



SINTEZA S.A.
Șos. Borșului no. 35
410605 ORADEA - ROMANIA



Phone: 0259 456 116
Phone: 0259 444 969
Fax : 0259 462 224
e-mail: [sinteza@ sinteza.ro](mailto:sinteza@sinteza.ro)
www.sinteza.ro



Tax ID no.: RO 67329
Reg. no. at Trade Register Office Bihor:
J.05/197/1991

BANK: UNICREDIT BANK
RON ACCOUNT: RO64BACX0000000484374000

THE BOARD OF DIRECTORS' REPORT

ON 31.12.2023

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
For the fiscal year:	2023
Report date:	31.12.2023
Name of the commercial company:	Sinteza SA Oradea
Head office:	Oradea, Șos. Borșului no. 35, Bihor county
Phone/fax number:	0259.456.116 / 0259.462.224
Trade Register Office unique ID :	67329
Trade Register order no.:	J/05/197/1991
Regulated market:	Bucharest Stock Exchange
Subscribed/paid-up capital:	9,916,889 lei
Main characteristics of securities:	Shares issued in dematerialized form

1. Analysis of the activity of the commercial company

1.1. Description of the basic activity of the commercial company

SINTEZA SA, established by Government Decision no. 1213/20.11.1990 of the Chemical Enterprise "SINTEZA", is registered in the Trade Register under no. J/05/197/1991, fiscal code RO 67329 and has its registered office on Șos. Borsului no. 35, Oradea, Bihor county. During the year 2023, no mergers or reorganizations of any kind took place.

1.1.1. Elements of general assessment

In 2023, the company obtained the following indicators, according to the balance sheet:

1. Total revenues: **19,104,987 lei** , of which:
 - net turnover: 14,595,814 lei, of which 13,004,683 lei is represented by export sales;
 - income from the variation of stocks: 455,726 lei;
 - other incomes: 3,486,228 lei;
 - financial income: 148,391 lei;
 - income from provisions and adjustments regarding the exploitation activity: 129,619 lei;
 - revenues related to deferred profit tax: 289,209 lei

2. Total expenses: **29,824,493 lei**, of which:
 - operating expenses: 29,106,541 lei;
 - financial expenses: 717,952 lei;

3. Net operational result: **-10,719,506 lei**;

4. Liquidity at the end of the period: **223,168 lei equivalent**

1.1.2 Evaluation of the technical level of the company

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

The manufactured organic synthesis products are intended for industrial chemical applications of high technical level.

During the financial year 2023, the company managed to put a part of the high purification plant for benzoic acid back into operation.

In this sense, the first samples were made and the first quantities of high purity benzoic acid were obtained that could serve the market of food products, additives used for animal feed and pharmaceutical products. Unfortunately, the quantity produced this year was not large enough to have a significant positive impact on the turnover.

At the same time, the company continued in 2023 the activity of renting its available locations, obtaining income from rents.

The main products manufactured in 2023 and the revenues obtained from their sale, as well as other revenues, compared to the previous year are:

No. crt.	Products	2023		2022	
		lei	%	lei	%
1	Exploitation of the industrial platform	748,035	5.12	789,329	2.05
2	Manufactures of organic substances	13,847,779	94.88	37,763,610	97.95
	Total	14,595,814	100.00	38,552,939	100.00

1.1.3. Evaluation of the technical-material supply activity

The company purchases industrial equipment from renowned companies in the field, both from the country and from abroad.

Regarding the purchase of raw materials, materials, energy, the company acts freely on the competitive market.

During the entire period of the reported financial exercise, the supply of raw material (toluene) was either deficient, or it was made at a much higher purchase cost than the competition. This situation was generated by a number of factors, as follows: 1) As a result of the war in Ukraine, there was a significant difference between the price of crude oil that our suppliers had access to vs. the price at which the competition from China was supplied. As such, the price difference for the raw material was at times several hundred dollars/ton; 2) As a result of the economic sanctions imposed on entities related to the Russian Federation, Sinteza was forced to give up some of its raw material suppliers, practically remaining with only two sources of supply; 3) The technical problems that occurred at the refining facilities of one of the suppliers caused him to be absent from the market for almost half of the period of 2023, which pushed us into the situation where we depended on a single supplier, which he also had some problems.

1.1.4. Evaluation of sales activity

Sinteza SA sells products manufactured mainly within the European Union, but also in other countries such as Turkey.

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

The company uses both direct sales and through distributors.

The benzoic acid market is generally stable and has been growing steadily for several years. Unfortunately, this growth is more visible in Asia and North America. In Europe, against the backdrop of rising energy and raw material prices, the chemical industry is in decline, and this has also affected the benzoic acid market.

Considering the significant advantages enjoyed by Chinese producers, both in the price of the raw material (toluene) and energy, this situation allowed them to put on the European market a product similar to ours, at a price of sale that only slightly exceeded the price at which we had to stock up on raw materials. In this context, there was a drastic reduction of our market segment. In practice, we only stayed with clients who, for technical or supply risk management reasons, did not want to depend on Chinese suppliers. In addition, since a significant part of our sales went to resin and paint manufacturers, the impact they felt in reducing sales volume in 2023 was passed on to us.

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

In 2023, the average number of staff was 87 people.

Due to the adverse business aspects that manifested themselves during the entire period for which this report is being prepared, the management of the company was forced to take active measures to reduce costs and optimize the level of allocated resources. In this sense, the evolution of the company's staff level had a downward trend with a reduction of 14 positions (2 hires and 16 terminations of employment contracts).

Of the total staff, 20 have higher education. The degree of unionization was 0%.

There were no conflicting elements in the labor relations.

1.1.6 Evaluation of aspects related to the impact on the environment

The company has obtained all the authorizations and approvals required by the legislation in the field. There is no major impact on the environment and there are no disputes related to the violation of environmental protection legislation.

During the year 2023, several projects were carried out aimed at strengthening compliance with the environmental conditions and norms, in which the company must operate. In this sense, a feasibility study was carried out and a project was initiated for the greening of the warehouses of dangerous substances, which Sinteza has not used since 2006, but for which the closing procedures have not yet been completed.

In addition, rehabilitation investments were made - optimization of the management installations of the various water flows on the industrial platform.

1.1.7 Evaluation of the research-development activity

Persistent financial difficulties and the lack of sufficiently qualified personnel have prevented the company from developing an efficient research and development department. As a result, during 2023, Sinteza focused primarily on collaborative relationships with National Research Institutes in order to solve its problems in the field of research and development. The main directions considered were technologically related to the various purification options of benzoic acid up to a level of over 99.9%. In addition, the various production options of intermediates that can be made from benzoic acid were investigated.

Another direction was that of optimizing the specific energy consumption and in this context, the possibility of using the residues from the production process, with high calorific power, as an input element in the thermal energy production system within the platform was pursued. For this, a contractor specialized in the design and execution of boilers with double feed was called upon.

1.1.8 Evaluation of risk management activity

The company operates on the free competitive market, being exposed from this point of view to normal risks. 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 according to the price of the raw material (Minimum selling price = Purchase price + margin).

With the outbreak of the war in Ukraine, the chemical products market in Europe was subjected to significant disturbances, caused by the chaotic evolution of the price of energy, but also of crude oil (which is the precursor for most raw materials in the area of organic chemistry). The existence of large stocks of chemical products and the presence on the market of some products manufactured in China starting from cheap crude oil imported from the Russian Federation, generated significant turbulence in the market and pushed the company to sell benzoic acid more depending on the spot prices of at a given time and less depending on a predetermined margin.

Credit risk – Given the reduction in production volume due to adverse market conditions, the company pursued the optimization of the banking exposure level, aiming to reduce this exposure. The aspect has also become important due to the trend in recent years of increasing the cost of lending;

Liquidity risk - there is a permanent concern to maintain liquidity at a supra-unitary level. Despite all these efforts, the level of liquidity on 31.12.2023 was 0.5.

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

1.1.9 Perspective elements regarding the activity of the commercial company

The difficult conditions in the European market of the chemical industry require rethinking the strategy that the company must apply in the next period. The war in Ukraine has put the entire chemical industry in Europe in front of some options both vis-à-vis the areas / fields to develop in the future and in relation to the challenges of sustainability in the supply chains. Sinteza, as a producer of intermediates, must align with this trend and in addition take significant steps towards the production of intermediates with higher added value and which are less dependent on raw materials from fossil fuels.

In the next financial year, the company's management will seek to find solutions to the problems the company is facing, mainly by identifying areas of development adjacent to the activity currently carried out.

These efforts are intended to ensure business continuity during this difficult period, which is expected to last longer than initially anticipated.

In order to solve the liquidity deficit that the company has been facing for a long time, various cost optimization programs are launched and will be continued, in parallel with the mobilization of some resources that will be obtained from the capitalization of surplus assets, which are available to the society.

1.1.10 Information on internal control

Within Sinteza SA, internal control assurance covers internal control and internal audit activities. In the field of internal control, compliance with the specific regulations of the company's activity, compliance with internal rules, decisions of management bodies and financial-accounting rules was followed.

The internal audit is provided 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 brings to the attention of the general director and administrators the significant aspects found through the audit report.

2 The tangible assets of the company

2.1 Location and description

The company owns and manages the following assets:

- a) Șos. Borsului no. 35 Platform - dedicated to the manufacture of Benzoic Acid
- b) Sludge dump - not used in the current operational activity and in a greening program

2.2 Potential ownership issues

There are no ownership issues.

3 The market of securities issued by the company

The company's share capital is 9,916,889 lei, divided into 66,112,590 shares with a nominal value of 0.15 lei/share. The shares are traded at the Bucharest Stock Exchange, Standard category. On 31.12.2023, the shareholder structure was as follows:

No. crt.	Name/Name	Percentage owned
1	FIA- BT Invest 1	33.8898%
2	PASCU RADU	31.1597%
3	Alternative Investment Company With Private Capital Roca Investments SA	18.0000%
4	Other natural and legal persons	16.9505%
	Total	100.0000%

The company did not purchase its own shares and did not issue bonds.

4 Management of the commercial company

On 31.12.2023 the Board of Directors of the company was formed from:

- Alexandru Savin - President
- Pascu Radu - Member
- Cosmin Turcu - Member

The executive management of the company is provided by the general manager Gelu Stan.

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

5 Declaration on 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 the BVB. A declaration of the state of compliance and its explanation can be found in the annex to this report.

Sinteza SA is a commercial company administered in a unitary system. The supreme governing body of the company is the General Meeting of Shareholders, according to the provisions of the constitutive act. General meetings can be ordinary or extraordinary.

The Ordinary General Meeting of Shareholders is convened at least once a year, no later than 5 months after the end of the financial year. The main attributions of AGOA are those stipulated in the Commercial Companies Law.

The Extraordinary General Meeting of Shareholders meets as often as necessary to decide according to the law.

The convening of general meetings of shareholders is done by the Board of Directors whenever it is needed or when the legislation of commercial 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 notices 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 proxy. The organization and manner of conducting the general meetings are provided in the company's articles of incorporation and comply with the requirements of the commercial companies law.

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

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

The board of directors meets whenever necessary, but at least once every three months, at the company headquarters.

The board of directors is convened by its president, or by his deputy.

In accordance with the provisions of the constitutive act, 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 regulations for the establishment of functional and production departments;

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

c.- annually submits 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 the 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 assets, their decommissioning and conservation, as well as the downgrading and scrapping of some material assets, other than the fixed assets;

e.- decides the granting of sponsorships;

f.- approves the management tactics and 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 appropriate.

