



SINTEZA SA  
Șos. Borșului no. 35  
410605 ORADEA - ROMANIA



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

VAT Reg.No.: RO 67329  
Reg.No.at Commerce Register: J.05/197/1991

BANK: BANCA TRANSILVANIA ORADEA  
IBAN EURO:RO61BTRL00504202N98396XX  
IBAN RON: RO86BTRL00501202N98396XX  
SWIFT CODE: BTRL RO22XXX

## **HALF YEARLY REPORT** **ACCORDING TO THE REGULATION ASF NO.5/2018** **REGARDING ISSUERS AND SECURITIES OPERATIONS**

Date of report:	30 JUNE 2021
Name of the company:	S.C. SINTEZA S.A
Headquarters:	410605 Oradea, Borșului, road 35
Phone:	40 259 456 116
Fax:	40 259 462 224
Tax Identification Code:	67329
Number of registration in the Commercial Register:	J/05/197/1991
Subscribed and paid capital:	9.916.888,50 RON
Regulated market where the issued securities are traded:	BUCHAREST STOCK EXCHANGE

### **1. Analysis of the trade company's activity**

#### **1.1. Description of the trade company's basic activity**

SINTEZA”- S.A. was established by Government Decision no. 1213/20.11.1990 from the “SINTEZA” Chemical Enterprise, it is registered in the Trade Register under no. J/05/197/1991, Tax ID no. RO 67329 and has the registered office in Șos. Borșului no. 35, Oradea, Bihor county.

During the year 2021 there have been no mergers or reorganisations of any kind.

##### **1.1.1. General evaluation elements**

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

1. Total incomes: **20.177.255 lei** of which:
  - net turnover: 20.254.031 lei, of which the amount of 18.557.620 lei represents the export sales;
  - incomes from stocks variation: : -223.715 lei;
  - other incomes: 522 lei
  - financial incomes: 146.417 lei;
2. Total expenses: **19.061.682 lei**, of which:
  - operating costs: 18.830.230 lei;
  - financial expenses: 231.452 lei;
3. Net operational result: **1.115.573 lei**;
4. Liquidities at the end of the period: **193.383 lei equivalent**

### 1.1.2 Evaluation of the company's technical level

The company operates the industrial platform from Borsului Str., No. 35 and has obtained in 2021 an income of 481,706 lei from the activity of renting its available locations.

On this platform, Sinteza also operates the Benzoic Acid installation, modernized at the end of 2018, the product being mainly destined for the foreign market. Following the investment works performed, which materialized in research, design, verification, procurement and execution of equipment, the restoration of the structural elements were improved the quality and capacity of the process of obtaining benzoic acid.

The manufactured organic synthesis products are intended for high technical industrial chemical applications, their use being in an increasing trend in the chemical industry.

The company analyses the opportunity of the development of the Industrial Park activity on the Borsului Str., No. 35 platform. and increasing the revenues from the operation of this industrial platform.

At the same time, the company intends to further develop its manufacturing at a high technical level, by expanding its product range.

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

Crt. no.	Products	30 JUN 2021		30 JUN 2020	
		lei	%	lei	%
1	Exploitation of the industrial platform	481.706	2,38	379.574	3,63
2	Organic synthesis manufacturings	19.772.325	97,62	10.076.156	96,37
	Total	20.254.031	100,00	10.455.730	100,00

### **1.1.3. Evaluation of the technical-material supply**

The company acquires industrial technology from renowned companies in the field, both from inland and from abroad.

As for the acquisition of raw resources, materials, energy, the company acts freely on the competitive market.

### **1.1.4. Evaluation of the sale activity**

Sinteza S.A. sells the products manufactured on markets such as Europe, Turkey, Russia and Asia.

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

The company uses in the sale both the direct sale and the sale through distributors.

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

In the year 2021 the average recorded number of staff members was 87 persons. Within the work relations there were no conflictual elements.

The company periodically organizes courses for professional training and intends the financing of some professional school classes of organic synthesis operators/chemists.

### **1.1.6 Evaluation of the aspects related to the environmental impact**

The company obtained all the authorisations and permits imposed by the legislation in the field. There is no major impact on the environment and there are no litigations related to the breach of the environmental protection legislation.

### **1.1.7 Evaluation of the research and development activity**

For the research-development activity, the company collaborates with research-development and technology transfer institutes for new products and technologies.

