



SINTEZA S.A.
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C.U.I.: R0 67329
Nr. înreg. ORC-Bihor: J.05/197/1991

BANCA TRANSILVANIA ORADEA
Cont BTRL: RO86BTRL00501202N98396XX

THE BOARD OF DIRECTORS' REPORT

ON 31.12. 2021

Yearly report according to:

Law 297/2004 regarding the capital market

Law 24/2017 regarding the issuers of financial instruments and market operations

ASF Regulation NO.5 / 2018
2021

For the fiscal year:

Report date:

31.12. 2021

Trade company designation:

Sinteza SA Oradea

Head office:

Oradea, Sos. Borsului no. 35, Bihor county

Phone / fax number:

0259.456.116 / 0259.462.224

Trade Register Office unique ID:

67329

Trade Register order no.:

J05/197/1991

Regulated market:

Bucharest Stock Exchange

Subscribed/Paid-up share capital:

9,916,889 lei

Main characteristics of securities:

Shares issued in dematerialised form

1. Analysis of the trade company's activity

1.1. Description of the trade company's basic activity

SINTEZA SA, established by Government Decision no. 1213/20.11.1990 from the Chemical Enterprise "SINTEZA", is registered at the Trade Register under no. J / 05/197/1991, Tax ID no. RO 67329 and has its registered office in Sos. Borşului no.35, Oradea, Bihor county. No mergers or reorganizations of any kind took place during 2021.

1.1.1. Elements of general evaluation

In 2021, the company obtained the following indicators, according to the balance sheet:

1. Total income: **43,601,517 lei** , of which:
 - net turnover: 42,657,990 lei, of which the amount of 39,272,622 lei is represented by export sales;
 - incomes from the variation of stocks: 55,836 lei;
 - other income: 617,552 lei;
 - financial income: 127,516 lei;
 - revenues from provisions and adjustments regarding the exploitation activity: 110,063 lei;
 - incomes from delayed income tax: 32,560 lei;

2. Total expenses: **42,288,406 lei**, of which:
 - operating expenses: 41,668,625 lei;
 - financial expenses: 619,781 lei;

3. Net operating result: **1,313,111 lei**;

4. Cash at the end of the period: **859,368 lei equivalent**

1.1.2 Evaluation of the company's technical level

The company exploits the industrial platform from Sos. Borsului no. 35 and operates the installation of Benzoic Acid, installation of an advanced technical level, modernized in previous years, obtaining products intended mainly for the external market.

Through the investment works carried out in 2018, which materialized in research processes, design, verification, acquisitions and execution of equipment, the restoration of the structural elements was aimed at improving the quality and production capacity of benzoic acid. The investment was followed by a period of technological testing, over several months, which aimed to stabilize the technological parameters and finalize the work instructions.

The manufactured organic synthesis products are destined for high chemical technical industrial applications, their use being in an increasing trend in the chemical industry. At the same time, the company continued in 2021 the activity of renting its available locations, obtaining income from rents. The company intends to further develop the manufacturing at a high technical level.

The main products manufactured in 2021 and the revenues obtained from their sale, but also other revenues, compared to the previous year are:

Crt.no.	Products	2021		2020	
		Lei	%	lei	%
1	Exploitation of the industrial platform	864,551	2.03%	757,787	3.45%
2	Organic synthesis manufacturings	41,793,439	97.97%	21,220,792	96.55%
	Total	42,657,990	100.00%	21,978,579	100.00%

1.1.3. Evaluation of the technical-material supply activity

The company acquires industrial equipment from reputable companies in the field, both in the country and abroad.

Regarding the acquisition of raw materials, materials, energy, the company operates freely on the competitive market.

1.1.4. Evaluation of sales activity

Sinteza SA sells products manufactured in markets such as: Europe, Turkey, Russia and Asia.

The company sells on the free competitive market, without significant dependencies on a customer or a group of customers.

The company uses for sale both direct sales and through distributors.

1.1.5. Evaluation of the aspects related to the company's staff

In 2021, the average written number of staff was 80 people. The company made a number of 22 employments and 24 work contract terminations. Out of the total staff, 22 are with higher education. The degree of unionization was 14%.

There were no conflicting elements in the labor relations.

The company regularly organizes professional training courses and intends to finance some professional school classes of organic synthesis chemical operators.

1.1.6.1 Evaluation of the aspects related to the environmental impact

The company has obtained all the authorizations and approvals required by the relevant legislation. There is no major impact on the environment and there are no litigation related to breaches of environmental protection legislation.

1.1.7 Evaluation of research and development activity

The company has organized its own department for this activity, the expectations being oriented towards the implementation of new products and technologies.

1.1.8 Evaluation of the risk management activity

The company operates on the free competitive market, being exposed from this point of view to normal risks. There is no major or significant exposure to pricing or liquidity. The company implements the risk management system, the process covering the identification, analysis, management and monitoring of the risks to which it is exposed.

Price risk - there is a permanent monitoring of this risk taking into account the market on which the company operates, which is a specialized one. In fact, the company applies and will apply in the future, the policy of forming the selling price depending on the price of the raw material (Minimum selling price = Purchase price + margin). We specify that resorting to this form of pricing is a common practice on the specific market on which the company operates;

Credit risk - the company has in progress and will use in the future to attract resources especially for financing investment objectives. The cost of resources is negotiated and generally dimensioned in relation to the reference rates on the financial market in such a way as to be sustainable for the contractual terms. Potential variations in interest rates are also taken into account;

Liquidity risk - there is a permanent concern for maintaining liquidity at a level above one. On 31.12.2021 this indicator had a value of 0.9.

Cash flow risk is monitored daily through weekly and monthly revenue and payment forecasts. The company applies the commercial credit policy in relation to the traditional clients and correlates the collection terms with the payment due dates (suppliers, banks, budgets, salaries).

1.1.9 Perspective elements regarding the activity of the company

The company is based on its quality strategy to meet the requirements and needs of its customers and other stakeholders by providing timely, quality products according to customer requirements, regulation and environmental protection.

Increasing product quality and aligning the company with the requirements of the EU market, a market with higher margins, will support the company's return to the operating profit zone in 2022.

The company's development plans take into account:

- developing the product portfolio by contacting research and development institutions
- developing a portfolio of clients with a focus on those who can provide predictability, higher margins and more favorable payment terms

The company will continue to run programs to generate liquidity from the rental and sale of assets that are not intended for the core business and to attract other financing. The amounts thus obtained will be used to support the basic activity through investments and working capital.

1.1.9.1 Information on internal control

Within Sinteza SA, the assurance of internal control targets the internal control and internal audit activities. In the field of internal control, the aim was to observe the regulations specific to the company's activity, to observe the internal norms, the decisions of the management bodies and the financial-accounting norms.

The internal audit is ensured by a service contract with an independent firm. The internal auditor evaluates through a systematic and methodical approach the control and governance processes of the company and informs the general manager and the administrators of the significant aspects found in the audit report.

2 The tangible assets of the company

2.1 Location and description

The company owns and manages the following assets:

- a) Sos. Borşului no.35 platform - dedicated to the manufacture of Benzoic Acid
- b) Sos. Clujului no.159 platform - intended for rent or sale
- c) Sludge dump - closed for operation and undergoing closing.

2.2 Potential property issues

There are no property rights issues.

3 The securities market issued by the company

The share capital of the company is 9,916,889 lei, divided into 66,112,590 shares with a nominal value of 0.15 lei / share. The shares are traded on the Bucharest Stock Exchange, Standard category. As of 31.12.2021, the shareholding structure was as follows:

FIA- BT Invest 1	33.8898%
PASCU RADU	31.1597%
ROCA INVESTMENTS SA	18.0000%
Other natural and legal persons	16.9505%
Total:	100,000%

The company did not purchase any treasury shares and did not issue bonds.

4 Management of the company

On 31.12.2021 , the Board of Directors of the company was formed of:

Alexandru Savin	- President
Aurel Bernat	- Member
Radu Pascu	- Member

and the executive management of the company consisted of:

Tudor-loan Stoia	- General Manager
Robert Paltin	- Sales Manager
Adrian Bucurean	- Financial Director

None of the above have been involved in litigation or administrative proceedings related to their ability to perform their duties.

5 Declaration regarding the corporate governance

Sinteza SA, being a commercial company whose securities are traded on the Bucharest Stock Exchange, is in the process of implementing the Corporate Governance Regulation of BVB. A declaration on the stage of the compliance and its explanation is found in the annex to the present report.

Sinteza SA is a company managed in a unitary system. The supreme governing body of the company is the General Meeting of Shareholders, according to the provisions of the articles of association. General meetings can be ordinary and extraordinary.

The Ordinary General Meeting of Shareholders is convened at least once a year at most 5 months after the end of the financial year. The main attributions of the OGMS are those provided in the Companies Law.

The Extraordinary General Meeting of Shareholders meets whenever necessary to decide in accordance with the law.

The convening of the general meetings of shareholders is made by the Board of Directors whenever necessary or when the legislation of the companies requires it. The information regarding the date of the meeting, the place, the agenda and other information necessary for the shareholders are made public through the announcements that are published in the Official Gazette and the local press.

Each share of the company gives the right to one vote in the general meetings. Voting is exercised directly or by representation. The organization and manner of holding general meetings are provided in the articles of association of the company and comply with the requirements of company law.

The company is managed by a board of directors composed of 3 directors elected for a period of 4 years, re-eligible and revocable.

Most members of the board of directors are non-executive and independent directors.

The Board of Directors meets whenever necessary, but at least once every three months, at the company's head office.

The Board of Directors shall be convened by its chairman or deputy.

In accordance with the provisions of the articles of association, the Board of Directors has the following attributions:

a.- approves the organizational structure of the company and the number of positions, as well as the norm of establishing the functional and production compartments;

b.- approves the rights and obligations of the company's staff through the collective labor contract, the organization and functioning regulation and the internal order regulation;

c.- submits annually to the approval of the general meeting of shareholders, within 5 months from the end of the financial year, the report on the company's activity, the balance sheet and profit and loss account for the previous year, as well as the draft budget for the current year;

d.- approves the method of amortization of the fixed assets in the company's patrimony, their decommissioning and conservation, as well as the downgrading and scrapping of some material goods, other than the fixed assets;

e.- decides on the granting of sponsorships;

f.- approves the tactics and the managerial strategy of the company;

g.- proposes to the extraordinary general meeting of shareholders the issuance of bonds;

h.- appoints the members of the steering committee, as the case may be.

i.- approves firm measures regarding the perspective development of the company, of its production capacities, the introduction of the technical progress and the realization of products at world technical level;

j.- solves any other issues established by the general meeting of shareholders as well as by the valid legislation.

k.- approves the acquisition, alienation, exchange, constitution in guarantee of goods in the company's patrimony, contracting of financing for investments and working capital according to the EGMS decisions.

The current management of the company is delegated by mandate to the General Manager, appointed by the Board of Directors for a period of 4 years.

The company applies the diversity policy regarding its management and administration bodies.

The company will continuously improve its communication in relation with shareholders and investors by complying with more and more requirements of the BVB Code. In this sense, it proposes to reconfigure its own site and develop a section dedicated to investor relations that will present relevant information for them.