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

j.- solves any other problems established by the general meeting of shareholders as well as by the legislation in force.

k.- the board of directors approves the acts of acquisition, alienation, exchange or establishment as a guarantee of some assets from the category of immovable assets of the company, financing for current activities, working capital, investment credits, other purposes, the value of which does not exceed, individually or cumulated, during a financial year, 20% of the total fixed assets, less receivables;

The current management of the company is delegated by mandate to the General Director, 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 with shareholders and investors by complying with more and more requirements of the BVB Code. In this sense, it proposes the reconfiguration of its own website and the development of a section dedicated to the relationship with investors to present relevant information for them.

6. The financial accounting situation

Individual financial position of Sinteza SA in 2023 compared to 2022 is presented as follows:

INDICATOR	INDIVIDUAL	
	31.12.2022	31.12.2023
Tangible assets		
Freehold land and land improvements	16,391,917	14,737,009
Buildings	12,147,872	11,515,309
Technical installations and means of transport	11,479,537	9,881,254
Furniture, office equipment [...]	103,179	69,154
Tangible assets in progress	1,459,020	1,065,604
Advances for tangible assets		
Total Tangible Assets	41,581,525	37,268,330
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	84,502	52,390
Intangible assets in progress		
Shares held in subsidiaries and other fixed assets	3,295	3,295
Rights to use the leased assets	114,919	71,898
Total Fixed Assets	41,784,241	37,395,913
Current Assets		
Inventories	2,439,062	2,759,880
Trade receivables and other receivables	4,544,181	1,052,742
Expenses registered in advance	141,146	99,828
Cash and cash equivalents	1,214,206	223,168
Assets classified as held for sale	2,466,318	1,999,171
Total Current Assets	10,804,913	6,134,789
Total Assets	52,589,154	43,530,702
Shareholders' equities		
Share capital	9,916,889	9,916,889

Share premiums		
Reserves	32,202,084	30,686,182
The result of the exercise	-2,088,497	-10,719,506
Reported result	-1,345,597	-1,482,584
Other elements of equity	-540	-540
Minority interests		
Total shareholders' equity	38,684,339	28,400,441
Long-term liabilities		
Long-term loans and other liabilities	73,616	45,691
Revenues registered in advance		
Provisions		
Deferred tax liabilities	4,220,893	3,496,076
Total Long-Term Liabilities	4,294,509	3,541,767
Current liabilities		
Short-term loans	4,544,744	5,160,720
Trade liabilities and other liabilities, including derivative financial instruments	4,807,885	6,108,938
Revenues recorded in advance	77,409	197,811
Provisions	180,268	121,025
Liabilities classified as held for sale		
Total of current liabilities	9,610,306	11,588,494
Total of liabilities	13,904,815	15,130,261
Total of shareholders' equities and liabilities	52,589,154	43,530,702

For the financial year of 2023, the parent company SINTEZA SA has drawn up consolidated financial statements, within the consolidation being included the commercial 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
No at the Register of Companies:	J/05/1984/1992
Share capital:	90,000 lei

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

The company is administered by mandate by Sinteza SA, having designated a permanent representative in this regard.

consolidated financial position in 2023 compared to 2022 is presented as follows:

INDICATOR	CONSOLIDATED	
	31.12.2022	31.12.2023
Tangible assets		
Freehold land and land investments	16,391,917	14,737,009
Buildings	12,147,872	11,515,309
Technical installations and means of transport	11,479,537	9,881,254
Furniture, office equipment [...]	103,179	69,154
Tangible assets in progress	1,459,020	1,065,604
Advances for tangible assets		

Total Tangible Assets	41,581,525	37,268,330
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	84,502	52,390
Intangible assets in progress		
Shares held in subsidiaries and other fixed assets	6,195	6,195
Rights to use the leased assets	114,919	71,898
Total Fixed Assets	41,787,141	37,398,813
Current Assets		
Inventories	2,439,062	2,759,880
Trade receivables and other receivables	2,763,901	1,052,757
Expenses registered in advance	141,146	99,828
Cash and cash equivalents	1,217,844	224,033
Assets classified as held for sale	2,466,318	1,999,171
Total Current Assets	9,028,271	6,135,669
Total Assets	50,815,412	43,534,482
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	33,641,322	32,125,420
The result of the exercise	-2,097,266	-10,724,863
Reported result	-4,545,966	-4,691,722
Other elements of equity	-540	-540
Minority interests	-4,170	-4,183
Total shareholders' equity	36,910,269	26,621,001
Long-term liabilities		
Long-term loans and other liabilities	73,616	45,691
Revenues registered in advance		
Provisions		
Deferred tax liabilities	4,220,893	3,496,076
Total Long-Term Liabilities	4,294,509	3,541,767
Current liabilities		
Short-term loans	4,544,744	5,160,720
Trade liabilities and other liabilities, including derivative financial instruments	4,808,213	7,892,158
Revenues registered in advance	77,409	197,811
Provisions	180,268	121,025
Liabilities classified as held for sale		
Total of current liabilities	9,610,634	13,371,714
Total liabilities	13,905,143	16,913,481
Total of shareholders' equities and liabilities	50,815,412	43,534,482

The financial statements of the year 2023 are drawn up in accordance with the provisions of MFP Order 881/2012, MFP Order 2844/2016 and MFP Order 5394/2023, applicable to commercial companies whose securities are traded on a regulated market.

THE PRESIDENT OF THE BOARD OF DIRECTORS

ALEXANDRU SAVIN

**Declaration of compliance of Sinteza SA with the new Corporate Governance Code of BVB
on 31.12.2023**

The provisions of the BVB Governance Code	It complies	It does not comply or partially complies	Reason for non-compliance
A. RESPONSIBILITIES OF THE COUNCIL			
A.1. All companies must have internal Board rules which include the terms of reference/responsibilities of the Board and the key management functions of the company, and which apply, inter alia, the General Principles in Section A.		X	The terms of reference/responsibilities of the Council and key management functions are included only in the company's articles of association, updated in 2012.
A.2. Provisions for managing conflicts of interest should be included in the Board's regulations. In any case, Board members must notify the Board of any conflicts of interest that have arisen or may arise, and refrain from participating in discussions (including by not appearing, unless failure to appear would prevent the formation of a quorum) and to the vote for the adoption of a decision regarding the issue that gives rise to the respective conflict of interest.		X	Provisions regarding the management of the conflict of interests will be contained in the Corporate Governance Regulation (Declaration) that will be developed 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 Sinteza SA contained in the Constitutive Act establishes a number of 3 members for the Board of Directors. Changing the number of members will be done with the approval of the General Meeting of Shareholders and the amendment of the constitutive act
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 Category companies. In the case of Premium Category companies, no less than two non-executive members of the Board of Directors or the	X		All three current members of the Board of Directors are non-executive. Two of the three members of the Board of Directors are independent.

<p>Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a declaration 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 it is considered that he is independent in his character and judgment and according to the following criteria:</p> <p>A.4.1. is not the General Director/executive director of the company or of a company controlled by it and has not held such a position in 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 in the last five (5) years;</p> <p>A.4.3. does not receive and has not received additional remuneration or other advantages from the company or a company controlled by it, apart from those corresponding to the quality of non-executive administrator;</p> <p>A.4.4. is not or was not the 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 controlling 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/Administrator, general manager /executive director or employee of a company and if, by its substantial character , this report can affect its objectivity;</p> <p>A.4.6. is not and has not been in the last three years the external or internal auditor or partner or salaried associate of the current external financial auditor or the internal auditor of the company or of a company controlled by it;</p> <p>A.4.7. is not the general director/executive director of another company and where another general director/executive director of the company is a non-executive administrator;</p> <p>A.4.8. was not a non-executive administrator of the company for a period longer than twelve years;</p> <p>A.4.9. does not have family ties with a person in the situations mentioned in points A.4.1. and A.4.4</p>			
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A.5. Other relatively permanent professional commitments and obligations of a Board member, including executive and non-executive positions on the Board of non-profit companies and institutions, must be disclosed to shareholders and potential investors prior to nomination and during his term of office.		X	The professional biographies of the members of the Council were not made public on the company's website or at BVB . This requirement will be fulfilled with the reconfiguration of the company's website.
A.6. Every member of the Board must present to the Board information regarding any relationship with a shareholder who directly or indirectly owns shares representing more than 5% of all voting rights. This obligation relates to any report that may affect the member's position on matters decided by the Council.		X	Such information to the Council was not considered necessary.
A.7. The company must appoint a Secretary of the Board responsible for supporting the work of the Board.	X		There is a nominated person who holds this position within the Council
A.8. The corporate governance statement will inform whether there has been a review of the Board under the direction of the Chairman or the nomination committee and, if so, will summarize the key actions and changes resulting therefrom. The company must have a policy/guideline on the evaluation of the Committee including the purpose, criteria and frequency of the evaluation process.		X	The Corporate Governance Statement is being developed and will include such a policy
A.9. The corporate governance statement must contain information on the number of meetings of the Board and committees during the last year, the participation of directors (in person and in absentia) and a report of the Board and 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 activity
A.10. The corporate governance statement must include information on the exact number of independent members of the Board of Directors or the Supervisory Board.	X		The board of directors has a number of 3 members, of which 2 are independent members
A.11. The Board of Premium Category companies must establish a nomination committee made up of non-executives, which will lead the nomination process of 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 Sinteza SA listed in the Standard Category of BVB
B. RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL			

B.1. The board must establish an audit committee in which at least one member must be an independent non-executive director. The majority of members, including the chairperson, must have demonstrated that they have 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 Category companies, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent	X		Within the board, there is an audit committee that meets the requirements of independence and competence required by the BVB Code
B.2. The chairman of the audit committee must be an independent non-executive member.	X		
B.3. As part of its responsibilities, the audit committee must conduct an annual assessment of the internal control system.		X	The annual audit report contains references to the company's internal control system.
B.4. The assessment must take into account the effectiveness and coverage of the internal audit function, the adequacy of the risk management and internal control reports presented to the Board's audit committee, the promptness and effectiveness with which the executive management resolves the deficiencies or weaknesses identified as a result of the control internally and presenting relevant reports to the attention of the Board.		X	The evaluation of the internal audit is made in the Annual Report of the administrators
B.5. The audit committee must evaluate conflicts of interest in connection with the company's and its subsidiaries' related party transactions.	X		The evaluation of the conflict of interests is carried out when such transactions are decided
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 must monitor the application of legal standards and generally accepted 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, these must be followed by periodic (at least annual) or ad hoc reports that must then be submitted to the Board.	X		

B.9 No shareholder can be granted preferential treatment over other shareholders in relation to transactions and agreements concluded by the company with shareholders and their affiliates.	X		There are no such provisions in the articles of incorporation 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 companies with which it has close relations the value of which is equal to or greater than 5% of the net assets of the company (as per the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee and fairly disclosed to shareholders and potential investors to the extent that such transactions fall within the category of events subject to reporting requirements.		X	The adoption by the Council of such a policy will be considered. And its inclusion in the own corporate governance regulation
B.11. Internal audits must be carried out by a structurally separate division (internal audit department) within the company or by hiring an independent third party.	X		The company's internal audit is carried out by an independent third party based on a service contract
B.12. In order to ensure the fulfillment of the main functions of the internal audit department, it must report from a functional point of view to the Council through the audit committee . For administrative purposes and as part of management's obligations to monitor and reduce risks, he must report directly to the CEO.	X		The internal auditor reports functionally to the Board of directors and the Audit committee, and administratively to the General Director.
C. REMUNERATION POLICY			
C.1. The company must publish on its website the remuneration policy and include in the annual report a statement regarding the implementation of the remuneration policy during the annual period under review. The remuneration policy must be formulated in such a way as to allow the shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and the General Director, as well as the members of the Directorate in the dual system. It must describe how the process and decision-making around remuneration is conducted, detail the components of executive remuneration (such as salaries, annual bonuses, long-term stock-based incentives, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria related to any form of variable remuneration). In		X	According to the company's Articles of Association, the remuneration of the members of the Board of Directors is a responsibility of the General Meeting of Shareholders. After elaboration and approval, the Remuneration Policy will be published on the website together with the reconfiguration of the company 's website .