### **1.1.8 Evaluation of the activity regarding the risk management**

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

The price risk - there is a permanent monitoring of this risk considering the market on which the firm acts is a specialized one. In fact the company applies and will apply in the future policies for forming the sale price based on the raw material price (Minimum sale price = Acquisition price + margin). We specify that resorting to this form of price setting is a usual practice on the specific market on which the company acts.;

The credit risk – the company has undergoing and will resort in the future as well to resources drawn especially for the financing of the investment objectives. The resource cost is negotiated and generally sized in connection to the reference rates

on the financial market so as to be sustainable for the contractual deadlines. One also takes into account the potential variations of the interest rates;

The liquidity risk – there is a permanent preoccupation for maintaining the liquidity at a level above one. On 30.06.2021 this indicator had the value of 0.7;

The cash flow risk is monitored daily through prognoses of encashments and weekly and monthly payments. The company applies the policy of the trade credit in the relation with the traditional customers and correlates the encashments deadlines with the deadlines of the payments (suppliers, banks, budgets, salaries).

### **1.1.9 Elements of perspective regarding the trade company activity**

The company has at the base of its strategy in the field of quality the satisfaction of the requirements and necessities of its customers and other concerned parties by offering on time quality products according to the requirements of the customers, regulation and environmental protection.

The improvements in Benzoic Acid quality and Company alignment to EU market requirements, a market with higher margins, will support the Company's return to the area of operational profit in 2021.

The company's development plans take into account:

- development of the industrial park project on the current platform of the company
- developing the product portfolio by collaborating with research and development institutions
- developing the client portfolio, focusing on those that can offer predictability, higher margins and more favorable payment terms

The Company will continue to run cash generation programs by renting and selling assets which are not affecting the core business and by attracting other funding. The amounts thus obtained, will be used to support the basic activity through investments and working capital.

### **1.1.10 Information regarding the internal control**

Within Sinteza SA, the ensuring of the internal control aims at the internal control and internal audit activities. In the field of internal control, one followed the observance of the internal norms, of the decisions of the leading bodies and financing-accounting norms.

The internal audit is ensured by a contract for services with an independent office. The internal auditor evaluates by a systematic and methodical approach the processes of control and governing of the company and informs the general manager and managers on the significant aspects established by the audit report.

## **2 Tangible assets of the company**

### **2.1 Placement and description**

The company owns and manages the following assets:

- a) Șos. Borșului no. 35 Platform - dedicated now to the manufacture of Benzoic Acid
- b) Șos. Clujului Platform no.159 - meant for the rental or sale
- c) Sludge dump – closed for operation and undergoing closing

## 2.2 Potential problems related to the ownership right

The are no problems related to the ownership right.

## 3 The market of the securities issued by the company

The social capital of the company is 9.916.889 lei, divided in 66.112.590 shares with a nominal value of 0,15 lei/share. The shares are transacted on the Bucharest Stock Exchange, Standard category. On the date of 30.06.2021 the structure of the shareholding was the following:

F.I.I. BT Invest 1	33,8898 %
Tibor Tincău	28,1346 %
PLATFORMA ROCA SA	18,0000 %
Other natural and legal persons	19,9756 %
Total :	100,0000 %

The company did not acquire own shares and did not issue bonds.

## 4 Leadership of the trade company

On 30.06.2021 the company's Board of Directors was formed of:

Alexandru Savin	- chairman
Cosmin Vasile Turcu	- member
Claudiu Sorin Pasula	- member

and the company's executive leadership was formed of:

Tudor-loan Stoia	- general manager
Robert Paltin	- sales manager
Adrian Bucurean	- financial manager

None of the above were involved in litigations or administrative procedures related to the capacity to fulfil their duties.

## 5 Audit

We note that financial statements of the first half of 2021 were not subject to an audit report.