6. Financial accounting statement

The situation of the **individual** financial position of Sinteza SA in 2021 compared to 2020 is as follows:

INDICATOR	INDIVIDUAL	
	31.12.2020	31.12.2021
Tangible assets		
Free hold land and land improvement	14,565,500	18,336,520
Buildings	11,311,786	13,744,011
Technical installations and means of transport	13,551,567	13,079,924
Furniture, office equipment [...]	50,821	53,268
Tangible fixed assets in progress	1,636,674	1,445,277
Advance payments for tangible assets		
Total of Tangible Assets	41,116,348	46,659,000
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	163,469	147,324
Intangible assets in progress	59,855	8,841
Shares held in subsidiaries and other fixed assets	30,966	3,295
Rights to use leased assets	56,924	157,939
Total of Fixed Assets	41,427,562	46,976,399
Current assets		
Inventories	1,245,776	1,419,271
Trade and other receivables	3,114,944	5,979,614
Expenses registered in advance	205,042	128,601
Cash and cash equivalents	32,503	859,368
Assets classified as being held for sale	2,853,111	2,853,111
Total of Current Assets	7,451,376	11,239,965
Total of Assets	48,878,938	58,216,364
Shareholders' equity		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	27,587,348	34,860,557
The result of the year	-5,170,629	1,313,111
Result carried forward	-760,411	-5,931,040
Other elements of shareholders' equity	-540	-540
Minority interests		
Total Equity	31,572,657	40,158,977
Long-term liabilities		
Long-term loans and other liabilities	402,404	386,796
Revenues recorded in advance		
Provisions		
Deferred tax liabilities	3,532,726	4,785,252
Total Long Term Liabilities	3,935,130	5,172,048
Current liabilities		
Short-term loans	5,577,315	4,657,223
Trade and other payables, including financial derivatives	7,609,242	7,935,580
Revenues recorded in advance	78,298	37,166
Provisions	106,296	255,370
Liabilities classified as being held for sale		
Total of Current Liabilities	13,371,151	12,885,339
Total of Liabilities	17,306,281	18,057,387
Total Shareholders' Equity and Liabilities	48,878,938	58,216,364

For the financial year 2021, the parent company SINTEZA SA prepared consolidated financial statements, the consolidation including the company CHIMPROD SA, having the following identification data:

Company name:	SC Chimprod SA
Registered office:	Oradea, sos.Borsului no.35
Phone / fax number:	0259 456 110
Tax code:	(RO) 67345
Trade Register Registration:	J / 05/1984/1992
Share capital:	90,000 lei

The shares of SC Chimprod SA are not traded on the regulated securities market. The shareholding owned by Sinteza SA is 99.765%, and the non-controlling interest shareholding is 0.235%.

The company is managed by mandate by SC Sinteza SA, having appointed a permanent representative in this regard.

The consolidated financial position in 2021 compared to 2020 is as follows:

INDICATOR	CONSOLIDATED	
	31.12.2020	31.12.2021
Tangible assets		
Free hold land and land improvement	14,565,500	18,336,520
Buildings	11,311,786	13,744,011
Technical installations and means of transport	13,551,567	13,079,924
Furniture, office equipment [...]	50,821	53,268
Tangible fixed assets under construction	1,636,674	1,445,277
Advance payment for tangible assets		
Total of Tangible Assets	41,116,348	46,659,000
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	163,469	147,324
Intangible assets in progress	59,855	8,841
Shares held in subsidiaries and other fixed assets	33,866	6,195
Rights to use leased assets	56,924	157,939
Total of Fixed Assets	41,430,462	46,979,299
Current assets		
Inventories	1,249,447	1,419,271
Trade and other receivables	1,337,223	4,201,893
Expenses registered in advance	205,042	128,601
Cash and cash equivalents	54,639	872,544
Assets classified as being held for sale	2,853,111	2,853,111
Total of Current Assets	5,699,462	9,475,420
Total of Assets	47,129,924	56,454,719
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		

Reserves	29,026,586	36,299,795
The result of the year	-5,225,158	1,257,820
Result carried forward	-3,850,961	-9,076,118
Other elements of shareholders' equity	-540	-540
Minority interests	-4,018	-4,149
Total of Shareholders' Equity	29,862,798	38,393,697
Long Term Liabilities		
Long-term loans and other liabilities	402,404	386,796
Revenues recorded in advance		
Provisions		
Deferred tax liabilities	3,532,726	4,785,252
Total of Long Term Liabilities	3,935,130	5,172,048
Current liabilities		
Short-term loans	5,577,315	4,657,223
Trade and other payables, including financial derivatives	7,568,487	7,939,215
Revenues recorded in advance	78,298	37,166
Provisions	107,896	255,370
Liabilities classified as being held for sale		
Total of Current Liabilities	13,331,996	12,888,974
Total of liabilities	17,267,126	18,061,022
Total of Shareholders' Equity and Liabilities	47,129,924	56,454,719

The financial statements for 2021 are prepared in accordance with the provisions of MFP Order 881/2012, MFP Order 2844/2016 and MFP Order 10/2019, applicable to companies whose securities are traded on a regulated market.

The management of the company is not aware of any events that would call into question the future continuity of the operation, a statement based on the fact that the technological line has been modernized, determining the quantitative and qualitative increase of benzoic acid production, as well as the existence of contracts and orders. which will ensure the sale of the realized production.

CHAIRMAN OF THE BOARD OF DIRECTORS

ALEXANDRU SAVIN

Declaration of conformity of Sinteza S.A. with the new Corporate Governance Code of BVB on 31. 12. 2021

The provisions of the BVB Governance Code	It complies	Does not comply or partially complies	Reason for non-compliance
A. RESPONSIBILITIES OF THE BOARD			
A.1. All companies should have internal Board regulations that include the terms of reference / responsibilities of the Board and the key management functions of the company, and that apply, <i>inter alia</i> , the General Principles of Section A.		X	The terms of reference / responsibilities of the Board and the key management functions are included only in the articles of association of the company, updated in 2012.
A.2. Provisions for the management of conflicts of interest should be included in the Council Regulation. In any case, the members of the Council shall notify the Council of any conflicts of interest which have arisen or may arise and shall refrain from participating in discussions (including by non-attendance, unless non-attendance would prevent the formation of a quorum) to vote on a decision on the matter giving rise to the conflict of interests.		X	Provisions regarding the management of the conflict of interests will be included in the Regulation (Declaration) of Corporate Governance that will be elaborated by the Board of Directors.
A.3.The Board of Directors or the Supervisory Board must consist of at least five members.		X	The current organizational and management structure of SC Sinteza SA included in the Articles of Association establishes a number of 3 members for the Board of Directors. The modification of the number of members will be done with the approval of the General Meeting of Shareholders and the modification of the constitutive act
<p>A.4.The majority of the members of the Board of Directors must not have an executive position. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of Standard Class companies. In the case of Premium companies, no less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, shall submit a statement at the time of his nomination for election or re-election, as well as when any change in his status occurs, indicating the elements on the basis of which he is independent in character and judgment and according to the following criteria:</p> <p>A.4.1. is not the General Manager / Executive Director of the company or a company controlled by it andhe/she has not held such a position for the last five (5) years;</p> <p>A.4.2. is not an employee of the company or a company controlled by it and has not held such a position for the last five (5) years;</p> <p>A.4.3. does not receive and has not received any additional remuneration or other benefits from the company or a company controlled by it, other than those corresponding to the status of non - executive director;</p> <p>A.4.4. is not or was not an employee or does not have or did not have during the previous year a contractual relationship with a significant shareholder of the company , a shareholder who controls more than 10% of the voting rights, or with a company controlled by him;</p> <p>A.4.5. does not have and did not have in the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a client, partner, shareholder , member of the Board / Director, general manager / executive director or employee of a company if , by its substantive nature , this report may affect its objectivity;</p>	X		<p>All three current members of the Board of Directors are non-executive.</p> <p>Two of the three members of the Board of Directors are independent.</p>

A.4.6. is not and has not been for the past three years the external or internal auditor or employee partner or associate of the current external financial auditor or the internal auditor of the company or a company controlled by it; A.4.7. is not a general manager / executive director of another company and where another general manager / executive director of the company is a non- executive director; A.4.8. has not been a non-executive director of the company for more than twelve years; A.4.9. has no family ties with a person in the situations mentioned in points A.4.1 . and A.4.4			
A.5. Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit corporations and institutions, must be disclosed to potential shareholders and investors before appointment and during his term of office.		X	The professional biographies of the Board members were not made public on the company's website or at BVB. This requirement will be met with the reconfiguration of the company's website .
A.6.Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Board.		X	No such information was considered necessary by the Council.
A.7. The company must appoint a secretary of the Board responsible for supporting the work of the Board.	X		There is a nominee who holds this position on the Board
A.8. The corporate governance statement will state whether an evaluation of the Board has been carried out under the chairmanship of the Chair or the nomination committee and, if so, will summarize the key measures and changes resulting from it. The company must have a policy / guidance on the evaluation of the Committee including the purpose, criteria and frequency of the evaluation process.		X	The Corporate Governance Statement is being prepared and will include such a policy
A.9. The corporate governance statement must contain information on the number of meetings of the Board and the committees during the last year, the participation of the directors (in person and in absentia) and a report by the Board and the committees on their activities.	X		The Board of Directors meets regularly once a month and whenever it is considered necessary for the smooth running of the company's business.
A.10. The corporate governance statement should include information on the exact number of independent members of the Board of Directors or the Supervisory Board.	X		The Board of Directors has 3 members, 2 of which are independent members
A.11. The Board of Premium Companies must set up a nomination committee of non-executive officers, which will lead the procedure for nominating new members to the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent.	X		This requirement does not apply to SC Sinteza SA listed on the BVB Standard Category
B. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM			
B.1. The Board must set up an audit committee in which at least one member must be an independent non-executive director. A majority of the members, including the chair, must have demonstrated that they have the appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate auditing or accounting experience. In the case of Premium companies, the audit committee must be composed of at least three members and a majority of the members of the audit committee must be independent.	X		An audit committee operates within the board that meets the independence and competence requirements of the BVB Code.

B.2. The chairman of the audit committee must be an independent non-executive member.	X		
B.3. Within its responsibilities, the audit committee must carry out an annual evaluation of the internal control system.		X	The annual audit report contains references to the company's internal control system.
B.4. The evaluation should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which the management addresses the deficiencies or weaknesses identified as a result of the audit. and the submission of relevant reports to the Council.		X	The evaluation of the internal audit is made in the Annual Report of the administrators
B.5. The audit committee must assess the conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties.	X		Conflict of interest assessment is performed when deciding on such transactions
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.	X		There are references in the Annual Report of the administrators regarding this aspect
B.7. The Audit Committee should monitor the application of generally accepted legal and internal auditing standards. The audit committee must receive and evaluate the reports of the internal audit team.	X		The internal audit reports are made available to the audit committee annually
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports to be subsequently submitted to the Board.	X		
B.9 No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	X		There are no such provisions in the articles of association or other internal regulations of the company
B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the closely related companies whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved. by the Council following a binding opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors, insofar as these transactions fall into the category of events subject to reporting requirements.		X	Consideration will be given to the adoption of such a policy by the Council . And its inclusion in its own corporate governance regulations
B.11. Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third party entity.	X		The internal audit of the company is performed by an independent third party on the basis of a service contract
B.12. In order to ensure that the internal audit department performs its core functions, it shall report functionally to the Board through the audit committee. For administrative purposes and as part of the management's obligations to monitor and reduce risks, he must report directly to the general manager.	X		The internal auditor reports functionally to the board of directors and the audit committee, and administratively to the general manager.
C. REMUNERATION POLICY			
C.1. The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review. The remuneration policy must be formulated in such a way as to enable shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and the Chief Executive Officer, as well as the members of the Management Board in the dual system. It should describe how to conduct the process and make remuneration decisions, detail the components of executive management remuneration (such as		X	According to the Articles of Association of the company, the remuneration of the members of the Board of Directors is an attribution of the General Meeting of Shareholders. After elaboration and approval, the Remuneration Policy will be published on the site together with the reconfiguration of the company's website .

salaries, annual bonuses, long-term incentives related to the value of shares, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the contract of the Executive Director and the period of notice provided for in the contract, as well as any compensation for dismissal without just cause. Any essential change in the remuneration policy must be published in due time on the company's website .			
D. ADDING VALUE THROUGH INVESTOR RELATIONS			
D.1 The company must organize an Investor Relations service - made known to the general public through the responsible person / persons or as an organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:		X	The requirement will be implemented with the reconfiguration of the company's website . During 2016 , this compartment was created in the organization chart of the unit. The person in charge of investor relations has been nominated.
D.1.1. The main corporate regulations: the articles of association, the procedures regarding the general meetings of shareholders;		X	The requirement will be implemented with the reconfiguration of the company's website .
D.1.2. Professional CVs of members of the company's management bodies, other professional commitments of members of the Board, including executive and non-executive positions on boards of directors of companies or non-profit institutions;		X	The requirement will be implemented with the reconfiguration of the company's website .
D.1.3. Current and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information on non-compliance with this Code;	X		These reports and information are published on the company's website
D.1.4. Information on general meetings of shareholders: agenda and information materials; the procedure for electing the members of the Board; the arguments in support of the candidates' proposals for election to the Council, together with their professional CVs; questions from shareholders on the company's agenda items and answers, including decisions taken;	X		This information is published on the company's website
D.1.5. Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events that lead to the acquisition or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. That information will be published in a timeframe that allows investors to make investment decisions;		X	The requirement will be implemented with the reconfiguration of the company's website .
D.1.6. The name and contact details of a person who will be able to provide relevant information upon request;		X	The requirement will be implemented with the reconfiguration of the company's website .
D.1.7. Company presentations (eg: investor presentations, quarterly earnings presentations, etc), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	X		This information is published on the company's website
D.2. The company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the General Manager or the Management Board and adopted by the Board, in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website .		X	The distribution of dividends is established by decision of the General Meeting of Shareholders according to the provisions of the Articles of Association of the company. The publication on the company's website of the policy regarding the annual distribution of dividends will be made after its elaboration and approval by the internal management bodies.
D.3. The company will adopt a policy on forecasts, whether they are made public or not. The forecasts refer to quantified		X	The publication on the company's website of the policy in relation to the forecasts will be made after its elaboration and approval by the internal management bodies.

conclusions of studies aimed at establishing the global impact of a number of factors for a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented. The forecast policy will set the frequency, the period considered and the content of the forecast. If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website.			
D.4. The rules of general meeting of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect as soon as possible, starting with the next meeting of shareholders.	X		The rules of the General Meeting of Shareholders are mentioned in each call published according to the legal requirements approximately 45 days before each meeting.
D.5. The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	X		
D.6 The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems, as well as opinions on issues subject to the decision of the general meeting.	X		The annual report of the directors, presented to the annual general meeting of shareholders together with the financial statements, contains the assessment of the Board of Directors on the internal control and significant risk management systems.
D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting at the prior invitation of the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		Sinteza SA is open to the participation of specialists , consultants , experts or analysts at shareholders ' meetings . A set of general rules and procedures in this regard will be subject to discussion and approval by the Council
D.8. The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarterly and from one year to the next.	X		Starting with 2016, the reports are published in both Romanian and English
D.9. A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences.	X		Sinteza SA organizes such meetings twice a year, according to the annual calendar submitted to BVB
D.10. If a company supports various forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of the company are part of its development mission and strategy, it will publish the policy on the activity. in this area.		X	A policy to that effect will be drawn up by the Board, if it is considered pointful.

