1%)	(220,126)
Short-term financial assets	130,848	359,634	(63.6%)	(228,786)
Non-current assets held for sale	368	368	0.0%	-
Total equity	2,762,888	2,704,310	2.2%	58,578
Equity attributable to shareholders of the parent	2,769,198	2,710,221	2.2%	58,977
Non-controlling interest	(6,310)	(5,911)	(6.8%)	(399)
Total non-current liabilities	2,143,628	2,181,430	(1.7%)	(37,802)
Total current liabilities	3,219,902	3,206,787	0.4%	13,115

Assets

As at the end of March 2023, the Group's non-current assets amounted to PLN 4,875,420 thousand. Compared to the balance as at 31 December 2022, the value of non-current assets decreased by PLN 25,322 thousand.

The Group's current assets amounted to PLN 3,250,998 thousand as at 31 March 2023. Compared to the end of December 2022, the value of current assets increased by PLN 59,213 thousand. This change resulted from, among other factors:

- increased short-term intangible assets due to the purchase and receipt of free CO₂ emission allowances,
- lower balance of cash accumulated in companies,
- lower balance of derivatives with positive valuation.

Capital resources

The sources of liquidity include cash flows generated from operating activities, cash from the sale of assets, cash from EU grants for capital expenditure, cash available due to the revolving credit facility agreement and overdraft facilities. The Group also uses factoring agreements.

Liabilities

As at 31 March 2023, the CIECH Group's liabilities (non-current and current) amounted to PLN 5,363,530 thousand, which is a decrease compared to the end of December 2022 by PLN 24,687 thousand.

The debt ratio amounted to 66.0% as at 31 March 2023 (at the end of December 2022 to 66.6%). The consolidated net debt of the Group amounted to PLN 1,616,287 thousand as at 31 March 2023 and increased in comparison to the balance as at the end of December 2022 by PLN 251,446 thousand. The higher level of this debt was driven by higher utilisation of available credit limits and a lower level of cash accumulated in companies due to the repayment of current liabilities.

Debt instruments currently used

The Group's sources of debt financing include: term loan, revolving credit, overdrafts as well as lease liabilities. Additional information about the management of financial resources is provided in Section 4.5 of the Management Board Report on Activities of the CIECH Group and CIECH S.A. in 2022, published on 23 March 2023.

Debt financing of the Group

As at the end of the first quarter of 2023, the CIECH Group's debt financing was secured mainly through facilities made available to CIECH S.A. under facilities agreements:

- The Facilities Agreement signed by CIECH S.A. with a consortium of banks dated 16 March 2021 with the total value of approx. PLN 2,115,000 thousand:
 - amortised term facility in tranches in PLN and EUR in the amount of PLN 540,700 thousand and EUR 4,231 thousand (the facility is fully drawn down),
 - non-amortised term facility in tranches in PLN and EUR in the amount of PLN 1,260,100 thousand and EUR 9,844 thousand (the facility is fully drawn down),
 - revolving credit facility in the amount of up to PLN 250,000 thousand (the amount of used credit as at 31 March 2023 was PLN 0),
- Overdraft facilities granted to CIECH S.A. up to PLN 150,000 thousand and EUR 20,000 thousand granted under agreements dated 28 and 29 August 2018 and 22 February 2023 (as at 31 March 2023, the amount used was PLN 0 thousand).
- Overdraft facilities granted to Proplan Plant Protection Company S.L. up to EUR 2,600 thousand (as at 31 March 2023, the amount used was PLN 7,367 thousand).

The total value of facilities available at CIECH S.A. under the aforesaid agreements is PLN 2,360,117 thousand; the limits are drawn down in the amount of PLN 1,866,607 thousand (PLN 1,873,975 thousand at the CIECH Group – Proplan Plant Protection Company, S.L. has external debt on account of loans).

3.5.6. CASH POSITION OF THE CIECH GROUP

	01.01.-31.03.2023	01.01.-31.03.2022	Change 2023/2022
Net cash from operating activities	(20,042)	150,723	-
Net cash from investment activities	(192,737)	(219,876)	12.3%
Net cash from financial activities	(8,995)	(7,546)	(19.2%)
Total net cash flows	(221,774)	(76,699)	(189.1%)
Free cash flow	(212,779)	(69,153)	(207.7%)

Total net cash flows in the first quarter of 2023 were negative and amounted to PLN 221,774 thousand. Compared to the same period of the previous year, the cash flows generated by the Group were lower by PLN 145,075 thousand. Cash flows from operating activities were negative and amounted to PLN 20,042 thousand. They decreased as compared to the same period in 2022 by PLN 170,765 thousand.

During the first quarter of 2023, the net cash flows from investing activities were negative, which was mainly the result of expenses for an investment programme implemented by the Group and of expenses related to the purchase of CO₂ certificates. The net cash from financing activities was negative and amounted to PLN 8,995 thousand. The balance of cash from financing activities resulted mainly from repayment of lease liabilities.

	01.01.-31.03.2023	01.01.-31.03.2022	Change 2023/2022
Financial surplus ((net profit/(loss) on continuing operations + depreciation)	177,195	201,788	(24,593)
Other adjustments to net profit/(loss) on continuing operations	13,469	(5,237)	18,706
Adjusted financial surplus (1+2)	190,664	196,551	(5,887)
Change in working capital	(210,706)	(45,828)	(164,878)
Net cash from operating activities (3+4)	(20,042)	150,723	(170,765)
Net cash from investing activities	(192,737)	(219,876)	27,139
Free cash flow (5+6)	(212,779)	(69,153)	(143,626)

During the first quarter of 2023, the CIECH Group generated negative free cash flows i.e. it was unable to finance its capital expenditure with cash flows from operating activities.

3.5.7. WORKING CAPITAL AND SELECTED FINANCIAL RATIOS OF THE CIECH GROUP

Liquidity of the CIECH Group

As at 31 March 2023, the liquidity ratios remained broadly consistent with those reported as at 31 December 2022. There was a slight increase in both current assets and current liabilities.

	31.03.2023	31.12.2022
Current ratio	1.01	1.00
Quick ratio	0.76	0.75

Working capital of the CIECH Group

As at the end of March 2023, working capital, defined as the difference between current assets and short-term liabilities, adjusted by relevant balance sheet items (cash and cash equivalents and short-term loans) was negative and amounted to PLN 53,248 thousand, which is an increase of PLN 377,382 thousand compared to the end of 2022.