<p>addition, the remuneration policy must specify the duration of the executive director's contract and the notice period provided for in the contract, as well as the possible compensation for dismissal without just cause.</p> <p>Any essential change in the remuneration policy must be published in good time on the company's website.</p>			
D. ADDING VALUE THROUGH INVESTOR RELATIONS			
<p>D.1 The company must organize an Investor Relations service - made known to the general public through the responsible person(s) or as an organizational unit. Apart from the information required by the legal provisions, 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:</p>		X	<p>During 2016, this department was created in the organization chart of the unit. The person responsible for the relationship with the investors was nominated.</p> <p>The 2023 version of the company's website covers these aspects</p>
<p>D.1.1. The main corporate regulations: the constitutive act, the procedures regarding the general meetings of the shareholders;</p>		X	<p>The requirement will be implemented with the reconfiguration of the company's website.</p>
<p>D.1.2. The professional CVs of the members of the management bodies of the company, other professional commitments of the members of the Board, including executive and non-executive positions in boards of directors in companies or in non-profit institutions;</p>		X	<p>The requirement will be implemented with the reconfiguration of the company's website.</p>
<p>D.1.3. Current reports and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information regarding non-compliance with this Code;</p>	X		<p>These reports and information are published on the company's website</p>
<p>D.1.4. Information regarding general meetings of shareholders: agenda and informational materials; the procedure for electing Council members; the arguments supporting the proposals of candidates for election to the Council, together with their professional CVs; shareholders' questions regarding the items on the agenda and the company's answers, including the resolutions adopted;</p>	X		<p>This information is published on the company's website</p>
<p>D.1.5. Information regarding corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. That information</p>		X	<p>The new version of the company's website includes a news section that will also provide such information.</p>

will be published within a time frame that allows investors to make investment decisions;			
D.1.6. The name and contact details of a person who will be able to provide, upon request, relevant information;		X	This information is published on the company's website
D.1.7. Company presentations (eg investor presentations, quarterly results 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 CEO or the Board of Directors 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 company's Articles of Association. 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 regarding forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the global impact of a number of factors regarding a future period (the so-called hypotheses): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts presented initially. The forecast policy will set out the frequency, period covered and content of the forecasts. 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.		X	The publication of the forecast policy on the company website will be done after its elaboration and approval by the internal management bodies
D.4. The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will come into force, at the earliest, starting with the next meeting of shareholders.	X		The rules of the General Meeting of Shareholders are mentioned in each convening notice published according to 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 some matters subject to the decision of the general meeting.	X		The annual report of the administrators, presented to the annual general meeting of shareholders together with the financial statements , contains the CA 's assessment of the internal control and significant risk management systems.

D.7. Any specialist, consultant, expert or financial analyst may participate in the shareholders' meeting based on a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		Synteza 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 the Council's discussion and approval
D.8. The quarterly and half-yearly financial reports will include information in both Romanian and English regarding the key factors that influence changes in the level of sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another.	X		Starting with 2016, the reports are published both in Romanian and in 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 on 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 different forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the company are part of its mission and development strategy, it will publish the policy regarding the activity in this field.		X	A policy in this sense will be developed by the Council if it is considered appropriate

SINTEZA SA

Individual and consolidated financial statements
on December 31, 2023

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

Contents:

Financial statements

Statement of the individual and consolidated financial position

Statement of the individual and consolidated overall result

Statement of changes in the individual and consolidated shareholders' equities

Individual and consolidated cash flow statement

Notes on the financial statements

Statement of the individual financial position
for the financial year ended on December 31, 2023

INDICATOR	INDIVIDUAL	
	31.12.2022	31.12.2023
Tangible assets		
Freehold land and land improvements	16,391,917	14,737,009
Buildings	12,147,872	11,515,309
Technical installations and means of transport	11,479,537	9,881,254
Furniture, office equipment [...]	103,179	69,154
Tangible assets in progress	1,459,020	1,065,604
Advances for tangible assets		
Total Tangible Assets	41,581,525	37,268,330
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	84,502	52,390
Intangible assets in progress		
Shares held in subsidiaries and other fixed assets	3,295	3,295
Rights to use the leased assets	114,919	71,898
Total Fixed Assets	41,784,241	37,395,913
Current Assets		
Inventories	2,439,062	2,759,880
Trade receivables and other receivables	4,544,181	1,052,742
Expenses registered in advance	141,146	99,828
Cash and cash equivalents	1,214,206	223,168
Assets classified as held for sale	2,466,318	1,999,171
Total Current Assets	10,804,913	6,134,789
Total Assets	52,589,154	43,530,702
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	32,202,084	30,686,182
The result of the exercise	-2,088,497	-10,719,506
Reported result	-1,345,597	-1,482,584
Other elements of equity	-540	-540
Minority interests		
Total Shareholders' Equity	38,684,339	28,400,441
Long-term liabilities		
Long-term loans and other liabilities	73,616	45,691
Revenues recorded in advance		
Provisions		
Deferred tax liabilities	4,220,893	3,496,076
Total Long-Term Liabilities	4,294,509	3,541,767
Current liabilities		
Short term loans	4,544,744	5,160,720
Trade liabilities and other liabilities, including derivative financial instruments	4,807,885	6,108,938
Revenues recorded in advance	77,409	197,811
Provisions	180,268	121,025
Liabilities classified as held for sale		
Total Current Liabilities	9,610,306	11,588,494
Total of liabilities	13,904,815	15,130,261
Total of shareholders' equities and liabilities	52,589,154	43,530,702

Consolidated financial situation
for the financial year ended on December 31, 2023

INDICATOR	CONSOLIDATED	
	31.12.2022	31.12.2023
Tangible assets		
Freehold land and land investments	16,391,917	14,737,009
Buildings	12,147,872	11,515,309
Technical installations and means of transport	11,479,537	9,881,254
Furniture, office equipment [...]	103,179	69,154
Tangible assets in progress	1,459,020	1,065,604
Advances for tangible assets		
Total Tangible Assets	41,581,525	37,268,330
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	84,502	52,390
Intangible assets in progress		
Shares held in subsidiaries and other fixed assets	6,195	6,195
Rights to use the leased assets	114,919	71,898
Total Fixed Assets	41,787,141	37,398,813
Current Assets		
Inventories	2,439,062	2,759,880
Trade receivables and other receivables	2,763,901	1,052,757
Expenses registered in advance	141,146	99,828
Cash and cash equivalents	1,217,844	224,033
Assets classified as held for sale	2,466,318	1,999,171
Total Current Assets	9,028,271	6,135,669
Total Assets	50,815,412	43,534,482
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	33,641,322	32,125,420
The result of the exercise	-2,097,266	-10,724,863
Reported result	-4,545,966	-4,691,722
Other elements of equity	-540	-540
Minority interests	-4,170	-4,183
Total shareholders' equity	36,910,269	26,621,001
Long-term liabilities		
Long-term loans and other liabilities	73,616	45,691
Revenues registered in advance		
Provisions		
Deferred tax liabilities	4,220,893	3,496,076
Total Long Term Liabilities	4,294,509	3,541,767
Current liabilities		
Short term loans	4,544,744	5,160,720
Trade liabilities and other liabilities, including derivative financial instruments	4,808,213	7,892,158
Revenues recorded in advance	77,409	197,811
Provisions	180,268	121,025
Liabilities classified as held for sale		
Total of current liabilities	9,610,634	13,371,714
Total of liabilities	13,905,143	16,913,481
Total of shareholders' equities and liabilities	50,815,412	43,534,482

Statement of the individual overall result
on December 31, 2023

Indicator	INDIVIDUAL	
	31.12.2022	31.12.2023
Ongoing activities		
Income	38,552,939	14,595,814
Other incomes	3,194,781	3,486,228
Stock variation	1,689,397	455,726
Total Operating Income	43,437,117	18,537,768
Inventory expenses	23,222,915	9,139,021
Utilities expenses	5,721,696	2,889,218
Employee benefit expenses	6,540,682	6,108,997
Amortization and depreciation of fixed assets	2,576,819	2,516,758
Gains / losses from the assignation of fixed assets		
Value adjustment of current assets	-198,523	1,912,813
Adjustments related to provisions	-75,102	-59,243
Other expenses	7,288,088	6,469,358
Total Operating Expenses	45,076,575	28,976,922
Result of Operational Activities	-1,639,458	-10,439,154
Financial income	264,244	148,391
Financial expenses	663,783	717,952
Net Financial Result	-399,539	-569,561
Result Before Tax	-2,038,997	-11,008,715
Current income tax expense		
Deferred income tax expenses	49,500	
Income attributable to deferred income tax		289,209
The Result of Ongoing Activities	-2,088,497	-10,719,506
Minority interests		
Total of the overall result related to the period	-2,088,497	-10,719,506

Statement of the consolidated overall result
on December 31, 2023

Indicator	CONSOLIDATED	
	31.12.2022	31.12.2023
Ongoing Activities		
Income	38,552,939	14,595,814
Other incomes	3,194,781	3,486,228
Stock variation	1,689,397	455,726
Total Operating Income	43,437,117	18,537,768
Inventory Expenses	23,222,915	9,139,021
Utilities expenses	5,721,696	2,889,218
Employee benefit expenses	6,544,618	6,113,818
Amortization and depreciation of fixed assets	2,576,819	2,516,758
Gains / losses from the assignation of fixed assets		
Value ajustement of current assets	-189,924	1,912,813
Adjustments related to provisions	-81,142	-59,243
Other expenses	7,290,383	6,469,907
Total Operating Expenses	45,085,365	28,982,292
Result of Operational Activities	-1,648,248	-10,444,524
Financial income	264,244	148,391
Financial expenses	663,783	717,952
Net Financial Result	-399,539	-569,561
Result Before Tax	-2,047,787	-11,014,085
Current income tax expense		
Deferred income tax expenses	49,500	
Income attributable to deferred income tax		289,209
The Result of Ongoing Activities	-2,097,287	-10,724,876
Minority interests	21	13
Total of the Overall Result Related to the Period	-2,097,266	-10,724,863

**Statement of the changes in the individual shareholders' equity
on December 31, 2023**

Sources of change in shareholders' equity	Share capital	Share premiums	Issued capital instruments	Other equities	Cumulated value of other elements of the overall result	Retained earnings	Reevaluation reserves	Other reserves	(-) Own shares	Profit or loss(-) attributable to the holders of shareholders' equities in the parent company	(-) Interim dividends	Minority interests: Cumulative value of other elements of the overall result	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
Effect of errors' corrections														
The effect of the change in accounting policies														
Opening balance (current period)	9,916,889				(2,088,497)	(1,345,597)	28,098,250	4,103,834	(540)					38,684,339
Issuance of ordinary bonds														
Issuance of preferential shares														
Issues of other capital instruments														
Exercise or expiration of other issued equity instruments														
Conversion of liabilities into shareholders' equity														
Capital reduction														
Dividends														
Purchase of own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from shareholders' equity to liabilities														
Transfers between the components of shareholders' equities					2,088,497	(2,088,497)								
Increases or (-) decreases in equity resulting from combinations of activities														
Payments based on shares														
Other increases or (-) decreases of the shareholders' equity						1,951,510	(1,515,902)							435,608
Total overall result for the financial year					(10,719,506)									(10,719,506)
Closing balance (current period)	9,916,889				(10,719,506)	(1,482,584)	26,582,348	4,103,834	(540)					28,400,441