SINTEZA SA

Individual and consolidated financial statements
on December 31, 2021

Drawn up in accordance with
International Financial Reporting Standards (IFRS)
Adopted by the European Union

Contents:

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Statement of the individual financial position
for the financial year ended on the 31st of December, 2021

INDICATOR	INDIVIDUAL	
	31.12.2020	31.12.2021
Tangible assets		
Freehold land and land improvements	14,565,500	18,336,520
Buildings	11,311,786	13,744,011
Technical installations and means of transport	13,551,567	13,079,924
Furniture, office equipment [...]	50,821	53,268
Tangible assets in progress	1,636,674	1,445,277
Advance payments for tangible assets		
Total of Tangible Assets	41,116,348	46,659,000
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	163,469	147,324
Intangible assets in progress	59,855	8,841
Shares held in subsidiaries and other fixed assets	30,966	3,295
Rights to use leased assets	56,924	157,939
Total of Fixed Assets	41,427,562	46,976,399
Active Current		
Inventories	1,245,776	1,419,271
Trade and other receivables	3,114,944	5,979,614
Expenses registered in advance	205,042	128,601
Cash and cash equivalents	32,503	859,368
Assets classified as held for sale	2,853,111	2,853,111
Total of Current Assets	7,451,376	11,239,965
Total of Assets	48,878,938	58,216,364
Shareholders' equity		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	27,587,348	34,860,557
Result of the year	-5,170,629	1,313,111
Result carried forward	-760,411	-5,931,040
Other elements of shareholders' equity	-540	-540
Minority interests		
Total of Shareholders' Equity	31,572,657	40,158,977
Long Term liabilities		
Long-term loans and other liabilities	402,404	386,796
Revenues recorded in advance		
Provisions		
Deferred tax liabilities	3,532,726	4,785,252
Total of Long Term Liabilities	3,935,130	5,172,048

Current liabilities		
Short-term loans	5,577,315	4,657,223
Trade and other payables, including financial derivatives	7,609,242	7,935,580
Revenues recorded in advance	78,298	37,166
Provisions	106,296	255,370
Liabilities classified as being held for sale		
Total of Current Liabilities	13,371,151	12,885,339
Total of liabilities	17,306,281	18,057,387
Total of Shareholders' Equity and Liabilities	48,878,938	58,216,364

Statement of the consolidated financial position
for the financial year ended on the 31st of December, 2021

INDICATOR	CONSOLIDATED	
	31.12.2020	31.12.2021
Tangible fixed assets		
Freehold land and land improvements	14,565,500	18,336,520
Buildings	11,311,786	13,744,011
Technical installations and means of transport	13,551,567	13,079,924
Furniture, office equipment [...]	50,821	53,268
Tangible assets on progress	1,636,674	1,445,277
Advance payments for tangible assets		
Total of Tangible Assets	41,116,348	46,659,000
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	163,469	147,324
Intangible assets in progress	59,855	8,841
Shares held in subsidiaries and other fixed assets	33,866	6,195
Rights to use leased assets	56,924	157,939
Total of Fixed Assets	41,430,462	46,979,299
Current assets		
Stocks	1,249,447	1,419,271
Trade and other receivables	1,337,223	4,201,893
Expenses registered in advance	205,042	128,601
Cash and cash equivalents	54,639	872,544
Assets classified as being held for sale	2,853,111	2,853,111
Total of Current Assets	5,699,462	9,475,420
Total of Assets	47,129,924	56,454,719
Shareholders' equity		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	29,026,586	36,299,795
The result of the year	-5,225,158	1,257,820
Result carried forward	-3,850,961	-9,076,118
Other elements of shareholders' equity	-540	-540
Minority interests	-4,018	-4,149
Total of shareholders' equity	29,862,798	38,393,697
Long Term liabilities		
Long-term loans and other liabilities	402,404	386,796
Revenues recorded in advance		
Provisions		
Deferred tax liabilities	3,532,726	4,785,252

Total of Long Term Liabilities	3,935,130	5,172,048
Current liabilities		
Short-term loans	5,577,315	4,657,223
Trade and other payables, including financial derivatives	7,568,487	7,939,215
Revenues recorded in advance	78,298	37,166
Provisions	107,896	255,370
Liabilities classified as being held for sale		
Total of Current Liabilities	13,331,996	12,888,974
Total of Liabilities	17,267,126	18,061,022
Total of shareholders' equity and liabilities	47,129,924	56,454,719

Statement of the individual overall result
on December 31, 2021

INDICATOR	INDIVIDUAL	
	31.12.2020	31.12.2021
Continuous activities		
Income	21,978,579	42,657,990
Other income	917,332	617,552
Stock variation	-2,446,402	55,836
Total of Operating Income	20,449,509	43,331,378
Inventory expenses	10,079,888	21,688,973
Utility expenses	3,758,177	6,332,423
Employee benefit expenses	5,521,355	6,030,476
Depreciation and amortization expenses	2,085,555	2,141,326
Gains / losses on disposal of fixed assets		
Adjusting the value of current assets	73,818	90,439
Adjustments regarding provisions	-279	102,137
Other expenses	3,759,342	5,172,788
Total of Operating Expenses	25,277,856	41,558,562
Result of Operational Activities	-4,828,347	1,772,816
Financial income	56,733	127,516
Financial expenses	431,687	619,781
Net Financial Result	-374,954	-492,265
Result Before Taxation	-5,203,301	1,280,551
Current income tax expense		
Deferred income tax expense		
Deferred income tax revenue	32,672	32,560
Result from Continuous Activities	-5,170,629	1,313,111
Minority interests		
Total of the overall result afferent to the period	-5,170,629	1,313,111

Statement of the consolidated overall result

on December 31, 2021

INDICATOR	CONSOLIDATED	
	31.12.2020	31.12.2021
Continuous activities		
Income	21,978,579	42,670,782
Other incomes	917,332	617,552
Stock variation	-2,446,402	55,836
Total of Operating Income	20,449,509	43,344,170
Inventory expenses	10,079,888	21,688,973
Utility expenses	3,758,177	6,332,423
Employee benefit expenses	5,570,497	6,090,370
Depreciation and amortization expenses	2,085,555	2,141,326
Gains / losses on disposal of fixed assets		
Adjusting the value of current assets	73,818	94,110
Adjustments regarding provisions	1,600	102,137
Other expenses	3,762,978	5,177,436
Total of Operating Expenses	25,332,513	41,626,775
Result of Operational Activities	-4,883,004	1,717,395
Financial income	56,733	127,516
Financial expenses	431,687	619,781
Net Financial Result	-374,954	-492,265
Result Before Taxation	-5,257,958	1,225,130
Current income tax expense		
Deferred income tax expense		
Deferred income tax revenue	32,672	32,560
Result from Continuous Activities	-5,225,286	1,257,690
Minority interests	128	130
Total of the overall result afferent to the period	-5,225,158	1,257,820

**Statement of the modifications in the individual shareholders' equities
on December 31, 2021**

Modification resources of the shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other equity	The cumulative value. To those elements of the overall result	Result carried forward	Reeval reserves.	Other reservations	(-) Own shares	Attributable profit or loss (-) to the holders of shareholders' equity in the parent company	(-) Interim dividends	Minority interests Cumulative value. Other elements of the overall result	Minority interests Other items	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changes in accounting policies														
Opening balance (current period)	9,916,889				(5,170,629)	(760,411)	23,483,514	4,103,834	540					31,572,657
Ordinary bond issues														
Issues of preferred shares														
Issues of other equity instruments														
Exercising or expiring other issued capital instruments														
Conversion of liabilities into shareholders' equity														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity into debt														
Transfers between equity components					5,170,629	(5,170,629)	(1,285,085)							(1,285,085)
Increases or (-) decreases in equity resulting from combinations of activities														
Share -based payments														
Other increases or (-) decreases in equity							8,558,294							8,558,294
Total overall result for the year					1,313,111									1,313,111
Closing balance (current period)	9,916,889				1,313,111	(5,931,040)	30,756,723	4,103,834	540					40,158,977

**Statement of the modifications in the individual shareholders' equities
on December 31, 2020**

Modification resources of the shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other equity	The cumulative value. To those elements of the overall result	Result carried forward	Reevaluation reserves.	Other reserves	(-) Own actions	Attributable profit or loss (-) to the holders of shareholders' equities in the parent company	(-) Interim dividends	Minority interests Cumulative value. Other elements of the overall result	Minority interests Other items	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changes in accounting policies														
Opening balance (current period)	9,916,889				(4,061,287)	3,300,876	23,396,407	4,103,834	540					36,656,179
Ordinary bond issues														
Issues of preferred shares														
Issues of other equity instruments														
Exercising or expiring other issued capital instruments														
Conversion of liabilities into shareholders' equity														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity into liabilities														
Transfers between equity components					4,061,287	(4,061,287)	(457,310)							(457,310)
Increases or (-) decreases in equity resulting from combinations of activities														
Share -based payments														
Other increases or (-) decreases in equity							544,417							544,417
Total overall result for the year					(5,170,629)									(- (5,170,629)
Closing balance (current period)	9,916,889				(5,170,629)	(760,411)	23,483,514	4,103,834	540					31,572,657

Statement of the modifications in consolidated shareholders' equity
on December 31, 2021

Modification resources of the shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other equity	The cumulative value. To those elements of the overall result	Result carried forward	Reeval reserves.	Other reservations	(-) Own actions	Attributable profit or loss (-) to the holders of shareholders' equities in the parent company	(-) Interim dividends	Minority interests Cumulative value. Other elements of the overall result	Minority interests Other items	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changes in accounting policies														
Opening balance (current period)	9,916,889				(5,225,158)	(3,850,961)	23,519,450	5,507,136	540			(4,018)		29,862,798
Ordinary bond issues														
Issues of preferred shares														
Issues of other equity instruments														
Exercising or expiring other issued capital instruments														
Conversion of liability into shareholders' equity														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity into debt														
Transfers between equity components					5,225,158	(5,225,158)	(1,285,085)							(1,285,085)
Increases or (-) decreases in equity resulting from combinations of activities														
Share -based payments														
Other increases or (-) decreases in equity							8,558,294					(130)		8,558,164
Total overall result for the year					1,257,820									1,257,820
Closing balance (current period)	9,916,889				1,257,820	(9,076,118)	30,792,659	5,507,136	540			(4,149)		38,393,697

Statement of the modifications in consolidated shareholders' equity
on December 31, 2020