	31.03.2023	31.12.2022
1. Current assets, including:	3,250,998	3,191,785
Inventory	799,902	771,541
Trade receivables and services and advances for deliveries	370,898	376,320
2. Cash and cash equivalents and short-term investments	595,691	1,044,603
3. Adjusted current assets (1-2)	2,655,307	2,147,182
4. Current liabilities, including:	3,219,902	3,206,787
Trade liabilities and advances taken	800,453	993,942
5. Short-term credits and other current financial liabilities*	511,347	628,975
6. Adjusted current liabilities (4-5)	2,708,555	2,577,812
7. Working capital including short-term credits(1-4)	31,096	(15,002)
8. Working capital (3-6)	(53,248)	(430,630)
9. Trade working capital	370,347	153,919

* Other short-term financial liabilities include current lease liabilities + current derivative liabilities + factoring liabilities.

Trade working capital is the difference between current assets (trade receivables and inventory) and trade liabilities. The recorded levels of working capital and trade working capital vary due to a number of factors such as the change in the scale of business, changes in key suppliers' payment terms, foreign exchange rates, the Group companies' strategic decisions regarding inventory maintenance and the seasonal nature of operations (in particular in the crop protection chemicals business).

The increase in trade working capital from PLN 153,919 thousand in 2022 to PLN 370,347 thousand as at the end of the first quarter of 2023 (a change by PLN 216,429 thousand) was mainly due to:

- The companies continue to achieve high levels of sales which has translated into increased receivables from external customers,
- at the same time, there was a decrease in current liabilities due to a lower level of reverse factoring and lower purchase costs for raw materials, mainly gas and raw materials for the production of crop protection products.

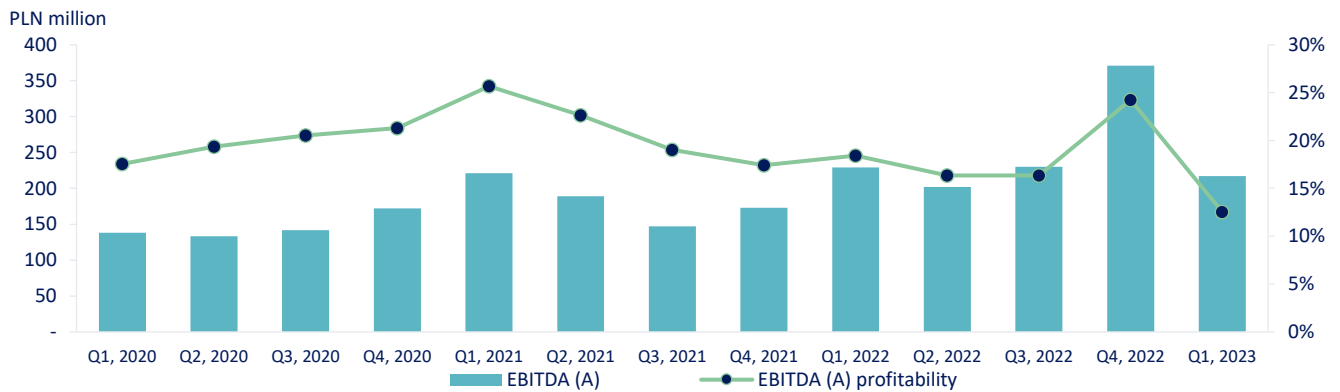
The CIECH Group's profitability ratios for continuing operations

During the first quarter of 2023, profitability ratios of the CIECH Group in respect of the continuing operations reached a lower level than in the corresponding period of the previous year.

The Group's profitability ratios

	01.01.-31.03.2023	01.01.-31.03.2022	Change 2023/2022
CONTINUING OPERATIONS			
Gross return on sales	15.3%	21.6%	(6.3) p.p.
Return on sales	5.0%	11.0%	(6.0) p.p.
EBIT margin	5.6%	10.6%	(5.0) p.p.
EBITDA margin	12.6%	18.4%	(5.8) p.p.
Adjusted EBIT margin	5.6%	10.6%	(5.0) p.p.
Adjusted EBITDA margin	12.5%	18.5%	(6.0) p.p.
Net return on sales (ROS)	3.3%	8.4%	(5.1) p.p.
Return on assets (ROA)	6.4%	2.6%	3.8p.p.
Return on equity (ROE)	18.7%	8.4%	10.3p.p.
Earnings/(loss) per share (in PLN) from continuing operations	1.09	1.98	(0.89)

PROFITABILITY LEVELS OF THE CIECH GROUP



EBITDA (A) – adjusted EBITDA – excluding one-off events reported in particular quarters.

Source: CIECH S.A.

Indebtedness

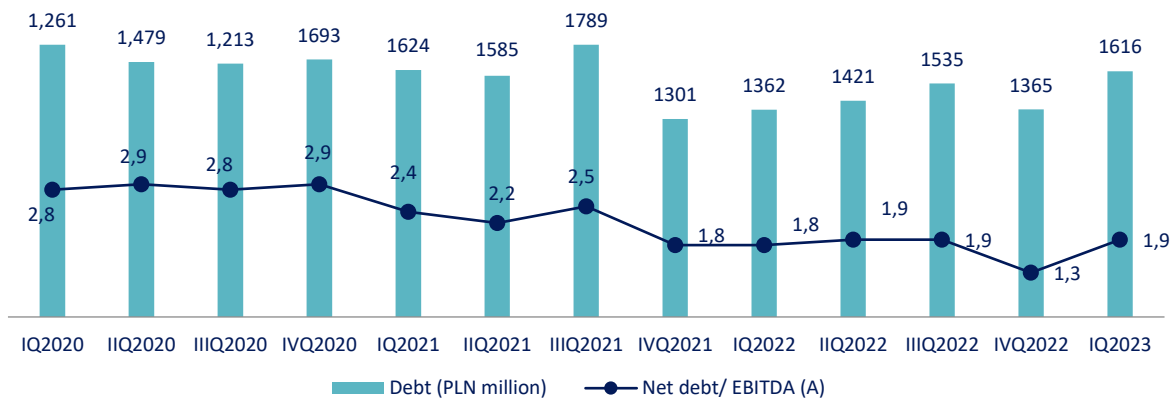
The debt ratio decreased slightly in comparison to December 2022 and amounts to 66.0%. The level of net debt (net financial liabilities in relation to EBITDA) increased as compared to the end of 2022.