**Statement of the changes in the individual shareholders' equity
on December 31, 2022**

Sources of change in shareholders' equity	Share capital	Share premiums	Issued capital instruments	Other equity	Cumulated value of other elements of the overall result	Retained earnings	Reevaluation reserves	Other reserves	(-) Own shares	Profit or loss(-) attributable to the holders'equities in the parent company	(-) Interim dividends	Minority interests Cumulative value of other elements of the overall result	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
Effect of errors' corrections														
The effect of the change in accounting policies														
Opening balance (current period)	9,916,889				1,313,111	(5,931,040)	30,756,723	4,103,834	(540)					40,158,977
Issuance of ordinary bonds														
Issuance of preferential shares														
Issues of other capital instruments														
Exercise or expiration of other issued equity instruments														
Conversion of liabilities into shareholders' equity														
Capital reduction														
dividends														
Purchase of own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from shareholders' equity to liabilities														
Transfers between components of shareholders' equity					(1,313,111)	1,313,111								
Increases or (-) decreases in equity resulting from combinations of activities														
Payments based on shares														
Other increases or (-) decreases of the shareholders' equity						3,272,332	(2,658,473)							613,859
Total overall result for the financial year					(2,088,497)									(2,088,497)
Closing balance (current period)	9,916,889				(2,088,497)	(1,345,597)	28,098,250	4,103,834	(540)					38,684,339

Statement of the changes in the consolidated shareholders' equity

on December 31, 2023

Sources of change in shareholders' equity	Share capital	Share premiums	Issued capital instruments	Other equities	Cumulative value of other elements of the overall result	Retained earnings	Reevaluation reserves	Other reserves	(-) Own shares	Profit or loss (-) attributable to the holders' equities in the parent company	(-) Interim dividends	Minority interests Cumulative value of other elements of the overall	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
Effect of errors' corrections														
The effect of the change in accounting policies														
Opening balance (current period)	9,916,889				(2,097,266)	(4,545,966)	28,134,186	5,507,136	(540)			(4,170)		36,910,269
Issuance of ordinary bonds														
Issuance of preferential shares														
Issues of other capital instruments														
Exercise or expiration of other issued equity instruments														
Conversion of liabilities into equity														
Capital reduction														
Dividends														
Purchasing own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from shareholders' equities to liabilities														
Transfers between the components of shareholders' equities					2,097,266	(2,097,266)								
Increases or (-) decreases in equity resulting from combinations of activities														
Payments based on shares														
Other increases or (-) decreases of the shareholders' equities						1,951,510	(1,515,902)					(13)		435,595
Total overall result for the financial year					(10,724,863)									(10,724,863)
Closing balance (current period)	9,916,889				(10,724,863)	(4,691,722)	26,618,284	5,507,136	(540)			(4,183)		26,621,001

Statement of the changes in the consolidated shareholders' equity
on December 31, 2022

Sources of change in shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other equity	Cumulative value of other elements of the overall result	Retained earnings	Reevaluation reserves	Other reserves	(-) Own shares	Profit or loss(-) attributable to the shareholders' equities in the parent company	(-) Interim dividends	Minority interests Cumulative value of other elements of the overall result	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
Effect of errors' corrections														
The effect of the change in accounting policies														
Opening balance (current period)	9,916,889				1,257,820	(9,076,118)	30,792,659	5,507,136	(540)			(4,149)		38,393,697
Issuance of ordinary bonds														
Issuance of preferential shares														
Issues of other capital instruments														
Exercise or expiration of other issued equity instruments														
Conversion of liabilities into equity														
Capital reduction														
Dividends														
Purchase of own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from shareholders' equities to liabilities														
Transfers between the components of shareholders' equities					(1,257,820)	1,257,820								
Increases or (-) decreases in equity resulting from combinations of activities														
Payments based on shares														
Other increases or (-) decreases of the shareholders' equities						3,272,332	(2,658,473)					(21)		613,838
The total overall result for the financial year					(2,097,266)									(2,097,266)
Closing balance (current period)	9,916,889				(2,097,266)	(4,545,966)	28,134,186	5,507,136	(540)			(4,170)		36,910,269

**Individual cash flow statement
on 31.12.2023**

- lei -

	31.12.2022	31.12.2023
Cash flows from operating activity		
Receipts from customers	42,568,117	19,619,785
Other receipts (including refunds net of VAT)	4,078,706	3,286,432
Payments to suppliers	36,556,350	19,153,834
Payment of net wages	3,482,081	3,628,071
Payments to budgets	2,736,243	555,047
Other payments	2,783,286	810,323
Net cash from operating activities	1,088,863	-1,241,058
Cash flows from investment activities		
Payments for acquisition of fixed assets	230,175	85,095
Receipts from sales of tangible fixed assets		
Interest received		
Net cash from investment activities	-230,175	-85,095
Net cash from financing activities		
Proceeds from loans	20,755,790	1,839,721
Interest paid and loan refunds	21,258,797	1,504,606
Dividends paid	843	
Net cash from financing activities	-503,850	335,115
Net increase/(decrease) of cash	354,838	-991,038
Cash and cash equivalents at the beginning of the period of time	859,368	1,214,206
Cash and cash equivalents at the end of the period of time	1,214,206	223,168

**Consolidated cash flow statement
on 31.12.2023**

- lei -

	31.12.2022	31.12.2023
Cash flows from operating activity		
Receipts from customers	42,568,117	19,619,785
Other receipts (including net VAT refunds)	4,078,706	3,288,932
Payments to suppliers	36,556,350	19,153,834
Payment of net wages	3,485,746	3,631,070
Payments to budgets	2,739,642	556,772
Other payments	2,785,760	810,872
Net cash from operating activities	1,079,325	-1,243,831
Cash flows from investment activities		
Payments for acquisition of fixed assets	230,175	85,095
Receipts from sales of tangible fixed assets		
Interest received		
Net cash from investment activities	-230,175	-85,095
Net cash from financing activities		
Proceeds from loans	20,755,790	1,839,721
Interest paid and loan refunds	21,258,797	1,504,606
Dividends paid	843	
Net cash from financing activities	-503,850	335,115
Net increase/(decrease) in cash	345,300	-993,811
Cash and cash equivalents at the beginning of the period of time	872,544	1,217,844
Cash and cash equivalents at the end of the period of time	1,217,844	224,033

Notes related to the financial statements

1. Reporting entity

The parent company Sinteza SA has its headquarters in Oradea, Sos. Borsului no. 35, registration no. 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 basic object of activity of the Company is the production and sale of basic organic chemical products - CAEN code 2014.

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

On 31.12.2023, the parent company is owned by the following shareholders:

No. crt.	Name/Name	Percentage owned
1	FIA- BT Invest 1	33.8898%
2	PASCU RADU	31.1597%
3	Alternative Investment Company With Private Capital Roca Investments SA	18.0000%
4	Other natural and legal persons	16.9505%
	Total	100.0000%

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

The entity included in the consolidation

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
Tax identification no.:	(RO) 67345
Trade Register no.:	J/05/1984/1992
Share capital:	90,000 lei

Chimprod SA shares are not traded on the regulated securities market. The company is managed by mandate by the sole administrator of Sinteza SA, with Mrs. Coman Dana as permanent representative.

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

The approval date of the financial statements' publication

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

2. The basics of preparation

Declaration of conformity

The individual and consolidated financial statements of the Group are drawn up in accordance with the International Financial Reporting Standards (IFRS). Starting with the 2012 financial year, the Company and the Group have the obligation to apply the International Financial Reporting Standards (IFRS).

The basis 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 the overall result.

Functional and presentation currency

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

Basis of evaluation

The individual and consolidated financial statements were drawn up based on historical cost, with the exception of assets – tangible fixed assets - which are evaluated at fair value every three years.

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

The principle of continuity of activity was respected.

Use of estimates and assessments

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

When some elements of the annual financial statements cannot be evaluated precisely, they are estimated.

Estimates are made on the basis of the most recent credible information available.

A change in 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 initial estimate.

Any change in accounting estimates will be recognized prospectively by including it in the outcome:

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

The Group uses estimates to determine:

- uncertain customers and adjustments for the 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.
- lifetimes of depreciated assets for which, upon revaluation, a fair value and a new economic useful life are determined.

The assessments and the assumptions are reviewed periodically by the Company and are recognized in the periods when 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 additions.

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

The accounting policies were developed in such a way as to ensure the provision, through the annual financial statements, of information that must be intelligible, relevant to the needs of users in making decisions, credible in the sense of faithfully representing the assets, liabilities, financial position and profit or the company's loss should not contain material errors, should not be biased, should be prudent, complete in all material respects, comparable so that users can compare the company's financial statements 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 were 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

Operations in foreign currency are recorded in lei at the exchange rate on the transaction settlement date.

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

Exchange rate differences that occur when settling liabilities in foreign currency at rates different from those at which they were initially recorded during the month or from those at which they are recorded in accounting must be recognized in the month in which they occur, as income or expenses from exchange rate differences.

Differences in value that appear during the settlement of liabilities expressed in lei, depending on a different exchange rate from the one at which they were initially recorded during the month or compared to those at which they are recorded in accounting, must be recognized in the month in which they appear, at 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.

The receivables include:

- trade receivables, which are amounts owed by customers for goods sold or services rendered in the normal course of business;
- commercial receivables to be collected, commercial acceptances, instruments of third parties;
- amounts owed by directors, shareholders, employees or affiliated companies.

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

Trade receivables can be discounted before maturity.

At the end of each month, foreign currency receivables are evaluated at the exchange rate of the foreign exchange market, communicated by the National Bank of Romania on the last banking day of the month in question. The

recorded exchange rate differences are recognized in accounting under income or expenses from exchange rate differences, as the case may be.

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

Exchange rate differences that occur when settling foreign currency receivables at rates different from those at which they were initially recorded during the month or from those at which they are recorded in accounting must be recognized in the month in which they occur, as income or expenses from exchange rate differences.

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

Bank accounts include:

- Receivables (checks and commercial bills deposited at banks)
- Availability in lei and foreign currency
- Checks issued by the company
- Short-term bank loans
- Interest related to availability and loans granted by banks in current accounts.

The interest to be paid and the interest to be collected, related to the current financial year, are recorded under financial expenses or financial income, as the case may be.

Currency sale-purchase operations, including those carried out within term settlement contracts, are recorded in accounting at the exchange rate used by the commercial bank at which the currency auction is carried out; these generate in the accounting exchange rate differences compared to the rate of the National Bank of Romania .

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

Liquidation of foreign currency deposits 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 from the date of establishment or the exchange rate at which they are recorded in accounting and the National Bank of Romania exchange rate from the date of liquidation of bank deposits are recorded as income or expenses from exchange rate differences, as the case may be.

Tangible fixed assets

Tangible fixed assets are assets that:

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

Tangible fixed assets include:

- lands and constructions;
- technical installations and machines;
- machinery and furniture;
- real estate investments;
- advances granted to suppliers of tangible assets;
- tangible assets under construction;
- real estate investments in progress;
- tangible assets for exploitation and evaluation of mineral resources.

Tangible assets are initially valued at cost. This is the acquisition cost or the production cost, depending on the method of entry into the company of the tangible immobilization.