Modification resources of the shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other equity	The cumulative value. To those elements of the overall result	Result carried forward	Reevaluation reserves.	Other reserves	(-) Own actions	Attributable profit or loss (-) to the holders of shareholders' equities in the parent company	(-) Interim dividends	Minority interests Cumulative value. Other elements of the overall result	Minority interests Other items	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changes in accounting policies														
Opening balance (current period)	9,916,889				(4,114,704)	263,743	23,432,343	5,507,136	540			(3,890)		35,000,977
Ordinary bond issues														
Issues of preferred shares														
Issues of other equity instruments														
Exercising or expiring other issued capital instruments														
Conversion of liabilities into shareholders' equity														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity into liabilities														
Transfers between equity components					4,114,704	(4,114,704)	(457,310)							(457,310)
Increases or (-) decreases in equity resulting from combinations of activities														
Share -based payments														
Other increases or (-) decreases in equity							544,417					(128)		544,289
Total overall result for the year					(5,225,158)									(5,225,158)
Closing balance (current period)	9,916,889				(5,225,158)	(3,850,961)	23,519,450	5,507,136	540			(4,018)		29,862,798

**Individual cash flow statement
on 31.12.2021**

- lei -

	31.12.2020	31.12.2021
Cash flows from operating activity		
Receipts from customers	22,058,150	40,438,550
Other receipts (including net VAT refunds)	1,692,258	766,654
Payments to suppliers	17,517,593	31,834,013
Payments of net salaries	2,977,940	3,265,444
Payments to budgets	329,966	3,278,311
Other payments	1,908,661	558,387
Net cash from operating activities	1,016,248	2,269,049
Cash flows from investment activities		
Payments for the purchase of fixed assets	233,298	174,492
Receipts from sales of tangible fixed assets		
Interest received		
Net cash from investment activities	-233,298	-174,492
Net cash from financing activities		
Loan receipts	15,427,730	19,742,302
Interest paid and loan repayments	16,212,318	21,009,887
Dividends paid	4,303	107
Net cash from financing activities	-788,891	-1,267,692
Net increase / (decrease) in cash	-5,941	826,865
Cash and cash equivalents at the beginning of the period	38,444	32,503
Cash and cash equivalents at the end of the period	32,503	859,368

**Consolidated cash flow statement
on 31.12.2021**

- lei -

	31.12.2020	31.12.2021
Cash flows from operating activity		
Receipts from customers	22,106,430	40,493,043
Other receipts (including net VAT refunds)	1,692,258	766,654
Payments to suppliers	17,517,593	31,834,013
Payments of net salaries	3,007,167	3,300,721
Payments to budgets	346,440	3,302,235
Other payments	1,912,576	562,639
Net cash from operating activities	1,014,912	2,260,089
Cash flows from investment activities		
Payments for the purchase of fixed assets	233,298	174,492
Receipts from sales of tangible fixed assets		
Interest received		
Net cash from investment activities	-233,298	-174,492
Net cash from financing activities		
Loan receipts	15,427,730	19,742,302
Interest paid and loan repayments	16,212,318	21,009,887
Dividends paid	4,303	107
Net cash from financing activities	-788,891	-1,267,692
Net increase / (decrease) in cash	-7,277	817,905
Cash and cash equivalents at the beginning of the period	61,916	54,639
Cash and cash equivalents at the end of the period	54,639	872,544

Notes to the financial statements

1. Reporting entity

The parent company Sinteza SA has its registered office in Oradea, sos.Borsului nr.35, Registration number at the Trade Register J / 05/197/1991. It is a joint stock company and

operates in Romania in accordance with the provisions of Law no. 31/1990 on commercial companies.

The object of the Company's basic activity is the production and sale of basic organic chemicals - CAEN code 2014.

The Company's shares are listed on the Bucharest Stock Exchange, Standard category, with the code STZ.

On 31.12.2021, the parent company is owned by the following shareholders:

FIA- BT Invest 1	33.8898%
PASCU RADU	31.1597%
ROCA INVESTMENTS SA	18.0000%
Other natural and legal persons	16.9505%
Total:	100,000

The record of shares and shareholders is kept in accordance with the law by Depozitarul Central SA Bucharest.

Entity entered into consolidation

For the financial year 2021, the company **CHIMPROD SA** was included in the consolidation, having the following identification data:

Company name:	SC Chimprod SA
Registered office:	Oradea, sos.Borsului no.35
Phone / fax number:	0259 456 110
Fiscal registration code:	(RO) 67345
Trade Register No.:	J / 05/1984/1992
Share capital:	90,000 lei

The shares of Chimprod SA are not traded on the regulated securities market.

The company is managed by mandate by Sinteza SA, having as permanent representative Mrs. Coman Dana.

The participation held by SC Sinteza SA is 99.765%, and the participation held by non-controlling interests is 0.235%.

Chimprod SA suspended its activity at the Trade Register for the period 24.09.2018 until 23.09.2021.

Date of approval of the publication of the financial statements

The financial communication calendar of the Company is approved by the executive management bodies of the Company in accordance with the statutory provisions and is communicated publicly by publication on its own website.

2. Basics of preparation

Declaration of conformity

The Group's individual and consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Starting with the financial year 2012, the Company and the Group have the obligation to apply the International Financial Reporting Standards (IFRS).

Basics of consolidation

The consolidated financial statements include the financial statements of the parent company Sinteza SA and those of the consolidated company (subsidiary) Chimprod SA as an entity controlled by the parent company.

Presentation of financial statements

The individual and consolidated financial statements are presented in accordance with the requirements of IAS 1 "Presentation of Financial Statements", based on liquidity in the statement of financial position and based on the nature of income and expenses in the statement of comprehensive income.

Functional and presentation currency

The functional currency chosen is the leu. The individual and consolidated financial statements are presented in lei.

Basis of evaluation

The individual and consolidated financial statements have been prepared on a historical cost basis, except for assets - tangible fixed assets - which are measured at fair value every three years.

The accounting policies have been consistently applied for the periods presented in these financial statements.

The principle of business continuity was respected. The company's future plans are mainly aimed at developing the product portfolio, developing the customer portfolio and the industrial park project.

The company's development plans take into account:

- developing the product portfolio by contacting research and development institutions
- developing a portfolio of clients with a focus on those who can provide predictability, higher margins and more favorable payment terms
- development of the industrial park project on the current platform of the company

Use of estimates and judgments

The preparation and presentation of individual and consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) involves the use of estimates, judgments and assumptions that affect the application of accounting policies and reported values. Estimates, judgments and assumptions are based on historical experience. The results of these estimates form the basis of judgments regarding the book values that cannot be obtained from other sources.

When some elements of the annual financial statements cannot be accurately measured, they are estimated.

Estimates are based on the latest credible information available.

Changing the circumstances on which this estimate was based or as a result of new information or better experience may lead to a change in the original estimate.

Any change in the accounting estimates will be recognized prospectively by its inclusion in the result:

- the period in which the change takes place, if it affects only that period; or
- the period in which the change takes place and the future periods, if the change has an effect on them as well.

The group uses estimates to determine:

- uncertain customers and adjustments for impairment of related receivables;
- the value of the provisions for risks and expenses to be established at the end of the financial year for litigation, for the decommissioning of tangible assets, for restructuring, for pensions and similar obligations, for taxes.
- the useful lives of depreciated fixed assets for which, at revaluation, a fair value and a new economic useful life are determined.

Judgments and assumptions are periodically reviewed by the Company and are recognized at the time the estimates are reviewed.

3. Significant accounting policies

The parent company and the subsidiary organize and manage the financial accounting, according to the Accounting Law no. 82/1991 republished, with subsequent amendments and completions.

Financial accounting ensures the chronological and systematic recording, processing, publication and storage of information on financial position, financial performance and other information related to the activity carried out.

Accounting policies have been developed to ensure that the annual financial statements provide information that must be intelligible, relevant to the needs of users in making decisions, credible in the sense of accurately representing assets, liabilities, financial position and profit or the loss of the company does not contain significant errors, is not biased, is prudent, complete in all significant respects, comparable so that users can compare the financial statements of the company over time, to identify trends in its financial position and performance and to be able to compare financial statements with those of other companies to assess financial position and performance.

The accounting policies have been consistently applied to all periods presented in these individual financial statements.

The individual financial statements are prepared based on the assumption that the Company will continue its activity in the foreseeable future.

Foreign currency transactions

Foreign currency transactions are recorded in lei at the exchange rate at the settlement date of the transactions.

At the end of each month, the foreign currency debts are valued at the exchange rate of the foreign exchange market, communicated by the National Bank of Romania from the last banking day of the month in question. The exchange differences recorded are recognized in the accounting for income or expenses from exchange rate differences, as the case may be. Exchange rate differences arising on the settlement of foreign currency liabilities at exchange rates other than those initially recorded during the month or those recorded in the accounts must be recognized in the month in which they arise, as income or expenses from exchange rate differences.

The differences in value that appear on the occasion of the settlement of debts expressed in lei, depending on an exchange rate different from the one at which they were initially recorded during the month or from those at which they are recorded in the accounting must be recognized in the month in which they appear. other financial income or expenses.

Financial instruments

The parent company and the subsidiary hold as non-derivative financial assets: trade receivables, cash and cash equivalents.

Receivables include:

- trade receivables, which are amounts owed by customers for goods sold or services rendered in the ordinary course of business;
- trade receivables, trade acceptances, third party instruments;
- amounts owed by directors, shareholders, employees or affiliated companies.

Receivables are recorded on the basis of accrual accounting, according to the legal or contractual provisions.

Trade receivables can be discounted before maturity.

At the end of each month, the receivables in foreign currency are valued at the exchange rate of the foreign exchange market, communicated by the National Bank of Romania from the last banking day of the month in question. The exchange differences recorded are recognized in the accounting for income or expenses from exchange rate differences, as the case may be.

At the end of each month, the receivables expressed in lei, the settlement of which is made according to the exchange rate of a currency, are evaluated at the exchange rate of the foreign exchange market, communicated by the National Bank of Romania from the last banking day of the month. In this case, the differences recorded are recognized in the accounting for other financial income or other financial expenses, as the case may be.

Exchange differences arising on the settlement of foreign currency receivables at exchange rates different from those initially recorded during the month or from those recorded in the accounts must be recognized in the month in which they arise, as income or expenses from exchange rate differences.

The differences in value that appear on the occasion of the settlement of receivables expressed in lei, depending on a foreign exchange rate different from the one at which they were initially recorded during the month or from those at which they are recorded in the accounting must be recognized in the month in which they appear. other financial income or expenses.

Bank accounts include:

- Amounts receivable (checks and bills deposited with banks)
- Availability in lei and foreign currency
- Checks issued by the company
- Short-term bank loans

- Interest on cash and loans granted by banks in current accounts.

Interest payable and interest receivable on the current financial year are recorded as financial expenses or financial income, as the case may be.

Foreign exchange sale-purchase operations, including those carried out under forward settlement contracts, are recorded in accounting at the exchange rate used by the commercial bank at which the foreign currency auction is conducted; they generate exchange rate differences in accounting compared to the exchange rate of the National Bank of Romania .

Foreign currency deposits are valued monthly at the exchange rate communicated by the National Bank of Romania for the last working day of the month.

The liquidation of the deposits constituted in foreign currency is carried out at the exchange rate communicated by the National Bank of Romania, from the date of the liquidation operation.

Exchange rate differences between the exchange rate on the date of incorporation or the exchange rate at which they are recorded in the accounting and the exchange rate of the National Bank of Romania on the date of liquidation of bank deposits are recorded as income or expenses from exchange rate differences, as appropriate.

Tangible fixed assets

Tangible fixed assets are assets which:

- are owned by a company for use in the production of goods or services, for rent to third parties or for administrative purposes; and
- are used for a period of more than one year.

Tangible fixed assets include:

- land and buildings;
- technical installations and machines;
- machinery and furniture;
- real estate investments;
- advances granted to suppliers of property, plant and equipment;
- property, plant and equipment in progress;
- real estate investments in progress;
- tangible assets for the exploitation and evaluation of mineral resources.

Tangible fixed assets are initially measured at cost. This is the acquisition cost or production cost, depending on how the property, plant and equipment enters the company.

The commercial discounts granted by the supplier and entered on the purchase invoice adjust in the sense of reducing the acquisition cost of the fixed assets.