	31.03.2023	31.12.2022
Loans, borrowings and other debt instruments	1,904,478	1,865,124
Lease liabilities	142,885	135,320
Factoring liabilities	33,767	28,769
Negative net valuation of derivatives	-	20,597
Gross debt	2,081,130	2,049,810
Cash and cash equivalents	464,843	684,969
Net debt	1,616,287	1,364,841

The CIECH Group's debt ratios

	31.03.2023	31.12.2022	Change 2023/2022
Debt ratio	66.0%	66.6%	(0.6) p.p.
Long term debt ratio	26.4%	27.0%	(0.6) p.p.
Debt to equity ratio	194.1%	199.2%	(5.1) p.p.
Equity to assets ratio	34.0%	33.4%	0.6p.p.
Gross debt	2,081,130	2,049,810	1.5%
Net debt	1,616,287	1,364,841	18.4%
EBITDA annualized*	1,009,647	1,021,452	(1.2%)
Adjusted EBITDA (annualised)*	1,021,030	1,033,491	(1.2%)
Net debt / EBITDA annualized	1.6	1.3	19.8%
Net debt / Adjusted EBITDA (annualised)	1.6	1.3	19.9%

* Principles of calculating EBITDA and adjusted EBITDA have been described in section "Ratio calculation methodology".



3.6. SIGNIFICANT RISK FACTORS

In connection with its operations, the CIECH Group is exposed to a number of risks, including financial risks. The most important risk factors are presented in details in Note 3.4 to the Management Board Report on activities of the CIECH Group and CIECH S.A. in 2022, published on 23 March 2023.

There were no significant changes in relation to the Group's risk management policy.

For a detailed update on the Group's current position in relation to the impact of the Russian invasion of Ukraine, see Note 2.18 to this report.

Exposure to currency risk

The table below presents the estimated currency exposure of the CIECH Group in EUR (excluding figures concerning the SDC Group, CIECH Salz Deutschland GmbH and Proplan) and in USD as at 31 March 2023 due to financial instruments:

Exposure to currency risk (figures in '000 EUR and '000 USD, as appropriate)	EUR ('000)	USD ('000)	Impact on the statement of profit or loss	Impact on the statement of other comprehensive income
Assets				
Loans granted sensitive to FX rate changes	303,700	-	x	
Trade and other receivables	4,543	521	x	
Cash including bank deposits	51,137	626	x	
Liabilities				

Exposure to currency risk <i>(figures in '000 EUR and '000 USD, as appropriate)</i>	EUR ('000)	USD ('000)	Impact on the statement of profit or loss	Impact on the statement of other comprehensive income
Trade and other liabilities	(11,078)	(318)	x	
Term loan liabilities	(14,075)	-		x
Forward	-			
Forward (not designated to hedge accounting)	(195,531)	-	x	
CIRS (forward transactions isolated as part of decomposition of CIRS)	(342,249)	-	x	
Total exposure	(203,553)	829		

The table contains an analysis of the sensitivity of individual statement of financial position items to exchange rate changes as at 31 March 2023.

Analysis of sensitivity to currency risk <i>(Increase of EUR/PLN or USD/PLN exchange rate by 1 grosz)</i>	(PLN '000)	Impact on the statement of profit or loss	Impact on the statement of other comprehensive income
EUR			
Foreign-currency balance sheet items	3,342	3,342	-
Hedging instruments: Forward and CIRS	(5,377)	(1,955)	(3,422)
USD			
Foreign-currency balance sheet items	8	8	-

The CIECH Group uses derivative instruments to hedge currency risk. Details of the instruments used are described in Note 2.8 to this Report.

Credit risk

Credit risk means a threat of the counterparty not fulfilling the obligations stipulated in the agreement, exposing the lender to financial loss.

From the CIECH Group's point of view, credit risk is linked to:

- trade receivables from customers,
- cash and bank deposits.

The CIECH Group is exposed to credit risk connected with the credit rating of customers being parties to products and goods sales transactions. That risk is limited by using internal procedures to establish amounts of credit limits for customers and to manage trade receivables (the Group uses securities in the form of a letter of credit, bank guarantees, mortgages, receivables insurance and non-recourse factoring; approx. 9% of receivables is not insured). Customers' creditworthiness is assessed and appropriate collateral is obtained from the customers, allowing for a reduction of potential losses in the case of failure to repay the debt. Credit risk assessment for customers is performed prior to concluding an agreement and periodically at subsequent deliveries of goods in accordance with the binding procedures. On selected markets, where more risky payment deadlines are applied, the Group's companies make use of services provided by companies specialising in insuring receivables.

Credit risk connected with cash in bank and bank deposits is low as the CIECH Group enters into transactions with high-rating banks with stable market position.

The table below presents the maximum exposure of financial assets to credit risk as at the end of reporting period.

Expected credit losses on:	As at 01.01.2023	Increases	Decreases	Foreign exchange differences	As at 31.03.2023
Long-term receivables in relation to caverns	(66)	-	1	-	(65)
Trade receivables	(43,700)	(844)	1,176	266	(43,102)
Factoring receivables	(483)	(16)	7	-	(492)
Cash and cash equivalents	(211)	(185)	126	-	(270)
TOTAL	(44,460)	(1,045)	1,311	266	(43,928)

Liquidity risk

The CIECH Group is exposed to risk connected with maintaining liquidity due to the considerable value of external financing (due to the term loans, working capital facilities and lease and factoring agreements), the limited ability to obtain new financing in the event of a deterioration in market conditions and due to the existing high level of indebtedness and the risk of losing the existing long-term financing as a result of violating covenants stipulated in the bond issue terms and loan agreements.

The following measures are applied to reduce liquidity risk:

- current monitoring of liquidity and net debt of the CIECH Group,
- cash flow planning in the short and medium term, taking into account debt maturities
- diversification of external funding sources
- monitoring and optimisation of the level of working capital,
- adjusting the level and schedule of capital expenditure,
- intragroup borrowings and sureties for the liabilities of the Group's companies,
- current monitoring of the settlement of liabilities under the loan agreements conditions.

The Group's debt financing is ensured primarily by the term loans. In addition, a revolving credit facility in the amount of PLN 250 million, constituting an additional source of current liquidity and working capital financing (as at 31 March 2023, the facility was drawn down in the amount of PLN 0 million), and overdraft facilities in the total amount of PLN 150 million and EUR 22,6 million (as at 31 March 2023, they were drawn down in the amount of PLN 7.4 million) have been made available to the Group.

The table below presents financial liabilities at face value grouped by maturity.