## 5. Financial and accounting statement

### The statement of the individual financial position 30.06.2021

INDICATOR	INDIVIDUAL	
	31.12.2020	30.06.2021
Tangible assets		
Freehold land and land improvements	14,565,500	14,565,500
Buildings	11,311,786	11,215,471
Technical installations and transport means	13,551,567	12,815,991
Furniture, office automation equipments	50,821	46,781
Tangible assets in progress	1,636,674	1,445,277
Advance payments for tangible assets		
<b>Total of tangible assets</b>	<b>41,116,348</b>	<b>40,089,020</b>
Intangible assets		
Concessions, patents, licences, trademarks	163,469	183,155
Intangible assets in progress	59,855	8,841
Shares owned at branch offices and other fixed securities	30,966	106,556
Rights to use the assets leased	56,924	47,939
<b>Total of intangible assets</b>	<b>41,427,562</b>	<b>40,435,511</b>
Current assets		
Stocks	1,245,776	1,061,973
Trade receivables and other receivables	3,114,944	4,369,698
Accrued expenses	205,042	179,773
Cash and cash equivalent	32,503	193,383
Assets classified as being held for sale	2,853,111	2,853,111
<b>Total of current assets</b>	<b>7,451,376</b>	<b>8,657,938</b>
<b>Total of assets</b>	<b>48,878,938</b>	<b>49,093,449</b>
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	27,587,348	27,587,348
Result of the year	-5,170,629	1,115,573
Result carried forward	-760,411	-5,931,040
Other elements of shareholders' equities	-540	-540
Minority interests		
<b>Total of shareholders' equities</b>	<b>31,572,657</b>	<b>32,688,230</b>
Long-term liabilities		
Long-term loans and other liabilities	402,404	348,891
Deferred income		
Provisions		
Deferred tax liabilities	3,532,726	3,532,726
<b>Total of long-term liabilities</b>	<b>3,935,130</b>	<b>3,881,617</b>
Current liabilities		
Short-term loans	5,577,315	4,885,276
Trading liabilities and other liabilities, including derivatives	7,609,242	7,502,754
Deferred income	78,298	29,276
Provisions	106,296	106,296
Liabilities classified as being held for sale		
<b>Total of current liabilities</b>	<b>13,371,151</b>	<b>12,523,602</b>
<b>Total of liabilities</b>	<b>17,306,281</b>	<b>16,405,219</b>
<b>Total of shareholders' equities and liabilities</b>	<b>48,878,938</b>	<b>49,093,449</b>

**The statement of the consolidated financial position 30.06.2021**

INDICATOR	CONSOLIDATED	
	31.12.2020	30.06.2021
Tangible assets		
Freehold land and land improvements	14,565,500	14,565,500
Buildings	11,311,786	11,215,471
Technical installations and transport means	13,551,567	12,815,991
Furniture, office automation equipments	50,821	46,781
Tangible assets in progress	1,636,674	1,445,277
Advance payments for tangible assets		
<b>Total of tangible assets</b>	<b>41,116,348</b>	<b>40,089,020</b>
Intangible assets		
Concessions, patents, licences, trademarks	163,469	183,155
Intangible assets in progress	59,855	8,841
Shares owned at branch offices and other fixed securities	33,866	109,456
Rights to use the assets leased	56,924	47,939
<b>Total of intangible assets</b>	<b>41,430,462</b>	<b>40,438,411</b>
Current assets		
Stocks	1,249,447	1,065,644
Trade receivables and other receivables	1,337,223	2,591,977
Accrued expenses	205,042	179,773
Cash and cash equivalent	54,639	213,006
Assets classified as being held for sale	2,853,111	2,853,111
<b>Total of current assets</b>	<b>5,699,462</b>	<b>6,903,511</b>
<b>Total of assets</b>	<b>47,129,924</b>	<b>47,341,922</b>
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	29,026,586	29,026,586
Result of the year	-5,225,158	1,084,634
Result carried forward	-3,850,961	-9,076,118
Other elements of shareholders' equities	-540	-540
Minority interests	-4,018	-4,092
<b>Total of shareholders' equities</b>	<b>29,862,798</b>	<b>30,947,359</b>
Long-term liabilities		
Long-term loans and other liabilities	402,404	348,891
Deferred income		0
Provisions		0
Deferred tax liabilities	3,532,726	3,532,726
<b>Total of long-term liabilities</b>	<b>3,935,130</b>	<b>3,881,617</b>
Current liabilities		
Short-term loans	5,577,315	4,885,276
Trading liabilities and other liabilities, including derivatives	7,568,487	7,492,098
Deferred income	78,298	29,276
Provisions	107,896	106,296
Liabilities classified as being held for sale		
<b>Total of current liabilities</b>	<b>13,331,996</b>	<b>12,512,946</b>
<b>Total of liabilities</b>	<b>17,267,126</b>	<b>16,394,563</b>
<b>Total of shareholders' equities and liabilities</b>	<b>47,129,924</b>	<b>47,341,922</b>

The financial statements on 30.06.2021 are drawn up in accordance with the provisions of the Ordonnance of the Ministry of Public Finances no. 881/2012, Ordonnance of the Ministry of Public Finances 2844/2016 and of the Ordonnance of the Ministry of Public Finances 10/2019, that are applicable to the trading companies whose securities are traded on a regulated market.