The cost of production of fixed assets includes direct production costs such as direct materials, energy consumed for technological purposes, costs representing employees' salaries, legal contributions and other related expenses, which result directly from the construction of tangible assets, site development costs, costs initial delivery and handling costs, installation and assembly costs, costs of testing the proper functioning of the asset, professional fees and commissions paid in connection with the asset, the cost of designing the products and obtaining the necessary authorizations;

Subsequent expenses related to tangible fixed assets are recognized as follows:

- as well as expenses in the period in which they were incurred if they are considered repairs or the purpose of these expenses is to ensure the continuous use of the asset while maintaining the initial technical parameters; or

- as a component of the asset, in the form of subsequent expenses, if the conditions to be considered investments in fixed assets are met.

Tangible fixed assets are presented in the balance sheet at their fair value.

Tangible fixed assets are revalued every 3 years.

In years when no revaluations are performed, tangible fixed assets are presented in the annual financial statements at the amount determined at the last revaluation less accumulated depreciation and cumulative adjustments for impairment losses.

Depreciation of tangible fixed assets is calculated from the month following the commissioning until the full recovery of their input value.

Land is not depreciated.

Duration of economic use is the period during which an asset is expected to be available for use.

The periods of economic use established by the company for the main categories of fixed assets in its patrimony are the usual ones in the chemical industry.

Depreciation is still recorded in the accounts according to the useful life and depreciation method initially established. When depreciating tangible fixed assets, the Company uses straight-line depreciation, achieved by including in the operating expenses a fixed amount, established in proportion to the number of years of their economic use, for the following categories of fixed assets:

- constructions;
- technical installations and machines;
- machinery and furniture

The initially established service life will be revised (in the sense of decrease or increase) whenever there are changes in the initially estimated conditions of use, there is an obsolescence of a tangible asset, when a period of preservation occurs or a technical condition is found that allows a longer use than originally estimated.

Following the re-estimation of the initially established life, the depreciation expense will be recalculated over the remaining period of use.

Intangible assets

Intangible assets include:

- development expenditures;
- concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets;
- goodwill;
- advance payments for intangible assets;
- intangible assets for the exploitation and evaluation of mineral resources

An intangible asset must be recognized if and only if:

- it is estimated that the future economic benefits that are attributable to the asset will be obtained by the company; and
- the cost of the asset can be measured accurately.

An intangible asset is initially recorded at the cost of acquisition or production depending on how it enters the patrimony.

Development costs are recognized at their cost of production.

The production cost of fixed assets from the development phase includes direct production costs such as direct materials, energy consumed for technological purposes, costs representing employees' salaries, legal contributions, costs of testing the proper functioning of the asset, professional fees and commissions paid in connection with the asset, the cost of obtaining the necessary permits.

Development expenses that are recognized as intangible assets development expenses are amortized over the term of the contract or for the duration of use, as the case may be.

Financial assets

Financial assets include:

- shares held at subsidiaries;
- loans granted to group entities;
- shares held in associated entities and in jointly controlled entities;
- loans granted to associated entities and jointly controlled entities;
- other fixed assets;
- other loans.

Financial fixed assets are recognized at the entry into the patrimony at acquisition value. Changes in fair value are recognized in profit or loss.

Assets related to the right of use

Recognition and evaluation

An asset related to the right of use is the right of a lessee to use an underlying asset during the lease.

The company applies IFRS 16 for operating leases.

The company applies the exceptions provided by IFRS 16 regarding the recognition of an asset related to the right to use the following contracts: short-term leasing contracts and leasing contracts for which the underlying asset has a small value. The costs related to the performance of these types of exempt contracts are recognized as current expenses for rents, during the period of use of the property.

Initial valuation of the asset related to the right of use

At the beginning of the leasing contract, the asset related to the right of use is valued at cost, by summing the following values:

- a. the amount of the initial valuation of the debt arising from the lease, representing the present value of the lease payments that are not paid on that date, using the marginal lending rate;
- b. any lease payments made on or before the commencement of the lease, less any incentives (reductions) received under the contract;
- c. any initial direct costs incurred by the lessee between the date of commencement and the date of commencement of the lease;
- d. as well as, where applicable, an estimate of the costs to be borne by the lessee for the restoration, the place where the underlying asset is located or for bringing it to the condition required in the terms and conditions of the lease.

Initial assessment of the debt arising from the lease

At the start of the tenure, as a lessee, he must assess the debt arising from the lease at the present value of the lease payments not paid on that date. Lease payments must be discounted using the marginal lending rate.

Subsequent evaluation

After the starting date of the leasing contract, respectively the registration of an asset representing the right of use and the related debt, these will be valued later by the amortized cost model, as follows:

- a. The asset representing the right of use - is depreciated on a straight-line basis over the entire term of the lease;
- b. Debt arising from the lease - is measured similarly to any other financial liability, using the effective interest method, so that the balance is reduced based on the amortized cost and the interest expense is allocated during the lease.

Elements of the nature of stocks

The entry of inventories is recorded in the accounts at the date of the transfer of risks and rewards.

At the date of entry into the company, the inventories are valued and recorded in the accounting at the entry value, which is established as follows:

- at acquisition cost - for purchased stocks;
- predetermined production cost - for stocks produced in the company;
- at the contribution value , established following the evaluation - for the stocks representing the contribution to the share capital;
- at fair value - for inventories obtained free of charge or found in addition to inventory.

Trade discounts granted by the supplier and recorded on the purchase invoice reduce the purchase cost of the goods.

The standard cost method is used to determine the production cost, taking into account the normal levels of materials and consumables, labor, efficiency and production capacity.

Levels considered normal for material consumption are reviewed at an interval of 12 months.

At the end of the inventory, they are evaluated and recorded by applying the FIFO method, respectively the elements of the nature of the stocks that were produced or bought first are those that are consumed or sold first. The elements that remain in stock at the end of the period are most recently purchased or produced.

At the balance sheet date, inventories are valued at the lower of cost and net realizable value.

The net realizable value is the estimated selling price during the normal course of business, less the estimated costs for completion and the costs necessary for the sale.

When the company decides to change the use of tangible assets, in the sense that it is to be sold, at the time of the decision to change the destination, the accounting records the transfer of assets from tangible assets to stocks held for sale.

Incomes

Revenues represent increases in economic benefits , which occurred during the year, which generated an increase in equity in other forms than those that express new contributions from the owners of the enterprise.

The income category includes both the amounts collected or receivable in one's own name, as well as the earnings from any source.

Revenues are classified as follows:

- Operating income;
- Financial income;

Revenue is recognized on an accrual basis.

Revenue from the sale of goods is recorded when the goods are handed over to the buyers, delivered on the basis of the invoice or under other conditions provided in the contract, which certifies the transfer of ownership of the goods to customers.

Revenue from the sale of goods is recognized when the following conditions are met:

- a) the significant risks and rewards of ownership of the goods have been transferred to the purchaser;
- b) the company no longer manages the goods sold at the level at which it would have done so normally in the case of their ownership and no longer has effective control over them;
- c) revenues can be measured reliably;
- d) the economic benefits associated with the transaction are likely to be generated to the company; and
- e) transaction costs can be measured reliably.

Revenues from the provision of services are recorded in the accounts as they are performed, correlated with the stage of execution of the work.

The stage of execution of the work is determined on the basis of the work statements accompanying the invoices, minutes of receipt or other documents attesting to the stage of completion and receipt of the services provided.

Interest income is recognized periodically, on a pro rata basis, as income is generated.

Revenues from royalties and rents are recognized according to the terms of the contract. Dividend income is recognized when the shareholder's right to collect is established.

Revenues from the decrease or cancellation of provisions, respectively of adjustments for depreciation or impairment are recorded in case their maintenance is no longer justified, the risk is realized or the expense becomes due.

Revenue is valued at the amount determined by the agreement between the seller and the buyer, taking into account the amount of any trade discounts granted. Revenues received before the balance sheet date that are related to the following financial year are presented in advance.

Costs

The expenses of the parent company and of the subsidiary represent the amounts paid or payable for:

- stock consumption;
- works performed and services provided by the company;
- staff costs;
- execution of legal or contractual obligations;
- provisions;
- depreciation;
- adjustments for impairment or impairment.

Expenditure accounting is kept by types of expenses, as follows:

- operating expenses;
- financial expenses.

Synthetic expense accounts comprising several items with different tax deductibility arrangements are developed in analytics, so that each analyst reflects the specific content.

Debts

Debts are recorded in the accounts on behalf of third party accounts. The accounts of suppliers and other liabilities are kept by category, as well as by each natural or legal person.

Personnel rights are recorded in the accounting with withholding contributions

The profit tax payable must be recognized as a debt up to the unpaid amount.

Deferred tax is the amount of income tax payable in a future period. Deferred tax liabilities are represented by the amounts of income tax payable in future accounting periods, with respect to taxable temporary differences.

It is calculated on the basis of the tax rates that are expected to be applicable to temporary differences, upon their resumption, based on the legislation in force at the reporting date.

Deferred tax receivables are represented by the values of the profit tax, recoverable in the future accounting periods .

Deferred tax assets and liabilities are offset only if there is a legal right to offset current taxes and debts.

Provisions

A provision will be recognized in accounting when:

- the company has a current obligation generated by a previous event;
- it is likely that an outflow of resources will be needed to meet that obligation;
- a credible estimate of the value of the obligation can be made.

No provisions are recognized for future operating losses.

The provisions are revised at the date of preparation of the individual financial statements and are adjusted to reflect the current best estimate.

If an outflow of resources is no longer probable for the discharge of an obligation, the provision shall be canceled by resumption of income.

Trade and financial reductions

The commercial discounts granted by the supplier and recorded on the purchase invoice adjust in the sense of reducing the purchase cost of the goods.

Trade discounts granted to customers are adjusted to reduce the amount of revenue related to the transaction .

Contingent assets and liabilities

Contingent assets and liabilities are presented in the explanatory notes in the event that there are probable inflows of economic benefits.

They are assessed annually to determine whether an outflow of resources incorporating economic benefits has become probable and a debt or provision is recognized in the financial statements for the period in which the change in the classification of the event occurred.

Events subsequent to the preparation of the financial statements

Events after the balance sheet date are those events, favorable or unfavorable, that occur between the balance sheet date and the date on which the annual financial statements are authorized for publication. These are presented in the notes when they are considered significant .

New standards and interpretations

Amendments to the standards applicable in 2021 are presented in Note 31.

Compared to the previous year, there were no policy changes accounting.

4. Determining fair values

The presentation requirements of the information contained in the financial statements as well as some accounting policies of the Company determine the need to present them.

The company proceeded to the measurement at fair value of the patrimonial elements at the date of transition to IFRS and presented the Financial Statements of the previous periods at fair value.

When valuing assets or liabilities at fair value, the Company uses as much information as possible on the market as far as possible.

- Level 1: quoted price (unadjusted) on the active markets for identical assets or liabilities that the entity can access at the valuation date;
- Level 2: input data, other than quoted prices included in level 1, which are observable for assets or liabilities, either directly or indirectly;
- Level 3: Unobservable input data for assets or debt.

If the input data for measuring the fair value of an asset or liability can be classified at multiple levels of the fair value hierarchy, the fair value measurement is classified entirely at the same level of the fair value hierarchy as the date of entry with the lowest. level of uncertainty that is significant for the entire assessment.

Valuation techniques and input data used in conducting IFRS13.91 assessments (a)

In the building and land appraisal report, the appraiser used:

Market data chosen by the appraiser: Real estate market analysis:

- Specific real estate market
- Analysis of the existing offer on the market
- Demand analysis
- Market equilibrium

b. Information provided by the owner: Documents regarding the history of fixed assets, repair works performed, degree of operation.

Presentation of valuation level valuations at fair value in full in the fair value hierarchy IFRS 13.93 (b)

Based on the input data used in the valuation technique, the fair value of the buildings and land on 31.12.2021 was classified at level 3 of the fair value hierarchy, the valuation being performed based on unobservable data on the active land and real estate market.