31.03.2023	Carrying amount	Contractual cash flows	Less than 6 months	up to 12 months	1-2 years	3-5 years	More than 5 years
Other financial liabilities:	(2,740,453)	(2,833,342)	(1,008,242)	(169,230)	(325,984)	(1,329,885)	-
<i>Trade liabilities</i>	<i>(802,207)</i>	<i>(802,207)</i>	<i>(802,207)</i>	-	-	-	-
<i>Credits and loans</i>	<i>(1,904,479)</i>	<i>(1,997,368)</i>	<i>(172,268)</i>	<i>(169,230)</i>	<i>(325,984)</i>	<i>(1,329,885)</i>	-
<i>Factoring</i>	<i>(33,767)</i>	<i>(33,767)</i>	<i>(33,767)</i>	-	-	-	-
Lease liabilities	(142,884)	(267,957)	(18,002)	(16,311)	(42,707)	(23,128)	(167,809)
Hedging derivatives with negative value	(235,933)	(384,969)	(211,892)	-	-	(173,077)	-
TOTAL	(3,119,270)	(2,478,025)	(1,238,136)	(185,541)	(368,691)	(1,526,090)	(167,809)

Information on the levels of liquidity ratios is provided in Note 3.5.7 to this report.

A detailed description of information on financial risks is provided in Note 8.3 to the Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

3.7. FULFILMENT OF PROFIT FORECASTS PREVIOUSLY PUBLISHED FOR A GIVEN YEAR IN THE LIGHT OF THE RESULTS DISCLOSED IN THE REPORT AGAINST THE FORECAST RESULTS

CIECH Group has not published a forecast of results for 2023.

3.8. FACTORS AFFECTING THE CIECH GROUP'S RESULTS WITH PARTICULAR FOCUS ON THE NEXT QUARTER

The CIECH Group business is largely based on the production and sales of chemical products used as raw materials and semi-finished goods in a wide range of industries, including the glass, detergent, furniture, automotive, construction, food, agricultural, pharmaceutical, chemical and consumer goods industries. The demand for the CIECH Group customers' products depends on a number of factors, including general economic conditions.

Costs of labour and energy, interest rates and other macroeconomic factors also have a significant impact on the Group's operations. Due to the fact that a significant portion of the Group's revenue and expenses is generated in foreign currencies, changes in exchange rates also affect its financial performance.

As a result, the volume and profitability of the CIECH Group companies' sales depend on these variables as well as on the economic situation in Poland, Europe, and worldwide.

Factors	Description
<p>Situation in industries of recipients of products of the Group in Poland</p>	<p>Poland is the largest sales market of the CIECH Group. The direct and indirect, most important domestic recipients of the Group's products include: glass industry, various chemical industries, furniture, agriculture, construction, food and automotive industry. The development of these sectors of the economy depends on the economic situation in Poland.</p> <p>According to the data of the Central Statistical Office, the sold industrial output at constant prices during 3 months of 2023 decreased by 0.6% year on year (in 2022 — an increase by 16.7%). After 3 months of 2023, the relevant dynamics of production in the industries of significant importance to the Group's activities (as receiving or target markets) were as follows: manufacture of motor vehicles (increase by 22.6%); manufacture of food products (increase by 2.2%); manufacture of rubber and plastic products (decrease by 1.9%); construction and assembly output (increase by 3.5%, including construction of buildings - decrease by 6.4%); manufacture of furniture (decrease by 7.2%, including furniture used for sleeping - decrease by approx. 18% in terms of volumes); manufacture of chemicals and chemical products (decrease by 20.3%).</p> <p>In 2021, there was a very rapid recovery in the Polish economy as a result of the rebound after the first period of the pandemic (6.8% increase in GDP according to CSO data). The past year, however, has already seen a marked weakening of the country's economic growth (with a GDP growth rate of +4.9%) due to high energy prices, rapidly rising inflation (limiting consumption) and uncertainty over the war in Ukraine. A further significant slowdown or stagnation is projected for 2023, with GDP growth ranging from 0.0% to about 1.0% (with high uncertainty in projections due to the war, the risk of a wage-price spiral and global factors such as high, fluctuating energy prices). Similar trends should be expected in the chemical industry which usually develops similarly to the economy as a whole.</p>
<p>Economic situation in Europe and in the world</p>	<p>The activity of the CIECH Group is based, in a considerable part, on the sales of chemical products on foreign markets. The level of profitability on sales depends on the global economic situation in Europe and in the world. Global economic downturn usually results in the fall of the demand for raw materials on global markets and hence on the amount of export turnover of the Group.</p> <p>As a result of the war between Russia and Ukraine (and in view of the escalating risks relating in particular to the energy and food markets and high inflation), all analytical centres have frequently revised their macroeconomic projections over the course of the past year. Analysis by the International Monetary Fund in April 2023 shows that growth in the global economy weakened markedly over the past year (GDP increase of 3.4% compared to 6.2% in 2021) and this year global GDP will grow by only 2.8%. Among the large highly developed economies, the greatest slowdown is expected in the European Union (+0.7%), with higher growth rates projected for the USA (+1.6%) and Japan (+1.3%). India (+5.9%), China (+5.2%) and ASEAN countries (+4.5%) are expected to grow above average. Among other major developing countries, the lowest increase in GDP in 2023 is expected in Russia (0.7%).</p>