The commercial discounts granted by the supplier and written on the purchase invoice adjust the purchase cost of the fixed assets in the sense of the discount.

The production cost of fixed assets includes direct expenses related to production such as direct materials, energy consumed for technological purposes, costs representing employees' salaries, legal contributions and other expenses related to them, which result directly from the construction of tangible fixed assets, site development costs, costs initial delivery and handling costs, installation and assembly costs, costs of testing the correct 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 immobilization are recognized:

- as expenses in the period in which they were made if they are considered repairs or the purpose of these expenses is to ensure the continuous use of the immobilization while maintaining the initial technical parameters; or
- as a component of the asset, in the form of subsequent expenses, if the conditions are met to be considered investments on fixed assets.

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

Tangible fixed assets are revalued every 3 years.

As regards the years when no revaluation is performed, tangible assets are presented in the annual financial statements at the value established at the last revaluation minus accumulated depreciation and accumulated adjustments for impairment loss.

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

Lands are not subjected to depreciation.

The economic life 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 accounting according to the lifetime and the depreciation method originally established. When amortizing tangible fixed assets, the Company uses straight-line amortization, achieved by the uniform inclusion of fixed amounts in the operating expenses, established proportionally to the number of years of their economic use, for the following categories of fixed assets:

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

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

As a result of the reestimation of the initially established life span, the depreciation expense will be recalculated for the remaining period of use.

Intangible assets

Intangible assets include:

- development expenses;
- concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets;
- the goodwill;
- advance payments for intangible assets;
- intangible assets for 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 reliably measured.

An intangible asset is initially recorded at the cost of acquisition or production depending on the way it became part of the company assets.

Development expenses are entered under their production cost.

The production cost of fixed assets from the development phase includes direct expenses related to production such as direct materials, energy consumed for technological purposes, costs representing employee salaries, legal contributions, costs of testing the correct functioning of the asset, professional fees and commissions paid in relation to the asset, the cost of obtaining the necessary authorizations.

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

Financial assets

Financial assets include:

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

Financial fixed assets are recognized upon entering the patrimony at purchase value.

Changes in fair value are recognized in the profit and loss account.

Assets related to the right of use

Recognition and evaluation

Right-of-use asset represents the right of a lessee to use a supporting asset during the lease term.

The company applies IFRS 16 for operational leasing contracts.

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

Initial valuation of the right-of-use asset

On the start date of the leasing contract, the asset related to the right of use is valued at cost, by summing the following values:

- a. the value of the initial assessment of the liability arising from the lease agreement, representing the discounted value of the lease payments that are not paid at that date, using the marginal lending rate;
- b. any lease payments made on or before the lease commencement date, less any incentives (rebates) received under the lease;
- c. any initial direct costs borne by the lessee, between the initiation date and the start date of the leasing contract;
- d. as well as, as the case may be, an estimate of the costs to be borne by the lessee for the restoration of the place where the underlying asset is located or for bringing it to the condition imposed by the terms and conditions of the leasing contract.

Initial assessment of the liability arising from the leasing contract

At the commencement date, the lessee must value the liability arising from the lease at the present value of the lease payments that are not paid at that date. Lease payments must be discounted using the marginal lending rate.

Subsequent evaluation

After the start date of the leasing contract, respectively the registration of an asset representing the right of use and the related debt, they will be subsequently evaluated using the amortized cost model, as follows:

- a. The asset representing the right of use – is amortized linearly over the entire duration of the leasing contract;
- b. The debt arising from the leasing contract – is evaluated similarly to any other financial obligations, using the effective interest method, so that the balance is reduced based on the amortized cost and the interest expense is allocated over the duration of the leasing contract.

Elements of the nature of stocks

The entry of stocks is recorded in accounting on the date of transfer of risks and benefits.

On the date of entry into the company, the stocks are evaluated and recorded in the accounting at the entry value, which is determined as follows:

- at purchase cost - for purchased stocks;
- at predetermined production cost - for stocks produced in the company;
- at the contribution value , established following the evaluation - for stocks representing contribution to the social capital;
- at the fair value - for the stocks obtained free of charge or ascertained plus during the inventory.

The commercial discounts granted by the supplier and written on the purchase invoice reduce the purchase cost of the goods.

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

The considered normal levels of consumption of materials are reviewed at an interval of 12 months.

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

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

The net realizable value is the estimated sales price during the normal course of the activity, minus the estimated costs for completion and the costs necessary for the sale.

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

Revenues

Revenues represent increases in economic advantages, intervened during the exercise, which generated an increase in equity in other forms than those expressing new contributions of the company's owners.

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

Revenues are classified as follows:

- Operating revenues;
- Financial revenues;

Revenues are recognized based on accrual accounting.

Revenues from sales of goods are recorded at the moment of handing over the goods to the buyers, their delivery based on the invoice or under other conditions stipulated in the contract, which attests the transfer of the ownership of the respective goods to the customers.

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

- a) the significant risks and benefits arising from ownership of the goods have been transferred to the buyer;
- b) the company no longer manages the sold goods at the level at which it would have done it, normally, in the case of owning them, nor does it have effective control over them;
- c) revenues can be reliably assessed;
- d) it is likely that the economic benefits associated with the transaction will be generated to society; and
- e) transaction costs can be reliably assessed.

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

The execution stage of the work is determined on the basis of the work situations that accompany the invoices, reception minutes or other documents that certify the stage of completion and the reception of the services provided.

Interest revenues are recognized periodically, proportionally, as the respective revenue is generated.

Revenues from royalties and rents are recognized according to the due dates in the contract.

Revenues from dividends are recognized when the shareholder's right to collect them is established.

Revenues from the reduction or cancellation of provisions, respectively from adjustments for depreciation or loss of value are recorded in the event that their maintenance is no longer justified, the risk is realized or the expense becomes payable.

Revenues are assessed at the value determined by the agreement between the seller and the buyer, taking into account the amount of any commercial discounts granted.

Revenues collected before the balance sheet date, which are related to the subsequent financial year, are presented as revenues in advance.

Expenses

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

- consumption of stocks;
- works performed and services provided that benefit the company;
- expenditure on staff;
- the execution of legal or contractual obligations;
- provisions;
- depreciation;
- adjustments for impairment or loss of value.

Accounting of expenses is kept according to types of expenses, as follows:

- operating expenses;
- financial expenses.

Synthetic expense accounts that include several elements with different tax deductibility regimes are developed into analytics, so that each analytics reflects the specific content.

Liabilities

Liabilities are recorded in accounting in relation to third parties. The accounting of suppliers and other liabilities are kept by category, as well as by each natural or legal person.

Personnel rights are recorded in accounting with withholding of contributions. Payable Income tax must be recognized as a liability to the extent of the unpaid amount.

Deferred tax is the amount of profit tax payable in a future period. Deferred tax liabilities are the amounts of income tax payable in future accounting periods in respect of taxable temporary differences.

It is calculated based on the tax percentages 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 profit tax values, recoverable in future accounting periods.

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

Provisions

A provision will be recognized in the accounting when:

- the company has a current obligation generated by a previous event;
- it is probable that an outflow of resources will be required to honor the obligation;
- a credible estimate of the obligation's value can be made.

No provisions are recognized for future operating losses.

Provisions are reviewed at the date of preparation of the Individual Financial Statements are drafted and adjusted to reflect the current best estimate.

If an outflow of resources is no longer probable for the settlement of an obligation, the provision is canceled by resuming income.

Commercial and financial discounts

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

Commercial discounts granted to customers adjust the amount of revenue related to the transaction in the meaning of the discount .

Contingent assets and liabilities

Contingent assets and liabilities are presented in the explanatory notes if it is likely that some inflows of economic benefits will occur.

These are evaluated annually to determine if an outflow of resources incorporating the economic benefits has become probable and it is necessary to recognize a liability or a provision in the financial statements related to the period in which the change in the classification of the event occurred.

Events following the preparation of the financial statements

Events following 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

The amendments to the standards applicable in the financial year 2023 are presented in Note 31.

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

4. Determination of fair values

The presentation requirements of the information contained in the financial statements as well as some accounting policies of the Company determine the necessity of their presentation.

The company proceeded to the fair value evaluation of the patrimonial elements on 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 information observable on the market as much as possible. The fair value hierarchy classifies the input data for the valuation techniques used to measure the fair value on three levels, as follows:

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

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

Valuation techniques and input data used in making valuations IFRS13.91(a) In the building and land evaluation report, the appraiser used:

Market data chosen by the evaluator: real estate market analysis:

- The specific real estate market
- Analysis of the existing offer on the market
- Demand analysis
- Market balance

b. Information provided by the owner: Documents regarding the history of immobilization, repair work carried out, degree of exploitation.

Presentation of the classification level of 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 buildings and land on 31.12.2021 was classified at level 3 of the fair value hierarchy, the valuation being carried out based on unobservable data on the active land and real estate market.

5. Tangible assets

The parent company's individual statement is as follows:

	Lands	Buildings	Equipment and others	Tangible assets in progress	Advance on tangible assets	Total
<i>Assessed value</i> Balance on January 1, 2023	16,391,917	12,920,726	13,261,061	1,459,020	0	44,032,724
Increases	88,500	196,927	68,066	1,370,977	0	1,724,470

Decreases	1,743,408	89,476	45,463	1,764,393	0	3,642,740
Balance as of December 31, 2023	14,737,009	13,028,177	13,283,664	1,065,604	0	42,114,454
<i>Depreciation and write-downs</i>						
Balance on January 1, 2023	0	772,854	1,678,345	0	0	2,451,199
Increases	0	762,077	1,667,048	0	0	2,429,125
Decreases		22,063	12,137			34,200
Balance as of December 31, 2023	0	1,512,868	3,333,256	0	0	4,846,124
<i>Net value</i>						
Balance on January 1, 2023	16,391,917	12,147,872	11,582,716	1,459,020	0	41,581,525
Balance as of December 31, 2023	14,737,009	11,515,309	9,950,408	1,065,604	0	37,268,330

At the group level, the situation is:

	Lands	Buildings	Equipment and others	Tangible assets in progress	Advance on tangible assets	Total
<i>Assessed value</i>						
Balance on January 1, 2023	16,391,917	12,920,726	13,261,061	1,459,020	0	44,032,724
Increases	88,500	196,927	68,066	1,370,977	0	1,724,470
Decreases	1,743,408	89,476	45,463	1,764,393	0	3,642,740
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<i>Depreciation and write-downs</i>						
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Increases	0	762,077	1,667,048	0	0	2,429,125
Decreases		22,063	12,137			34,200
Balance as of December 31, 2023	0	1,512,868	3,333,256	0	0	4,846,124
<i>Net value</i>						
Balance on January 1, 2023	16,391,917	12,147,872	11,582,716	1,459,020	0	41,581,525
Balance as of December 31, 2023	14,737,009	11,515,309	9,950,408	1,065,604	0	37,268,330

The tangible fixed assets of the company include the assets affected by the production. Part of these assets are mortgaged or pledged to guarantee loans taken from banks.

Tangible fixed assets in progress represent the investments being completed for the increase of production capacities.

We mention that at the end of 2023, the Court of Appeal Oradea gave a final verdict in favour of Sinteza in the litigation it had with the companies that were to design and execute the new benzoic acid plant.

In this context, it is obvious that this investment can no longer be executed, and as such the immobilizations in progress related to it, in the amount of 1,101,350 lei, are stopped and transferred to expenses.