5. Tangible fixed assets

	Land	Buildings	Equipment and other	Tangible fixed assets in progress	Advance tangible assets	Total
<i>Assessed value</i>						
Balance on January 1, 2021	14,565,500	12,486,893	16,467,027	1,636,674	0	45,156,094
Increases	4,758,880	4,316,513	1,637,688	83,412	0	10,796,493
Discounts	987,860	3,059,395	4,971,523	274,809	0	9,293,587
The balance as of December 31, 2021	18,336,520	13,744,011	13,133,192	1,445,277	0	46,659,000

<i>Depreciation and amortization</i>						
Balance on January 1, 2021	0	1,175,107	2,864,639	0	0	4,039,746
Increases		582,540	1,476,458	0	0	2,058,998
Discounts		1,757,647	4,341,097	0	0	6,098,744
The balance as of December 31, 2021	0	0	0	0	0	0

<i>Net value</i>						
Balance on January 1, 2021	14,565,500	11,311,786	13,602,388	1,636,674	0	41,116,348
The balance as of December 31, 2021	18,336,520	13,744,011	13,133,192	1,445,277	0	46,659,000

The parent company's individual statement is the following:

At the group level, the situation is:

	land	Buildings	Equipment and other	Tangible fixed assets in progress	Advance tangible assets	Total
<i>Assessed value</i>						
Balance on January 1, 2021	14,565,500	12,486,893	16,467,027	1,636,674	0	45,156,094
Increases	4,758,880	4,316,513	1,637,688	83,412	0	10,796,493
Discounts	987,860	3,059,395	4,971,523	274,809	0	9,293,587
The balance as of December 31, 2021	18,336,520	13,744,011	13,133,192	1,445,277	0	46,659,000
<i>Depreciation and amortization</i>						
Balance on January 1, 2021	0	1,175,107	2,864,639	0	0	4,039,746
Increases		582,540	1,476,458	0	0	2,058,998
Discounts		1,757,647	4,341,097	0	0	6,098,744
The balance as of December 31, 2021	0	0	0	0	0	0
<i>Net value</i>						
Balance on January 1, 2021	14,565,500	11,311,786	13,602,388	1,636,674	0	41,116,348
The balance as of December 31, 2021	18,336,520	13,744,011	13,133,192	1,445,277	0	46,659,000

The tangible fixed assets of the company include the assets assigned to the development of the production. Some of these assets are mortgaged or pledged to guarantee loans taken from banks.

Ongoing tangible assets represent investments being completed to increase production capacity.

The depreciation method used by the company for all classes of depreciable assets is the straight-line method.

The service life established at the commissioning of the fixed assets were framed within the limits provided by the internal regulations regarding the classification of fixed assets and were not modified during 2021.

6. Intangible assets

In the patrimony of the parent company are highlighted in this group of fixed assets, the value of licenses paid to European regulators in the field of manufacture and sale of chemicals in the amount of 321,854 lei, depreciable during the planned period of operation for manufacturing facilities, as well as licenses for software worth 116,866 lei.

Gross value on 31.12.2021	438,720
Cumulative depreciation	291,396
Of which in the year 2021	64,357
Net value on 31.12.2021	147,324

7. Financial fixed assets

The parent company holds:

- 1.- holding of 99.765% within the subsidiary Chimprod SA Oradea. The accounting value of the shareholding is 1,265,650 lei, value fully depreciated.
- 2.- holding of 1,000 lei at the Employers' Organization in the Chemical and Petrochemical Areas of Bucharest.

Gross value on 31.12.2021	1,266,650
Recorded impairment adjustments	1,265,650
Net value on 31.12.2021	1,000
Other financial assets	2,295
Total	3,295

Assets related to the right to use leased assets at the level of debt under IFRS 16

Cost (lei) on 31.12.2021

Balance on 31.12.2021

204,370

Depreciation related to the right of use

-46,431

Balance as of December 31, 2021		157,939
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The effect of the transition to IFRS 16	2020	2021
Financial expenses interest lease contract	3,828	2,976
Depreciation related to the right of use	17,974	17,971
Total cost	21,802	20,947

8. Inventories

The individual situation at the level of the parent company is as follows:

	31.12.2020	31.12.2021
Raw materials and materials	648,555	1,100,708
Finished products	904,543	908,863
Partly-finished products	782,059	832,446
Merchandise	22,999	22,995
Packages	66,236	67,288
Advances in the acquisition of goods	286,940	2,864
Total	2,711,332	2,935,164
Stock depreciation adjustments	1,465,556	1,515,893
Total	1,245,776	1,419,271

At the group level, the situation is:

	31.12.2020	31.12.2021
Raw materials and materials	652,226	1,100,708
Finished products	904,543	908,863
Partly-finished products	782,059	832,446

Merchandise	22,999	22,995
Packages	66,236	67,288
Advances in the acquisition of goods	286,940	2,864
Total	2,715,003	2,935,164
Stock depreciation adjustments	1,465,556	1,515,893
Total	1,249,447	1,419,271

9. Trade receivables

	31.12.2020	31.12.2021
Clients	2,758,436	5,108,253
Doubtful clients and clients subject to disputes	166,554	170,640
Suppliers-debtors	4,551	71,515
Adjustments for impairment of receivables	-166,554	-170,640
Total	2,762,987	5,179,768
Other receivables	351,957	799,846
Total	3,114,944	5,979,614

At the group level, the situation is:

	31.12.2020	31.12.2021
Clients	978,141	3,327,958
Doubtful clients and clients subject to disputes	251,376	176,680
Suppliers-debtors	4,551	71,515
Adjustments for impairment of receivables	-251,376	-176,680
Total	982,692	3,399,473
Other receivables	354,531	802,420
Total	1,337,223	4,201,893

The commercial relations of the company continued to be formalized in 2021 through commercial contracts or firm orders, the clients being in this period also the traditional ones. Over 90% of the manufactured products were delivered for export to beneficiaries from EU member states or non-EU countries. There is a certain dependence of the company on the community market where about 80% of the production destined for export is delivered.

The company has made adjustments for the depreciation of outstanding receivables of over 365 days in the amount of 170,640 lei.

10. Cash and cash equivalents

Parent company's individual report:

	31.12.2020	31.12.2021
Current bank accounts	27,736	854,686
Cash on hand	4,767	3,629
Other values	0	1,053
Total	32,503	859,368

At the group level, the situation is:

	31.12.2020	31.12.2021
Current bank accounts	49,560	867,773
Cash on hand	5,079	3,718
Other values	0	1,053
Total	54,639	872,544

11. Other receivables

Parent company's individual report:

	31.12.2020	31.12.2021
Settlements from operations being clarified	1,481	1,320
Other receivables related to third parties	23,070	
Other receivables related to the state budget (VAT to be recovered)	327,406	798,526
Total	351,957	799,846

At the group level, the situation is:

	31.12.2020	31.12.2021
Settlements from operations being clarified	1,481	3,879
Other receivables related to third parties	23,070	
Other receivables related to the state budget (VAT to be recovered)	329,980	798,541
Total	354,531	802,420

All these receivables are due in less than a year.

12. Assets classified as held for sale

Parent company's individual report:

	31.12.2020	31.12.2021
Gross value of assets classified as held for sale	3,602,553	2,853,111
Asset value adjustments classified as held for sale	-563,471	
Reclassifications to tangible assets	185,971	
Net value	2,853,111	2,853,111

At the group level the situation is:

	31.12.2020	31.12.2021
Gross value of assets classified as held for sale	3,602,553	2,853,111
Asset value adjustments classified as held for sale	-563,471	
Reclassifications to tangible assets	185,971	
Net value	2,853,111	0

13. Share capital and capital premiums

On 31.12.2021, the shareholding structure of the parent company is as follows (in percentages):

FIA- BT Invest 1	33.8898%
PASCU RADU	31.1597%
ROCA INVESTMENTS SA	18.0000%
Other natural and legal persons	16.9505%
Total:	100,000%

The shareholding structure of the subsidiary is as follows (in percentages):

	31.12.2020	31.12.2021
Sinteza SA	99,765	99,765
Other shareholders	0.235	0.235
Total	100	100

The company continued to manage the capital in 2021, taking into account all its components as defined by Romanian legislation. There were no situations of exclusion of quantitative data or the consideration as a component part of the own capitals of other elements from the balance sheet besides those regulated in the internal legislation.

14. Commercial debts and other payables

The individual situation at the level of the parent company is as follows:

	31.12.2020	31.12.2021
Commercial suppliers	4,755,137	5,085,453
Suppliers for investments	164,628	3,750
Suppliers - collaborators	19,500	19,500
Debts to the state budget	1,020,498	949,279
Debts to employees	189,409	197,265
Current income tax		
Other debts	1,460,070	1,797,659
Total	7,609,242	8,052,906

The classification of individual debts as of 31.12.2021 according to maturity is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	5,085,453	5,085,453		0
Suppliers for investments	3,750	3,750		0
Suppliers - collaborators	19,500	19,500		0
Debts to the state budget	949,279	949,279		0
Debts to employees	197,265	197,265		0
Current income tax				0
Other debts	1,797,659	1,680,333	117,326	0
Total	8,052,906	7,935,580	117,326	0

At the group level, the situation is:

	31.12.2020	31.12.2021
Commercial suppliers	4,711,270	5,085,453
Suppliers for investments	164,628	3,750
Suppliers - collaborators	19,500	19,500
Debts to the state budget	1,022,210	951,369
Debts to employees	190,809	198,810
Current income tax		
Other debts	1,460,070	1,797,659
Total	7,568,487	8,056,541

The classification of the consolidated debts as of 31.12.2021, according to the maturity, is presented in the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	5,085,453	5,085,453		0
Suppliers for investments	3,750	3,750		0
Suppliers - collaborators	19,500	19,500		0
Debts to the state budget	951,369	951,369		0
Debts to employees	198,810	198,810		0
Current income tax				0
Other debts	1,797,659	1,680,333	117,326	0
Total	8,056,541	7,939,215	117,326	0

15. Loans

The individual situation at the level of the parent company is as follows:

31.12.2020 31.12.2021

Amounts owed to credit institutions	5,938,929	4,926,693
Total	5,938,929	4,926,693

The classification of loans on 31.12.2021, according to maturity, is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Amounts owed to credit institutions	4,926,693	4,657,223	269,470	
Total	4,926,693	4,657,223	269,470	0

At the group level, the situation is:

31.12.2020

31.12.2021

Amounts owed to credit institutions	5,938,929	4,926,693
Total	5,938,929	4,926,693

The classification of loans on 31.12.2021, according to maturity, is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Amounts owed to credit institutions	4,926,693	4,657,223	269,470	
Total	4,926,693	4,657,223	269,470	0

Regarding the loans contracted by the Company, the policy of appealing to the resources attracted in order to finance the working capital and the company's investments continued.

The bank loans in progress at the end of 2021 are contracted only at the level of the parent company Sinteza SA and are the following:

- Investment loan for the extension and modernization of the benzoic acid manufacturing plant, secured by a mortgage on the land and buildings located in Oradea, sos. Borsului nr.35, as well as with real movable guarantee on the credit balances of the company's accounts opened at the financing bank and with the assignment of the insurance policy on the goods brought as collateral, value 72,612 EURO, interest 3%, due at 30.09.2025
- Current account credit line 880,536 EURO + unused 169,464 EURO, interest 3%, due at 12.08.2022

In addition to the contracted loans, the company has other financial commitments related to the current and investment activity, namely a letter of bank guarantee in favour of the main supplier of raw material (toluene) in the amount of 530,000 EURO.

16. Provisions

Provisions have been made for risks and expenses as follows:

- provisions for days of leave not taken amounting to 156,408 lei for SINTEZA SA
- 98,962 lei for performance bonuses granted to the management team

17. Revenues in advance

In 2021, the company reflected in the Revenues received in advance the amounts received from customers in the account of future deliveries. The balance of the account on 31.12.2021 in the amount of 37,166 lei highlights the amounts collected from customers for goods to be delivered and services in advance;

18. Turnover

The turnover of the financial year 2021 is as follows:

The individual situation at the level of the parent company is presented:

	31.12.2020	31.12.2021
Incomes from the sale of finished products	21,194,219	41,793,439
Incomes from sale of goods	0	
Incomes from locations and rents	489,981	472,269

Incomes from redaring of services	277,452	325,268
Other incomes (re-invoicing, residual products)	16,927	67,014
Total	21,978,579	42,657,990

At the group level the situation is:

	31.12.2020	31.12.2021
Incomes from the sale of finished products	21,194,219	41,793,439
Incomes from sale of goods	0	
Incomes from locations and rents	489,981	472,269
Incomes from services	277,452	325,268
Other incomes (re-invoicing, residual products)	16,927	67,014
Total	21,978,579	42,657,990

A reportable segment is a component of an entity that engages in business activities from which it can earn revenue and from which it can incur expenses, the results of which are reviewed periodically and for which separate financial information is available.

The company did not organize components to be engaged separately in business activities, the elements of income coming from another activity than the one of industrial production having an incidental character.

The main share of the activity is represented by the industrial production activity, the result of which is periodically examined by the main operational decision-maker.