Factors	Description
	<p>The war in eastern Europe is also causing production constraints and growing uncertainty in the European chemical industry. This is due to the fact that this sector is highly energy-intensive and relies on raw materials such as oil and gas. With the prolonged conflict between Russia and Ukraine, projections are also being revised every few months for the chemical industries. According to assessments by the German Association of the Chemical Industry (VCI), the decline in chemical production in Germany over the past year as a whole was around 12% (about 5% in Europe). For 2023, the VCI predicts a further reduction in the production level of the German chemical industry by 8%.</p> <p>For the European construction sector, 2022 was also characterised by a noticeable economic downturn. According to Euroconstruct estimates, last year's construction output in Western and Central Europe increased by 3% (compared to a very high growth rate of +5.8% the year before). Last year's slowdown in construction should be attributed to increases in inflation and borrowing costs. Unfortunately, in view of the predicted continuation of the unfavourable conditions, stagnation in the European construction industry is projected for 2023-2024 (with growth rates of 0.2% and 0% respectively).</p>
Economic situation on raw material market	<p>Due to the fact that costs of raw materials account for a large share of total costs of the Group, the situation on key raw material markets (availability and price) significantly affect the CIECH Group's activities and financial performance. Price and availability of raw materials depends largely on economic and political developments across the globe.</p> <p>Hard coal – situation on the market depends on a number of macroeconomic factors. The largest producer of hard coal in the European Union is Poland, but EU's import of coal is nearly two times higher than production. Most of the coal imported to the EU is power coal, i.e. coal used by the CIECH Group in the production of process steam and electricity in soda plants in Poland. The Group's suppliers are Polish mines and foreign suppliers, and the price of thermal coal for the CIECH Group depends in the long term on the European and global demand and supply situation. 2022 brought unprecedented levels of natural gas prices and a resulting increase in coal demand and prices. The supply situation was further exacerbated by the suspension of coal imports from Russia to the European Union, which affected, to a large extent, the domestic market, which is heavily dependent on imports from that country. Increased demand has significantly reduced mine inventories, which dropped to historically low levels in 2022 and have not recovered since. Not until the first quarter of 2023 did coal prices decrease, but they still remain at relatively high levels compared to previous years. To maintain the security of production continuity, the CIECH Group diversifies coal supplies between domestic and foreign sources.</p> <p>Gas – the main energy resource used by the combined heat and power plant at the Stassfurt plant. The situation on the gas market depends on many factors, such as the price of oil, demand for gas due to the current weather conditions and the current share of gas in the energy mix. In the gas combustion process, steam and electricity are generated, which is also sold outside the Group. Gas is supplied on the basis of bilateral supply agreements, long-term contracts or short-term (spot) purchases, and forward contracts are entered into to hedge the risk of changes in gas prices in accordance with the CIECH Group's market risk management policy.</p> <p>Furnace fuel (coke/anthracite) – coke prices depend primarily on prices of coking coal, from which it is produced. The largest global producer of coke is China which, at the same time, is one of the largest consumers of this raw material. In Europe, Poland is one of the leading producers (it is the largest exporter of this material on our continent), and large quantities of coke are also produced in Germany and the Czech Republic. In its business activity, the Group may use anthracite as a substitute for coke. The main source of anthracite for Europe was Russia. Due to the high cost of purchasing coke in 2022, the Group has significantly increased the share of anthracite in the furnace mix, explored alternative supply routes for this material and is ready for its further import. With the steel industry's demand for coke falling in the third and fourth quarter, the price of this raw material fell significantly, allowing it to once again compete effectively with anthracite in terms of cost. This situation continued into the first quarter of 2023.</p>

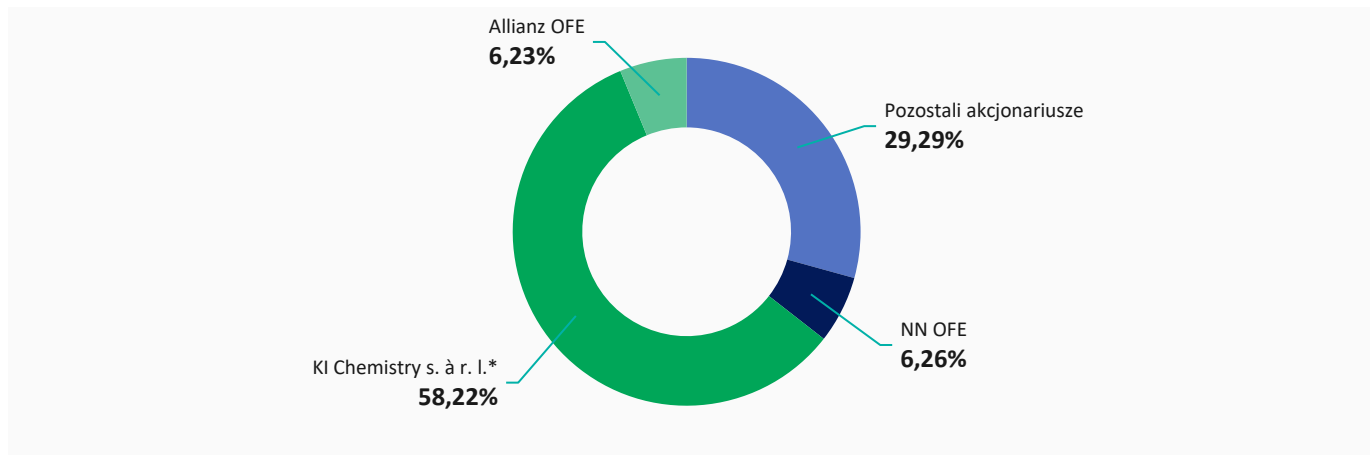
Factors	Description
	<p>Oil-derivative raw materials – used primarily in the Foams Segment, are linked to oil prices, but with a strong short-term impact of the demand/supply situation in the market. Oil prices depend primarily on macroeconomic and political factors which translate into global demand and supply situation.</p>
<p>Exchange rates of Polish zloty (PLN) and Romanian leu (RON) to euro (EUR) and US dollar (USD)</p>	<p>The CIECH Group's main source of exposure to foreign currency risk is related to EUR and USD in which export sales are denominated. Weakening of PLN and RON (in which significant costs are incurred) in relation to EUR and USD (in which a material portion of sales is made) has a positive impact on the CIECH Group's financial performance. The Group applies natural hedging and hedging instruments.</p>
<p>Volume of chemical production capacity on markets where the CIECH Group operates</p>	<p>In the sectors of mass chemical products, in which the CIECH Group operates, the capital expenditures are an important barrier to entry, and in the case of the soda segment – an access to natural resources. For this reason, in the scope of the most important segment of the CIECH Group, the soda segment, green field investments are rare and generally done outside Europe.</p> <p>Information published in recent years and months shows that globally, particularly from the second half of this year onwards, a gradual increase in soda ash capacity can be expected (mainly in China and the USA). Significantly large capacity additions are planned for 2024-2028 in China, Turkey and the USA. These will mainly concern natural soda. Due to the energy crisis and the delays observed in the launch of projects based on natural resources in the past, it is expected that the performance of these projects will be delayed. New capacities will gradually cover the ever-increasing demand.</p>
<p>Environmental requirements</p>	<p>REACH system implementation</p> <p>In accordance with the REACH regulation, the Group's companies producing substances in quantities exceeding 1 tonne p.a. have completed the registration of these substances by defined deadlines, which enables them to continue their operations in the current scope.</p> <p>If it is necessary for business reasons to import a substance, e.g. a raw material, and it is not possible to purchase from a registered source, steps are taken to register the substance as an importer.</p> <p>Emission trading system</p> <p>Some CIECH Group production companies are covered by the greenhouse gas emissions trading scheme. External analyses performed by the CIECH Group companies indicate that the amount of free CO₂ emission allowances in the 3rd settlement period (2021-2030) is insufficient to cover the actual demand for this type of settlement units. In addition to the direct costs connected with the purchase of CO₂ emission allowances, the CIECH Group companies will bear higher costs of electricity due to their assumption of the costs of purchase of CO₂ emission allowances from the producers.</p>

3.9. CIECH S.A.'S SHAREHOLDERS HOLDING AT LEAST 5% OF SHARES/VOTES AT THE GENERAL SHAREHOLDERS' MEETING

The shares of CIECH S.A. are listed on Warsaw Stock Exchange and on Frankfurt Stock Exchange. The share capital of CIECH S.A. amounts to PLN 263,500,965 and is divided into 52,699,909 shares with a nominal value of PLN 5 each. The number of shares and their nominal value has not changed since the last reporting period.