The management of the company is not informed on the events that might put into question the future continuity of the exploitation, an assertion that is based on the fact that the operation line has been updated and it will entail the quantitative and qualitative increase in the production of benzoic acid, as well as the existence of contracts that will ensure the retail of the production.

**PRESIDENT OF THE BOARD OF DIRECTORS  
ALEXANDRU SAVIN**



# SINTEZA SA

Individual and consolidated financial statements  
on the 30<sup>st</sup> of June 2021

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

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**Statement of the individual and consolidated financial position**  
**The statement of the individual financial position - 30.06.2021**

INDICATOR	INDIVIDUAL	
	31.12.2020	30.06.2021
Tangible assets		
Freehold land and land improvements	14,565,500	14,565,500
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<b>Total of intangible assets</b>	<b>41,427,562</b>	<b>40,435,511</b>
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<b>Total of assets</b>	<b>48,878,938</b>	<b>49,093,449</b>
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Long-term liabilities		
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<b>Total of current liabilities</b>	<b>13,371,151</b>	<b>12,523,602</b>
<b>Total of liabilities</b>	<b>17,306,281</b>	<b>16,405,219</b>
<b>Total of shareholders' equities and liabilities</b>	<b>48,878,938</b>	<b>49,093,449</b>

## The statement of the consolidated financial position 30.06.2021

INDICATOR	CONSOLIDATED	
	31.12.2020	30.06.2021
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Intangible assets in progress	59,855	8,841
Shares owned at branch offices and other fixed securities	33,866	109,456
Rights to use the assets leased	56,924	47,939
<b>Total of intangible assets</b>	<b>41,430,462</b>	<b>40,438,411</b>
Current assets		
Stocks	1,249,447	1,065,644
Trade receivables and other receivables	1,337,223	2,591,977
Accrued expenses	205,042	179,773
Cash and cash equivalent	54,639	213,006
Assets classified as being held for sale	2,853,111	2,853,111
<b>Total of current assets</b>	<b>5,699,462</b>	<b>6,903,511</b>
<b>Total of assets</b>	<b>47,129,924</b>	<b>47,341,922</b>
Shareholders' equities		
Share capital	9,916,889	9,916,889
Share premiums		
Reserves	29,026,586	29,026,586
Result of the year	-5,225,158	1,084,634
Result carried forward	-3,850,961	-9,076,118
Other elements of shareholders' equities	-540	-540
Minority interests	-4,018	-4,092
<b>Total of shareholders' equities</b>	<b>29,862,798</b>	<b>30,947,359</b>
Long-term liabilities		
Long-term loans and other liabilities	402,404	348,891
Deferred income		0
Provisions		0
Deferred tax liabilities	3,532,726	3,532,726
<b>Total of long-term liabilities</b>	<b>3,935,130</b>	<b>3,881,617</b>
Current liabilities		
Short-term loans	5,577,315	4,885,276
Trading liabilities and other liabilities, including derivatives	7,568,487	7,492,098
Deferred income	78,298	29,276
Provisions	107,896	106,296
Liabilities classified as being held for sale		
<b>Total of current liabilities</b>	<b>13,331,996</b>	<b>12,512,946</b>
<b>Total of liabilities</b>	<b>17,267,126</b>	<b>16,394,563</b>
<b>Total of shareholders' equities and liabilities</b>	<b>47,129,924</b>	<b>47,341,922</b>

## Statement of the individual overall result 30.06.2021

INDICATOR	INDIVIDUAL	
	30.06.2020	30.06.2021
Continuous activities		
Income	10,455,730	20,254,031
Other income	18,974	522
Changes in inventories	-1,666,404	-223,715
<b>Total of operating income</b>	<b>8,808,300</b>	<b>20,030,838</b>
Expenses related to inventories	4,471,682	10,609,112
Expenses related to utilities	1,737,168	2,441,088
Expenses with the employees' benefits	2,766,928	2,984,216
Amortization and depreciation of fixed assets	1,035,427	1,064,838
Gains (-)/losses from the assignation of fixed assets (+)		
Value adjustment of current assets		
Adjustments related to provisions		
Other expenses	1,389,268	1,730,976
<b>Total of operating expenses</b>	<b>11,400,473</b>	<b>18,830,230</b>
<b>Result of the Operating Activities</b>	<b>-2,592,173</b>	<b>1,200,608</b>
Financial income	16,643	146,417
Financial expenses	242,277	231,452
<b>Net financial result</b>	<b>-225,634</b>	<b>-85,035</b>
<b>Result before the taxation</b>	<b>-2,817,807</b>	<b>1,115,573</b>
Expense with the current income tax		
Expenses with the deferred income tax		
Deferred income tax-related income		
<b>Result of the Continuous Activities</b>	<b>-2,817,807</b>	<b>1,115,573</b>
Minority interests		
<b>Total of the overall result afferent to the period</b>	<b>-2,817,807</b>	<b>1,115,573</b>