Regarding the company's sales in 2021, they can be segmented into two areas as follows:

- sales on the foreign market in the amount of 39,277,622 lei;
- domestic sales in the amount of 3,385,368 lei

19. Expenses on raw materials and consumables

The individual situation at the level of the parent company is as follows:

	31.12.2020	31.12.2021
Raw materials	9,306,009	20,616,496

Auxiliary materials	147,754	196,325
Fuel	32,337	28,733
Spare parts	52,982	91,431
Labor protection and other materials	34,580	42,832
Other expenses	506,226	713,156
Total	10,079,888	21,688,973

At the group level, the situation is:

	31.12.2020	31.12.2021
Raw materials	9,306,009	20,616,496
Auxiliary materials	147,754	196,325
Fuel	32,337	28,733
Spare parts	52,982	91,431
Labor protection and other materials	34,580	42,832
Other expenses	506,226	713,156
Total	10,079,888	21,688,973

20. Other material expenses

The individual situation at the level of the parent company is as follows:

	31.12.2020	31.12.2021
Packages	450,594	607,839
Inventory stock items	42,296	75,997
Other unstored materials	13,336	29,320
Total	506,226	713,156

At the group level, the situation is:

	31.12.2020	31.12.2021
Packages	450,594	607,839

Inventory stock items	42,296	75,997
Other unstored materials	13,336	29,320
Total	506,226	713,156

21. Expenses with the employees

The individual situation at the level of the parent company is as follows:

	31.12.2020	31.12.2021
Wages	5,377,981	5,865,640
Social insurance and social protection	143,374	164,836
Total	5,521,355	6,030,476

At the group level, the situation is:

	31.12.2020	31.12.2021
Wages	5,426,023	5,923,856
Social insurance and social protection	144,474	166,514
Total	5,570,497	6,090,370

The company's employees are remunerated with the salary negotiated according to the provisions of the individual employment contracts having the full range of social benefits provided by the current Romanian legislation. There is no collective labour agreement at the company level and therefore no additional short-term, long-term, post-employment benefits or share-based benefits are granted. The key personnel in the management of the company benefit from the same salary rights as the rest of the employees

The members of the Board of Directors are remunerated with a fixed monthly allowance, established by the General Meeting of Shareholders. During 2021, the total expenses with the administrators' allowance were 430,776 lei.

22. Expenses regarding external services

The individual situation at the level of the parent company is as follows:

	31.12.2020	31.12.2021
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Other expenses with services performed by third parties		
Maintenance and repairs	106,098	107,447
Post and telecommunications	25,065	25,828
Transport	454,379	720,960
Banking services	138,916	213,862
Business travels, transfers	19,965	11,516
Protocol	3,721	6,744
Contributors	471,803	430,776
Rent	159,222	161,222
Fees	95,034	134,703
Insurance premiums	29,172	45,389
Other expenses with services performed by third parties	614,514	842,206
Total	2,117,889	2,700,653

At the group level, the situation is:

	31.12.2020	31.12.2021
Other expenses with services performed by third parties		
Maintenance and repairs	106,098	107,600
Post and telecommunications	25,210	25,828
Transport	454,379	720,960
Banking services	139,266	214,224
Business travels, transfers	19,965	11,516
Protocol	3,721	6,744
Contributors	471,803	430,776
Rent	159,222	161,222
Fees	95,099	134,703
Insurance premiums	29,172	45,389
Other expenses with services performed by third parties	616,320	844,899
Total	2,120,255	2,703,861

23. Financial income and expenses

The individual situation at the level of the parent company is as follows:

31.12.2020

31.12.2021

Interest income	0	0
Income from exchange rate differences	56,307	127,515
Other financial incomes	426	1
Total	56,733	127,516
Interest expenses	193,836	317,480
Expenses from exchange rate differences	231,525	298,512
Other financial expenses	6,326	3,789
Total	431,687	619,781

At the group level, the situation is:

31.12.2020

31.12.2021

Interest income	0	0
Income from exchange rate differences	56,307	127,515
Other financial incomes	426	1
Total	56,733	127,516
Interest expenses	193,836	317,480
Expenses from exchange rate differences	231,525	298,512
Other financial expenses	6,326	3,789
Total	431,688	619,781

24. Current and deferred income tax

The individual situation at the level of the parent company is as follows:

In the financial year ended on 31.12.2021, the company recorded an accounting profit of 1,313,111 lei

31.12.2020

31.12.2021

<i>Current income tax</i>		
Current income tax expenses	0	0

Deferred income tax

Deferred income tax	3,532,726	4,785,252
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At the group level, the situation is:

31.12.2020

31.12.2021

Current income tax

Current income tax expenses	0	0
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Deferred income tax

Deferred income tax	3,532,726	4,785,252
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25. Earnings per share

Sinteza SA achieved in 2021 an accounting profit amounting to 1,313,111 lei. It is not intended to distribute amounts to shareholders in the form of dividends, from reserves established in previous years.

In the shareholding structure there are no registered shareholders with distribution rights of some dividends in other parts odds.

No shares are distributed free of charge or with preferential rights in respect of the allocation of dividends.

Within a reasonable period there are no intentions to dilute the shares by a preferential distribution. This leads to an equal result between the earning per basic share and the diluted one.

26. Affiliated parties

Affiliated parties are considered the persons who are part of the Board of Directors and the directors (executive management) of the parent company:

The members of the Board of Directors on 31.12.2021 are:

Alexandru Savin	- President
Aurel Bernat	- Member
Radu Pascu	- Member

The composition of the executive management on 31.12.2021 is:

Tudor-Ioan Stoia	- General Manager
Robert Paltin	- Sales Manager
Adrian Bucurean	- Financial Manager

During 2021, no transactions were registered between the company and the company's management.

27. Transactions between the parent company and the subsidiary

The parent company and the affiliated company do not register transactions on 31.12.2021.

28. Other commitments

The parent company and the affiliated company do not register other commitments on 31.12.2021.

29. Contingent assets and liabilities

In addition to the contracted loans, the company has other financial commitments related to the current and investment activity, namely a letter of bank guarantee in favour of the main supplier of raw material (toluene) in the amount of 530,000 EURO.

SINTEZA was a party in litigations, in 2021, in the following cases:

File number	Court	The subject of the file	Parties in the trial and procedural quality	File status (first instance/ appeal/ second appeal/ etc)	Trial date (if the file is pending) / Solution (if the file is resolved)	<i>Details about the file</i>
	Oradea Court of Appeal	Claims	APPELLANT Sinteza SA			Decision 96 / 10.04.2019 rejects the action formulated and specified by the plaintiff Sinteza SA;

5610/3/2017 *				APPEAL	08.02.2022	<p>It partially admits the counterclaim formulated by NOVI CONSULT SRL, obliges SINTEZA SA to pay the amount of 679,480.42 lei c / v letter of bank guarantee and the related expenses and court costs in the amount of 10,399.80 lei judicial stamp duty, 500 lei expertise fee as well as the amount of 137,818, 88 lei lawyer's fee.</p> <p>Obliges Sinteza SA to pay to L + K Anlagenbau GMBH and Hatec Industrie - Montagen the amount of 273,281.04 lei lawyer's fee</p> <p>SINTEZA SA declared an APPEAL against this decision</p>
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458/35/2019	Oradea Court of Appeal	Cancellation of the Ownership Certificate	Claimant Oradea City	FIRST INSTANCE	11.01.2022	It is requested the partial cancellation of the Ownership Certificate over the land, series M 03 no. 2053, issued on June 23, 1995 for index map number 4753/7;
		M03 NO. 2053/1995	and Oradea Local Council; Defendants: SINTEZA SA, Ministry of Economy, Energy and Business Background Bucharest and others;			
			Gopet Romania SRL		26.01.2022	8080 , 35 lei-debit paid.

	Oradea city		11299/271/2021 Defendant SINTEZA			The plaintiff presented this aspect to the Court on 12.11.2021, hoping that the court would immediately reject the sue petition as being without object.
4895/111/2014	Bihor Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Basa Indimex SRL	BANKRUPTCY	- +	39,704, 32 lei On the trial date, 27.10.2021, the Court orders the closing of the insolvency procedure of the debtor. It orders the removal of the debtor from the trade register. Document: Decision 1016 / 27.10.2021

4274/108/2014	Arad Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Comeso Color SA	BANKRUPTCY	01.02.2022	+ 21,184, 47 lei
1087/111/2018 in connection with 2744/111/2010	Bihor Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Construct Mod SRL	BANKRUPTCY	30.03.2022	+ 2534, 7 lei
484/111/2010	Bihor Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Flavoia SRL	BANKRUPTCY	24.02.2022	+ 4867.10 she
22419/3/2009	Bucharest Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Energo Mineral SA Bucharest	BANKRUPTCY	20.04.2022	+ 27,173, 79 she
16873/118 / 2010	Constanta Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Solanum Com Prod SRL C-ta	FIRST INSTANCE	21.03.2022	+ 68,811.51 lei
6473/111/2013	Bihor Court	Insolvency proceedings	Creditor Sinteza SA Debtor Electrocentrale Oradea SA	BANKRUPTCY	19.01.2022	+ 530671.29 lei - 497,325.6 lei 33,345, 69 lei

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At the balance sheet date, the value of the contingent assets cannot be estimated.

30. Events after the date of the financial statements

There were no events subsequent to the date of preparation of the financial statements

31. Standards and interpretations that came into force this year

The following amendments to existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

- ✓ IFRS 9.39, and 7-Amendments to the reform of the interest rate benchmark.
- ✓ IFRS 16 - Covid-19 Lease Amendments.

The Company has estimated that the adoption of these amendments to the existing standards will not have a significant impact on the Company's financial statements during the initial application period.

32. Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk

In order to limit the exposure, the risk management policy is being elaborated, so as to ensure the identification and analysis of the risks, the establishment of adequate limits and controls, as well as the monitoring of the observance of the established limits.

Risk management policies and systems will be reviewed regularly to adapt to changes in business and market conditions.

The parent company aims to develop an orderly and constructive control environment, so that through training standards, employees understand their roles and obligations.

Credit risk is the risk that the group will incur a financial loss as a result of a client's breach of contract. The parent company has established that the credit policy is the individual analysis of each new customer, before being offered the standard payment and delivery conditions.

However, the specific conditions of the specific market (basic chemicals, on a market with specialized suppliers and customers) sometimes require the granting of facilities within the collection deadlines.

This characteristic of the market also requires the company not to request real guarantees for its receivables.

However, following individual customer analysis, payment is sometimes required in advance or upon delivery (non-EU markets).

Liquidity risk is the risk of the Company or of its Subsidiary to encounter difficulties in meeting its financial obligations or those associated to finance, which are settled in cash or cash equivalents.

The parent company's approach to liquidity management is to provide sufficient liquidity to pay due obligations under normal conditions.

In this sense, the Company ensures that it has sufficient cash to cover operational needs.

Market risk is the risk that the change in market prices, the exchange rate, the interest rate and the price of shareholders' equity instruments will affect the Company's income or the value of the financial instruments held.

The objective of market risk management is to manage and control the exposure within acceptable parameters.

The parent company is exposed to foreign exchange risk due to sales, purchases and loans in a currency other than the functional one.

The exposure is presented in the following table:

The individual situation at the level of the parent company is as follows:

31.12.2021	LEI	EURO (EQUIV. TO LEI)	USD (EQUIV. TO LEI)
Financial assets			
Trade receivables and other receivables	2,624,087	3,355,527	0
Cash and cash equivalents	447,563	411,805	
Total	3,071,650	3,767,332	0
Financial liabilities			
Loans		4,926,693	0
Commercial debts and other debts	5,359,094	2,693,812	0
Total	5,359,094	7,620,505	0

At the group level the situation is:

31.12.2021	LEI	EURO (EQUIV. TO LEI)	USD (EQUIV. TO LEI)
Financial assets			
Trade and other receivables	846,366	3,355,527	0
Cash and cash equivalents	460,739	411,805	
Total	1,307,105	3,767,332	0
Financial debts			
Loans		4,926,693	0
Commercial debts and other debts	5,362,729	2,693,812	0
Total	5,362,729	7,620,505	0

The risk related to taxation concerns the aspects in which certain transactions are perceived differently by the fiscal authorities in comparison with the treatment of the Company. This aspect resides from the adoption of the European fiscal regulations starting with January 1, 2007 at the level of Romania, in the conditions in which the interpretation of the texts and of the practical implementation procedures may vary.