SHAREHOLDERS

From the date of the Extraordinary General Meeting of CIECH S.A., i.e. 11 April 2023 (the meeting was resumed on 17 April 2023) until the submission of this report, information was received from shareholders of CIECH S.A. about a change in the ownership status to (+) or to (-) causing a change in the ownership structure of significant blocks of CIECH S.A. shares. Therefore, to the best knowledge of CIECH S.A., as at the day of approving this report, shareholders holding significant blocks of shares (at least 5%) include the following entities:

Shareholder structure of CIECH S.A. as at the date of approval of the report (according to the best knowledge of the Company)


Shareholder	Type of shares	Number of shares	Number of votes at the General Meeting of Shareholders	Share in the total number of votes at the General Meeting of Shareholders	Stake in share capital (%)
KI Chemistry s. à r. l. with its registered office in Luxembourg ¹	Ordinary bearer	30,681,904	30,681,904	58.22%	58.22%
Nationale-Nederlanden Otwarty Fundusz Emerytalny ²	Ordinary bearer	3,300,418	3,300,418	6.26%	6.26%
Drugi Allianz Polska Otwarty Fundusz Emerytalny ³	Ordinary bearer	3,389,024	3,389,024	6.43%	6.43%
Other	Ordinary bearer	15,328,563	15,328,563	29.09%	29.09%

¹In accordance with information dated 21 April 2023 provided by Shareholder under Article 69 and Article 69a of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (CR 25/2023).

²As reported by the Shareholder in the Notice of Termination of Shareholders' Agreement dated 19 April 2023 (CR 23/2023).

³According to the information provided by Powszechnie Towarzystwo Emerytalne Allianz Polska S.A. with its registered office in Warsaw ("PTE") acting on behalf of and for the managed investment fund Allianz Polska Otwarty Fundusz Emerytalny (hereinafter "Allianz OFE"), on exceeding the threshold of 5% in the total number of votes of the Issuer by Allianz OFE (pursuant to Art. 87 section 1 item 2b of the Public Offering Act), which occurred as a result of (on 12 May 2023) the liquidation of the Second Allianz Polska Otwarty Fundusz Emerytalny (hereinafter referred to as "Drugi Allianz OFE"), previously also managed by PTE, by way of transfer its assets to Allianz OFE (CR 34/2023).

3.10. CHANGES IN THE NUMBER OF SHARES IN CIECH S.A. HELD BY THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF CIECH S.A.

As at the date of publication of this Extended Consolidated Quarterly Report of the CIECH Group for the first quarter of 2023, i.e. as at 25 May 2023, the following managers and supervisors held shares in CIECH S.A. and this situation has changed since the date of publication of the most recent statements, i.e. the Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023: Number of shares held as at the publication date

Management Board of CIECH S.A.:

	As at 25 May 2023	As at 23 March 2023
Mr Dawid Jakubowicz – President of the Management Board of CIECH S.A.	-	39,713
Mr Jarosław Romanowski – Member of the Management Board of CIECH S.A.	-	17,550

Supervisory Board of CIECH S.A.:

	As at 25 May 2023	As at 23 March 2023
Sebastian Kulczyk – Chairman of the Supervisory Board of CIECH S.A.	30,681,904	26,952,052
Mr Marek Kośnik – Member of the Supervisory Board of CIECH S.A.	-	9,230

Managing Director of CIECH S.A.:

	As at 25 May 2023	As at 23 March 2023
Mr Rafał Czubiński – Managing Director of CIECH S.A.	-	12,300

Other Members of the Management Board of CIECH S.A. and of the Supervisory of CIECH S.A. did not hold any shares of the Company.

Managers and supervisors of CIECH S.A., as at 31 March 2023 and the date of approval hereof, did not hold any shares in other companies of the CIECH Group and this situation did not change in the period from the publication of the most recent statements, i.e. the Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

3.11. LITIGATION PENDING BEFORE A COURT, COMPETENT ARBITRATION AUTHORITY OR PUBLIC ADMINISTRATION AUTHORITY

3.11.1. Significant disputed liabilities of the CIECH Group

As at 31 March 2023, the CIECH Group did not have any significant disputed liabilities of CIECH S.A. and CIECH S.A.'s subsidiaries, pursued in all types of proceedings before court, body appropriate for arbitration proceedings or public administration bodies, except for the cases described in Note 2.13, in "Audits of tax settlements at the CIECH Group and related contingent liabilities".

3.11.2. SIGNIFICANT DISPUTED RECEIVABLES OF THE CIECH GROUP

As at 31 March 2023, the CIECH Group did not hold any significant disputed receivables of CIECH S.A. and CIECH S.A.'s subsidiaries, pursued in all types of proceedings before court, body appropriate for arbitration proceedings or public administration bodies, except for the case disclosed in Note 2.13, in "Contingent assets and liabilities, including sureties and guarantees".

In addition, on 31 January 2023, CIECH Salz Deutschland GmbH filed a lawsuit against EVATHERM AG at the Magdeburg District Court for the payment of approximately EUR 20 million (including interest and legal costs). The lawsuit was filed due to improper performance of the contract, delayed commissioning of the installation and problems with the operation of the installation and the production process at the CIECH Salz Deutschland evaporated salt plant located in Staßfurt, launched in 2021. For details, see current report No 4/2023.

3.12. LOAN OR BORROWING SURETIES OR GUARANTEES GRANTED BY CIECH S.A. OR ITS SUBSIDIARY

Information about loan or borrowing sureties or guarantees is presented in Note 2.13 hereto and in Note 9.2. Consolidated Financial Statements of the CIECH Group for 2022, published on 23 March 2023.

Letters of support

As at 31 March 2023, CIECH S.A. was the obliged party in the letter of support (Patronatserklärung) regarding CIECH Soda Deutschland GmbH&Co. KG seated in Staßfurt (CSD) granted to Innogy Gas Storage NWE GmbH ("Innogy") relating to liabilities of CSD resulting from the agreement dated 5 May 2009 on salt caverns construction for the purpose of natural gas storage on the Staßfurt mining field according to which CSD received payments of EUR 62.7 million from Innogy by 31 March 2023. In the letter of support, CIECH S.A. has committed, among other things, to ensure that CSD will have sufficient funds to fulfil its financial commitments against Innogy resulting from the above-mentioned agreement.