Considering the fact that the local authorities, through their specialized company, intensively continued the development of industrial parks both in the area of Oradea city and in the area of other cities in Bihor county, it became clear that the project to develop an industrial park on Sinteza platform is no longer appropriate. As such, the ongoing investments made so far for this project are suspended, and the expenses in the amount of 302,328 lei were recognized as such in the financial year 2023.

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

The useful lives established at the commissioning of the fixed assets were within the limits provided by the internal regulations regarding the classification of fixed assets and were not modified during the year 2023.

6. Intangible assets

In the patrimony of the parent company, in this group of fixed assets, the value of the licenses paid to the European regulatory authorities in the field of the manufacture and sale of chemical products in the amount of 343,194 lei, depreciable over the planned operating period for the manufacturing facilities, as well as licenses for computer programs in the amount of 116,867 lei.

Gross value on 31.12.2023	460,061
Accumulated depreciation	407,671
Of which in financial year 2023	44,612
Net value on 31.12.2023	52,390

7. Financial assets

The parent company owns:

- 1.- the participation of 99.765% in the subsidiary Chimprod SA Oradea. The accounting value of the shareholding is 1,265,650 lei, fully depreciated value.
- 2.- participation of 1,000 lei to the Organization of Patronages in Chemistry and Petrochemistry Bucharest.

Gross value on 31.12.2023	1,266,650
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Adjustments for impairment recorded	1,265,650
Net value at 31.12.2023	1,000
Other financial assets	2,295
Total	3,295

Assets related to the right to use the assets taken under concession (leasing) at the level of the debt from the application of IFRS 16

	2021	2022	2023	
Cost (lei) on 31.12.2023				
Balance at 31.12. 2023	204,370	204,370	204,370	
Amortization related to the right of use	-46,431	-89,451	132,472	
Balance as of December 31, 2023	157,939	114,919	71,898	
Effect of transition to IFRS 16	2020	2021	2022	2023
Financial expenses, interest, leasing contract	3,828	2,976	5,866	4,019
Depreciation related to the right of use	17,974	17,971	43,021	43,021
Total cost	21,802	20,947	48,887	47,040

8. Stocks

The parent company's individual report is presented as follows:

	31.12.2022	31.12.2023
Raw materials and materials	251,182	155,607
Finished product	2,150,841	2,661,282
Products in progress	858,985	799,202
Marchandise	22,975	22,864
Packaging	118,623	70,082
Advance payments for goods aquisition	54,284	52,012
Total	3,456,890	3,761,049
Adjustments for inventory depreciation	1,017,828	1,001,169
Total	2,439,062	2,759,880

At the group level, the situation is:

	31.12.2022	31.12.2023
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Raw materials and materials	251,182	155,607
Finished product	2,150,841	2,661,282
Products in progress	858,985	799,202
Marchandise	22,975	22,864
Packaging	118,623	70,082
Advance payments for goods aquisition	54,284	52,012
Total	3,456,890	3,761,049
Adjustments for inventory depreciation	1,017,828	1,001,169
Total	2,439,062	2,759,880

9. Trade receivables

The parent company's individual report is presented as follows:

	31.12.2022	31.12.2023
Clients	4,194,408	796,384
Uncertain and litigious clients	434,429	2,317,893
Suppliers-debtors	1,388	0
Adjustments for the imparement of receivables	-434,429	-2,317,893
Total	4,195,796	796,384
Other receivables	348,385	256,358
Total	4,544,181	1,052,742

At the group level, the situation is:

	31.12.2022	31.12.2023
Clients	2,414,113	796,384
Uncertain and litigious clients	434,429	2,317,893
Suppliers-debtors	1,388	0
Adjustments for the imparement of receivables	-434,429	-2,317,893
Total	2,415,501	796,384
Other receivables	348,400	256,373
Total	2,763,901	1,052,757

Considering the difficult situation that the European chemical industry has gone through / is going through, especially the one in the European Union, most of the commercial transactions took place in 2023 on spot orders. Over 90% of the manufactured products were delivered for export to beneficiaries from European Union member countries or non-EU countries. There is a certain dependence of the company on the community market where about 90% of the production intended for export is delivered.

The company has constituted adjustments for the depreciation of receivables outstanding for more than 365 days in the amount of 2,317,893 lei.

10. Cash and cash equivalents

Parent company's individual report is as follows:

	31.12.2022	31.12.2023
Current bank accounts	1,212,418	221,753
Cash at checkout	1,788	1,415
Other values		
Total	1,214,206	223,168

At the group level, the situation is:

	31.12.2022	31.12.2023
Current bank accounts	1,215,961	222,523
Cash at checkout	1,883	1,510
Other values		
Total	1,217,844	224,033

11. Other receivables

Parent company's individual report is presented as follows:

	31.12.2022	31.12.2023
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Settlements from operations under clarification	969	969
Other claims in connection with third parties	57,891	2,500
Other receivables related to the state budget (VAT to be recovered)	289,525	252,889
Total	348,385	256,358

At the group level, the situation is:

	31.12.2022	31.12.2023
Settlements from operations under clarification	969	969
Other claims in connection with third parties	57,891	2,500
Other receivables related to the state budget (VAT to be recovered)	289,540	252,904
Total	348,400	256,373

12. Assets classified as held for sale

Parent company's individual report is as follows:

	31.12.2022	31.12.2023
Gross value of assets classified as held for sale	2,853,111	1,999,171
Asset value adjustments classified as held for sale		
Reclassifications to tangible assets		
Disposal of assets classified as held for sale	-386,793	
Net value	2,466,318	1,999,171

At the group level, the situation is:

	31.12.2022	31.12.2023
Gross value of assets classified as held for sale	2,853,111	1,999,171
Asset value adjustments classified as held for sale		
Reclassifications to tangible assets		
Disposal of assets classified as held for sale	-386,793	
Net value	2,466,318	1,999,171

13. Share capital and share premiums

On 31.12.2023, the shareholding structure of the parent company is presented as follows (in percentages):

	31.12.2022	31.12.2023
FIA- BT Invest 1	33.89%	33.89%
PASCU RADU	31.16%	31.16%
Alternative Investment Company With Private Capital Roca Investments SA	18.00%	18.00%
Other natural and legal persons	16.95%	16.95%
Total	100.00%	100.00%

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

	31.12.2022	31.12.2023
Sinteza SA	99.76%	99.76%
Other shareholders	0.24%	0.24%
Total	100%	100%

The company continued in 2023 to administer the capital, taking into account all its components as defined by the Romanian legislation. There were no situations of

exclusion of quantitative data or the consideration as a component part of own capital of other elements in the balance sheet apart from those regulated in the internal legislation.

14. Trade payables and other liabilities

Parent company's individual report is presented as follows:

	31.12.2022	31.12.2023
Commercial suppliers	2,567,219	1,168,969
Suppliers for investments		5,511
Suppliers - collaborators		
Debts to the State Budget	221,550	212,218
Debts to employees	192,327	199,405
Current income tax		
Other payables	1,900,405	4,568,526
Total	4,881,501	6,154,629

The classification of individual debts on 31.12.2023 according to maturity is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	1,168,969	1,168,969		
Suppliers for investments	5,511	5,511		
Suppliers - collaborators				
Debts to the state budget	212,218	212,218		
Debts to employees	199,405	199,405		
Current income tax				
Other payables	4,568,526	4,522,835	45,691	
Total	6,154,629	6,108,938	45,691	0

At the group level, the situation is:

	31.12.2022	31.12.2023
Commercial suppliers	2,567,219	2,949,264
Suppliers for investments		5,511
Suppliers - collaborators		

Debts to the state budget	221,669	212,373
Debts to employees	192,536	199,675
Current income tax		
Other payables	1,900,405	4,571,026
Total	4,881,829	7,937,849

The classification of consolidated debts on 31.12.2023 according to maturity is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	2,949,264	2,949,264		
Suppliers for investments	5,511	5,511		
Suppliers - collaborators				
Debts to the state budget	212,373	212,373		
Debts to employees	199,675	199,675		
Current income tax	0			
Other payables	4,571,026	4,525,335	45,691	
Total	7,937,849	7,892,158	45,691	0

15. Loans

Parent company's individual report is presented as follows:

	31.12.2022	31.12.2023
Amounts owed to credit institutions	4,544,744	5,160,720
Total	4,544,744	5,160,720

The classification of loans on 31.12.2023 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	5,160,720	5,160,720		
Total	5,160,720	5,160,720	0	0

At the group level, the situation is:

	31.12.2022	31.12.2023
Amounts owed to credit institutions	4,544,744	5,160,720
Total	4,544,744	5,160,720

The classification of loans on 31.12.2023 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	5,160,720	5,160,720		
Total	5,160,720	5,160,720	0	0

Regarding the contracted loans, the Company continued the policy of calling on resources attracted to finance the company's working capital and investments.

The bank loans in progress at the end of 2023 are contracted only at the level of the parent company Sinteza SA and are the following:

- Current account credit line 99,920 EURO+ unused 80 EURO, Euribor rate 3M+ 1.95% due 12.04.2024
- Current account credit line 937,494 EURO + unused 62,506 EURO, Euribor rate 3M+ 1.6%, maturity 12.04.2024

Apart from the contracted loans, the company has other financial commitments related to the current activity and investments, namely: a letter of bank guarantee in favor of the main supplier of raw material (toluene) in the amount of 550,000 EURO, with a maturity date of 31.12.2023, which has not been extended.

16. Provisions

Provisions for risks and expenses were established as follows:

- provisions for unused holidays in the amount of 121,025 lei for SINTEZA SA

17. Revenues in advance

In 2023, the company reflected in the Advance Revenue account the amounts collected from customers on account of future deliveries. The account balance as of 12/31/2023 in the amount of 197,811 lei highlights the amounts collected from customers for goods to be delivered and services in advance;

18. The turnover

The turnover of the financial year 2023 is presented as follows:
The parent company's individual report is presented as follows:

	31.12.2022	31.12.2023
Revenues from the sale of finished products	37,763,610	13,847,779
Revenues from sale of goods		
Revenues from locations and rents	518,405	308,405
Revenues from services provided	205,283	288,391
Other revenues (rebilling, residual prod.)	65,641	151,239
Total	38,552,939	14,595,814

At the group level, the situation is:

	31.12.2022	31.12.2023
Revenues from the sale of finished products	37,763,610	13,847,779
Revenues from sale of goods		
Revenues from locations and rents	518,405	308,405
Revenues from services provided	205,283	288,391
Other income (rebilling, residual prod.)	65,641	151,239
Total	38,552,939	14,595,814

A reportable segment is a component of an entity that engages in business activities from which it can obtain income and from which it can bear expenses, whose results are periodically examined and for which distinct financial information is available.

The company has not organized components to engage separately in business activities, the elements of income coming from other activities than industrial production having an incidental character.

The main weight of the activity is the industrial production activity, the result of which is periodically examined by the main operational decision-making factor.