Also, the Government of Romania authorized the functioning of an important number of agencies and bodies with attributions in carrying out various controls at the companies operating on the Romanian territory. The activity of these agencies and bodies covers not only the fiscal aspects, but also aspects related to regulations and procedures in other fields (occupational safety and health, civil protection, security and fire protection etc).

The Company may be subject to controls as new regulations are issued.

GENERAL MANAGER
TUDOR-IOAN STOIA

FINANCIAL MANAGER
ADRIAN BUCUREAN

STATEMENT

In accordance with the provisions of art. 30 of Law no. 82/1991

Annual financial statements were prepared on 31.12.2021 for:

Legal entity:	Sinteza SA
County:	05-Bihor
Address:	Oradea, sos. Borsului no.35
Trade Register Number:	J/ 05/197/1991
Form of ownership:	34-Joint stock companies
Predominant activity:	2014-manufacture of other basic chemicals
Identification code :	67329
Type of financial statement:	According to Order 881/2012, Order 2844/2016, Order 10/2019, regarding the application of the Accounting Regulations compliant with the International Financial Reporting Standards (IFRS) applicable to commercial companies whose securities are admitted to trading on a regulated market.

The Chairman of the Board of Directors of the company, Mr. Alexandru Savin assumes responsibility for the preparation of the annual financial statement on 31.12.2021 and confirms that, to his knowledge, it was prepared according to the applicable accounting standards, that it provides a correct and consistent picture of assets, liabilities, shareholders' equities, incomes and expenses, and that the Board of Directors' Report includes a correct analysis of the development and performance of the company as well as a description of the main risks and uncertainties specific to the activity carried out.

Chairman of the Board of Directors

Alexandru Savin



SC CONTAMOD SRL

Member of CAFR, CECCAR, Tax ID Number: 16766420 ,
Headquarters: Oradea, Gh. Doja street, no.24, Bihor county
Phone / Fax: 0359804435, 0259/435 966, e-mail address: contamod@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **SINTEZA SA**

Report on the audit of financial statements

Opinion

1. We audited the attached consolidated and individual financial statements of the company **SINTEZA SA** and of **its subsidiary ("the Group")**, with its registered office in Oradea, Șoseaua Borșului no. 35, identified by the tax identification number 67329, which includes the consolidated and individual statement of financial position as of December 31, 2021, the consolidated and individual statement of comprehensive income, the consolidated and individual statement of changes in equity and the consolidated and individual statement of flows for the financial year ended on that date, as well as a summary of significant accounting policies and notes to the financial statements.
2. The consolidated financial statements as of December 31, 2021 are identified as follows:
 - Net Assets/ Total Equity: 38,393,697 RON
 - Net profit for the financial year: 1,257,820 RON
3. In our opinion, the attached consolidated and individual financial statements provide a faithful picture of the Group's financial position as of December 31, 2021, as well as its consolidated and individual financial performance and consolidated and individual cash flows for the year ended on this date, in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations compliant with the International Financial Reporting Standards.

Basis for opinion

4. We have conducted our audit in accordance with International Standards on Auditing (IAS), EU Regulation no. 537 of the European Parliament and of the Council (hereinafter "Regulation") and Law no. 162/2017 ("The law").
Our responsibilities, under these standards, are described in detail in the "*Auditor's Responsibilities in an Audit of Financial Statements*" section of our report. We are independent of the Group, in accordance with the Code of Ethics for Professional

Accountants issued by the Board of Accountants (IESBA Code), in accordance with the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities in accordance with these requirements and according with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit issues

5. The key audit aspects are those that, based on our professional reasoning, were of the greatest importance for the audit of the financial statements of the current period. These issues have been approached in the context of the audit of the financial statements as a whole and in forming our opinion on them, and we do not provide a separate opinion on these issues.

For the key issue below, we have presented a description of how our audit approached the issue in that context.

Key audit issues	Audit approach to the key aspect of the audit
<p>Revenue recognition</p> <p>Revenues from the sale of finished products are the core business of the Company. Given the doubling of turnover, the large number of customers in various fields, there is a risk that the sale will be recognized incorrectly and inaccurately. Thus, revenues may not be recognized in the correct financial year, or they may represent fictitious sales for which the delivery of the goods did not take place. We consider that revenue recognition is significant for the audit, as set out above.</p> <p>The Company's accounting policy regarding the recognition of income and the presentation of income is included in Notes 3 and 18 to the financial statements.</p>	<p>Our audit procedures related to the recognition of revenue from the sale of finished products included:</p> <ul style="list-style-type: none"> - evaluation of internal controls regarding the realization of the sale based on valid deliveries, - checking of the recording of income in the correct periods according to the transfer of risks and benefits, for sales during the months at the end of the year, - testing revenues from the sale of finished products through detailed audit tests that included preparing a statistical selection of customers and obtaining confirmation letters of revenue recorded during the year, as well as selecting individual transactions for unconfirmed customers and requesting supporting documents, - the analysis of the registered incomes in order to understand their evolution, as well as the comparison of the incomes with those registered in the previous period. - assessing the adequacy of the presentation of information in the notes to the financial statements

As a result of our audit work, we did not identify any unadjusted errors.

Other information - Consolidated Report of the Administrators

6. The administrators are responsible for the preparation and presentation of other information. That other information includes the Consolidated Report of the Administrators, but does not include the consolidated financial statements and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover this other information and, unless explicitly stated in our report, we do not express any assurance about it.

In connection with our audit of the consolidated financial statements for the financial year ended on December 31, 2021, it is our responsibility to read that other information and, in doing so, to assess whether that other information is materially inconsistent with significant financial statements, or with the knowledge that we obtained during the audit, or if they appear to be significantly distorted.

Regarding the Consolidated Report of the Administrators, we read it and we report if it was prepared, in all significant aspects, in accordance with the Order of the Minister of Public Finance no. 2844/2016, points 26-28;

Based exclusively on the activities to be carried out during the audit of the financial statements, in our opinion:

- a) The information presented in the Consolidated Report of the Administrators for the financial year for which the consolidated financial statements have been prepared is consistent, in all material respects, with the consolidated financial statements;
- b) The Consolidated Report of the Administrators was prepared, in all significant aspects, in accordance with the Order of the Minister of Public Finance no. 2844/2016, points 26-28.

In addition, based on our knowledge and understanding of the Group and of its background, acquired during the audit of the consolidated financial statements for the year ended on December 31, 2021, we are asked to report whether we have identified any material misstatements in the Consolidated Financial Statement of Administrators. We have nothing to report on this.

Responsibilities of the management and of the persons responsible with governance for consolidated financial statements

7. The management of the Group is responsible for the preparation of financial statements that provide a faithful picture in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations compliant with the International Financial Reporting Standards and for that internal control that the

management considers necessary to allow the preparation of consolidated financial statements without significant distortions, caused either by fraud or error.

8. In preparing the consolidated and individual financial statements, management is responsible for assessing the Group's ability to continue to operate, for presenting, where appropriate, business continuity issues and for using accounting based on business continuity, unless otherwise specified, the management either intends to liquidate the Group or to cease operations, or it has no realistic alternative other than these.
9. The persons responsible for governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities in an audit of financial statements

10. Our objectives are to provide reasonable assurance as to the extent to which the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to the issuance of an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with the ISAs will always detect a significant misstatement, if any. Distortions may be caused by either fraud or error and are considered significant if it can reasonably be expected that they will, individually or cumulatively, affect the economic decisions of users made on the basis of these financial statements.
11. As part of an ISA-compliant audit, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:
 - We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures in response to those risks, and we obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of non-detection of material misstatement due to fraud is higher than the risk of non-detection of material misstatement due to error, because fraud may involve secret agreements, falsehoods, intentional omissions, misrepresentations and circumvention of internal control.
 - We understand the relevant internal control for the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related presentations made by management.
 - We draw a conclusion on the adequacy of management's use of accounting based on business continuity and we determine, based on the audit evidence obtained, whether there is a significant uncertainty about events or conditions that could raise significant doubts about the Group's ability to continue its activity. If we conclude that there is significant uncertainty, we should draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we will change our opinion. Our findings are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease operations on a going concern basis.
 - We evaluate the presentation, structure and content of the consolidated financial statements, including disclosures, and the extent to which the financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

12. We communicate to the persons in charge of the government, among other things, the planned area and timely scheduling of the audit, as well as the main findings of the audit, including any deficiencies in internal control that we identify during the audit.
13. We also provide to the persons in charge of the government a statement of our compliance with our ethical requirements regarding independence and we disclose to them any relationships and other matters that may reasonably be considered likely to affect our independence and, where appropriate, our actions related to safety features.
14. Among the issues we have communicated to those in charge of governance, we establish those issues that have been most important in the audit of the current financial statements and are therefore key audit issues. We describe these issues in our audit report, unless legislation or regulations prevent the public disclosure of that issue or where, in extremely rare circumstances, we believe that an issue should not be disclosed in our report because it is reasonably expected that the benefits of the public interest are outweighed by the negative consequences of this communication.

Report on other legal and regulatory provisions

15. We were appointed by the General Meeting of Shareholders on 29.12.2021 and we audited the consolidated financial statements of SINTEZA SA and its subsidiary for the year ended on December 31, 2021. The total uninterrupted duration of our commitment is 3 years, covering the financial years ended on 31.12.2021 until 31.12.2023.

We confirm that:

- Our audit opinion on the consolidated and individual financial statements expressed in this report is consistent with the additional report submitted to the Company's Audit Committee, which we issued on the same date as this report. Also, in conducting our audit, we maintained our independence from the audited entity.
- We did not provide the Group with prohibited non-audit services, as mentioned in Article 5 paragraph (1) of EU Regulation no. 537/2014.

The statutory auditor for the audit mission for which this independent auditor's report was prepared is Ana Corina Moldovan.

Report on compliance with Delegated Regulation (EU) 2018/815 of the Commission ("Technical Regulatory Standard on the Single European Electronic Reporting Format" or "ESEF")

We performed a reasonable assurance assignment on the compliance of the consolidated financial statements prepared by SINTEZA SA included in the annual financial report in ESEF format ("digital files") with Delegated Regulation (EU) 2018/815 of the Commission regarding the Single European Reporting Format Electronics ("ESEF Regulation").

The responsibility of the management of SC SINTEZA SA for the digital files prepared in accordance with ESEF

The Company's management is responsible for compiling digital files in accordance with the ESEF. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the implementation of the ESEF;
- selection and application of appropriate iXBRL markings, using professional judgment, if necessary;
- ensuring consistency between digital files and consolidated financial statements that will be published in accordance with Order 2844/2016 with subsequent amendments.

Auditor's responsibility

We are responsible for expressing a conclusion as to the extent to which the consolidated financial statements included in the annual financial statement are in accordance with the ESEF, in all material respects, based on the evidence obtained. Our reasonable assurance assignment was performed in accordance with International Standard on Assurance Assignments 3000 (revised), Assurance Assignments other than audits or reviews of historical financial information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance assignment in accordance with ISAE 3000 requires procedures to be performed in order to obtain evidence of ESEF compliance. The nature, the timing and the extent of the procedures selected depend on the auditor's reasoning, including the assessment of the risk of material misstatement of the ESEF

- gaining an understanding of the process of preparing digital files in accordance with the ESEF, including relevant internal controls;
- reconciling the digital files that include the marked data with the audited consolidated financial statements of the Company that will be published in accordance with Order 2844/2016 with subsequent amendments;
- assessing whether all financial statements that are included in the annual financial statement are prepared in a valid XHTML format.
- assessment of the adequacy of the iXBRL elements used by SINTEZA SA, selected from the ESEF taxonomy, and the creation of extension elements in case no corresponding element could be identified in the ESEF taxonomy; and
- evaluation of the use of anchors for extension elements.

We consider that the evidence obtained is sufficient and adequate to provide a basis for our conclusion.

Conclusion

In our view, the consolidated financial statements for the financial year ended on December 31, 2021 included in the annual financial report, in the digital files are, in all material respects, in accordance with the ESEF Regulation.

In this section we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding the consolidated financial statements. Our audit opinion on the Company's consolidated financial statements for the year ended on December 31, 2021 is included in the section of the Report on the Consolidated Annual Financial Statements mentioned above.

**On behalf of
CONTAMOD SRL
Oradea, str. Gh. Doja, no. 24**

*Registered in the Electronic Public Register of financial
auditors and of audit firms with no. FA 869*

Ana Corina Moldovan, Statutory Auditor

*Registered in the Electronic Public Register of financial
auditors and of audit firms with no. AF 2663*

Oradea, March 21, 2022