## Statement of the consolidated overall result 30.06.2021

INDICATOR	CONSOLIDATED	
	30.06.2020	30.06.2021
Continuous activities		
Income	10,455,730	20,254,031
Other income	18,974	2,122
Changes in inventories	-1,666,404	-223,715
<b>Total of operating income</b>	<b>8,808,300</b>	<b>20,032,438</b>
Expenses related to inventories	4,471,682	10,609,112
Expenses related to utilities	1,737,168	2,441,088
Expenses with the employees' benefits	2,791,412	3,014,079
Amortization and depreciation of fixed assets	1,035,427	1,064,838
Gains (-)/losses from the assignation of fixed assets (+)		
Value adjustment of current assets		
Adjustments related to provisions		
Other expenses	1,392,704	1,733,725
<b>Total of operating expenses</b>	<b>11,428,393</b>	<b>18,862,842</b>
<b>Result of the Operating Activities</b>	<b>-2,620,092</b>	<b>1,169,596</b>
Financial income	16,643	146,417
Financial expenses	242,277	231,452
<b>Net financial result</b>	<b>-225,634</b>	<b>-85,035</b>
<b>Result before the taxation</b>	<b>-2,845,726</b>	<b>1,084,561</b>
Expense with the current income tax		
Expenses with the deferred income tax		
Deferred income tax-related income		
<b>Result of the Continuous Activities</b>	<b>-2,845,726</b>	<b>1,084,561</b>
Minority interests	66	73
<b>Total of the overall result afferent to the period</b>	<b>-2,845,660</b>	<b>1,084,634</b>

## Statement of the modifications in the individual shareholders' equities

30.06.2021

Modification resources of the shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other shareholders' equities	Cumulated value of other elements of the overall result	Result carried forward	Revaluation reserves	Other reserves	(-) Own shares	Profit or loss (-) attributable to the holders of shareholders' equities in the parent company	(-) Interim dividends	Minority interests		Total
												Cumulated value of other elements of the overall result	Other elements	
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Opening balance (before the restatement)</b>														
Effect of errors' correction														
Effect of the modification in the accounting policies														
<b>Opening balance (current period)</b>	9916889				-5170629	760411	23483514	4103834	540					31572657
Ordinary bonds issue														
Preference shares issue														
Issue of other capital instruments														
Exercise or expiry of other issued capital instruments														
Conversion of liabilities in shareholders' equities														
Capital reduction														
Dividends														
Purchase of own shares														
Sale or annulment of own shares														
Reclassification of financial instruments from shareholders' equities into liabilities														
Transfer between the components of the shareholders' equities					5170629	-5170629								
Increases or (-) decreases of the shareholders' equities derived from the combined activities														
Shares-based payments														
Other increases or (-) decreases of the shareholders' equities														
<b>Total overall result for the period</b>					1115573									1115573
<b>Closing balance (current period)</b>	9916889				1115573	-5931040	23483514	4103834	540					32688230

**Statement of the modifications in the consolidated shareholders' equities**  
**30.06.2021**

Modification resources of the shareholders' equities	Share capital	Share premiums	Issued capital instruments	Other shareholders'	Cumulated value of other elements of the overall result	Result carried forward	Revaluation reserves	Other reserves	(-) Own shares	Profit or loss (-) attributable to the holders of shareholders' equities in the parent company	(-) Interim dividends	Minority interests		Total
												Cumulated	Other value of other elements of the overall result	
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Opening balance (before the restatement)</b>														
Effect of errors' correction														
Effect of the modification in the accounting policies														
<b>Opening balance (current period)</b>	9916889				-5225158	-3850961	23519450	5507136	540			-4018		29862798
Ordinary bonds issue														
Preference shares issue														
Issue of other capital instruments														
Exercise or expiry of other issued capital instruments														
Conversion of liabilities in shareholders' equities														
Capital reduction														
Dividends														
Purchase of own shares														
Sale or annulment of own shares														
Reclassification of financial instruments from shareholders' equities into liabilities														
Transfer between the components of the shareholders' equities					5225158	-5225158								
Increases or (-) decreases of the shareholders' equities derived from the combined activities														
Shares-based payments														
Other increases or (-) decreases of the shareholders' equities												-73		-73
<b>Total overall result for the period</b>					1084634									1084634
<b>Closing balance (current period)</b>	9916889				1084634	-9076118	23519450	5507136	540			-4092		30947359