3.13. INFORMATION ON TRANSACTIONS BETWEEN THE KEY MANAGEMENT PERSONNEL OF CIECH S.A. AND RELATED PARTIES

Information on transactions with related entities is presented in Note 2.11.

**QUARTERLY FINANCIAL INFORMATION
OF THE PARENT COMPANY CIECH S.A.
FOR 3-MONTH PERIOD ENDED 31 MARCH 2023**

Prepared in accordance with International Financial Reporting Standards as endorsed by the European Union

4. QUARTERLY FINANCIAL INFORMATION OF THE PARENT COMPANY CIECH S.A.

CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS OF CIECH S.A.

	01.01.-31.03.2023	01.01.-31.03.2022
CONTINUING OPERATIONS		
Sales revenues	724,598	502,654
Cost of sales	(623,553)	(417,702)
Gross profit on sales	101,045	84,952
Other operating income	1,912	1,789
Selling costs	(35,519)	(37,895)
General and administrative expenses	(40,078)	(18,542)
Other operating expenses	(1,204)	(2,362)
Operating profit	26,156	27,942
Financial income	126,980	102,710
Financial expenses	(67,621)	(72,230)
Net financial income/(expenses)	59,359	30,480
Profit before tax	85,515	58,422
Income tax	(17,553)	(7,622)
Net profit on continuing operations	67,962	50,800
DISCONTINUED OPERATIONS		
Net profit on discontinued operations	-	-
Net profit for the period	67,962	50,800
Earnings per share (in PLN):		
Basic	1.29	0.96
Diluted	1.29	0.96
Earnings per share (in PLN) from continuing operations:		
Basic	1.29	0.96
Diluted	1.29	0.96

CONDENSED SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME OF CIECH S.A.

	01.01.-31.03.2023	01.01.-31.03.2022
Net profit for the year	67,962	50,800
Other comprehensive income before tax that may be reclassified to the statement of profit or loss	(862)	2,726
Cash flow hedge reserve	(862)	2,726
Other comprehensive income before tax that may not be reclassified to the statement of profit or loss	-	-
Income tax attributable to other comprehensive income	163	(518)
Income tax attributable to other comprehensive income that may be reclassified to the statement of profit or loss	163	(518)
Other comprehensive income net of tax	(699)	2,208
TOTAL COMPREHENSIVE INCOME	67,263	53,008

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION OF CIECH S.A.

	31.03.2023	31.12.2022
ASSETS		
Property, plant and equipment	15,311	14,735
Rights to use an asset	26,545	25,178
Intangible assets	81,878	82,123
Long-term financial assets	3,498,081	3,463,773
Total non-current assets	3,621,815	3,585,809
Inventory	22,762	11,557
Short-term financial assets	1,169,351	939,376
Income tax receivables	43,755	43,755
Trade and other receivables	346,586	318,743
Cash and cash equivalents	194,951	390,907
Total current assets	1,777,405	1,704,338
Total assets	5,399,220	5,290,147
EQUITY AND LIABILITIES		
Share capital	287,614	287,614
Share premium	470,846	470,846
Cash flow hedge reserve	4,561	5,260
Actuarial gains	(106)	(106)
Other reserve capitals	422,699	422,699
Retained earnings	1,014,674	946,712
Total equity	2,200,288	2,133,025
Loans, borrowings and other debt instruments	1,671,671	1,671,280
Lease liabilities	23,233	21,250
Other non-current liabilities	47,191	106,685
Employee benefits reserve	740	823
Deferred income tax liability	15,701	8,496
Total non-current liabilities	1,758,536	1,808,534
Loans, borrowings and other debt instruments	699,760	587,175
Lease liabilities	5,996	5,670
Trade and other liabilities	678,897	704,207
Income tax liabilities	6,461	3,117
Employee benefits reserve	340	346
Other provisions	48,942	48,073
Total current liabilities	1,440,396	1,348,588
Total liabilities	3,198,932	3,157,122
Total equity and liabilities	5,399,220	5,290,147

CONDENSED SEPARATE STATEMENT OF CASH FLOWS OF CIECH S.A.

	01.01.-31.03.2023	01.01.-31.03.2022
Cash flows from operating activities		
Net profit for the period	67,962	50,800
Amortisation/depreciation	4,955	5,274
Recognition of impairment allowances	1,464	(398)
Foreign exchange (profit) /loss	2,641	(10,215)
(Profit) / loss on investment activities	234	25
(Profit) / loss on disposal of property, plant and equipment	19	62
Dividends and interest	5,249	2,907
Income tax	17,553	7,622
Change in liabilities due to loan arrangement fee	574	457
Value of derivatives	(56,729)	(34,943)
Cash from operating activities before changes in working capital and provisions	43,922	21,591
Change in receivables	(27,515)	(41,622)
Change in inventory	(11,205)	1,041
Change in current liabilities	(18,784)	(35,183)
Change in provisions and employee benefits	780	316
Cash generated from operating activities	(12,802)	(53,857)
Interest paid	(134)	(95)
Income tax (paid)	(6,842)	(529)
Net cash from operating activities	(19,778)	(54,481)
Cash flows from investment activities		
Disposal of intangible assets and property, plant and equipment	488	416
Interest received	2,012	4,832
Proceeds from repaid borrowings	56,836	194,808
Other inflows	-	19,000
Acquisition of a subsidiary	(1)	(5)
Acquisition of intangible assets and property, plant and equipment	(7,587)	(10,123)
Acquisition of financial assets	(895)	-
Raise capital expenditures and extra charge on capital	(10,350)	-
Borrowings paid out	(284,468)	(124,720)
Cash pooling outflows*	409	168
Net cash from investment activities	(243,556)	84,376
Cash flows from financial activities		
Cash pooling inflows*	77,618	40,815
Repayment of loans and borrowings	(10,000)	-
Payments of lease liabilities	(1,896)	(1,220)
Net cash from financial activities	65,722	39,595
Total net cash flows	(197,612)	69,490
Cash and cash equivalents as at the beginning of the period	390,907	467,476
<i>Impact of foreign exchange differences</i>	<i>1,656</i>	<i>683</i>
Cash and cash equivalents as at the end of the period	194,951	537,649

*Cash pooling – presentation in cashflow:

- Investing activities – the company presents the change in receivables from cash pooling
- Financing activities – the company presents the change in liabilities on account of cash pooling

CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY OF CIECH S.A.