Regarding the company's sales in 2023, these can be divided into two areas as follows:

- sales on the foreign market in the amount of 13,004,683 lei;
- sales on the domestic market in the amount of 843,096 lei

19. Expenses with raw materials and consumables

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

	31.12.2022	31.12.2023
Raw materials	22,188,387	8,406,639
Auxiliary materials	187,808	250,986
Combustible	23,912	9,506
Spare parts	98,482	110,187
Labor protection and other materials	48,928	55,323
Other expenses	675,398	306,380
Total	23,222,915	9,139,021

At the group level, the situation is:

	31.12.2022	31.12.2023
Raw materials	22,188,387	8,406,639
Auxiliary materials	187,808	250,986
Combustible	23,912	9,506
Spare parts	98,482	110,187
Labor protection and other materials	48,928	55,323
Other expenses	675,398	306,380
Total	23,222,915	9,139,021

20. Other material expenses

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

	31.12.2022	31.12.2023
Packaging	517,472	255,233
Materials of the nature of inventory items	94,092	27,015
Other unstocked materials	63,834	24,132
Total	672,398	306,380

At the group level, the situation is:

	31.12.2022	31.12.2023
Packaging	517,472	255,233
Materials of the nature of inventory items	94,092	27,015
Other unstocked materials	63,834	24,132
Total	675,398	306,380

21. Personnel expenses

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

	31.12.2022	31.12.2023
Salaries	6,364,947	5,958,482
Social insurance and social protection	175,735	150,515
Total	6,540,682	6,108,997

At the group level, the situation is:

	31.12.2022	31.12.2023
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Salaries	6,368,799	5,963,195
Social insurance and social protection	175,819	150,623
Total	6,544,618	6,113,818

The company's employees are remunerated with the negotiated salary according to the provisions of the individual employment contracts, having the entire range of social benefits provided by the Romanian legislation in force. At the company level, there is no collective labor contract and therefore no additional short-term, long-term benefits, post-employment benefits or share-based payment are granted. The key personnel from 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 not remunerated by decision established by the General Meeting of Shareholders.

22. External services expenses

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

	31.12.2022	31.12.2023
Other service expenses performed by third parties		
Maintenance and repairs	109,983	92,580
Post and telecommunications	28,171	28,230
Transport	794,902	493,675
Banking services	322,848	103,879
Displacements, detachments	51,230	42,908
Protocol	3,060	5,300
Contributors		0
Rents	103,003	31,578
Fees	157,265	194,766
Insurance premiums	47,608	42,789
Other service expenses performed by third parties	967,325	1,042,485
Total	2,585,395	2,078,190

At the group level, the situation is:

	31.12.2022	31.12.2023
Other service expenses performed by third parties		
Maintenance and repairs	109,983	92,580
Post and telecommunications	28,914	28,371
Transport	794,902	493,675
Banking services	322,848	104,287
Displacements, detachments	51,230	42,908
Protocol	3,060	5,300
Contributors		0
Rents	103,003	31,578
Fees	157,265	194,766
Insurance premiums	47,608	42,789
Other service expenses performed by third parties	967,325	1,042,485
Total	2,586,138	2,078,739

23. Revenues and financial expenses

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

	31.12.2022	31.12.2023
Interest revenues	2	90
Revenues from exchange rate differences	264,160	148,301
Other revenues	82	
Total	264,244	148,391
Interest expenses	274,688	446,903
Expenses from exchange rate differences	382,308	265,529
Other financial expenses	6,787	5,520
Total	663,783	717,952

At the group level, the situation is:

	31.12.2022	31.12.2023
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Interest revenues	0	90
Revenues from exchange rate differences	264,160	148,301
Other revenues	82	
Total	264,242	148,391
Interest expenses	274,688	446,903
Expenses from exchange rate differences	382,308	265,529
Other financial expenses	6,787	5,520
Total	663,784	717,952

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 31.12.2023 the Company recorded an accounting loss in the amount of 10,719,506 lei

	31.12.2022	31.12.2023
<i>Current income tax</i>		
Current income tax expenses	0	0
<i>Deferred income tax</i>		
Deferred profit tax	4,220,893	3,496,076

At the group level, the situation is:

	31.12.2022	31.12.2023
<i>Current income tax</i>		
Current income tax expenses	0	0
<i>Deferred income tax</i>		
Deferred profit tax	4,220,893	3,496,076

25. Earnings per share

Sinteza SA recorded in 2023 an accounting loss in the amount of 10,719,506 lei. It is not intended to distribute amounts to shareholders in the form of dividends from the reserves established in previous years.

In the shareholding structure, there are not registered holders with the right to distribute dividends in other fractional proportions.

No free shares or shares with preferential rights are distributed in what concerns the allocation of dividends.

In a reasonable period there were no intentions to dilute the shares through a preferential distribution. This results in a tie between the result 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 31.12.2023 are:

Alexander Savin	- President
Pascu Radu	- Member
Cosmin Turcu	- Member

The executive management of the company on 31.12.2023 is ensured by the general director Gelu Stan.

During the year 2023, the transactions registered between the company and the associated parties are: 1) the granting of a loan to Sinteza by the shareholder Radu Pascu, in the amount of 510,117 euros (contract value 600,000 euros) and 2) the extension of the loan granted by the shareholder Roca Investments SA, in the amount of 300,000 euros (contract value 600,000 euros)

27. Transactions between the parent company and the subsidiary

The parent company Sinteza lent the affiliated company Chimprod the amount of 2,500 lei. No other transactions are registered on 31.12.2023.

28. Other commitments

The parent company and the affiliated company do not register any other commitments as of 12.31.2023.

29. Assets and contingent liabilities

Apart from the contracted loans, the company has other financial commitments related to the current activity and investments, namely: a letter of bank guarantee in favor of the main supplier of raw material (toluene) in the amount of 550,000 EURO, due on 31.12.2023, which no longer has been extended.

SINTEZA was a party in 2023 to litigation in the following files:

File no.	Court	The object of the file	The parties in the process and the procedural quality	File status (first instance/appeal/ recourse/etc)	Term (if the file is pending) / Solution (if the file is resolved)	Details about the file
4274/108/2014	Arad Court	Insolvency procedure	Creditor SINTEZA SA Debtor Comeso Color SA	BANKRUPTCY	Trial date: 27.02.2024	+ 21,184, 47 lei
24.06.2022	LiquidatorMann& Associates PAC Singapore	Liquidation procedure	Creditor SINTEZA SA Debtor Vikudha Singapore PTE.LTD	Judicial liquidation	Trial date:-	+ 59,325 Eur
22419/3/2009	Bucharest Court	Insolvency procedure	Creditor SINTEZA SA Debtor Energo Mineral Bucharest	BANKRUPTCY	Trial date: 19.06.2024	+ 27,173, 79 lei
16873/118/2010	Court Constanta	Insolvency procedure	Creditor SINTEZA SA Debtor Solanum Com Prod SRL C-ta	FIRST INSTANCE	Trial date: 15.04.2024	+ 68,811.51 lei
6473/111/2013	Bihor Court	Insolvency Procedure	Creditor Sinteza SA Debtor Electrocentrale Oradea SA	BANKRUPTCY	Trial date: 31.01.2024	+ 530671.29 lei - 497325.6 lei 33345, 69 lei
5610/3/2017*	Oradea Court of Appeal	claims	APPELLANT Sinteza SA INTIMATI NOVI CONSULT SRL and others	APPEAL	Decision 389/21.12.2023: Admits the main appeal declared by the appellant SC Sinteza SA, against Sentence no. 96/LP/10.04.2019, pronounced by Bihor Court which it changes in part, in the sense that: Admits in part the action formulated and specified by the plaintiff SC SINTEZA SA in opposition to the defendants Novi Consult SRL and Hatec Industrie-Montagen GMBH. It forces the defendants jointly and severally to pay the plaintiff the sum of 6,885,405.8 lei as interest damages, with legal interest from	Considering the fact that Decision 389/21.12.2023 is not final but is enforceable, a request for forced execution was made against the debtor Novi Consult SRL Enforcement file no. 225/22.12.2023 BEJ Bran Cristian Bucharest . The respondents appealed to the solution pronounced by the court

					20.05.2016 until payment. It rejects as unfounded the rest of the claims made by the plaintiff. Rejects the counterclaim filed by the counterclaim defendant SC Novi Consult SRL in opposition to the counterclaim defendant SC Sinteza SA. Maintains the provisions of the sentence regarding the rejection of the exception of the lack of passive procedural quality of the defendant Hatec Industrie-Montagen GMBH. Finds the lack of procedural capacity of the defendant L+K Anlagenbau GmbH&Co.KG. Rejects as unfounded the cross-appeal filed by the respondent Novi Consult SRL. Obliges the respondents to jointly and severally pay the appellant the amount of 192,688.52 lei for court costs in the first instance and appeal. With the right of appeal within 30 days from the communication that will be submitted to Oradea Court of Appeal.	
1011/P/2023	The Prosecutor's Office attached to the Bihor Court	Criminal complaint and establishment of a civil party for the amount of 31,200 Euros	Sinteza SA/ Unknown author	Unauthorized access to an e-mail Art. 360 Criminal Code		Damage 31,200 Euros;

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

30. Events subsequent to 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 entered into force in the current 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 17 "Insurance contracts", including the amendments to IFRS 17 - sets out the principles for the recognition, measurement, presentation and

disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information provides users of financial statements with a basis for evaluating the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

- ✓ - IAS 1 "Presentation of financial statements" - establishes the general requirements for financial statements, including how they should be structured, the minimum requirements for their content and fundamental concepts
- ✓ - IAS 8 "Accounting policies, changes in accounting estimates and errors" - applies to the selection and application of accounting policies, the accounting of changes in estimates and the reflection of corrections of errors from previous periods.

The Company estimated that the adoption of these amendments to the existing standards will not have a significant impact on the financial statements of the Company 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 developed, so as to ensure the identification and analysis of risks, the establishment of limits and appropriate controls, as well as the monitoring of compliance with the established limits.

Risk management policies and systems will be reviewed regularly, in order to adapt to changes in activity 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 suffer a financial loss as a result of a client not fulfilling its contractual obligations. The parent company established as a credit policy the individual analysis of each new customer, before offering the standard conditions of payment and delivery.

However, the concrete conditions of the specific market (basic chemical products, on a market with specialized suppliers and customers) sometimes require the granting of some facilities in terms of collection.

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

However, following the individual analysis of customers, sometimes payment is requested in advance or at the time of delivery (non-EU markets).

Liquidity risk is the risk of the Company or the Subsidiary encountering difficulties in fulfilling its financial or associated financial obligations, which are settled in cash or cash equivalents.

The parent company's approach to liquidity management consists in ensuring sufficient liquidity to pay the 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 variation of market prices, the exchange rate, the interest rate and the price of equity instruments, will affect the Company's income or the value of the financial instruments held. During 2023, there was a significant disruption in the price of benzoic acid on the European market due to the presence on the market of some producers from China who came with a price sometimes almost equal to the price at which the company was supplied with raw material (toluene).

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

The parent company is exposed to currency 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:

	LEI	EURO (EQUIV.LEI)	USD (EQUIV.LEI)
Financial assets			
Trade receivables and other receivables	281,970	770,772	0
Cash and cash equivalents	59,961	163,207	
Total	341,931	933,979	0
Financial liabilities			
Loans		5,160,720	0
Commercial debts and other debts	1,618,888	4,535,741	0
Total	1,618,888	9,696,461	0

At the group level, the situation is

	LEI	EURO (EQUIV.LEI)	USD (EQUIV.LEI)
Financial assets			
Trade receivables and other receivables	281,985	770,772	0
Cash and cash equivalents	60,826	163,207	
Total	342,811	933,979	0

Financial liabilities			
Loans		5,160,720	0
Commercial debts and other debts	3,402,108	4,535,741	0
Total	3,402,108	9,696,461	0

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

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

It is possible that the Company will be subject to controls as new regulations are issued.

33. Aspects regarding the continuity of the activity

Considering the uncertainty regarding when and how the war in Ukraine will end, the management of the company estimates that the adverse factors that are currently manifesting themselves on the European market of chemical products will also generate instability in the next period, including disturbances in the balance between demand and supply. In addition, unfair competition from some chemical producers in China is expected to continue, this additional pressure will be manifested at least until 2026 (when the European Union will introduce the carbon tax border adjustment mechanism in this domain as well). In this particularly difficult context, the management of the company actively strives to find solutions to ensure business continuity and adopts measures to minimize the impact of the crisis on operational and financial activity.