**Individual cash flow statement**  
**30.06.2021**

Cash flow statement

	<b>30.06.2020</b>	<b>30.06.2021</b>
<b>Cash flows from operating activity</b>		
Receipts from sales to customers	9,082,373	19,272,494
Other receipts (including net VAT refunds)	439,940	130,915
Payments to suppliers	8,053,134	15,001,448
Payments of net wages	1,553,887	1,632,062
Payments to budgets	45,646	1,322,080
Other payments	195,187	316,667
<b>Net cash from operating activities</b>	<b>-325,541</b>	<b>1,131,154</b>
Cash flows from investments activities		
Payments for acquisition of fixed assets	154,981	82,289
Receipts from sales of tangible fixed assets		
Interest received		
<b>Net cash from investment activities</b>	<b>-154,981</b>	<b>-82,289</b>
<b>Net cash from financing activities</b>		
Proceeds from loans	7,992,147	9,421,560
Interest paid and loan refunds	7,509,021	10,309,545
Dividends paid		
<b>Net cash from financing activities</b>	<b>483,126</b>	<b>-887,985</b>
<b>Net increase/(decrease) of cash</b>	<b>2,604</b>	<b>160,880</b>
<b>Cash and cash equivalent at the beginning of the period of time</b>	<b>25,095</b>	<b>32,503</b>
Effects of revaluations on cash and cash equivalent	-15,519	
<b>Cash and cash equivalent at the end of the period of time</b>	<b>12,180</b>	<b>193,383</b>

## Consolidated cash flow statement 30.06.2021

Cash flow statement

	30.06.2020	30.06.2021
<b>Cash flows from operating activity</b>		
Receipts from sales to customers	9,109,010	19,302,074
Other receipts (including net VAT refunds)	439,940	130,915
Payments to suppliers	8,055,183	15,001,448
Payments of net wages	1,577,773	1,649,362
Payments to budgets	47,594	1,334,478
Other payments	195,188	319,062
<b>Net cash from operating activities</b>	<b>-326,788</b>	<b>1,128,641</b>
Cash flows from investments activities		
Payments for acquisition of fixed assets	154,981	82,289
Receipts from sales of tangible fixed assets		
Interest received	0	0
<b>Net cash from investment activities</b>	<b>-154,981</b>	<b>-82,289</b>
<b>Net cash from financing activities</b>		
Proceeds from loans	7,992,147	9,421,560
Interest paid and loan refunds	7,509,021	10,309,545
Dividends paid		
<b>Net cash from financing activities</b>	<b>483,126</b>	<b>-887,985</b>
<b>Net increase/(decrease) of cash</b>	<b>1,358</b>	<b>158,367</b>
<b>Cash and cash equivalent at the beginning of the period of time</b>	<b>48,478</b>	<b>54,639</b>
Effects of revaluations on cash and cash equivalent	-15,519	
<b>Cash and cash equivalent at the end of the period of time</b>	<b>34,316</b>	<b>213,006</b>

## Notes related to the financial statements

### 1. Reporting entity

The parent company Sinteza S.A. has its registered office in Oradea, 35 Borsului street, registered with the Trade Register under no. J/05/197/1991. It is a joint stock company, operating in Romania, pursuant to the provisions laid down under Companies Law no. 31/1990.

The primary scope of the Company is the production and marketing of organic basic chemicals – NACE Code 2014.

The shares of the company are listed on Bucharest Stock Exchange, Standard category, code STZ.

The parent company, on 30<sup>st</sup> June 2021, is owned by the following shareholders:

Crit. No.	Name	Percentage held (%)
1	F.I.I. BT Invest 1 managed by BT Asset Management SA	33,8898
2	Tincau Tibor	28.1346
3	Platform ROCA	18,0000
4	Other shareholders	19.9756
	Total	100.0000

Records of shares and shareholders are kept according to the law by Depozitarul Central S.A. Bucharest.

### Entity attached for consolidation

As regards the financial year 2021, company **CHIMPROD S.A.** was also included for purpose of consolidation, with the following identification data:

Name of company: S.C. Chimprod S.A.  
Registered office: Oradea, 35 Borsului street  
Phone/Fax no.: 0259 456 110  
Taxpayer identification no. (RO) 67345  
Trade Register no. J/05/1984/1992  
Share capital: Lei 90,000

The shares of company Chimprod S.A. are not traded on the regulated market of securities.