	Share capital	Share premium	Cash flow hedge reserve	Other reserve capitals	Actuarial gains	Retained earnings	Total equity
01.01.2023	287,614	470,846	5,260	422,699	(106)	946,712	2,133,025
Total comprehensive income for the period	-	-	(699)	-	-	67,962	67,263
Net profit / (loss) for the period	-	-	-	-	-	67,962	67,962
Other comprehensive income	-	-	(699)	-	-	-	(699)
31.03.2023	287,614	470,846	4,561	422,699	(106)	1,014,674	2,200,288
01.01.2022	287,614	470,846	20,085	422,699	(150)	413,507	1,614,601
Total comprehensive income for the period	-	-	2,208	-	-	50,800	53,008
Net profit / (loss) for the period	-	-	-	-	-	50,800	50,800
Other comprehensive income	-	-	2,208	-	-	-	2,208
31.03.2022	287,614	470,846	22,293	422,699	(150)	464,307	1,667,609

5. EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF CIECH S.A.

5.1. BASIS OF PREPARATION

On 31 January 2007, the Extraordinary General Meeting of Shareholders of CIECH S.A. adopted resolution No 4, concerning the preparation of separate financial statements in accordance with International Financial Reporting Standards as approved by the European Union. Due to the adopted resolution, since 2007 the reports of CIECH S.A. have been prepared in accordance with the IFRS using the valuation of assets and liabilities and the measurement of net result as defined in the accounting policy.

These interim condensed separate financial statements were prepared in compliance with IAS 34 "Interim Financial Reporting" as approved by the European Union and the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information submitted by issuers of securities and on conditions for deeming equivalent information required by the law of a Non-Member State (Journal of Laws 2018.757 of 2018). These financial statements present the financial position of the CIECH Group as at 31 March 2023 and as at 31 December 2022, results of the Company's operations and cash flows for the period of 3 months ended 31 March 2023 and 31 March 2022, and were approved by the Management Board of CIECH S.A. on 25 May 2023.

These interim condensed separate financial statements were prepared under the assumption that CIECH S.A. will continue as a going concern in the foreseeable future. As at the date of approval of these interim condensed financial statements, no facts or circumstances are known that would indicate any threat to CIECH S.A. continuing as a going concern.

The Management Board of CIECH S.A. declares that to the best of its knowledge these interim condensed separate financial statements, including corresponding figures, have been prepared in accordance with the generally acceptable accounting principles and that they represent a true, accurate and fair reflection of CIECH S.A.'s financial position and the results of operations.

These interim condensed separate financial statements should be read together with the interim condensed consolidated financial statements of the CIECH Group for the 3-month period ended 31 March 2023.

5.2. ADOPTED ACCOUNTING PRINCIPLES

The CIECH S.A.'s accounting principles are described in the Financial Statements of CIECH S.A. for 2022, published on 23 March 2023. The aforementioned Financial Statements include detailed information regarding the principles and methods of valuation of assets, equity and liabilities and measurement of the financial result as well as the method of preparing the financial statements and comparative information. These principles have been applied on a continuous basis with relation to currently published data, the last annual financial statements and comparative data presented.

CIECH S.A. intends to adopt amendments to the IFRS that are published but not effective as at the date of publication of this report in accordance with their effective date. The estimated impact of amendments and impact of new IFRSs on the separate financial statements of CIECH S.A. was presented in the Financial Statements of CIECH S.A. for the year 2022, published on 23 March 2023.

5.3. CHANGES IN ESTIMATES

In the presented periods, there were no significant revisions to the estimates.

RATIO CALCULATION METHODOLOGY

Principles of ratio calculation (according to the data for continuing operations):

EBITDA (%)	(operating profit + amortization/depreciation for a given period)/ net revenues from sales of products, services, goods and materials in a given period
Adjusted EBITDA (%)	EBITDA excluding one-off events, the more important of which were described in Note 2.5 / net revenues from sales of products, services, goods and materials for a given period
gross return on sales	gross profit on sales for a given period / net revenues from sales of products, services, goods and materials for a given period
return on sales	profit for a given period / net revenues from sales of products, services, goods and materials for a given period
EBIT margin	operating profit for a given period / net revenues from sales of products, services, goods and materials for a given period
EBITDA margin	(operating profit + amortization/depreciation for a given period)/ net revenues from sales of products, services, goods and materials in a given period
EBIT margin adjusted EBIT margin	operating profit for a given period excluding one-off events, the more important of which were described in Note 2.5 / net revenues from sales of products, services, goods and materials for a given period
adjusted EBITDA margin	EBITDA excluding one-off events, the more important of which were described in Note 2.5 / net revenues from sales of products, services, goods and materials for a given period
net return on sales (ROS)	net profit for a given period / net revenues from sales of products, services, goods and materials for a given period
profitability ratio Return on assets (ROA)	net profit for a given period/total assets at the end of a given period
profitability ratio Return on equity (ROE)	net profit for a given period/total equity at the end of a given period
debt ratio	the ratio of current and non-current liabilities to total assets; measures the share of external funds in financing of a company's activity
long-term debt ratio	the ratio of non-current liabilities to total assets; measures the share of non-current liabilities in financing of company's activity
debt to equity ratio equity debt ratio	the ratio of total liabilities to equity
equity to assets ratio	the ratio of equity to total assets; measures the share of equity in financing of a company's activity
net financial liabilities	liabilities from loans, borrowings (plus overdraft) and other debt instruments (leases + liabilities from negative valuation of derivatives calculated separately for each derivative + factoring liabilities) less cash and cash equivalents
gross financial liabilities	liabilities from loans, borrowings (plus overdraft) and other debt instruments (leases + liabilities from negative valuation of derivatives calculated separately for each derivative + factoring liabilities)

REPRESENTATION BY THE MANAGEMENT BOARD

This Extended consolidated quarterly report of the CIECH Group for the first quarter of 2023 was approved by the Management Board of CIECH S.A. on 25 May 2023.

(signed on the polish original)

Dawid Jakubowicz

President of the Management Board of CIECH Spółka
Akcyjna

(signed on the polish original)

Kamil Majczak

Member of the Management Board of CIECH Spółka
Akcyjna

(signed on the polish original)

Jarosław Romanowski

Member of the Management Board of CIECH Spółka
Akcyjna

(signed on the polish original)

Katarzyna Rybacka

Chief Accountant of CIECH Spółka Akcyjna

Warsaw, 25 May 2023