The diversification of the product portfolio is considered by including intermediates with higher added value and which are less dependent on raw materials from fossil fuels.

In the short and medium term, the company will aim to, in addition to the process of transforming toluene into benzoic acid, develop production solutions for some products derived from benzoic acid, mainly its esters or other compounds for which there is a demand on the market in Europe, in the following years.

In the longer term, the expected strategy is the one in which chemical substances will be produced, acids in particular, which have similar characteristics and uses to those of benzoic acid, but can be produced mainly from biomass.

Plans also include improving liquidity by selling surplus assets. The amounts thus obtained will be used to support the basic activity, through investments and working

capital. In addition, part of the sums will be used to solve historical problems such as the greening of old warehouses of dangerous substances.

GENERAL MANAGER
GELU STAN

CHIEF FINANCIAL OFFICER
ADRIAN BUCUREAN

STATEMENT

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

Annual financial statements were prepared on 31.12.2023 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-Commercial companies based on shares
Main activity:	2014-manufacture of other basic chemical products
Tax 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 in accordance with the International Financial Reporting Standards (IFRS) applicable to commercial companies whose securities are admitted to trading on a regulated market.

The President of the Board of Directors of the company, Mr. Alexandru Savin, assumes responsibility for the preparation of the annual financial situation on 31.12.2023 and confirms that, according to his knowledge, it was prepared according to the applicable accounting standards, that it provides a correct picture and conforms to the reality of assets, liabilities, equity, income and expenses, and that the report of the Board of Directors 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.

President of the Board of Administration

Alexandru Savin



INDEPENDENT AUDITOR'S REPORT

To the shareholders of SINTEZA SA

Report on the audit of the 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 registered office in Oradea, Șoseaua Borșului no. 35, identified by the tax identification number 67329, which include the consolidated and individual statement of the financial position as of December 31st, 2023, the consolidated and individual statement of the overall result, the consolidated and individual statement of changes in equities and the consolidated and individual statement of cash flows for the financial year ended on this date, as well as a summary of the significant accounting policies and the explanatory notes to the financial statements.
2. The consolidated financial statements on December 31st, 2023 are identified as follows:

• Net assets/ Total equity:	26,621,001 RON
• Net loss for the financial year:	(10,724,863) RON

3. In our opinion, the attached consolidated and individual financial statements give a true and fair view of the Group's financial position as of December 31st, 2023, as well as of the consolidated and individual financial performance and consolidated and individual cash flows for the financial year that ended, in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards.

Basis for opinion

4. We conducted our audit in accordance with International Auditing Standards ("IAS"), EU Regulation no. 537 of the Parliament and of the European Council (hereinafter the "Regulation") and Law no. 162/2017 ("The law").
Our responsibilities under these standards are described in detail in the "*Auditor's Responsibilities in an Audit of Financial Statements*" section of our report. We are independent from the Group, according to the Code of Ethics of Accounting Professionals issued by the Council for Accountants (IESBA code), according to the ethical requirements that are relevant for the audit of financial statements in Romania, including the Regulation and the Law, and we fulfilled our ethical responsibilities, according to these requirements and according to the

IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

5. The key aspects of the audit are those aspects that, based on our professional judgment, had the greatest importance for the audit of the financial statements of the current period. These aspects were addressed in the context of the audit of the financial statements as a whole and in the formation of our opinion on them and we do not provide a separate opinion on these aspects.

For the key aspect below, we have provided a description of how our audit addressed the aspect in that context.

Key audit matters	The audit approach to the key audit matter
<p>Revenue recognition</p> <p>The income from the sale of finished products represents the basic activity of the Company. Given the significant decrease in turnover (by 62%) and customers compared to the previous year, there is a risk that the sale will be recognized incorrectly and inaccurately. We believe that revenue recognition is significant to the audit as set out above. The Company's accounting policy regarding revenue recognition and revenue presentation are included in Note 3 and 18 to the financial statements.</p>	<p>Our audit procedures related to the recognition of revenue from the sale of finished goods included:</p> <ul style="list-style-type: none"> - evaluation of internal controls regarding the realization of the sale based on valid deliveries, - verifying the recording of income in the correct periods according to the transfer of risks and benefits, for sales in the months at the end of the year, - testing income from the sale of finished products through detailed audit tests that included the preparation of a statistical selection of customers and obtaining confirmation letters of recorded income during the year, as well as selecting individual transactions for unconfirmed customers and requesting supporting documents, - analysis of recorded revenues to understand their evolution, as well as comparing revenues with those recorded in the previous period. - assessment of the adequacy of the presentation of information in the explanatory notes to the financial statements

As a result of our audit work, we have not identified any unadjusted errors.

Highlighting some aspects - continuity of activity

6. The company's activity in the current year ended with a loss of 10,724,863 RON. Therefore, the company's ability to function as a going concern depends on its ability to generate sufficient future income and financial support from creditors.

We draw attention to Note 33 of the financial statements, which describes the fact that in the context of the current situation imposed by the state of war in Ukraine, the European chemical market has been destabilized due to chaotic fluctuations in energy and crude oil prices. Competition from Chinese products, made from cheap Russian crude oil, brought instability, prompting the company to adjust its sales of benzoic acid. The management closely monitors the situation and adopts the necessary measures to minimize the impact of the crisis on the operational and financial activity. These challenges are forcing the company to reassess strategies, focusing on diversifying production towards higher value-added intermediates and less dependent on fossil fuels. In the short and medium term, the company will expand the range of products derived from benzoic acid, and in the long term the aim is to expand the production of chemicals, acids in particular, based on biomass. The plans also include improving liquidity through the sale of surplus assets, so that no significant difficulties are estimated that may affect the continuity of the activity for at least 12 months from the date of the financial statements. Our opinion is not changed on this point.

Other information – The consolidated report of the administrators

7. Administrators are responsible for the preparation and presentation of other information. That other information includes the Directors' Consolidated Report, 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, except as explicitly mentioned in our report, we do not express any kind of assurance conclusion about them.

In connection with our audit of the consolidated financial statements for the financial year ended on December 31st, 2023, our responsibility is to read that other information and, in doing so, to assess whether that other information is materially inconsistent with the 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 have read and report whether it was drawn up, 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 that must 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 were prepared are consistent, in all significant aspects, 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 its environment, acquired during the audit of the consolidated financial statements for the financial year ended on December 31st, 2023, we are required to report if we have identified significant misstatements in the Consolidated Report of administrators. We have nothing to report on this matter.

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

8. The Group's management is responsible for the preparation of financial statements that provide a true picture in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards and for that internal control that the management considers necessary to allow the preparation of consolidated financial statements free of significant distortions, caused either by fraud or error.
9. In preparing the consolidated and individual financial statements, the management is responsible for evaluating the Group's ability to continue its activity, for presenting, if necessary, the aspects related to the continuity of the activity and for the use of accounting based on the continuity of the activity, unless the management either intends to liquidate the Group or stop operations, or has no other realistic alternative.
10. The persons responsible for governance are responsible for supervising the financial reporting process of the Group.

Auditor's responsibilities in an audit of financial statements

11. Our objectives are to obtain reasonable assurance about the extent to which the consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance represents a high level of assurance, but is not a guarantee that an audit performed in accordance with ISAs will always detect a material misstatement, if it exists. Misstatements can be caused either by fraud or error and are considered significant if it can reasonably be expected that they, individually or cumulatively, will influence the economic decisions of users, taken on the basis of these financial statements.
12. As part of an audit in accordance with ISAs, 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, design and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement caused by fraud is higher than that of not detecting a material misstatement caused by error, because fraud may involve collusion, forgery, intentional omissions, false statements and avoidance of internal control.
 - We understand the internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the related presentations made by the management.
 - We formulate a conclusion regarding the appropriateness of management's use of going concern accounting and determine, based on the audit evidence obtained, whether there is a significant uncertainty regarding events or conditions that could cast significant doubt on the Group's ability to continue its activity. If we conclude that there is a significant uncertainty, we must draw attention in the auditor's report to the related presentations from the financial statements or, if these presentations are inadequate, change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to no longer carry out its activity based on the principle of continuity of activity.
 - We evaluate the presentation, structure and content of the consolidated financial statements, including the presentation of information, and the extent to which the financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

13. We communicate to the people responsible for governance, among other aspects, the planned area and the timing of the audit, as well as the main findings of the audit, including any internal control deficiencies that we identify during the audit.
14. We also provide those charged with governance with a statement of our compliance with ethical requirements regarding independence and disclose to them all relationships and other matters that may reasonably be considered to affect our independence and, where appropriate, measures related to security.
15. Among the aspects that we communicated to the people in charge of governance, we establish those aspects that were of greater importance in the audit of the financial statements of the current period and, therefore, represent key aspects of the audit. We describe these matters in our audit report, except when legislation or regulations prevent the public presentation of the matter in question or when, in extremely rare circumstances, we consider that a matter should not be communicated in our report because it is expected in reasonable manner that the benefits of the public interest are outweighed by the negative consequences of this communication.

Report on other legal and regulatory provisions

16. We were appointed by the General Meeting of Shareholders on 29.12.2021 to audit the consolidated financial statements of SINTEZA SA and of its subsidiary for the financial year ended on December 31st, 2023. 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 carrying out our audit, we kept our independence from the audited entity.
- We did not provide the prohibited non-audit services for the Group, mentioned in Article 5 paragraph (1) of EU Regulation no. 537/2014.

The statutory auditor for the audit mission for which this report of the independent auditor was drawn up is Ana Corina Moldovan.

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

We have carried out a reasonable assurance mission 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").

Responsibility of SC SINTEZA SA management for digital files prepared in accordance with ESEF

The management of the Company is responsible for the preparation of digital files in accordance with the ESEF. This responsibility includes:

- designing, implementing and maintaining relevant internal control for ESEF application;

- selecting and applying appropriate iXBRL markups, using professional judgment if necessary;
- ensuring consistency between the digital files and the consolidated financial statements that will be published in accordance with Order 2844/2016 as amended.

Auditor's responsibility

We have the responsibility to express a conclusion on the extent to which the consolidated financial statements included in the annual financial report are in accordance with ESEF, in all material respects, based on the evidence obtained. Our reasonable assurance engagement was performed in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF. The nature, timing and extent of the procedures selected depend on the auditor's judgment, including the assessment of the risk of material deviations from the provisions set out in the ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the digital file preparation process in accordance with ESEF, including relevant internal controls;
- the reconciliation of 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 as amended;
- assessing whether all financial statements that are included in the annual financial report are drawn up in a valid XHTML format.
- evaluation of the degree of adequacy of the iXBRL elements used by SINTEZA SA entity, 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 believe that the evidence obtained is sufficient and adequate to provide a basis for our conclusion.

Conclusion

In our opinion, the consolidated financial statements for the financial year ended on December 31st, 2023 included in the annual financial report, in the digital files are, in all material respects, in compliance with the ESEF Regulation.

In this section, we do not express an audit opinion, a review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion on the Company's consolidated financial statements for the financial year ended on December 31st, 2023 is included in the Report on annual consolidated financial statements section above.

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

*Registered in the electronic public register of the financial
 auditors and audit firms with no. FA 869*

Ana Corina Moldovan, Statutory Auditor

*Registered in the public electronic register of financial
auditors and audit firms with no. AF 2663*

Oradea, March 22nd, 2024