The company is managed by a power of attorney by S.C. Sinteza S.A., its permanent representative being Mrs. Coman Dana.

The shareholding of S.C. Sinteza S.A. is of 99.765% and the non-controlling interest holding is of 0.235%.

SC Chimprod S.A. suspended its activity with the Trade Register during the time span: 24<sup>th</sup> September 2018 – 23<sup>rd</sup> September 2021.

### Approval date of financial statements publication

The Company's financial communication schedule is approved by the executive bodies of the Company in compliance with the statutory provisions and it is made public by being posted on its own website.

## **2. Basis of preparation**

### **Declaration of conformity**

The individual and consolidated financial statements of the Group are drafted in compliance with the International Financial Reporting Standards (IFRS). Starting with the financial year 2012, the Company and the Group are obliged to implement the International Financial Reporting Standards (IFRS).

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the parent company, Sinteza S.A. and those of the company attached for consolidation (subsidiary company), Chimprod S.A. as an entity controlled by the parent company.

### **Submission of financial statements**

The individual and consolidated financial statements are submitted pursuant to the IAS 1 requirements "Submission of financial statements", based on liquidity indicated by the Statement on financial position and based on the nature of income and expenditure set out under Statement of comprehensive income.

### **Reporting and functional currency**

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

### **Basis of evaluation**

The individual and consolidated financial statements were drafted based on the historical cost, except the assets – tangible fixed assets – which are measured at fair value, every two years.

The accounting policies were unfailingly applied during the periods of time indicated by these financial statements.

The principle of continuity of activities was respected.

The company's development plans take into account:

- developing the product portfolio by contacting research and development institutions
- developing the client portfolio
- analyzing the opportunity of the development of the industrial park project, on the current platform of the company

### **Use of estimates and assessments**

The drafting and submission of the individual and consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS) imply the use of certain estimates, assessments and assumptions which affect the implementation of the accounting policies and of the amounts reported. The estimates, the assessments and the assumptions are based on an historical experience. The results of these estimates constitute the basis of the assessments on the book values that cannot be obtained from other sources. When certain

elements of the annual financial statement cannot be accurately evaluated, they are estimated.

The estimates are based on the latest credible information available.

The original estimate may suffer modifications when the basic circumstances of the estimate changed or as a result of new information or of a better experience.

Any change of the accounting estimates shall be prospectively ascertained by including it in the result:

2. Of the period of time when the change occurs, if it affects only the respective time span; or
3. Of the period when the change occurs and of the future period of time, if the change affects them too.

The Group uses estimates to determine:

- Doubtful clients and adjustments for impairment of the related receivables;
- Value of the risk provisions and expenditure to establish at the end of the financial year for disputes, for decommissioning the tangible fixed assets, for restructuring, for pensions and similar entitlements, for taxes.
- Lifetime of the depreciated assets for which, when re-evaluated, a fair value and a new time span of economic use are established.

The assessments and the assumptions are periodically reviewed by the Company and they are acknowledged during the periods of time when the estimates are reviewed.

### **3. Significant accounting policies**

The parent company and the subsidiary organize and manage the financial accounting, in compliance with the Accounting Law no. 82/1991 republished, with its subsequent amendments and supplementations.

The financial accounting provides the chronological and systematic registration, the information processing, publication and storage on the financial position, the financial performance and other data regarding the activity carried out.

The accounting policies were established so that they ensure the supply, by means of the annual financial statements, of certain information which need to be intelligible, relevant to meet the users' needs when taking decisions, credible so that they accurately represent the assets, the debts, the financial position and profit or the loss of the company, that they do not contain significant errors, they are not biased, to be precise, complete in all important aspects, comparable so that they users may compare the company's financial statements over time, in order to identify the trends of the financial position and its performance and to compare the financial statements with those of the other companies in order to evaluate the financial position and the performance.

The accounting policies were unfaithfully applied as regards all periods referred by the individual financial statements.

The individual financial statements are drafted based on the assumption that the Company shall proceed with its activity in the predictable future.

### **Transactions in foreign currency**

Operations in foreign currencies are recorded in lei, according to the exchange rate posted on the date of the settlement of transactions.

At the end of each month, the liabilities in foreign currency are valued according to the exchange rate of the exchange market, posted by the National Bank of Romania on the last banking day of the month concerned. The exchange differences are ascertained in the accounts recorded under the income or expenditure resulted from foreign exchange differences, if applicable.

The exchange differences resulting during the settlement of the liabilities in foreign currency, based on rates different from those based on which they were originally recorded during the month or to those based on which they are recorded in the accounts should be ascertained in the month when they result, as income or expenditure from exchange differences.

The value differences resulting during the settlement of liabilities calculated in lei, according to an exchange rate different from that based on which they were originally recorded during the month or based on those which are recorded in the accounts should be ascertained in the month when they result, under other financial revenues and expenditure.

### **Financial instruments**

The parent company and the subsidiary own 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 provided in the ordinary course of business;
- trade bill receivable, trade acceptance, third party instruments;
- amounts owed by directors, shareholders, employees and affiliates.

The receivables are outlined on accrual basis, pursuant to the legal or contractual provisions.

The trade bills receivable may be expected receivable before maturity.

At the end of each month, receivables in foreign currency are valued according to the exchange rate of the exchange market, published by the National Bank of Romania on the last banking day of the month concerned. The exchange differences are specified in the accounts under the income or expenditure from exchange differences, if applicable.

At the end of each month, receivables in lei, which are settled based on a foreign exchange, are valued according to the exchange rate of the exchange market, published by the National Bank of Romania on the last banking day of the month concerned. In this case, the differences are indicated in the accounts under other financial revenues or other financial expenditure, as appropriate.

The exchange differences resulting during the settlement of receivables in foreign currency according to rates different from those based on which they were originally recorded during the month or based on those which are recorded in the accounts should be pointed out in the month when they occur as income or expenditure from exchange differences.

The value differences resulting during the settlement of receivables in lei, according to an exchange rate different from the one based on which they were originally recorded during the month or based on those they were recorded in the accounts should be indicated in the month when they occur under other financial revenues or expenditure.

The balances with banks include:

- Amounts receivable (cheques and trade bill lodged to the banks)
- Available amounts in lei and in foreign currency
- Cheques issued by the company

- Short-term bank credits
- Interests for availabilities and loans granted by banks in current accounts.

The interests payable and receivable, for the ongoing financial year are recorded under financial expenditure or financial revenues, as appropriate.

The transactions for the sale and purchase of foreign currency, including those carried out under contracts with a settlement date, are entered in the accounts based on the rate used by commercial bank organizing the auction using foreign currency; they determine exchange differences related to the exchange rate of the National Bank of Romania.

The foreign currency deposits are evaluated monthly based on the rate of the National Bank of Romania for the last business day of the month.

The payment of the foreign currency deposits shall be made using the exchange rate of the National Bank of Romania posted on the payment date.

The exchange differences between the exchange rate of the date of establishment or the rate based on which they are entered into books and the rate of the National Bank of Romania on the payment date of the bank deposits are recorded under revenues or expenditure from exchange differences, if applicable.

### **Tangible fixed assets**

The tangible fixed assets are assets which:

- are owned by a company in order to be used for the manufacture of goods or supply of services, for rental to third parties or for administrative purposes; and
- are used over a period longer than one year.

Tangible fixed assets include:

- land and buildings;
- technical installations and machines;
- machinery and furniture;
- real estate investments;
- advances payments granted to suppliers of tangible fixed assets;
- tangible fixed assets in progress;
- investment property under construction;
- tangible assets for mineral resource use and evaluation.

The tangible fixed assets are initially measured at cost. This is the cost of acquisition or production cost, depending on the way the tangible fixed asset became the company's property.

The commercial discounts granted by the supplier and specified on the purchase invoice adjusts by decreasing the purchase cost of the tangible fixed assets.

The production cost of the assets includes direct costs related to production such as direct materials, energy consumption for technological purposes, the costs of salaries, statutory contributions and other related expenses, directly resulting from the construction of the tangible fixed asset, costs of site preparation, initial delivery and handling costs, installation and assembly costs, testing costs for the proper functioning of the asset, professional fees and fees paid in connection with the asset, the cost of product design and implied by the steps undertaken to obtain the necessary permits;

The subsequent expenditure for a tangible asset is entered:

- as expenditure during the period they were incurred if it is construed as damages or if the purpose of those expenses is to ensure a continuous use of the fixed asset preserving the initial technical parameters; or
- as a component of the asset, as subsequent expenses, if the conditions to be construed as investments for fixed assets are satisfied.

The tangible assets are listed by the balance sheet at their fair value.

The tangible assets are revalued every 3 years.

As regards the years when no revaluation is performed, the tangible assets are listed by the annual financial statements at the value indicated by the last revaluation less the accumulated depreciation and the adjustments for an impairment loss.

The depreciation of the tangible fixed assets is calculated starting with the month following the putting into service and till the full recovery of their input value.

The lands are not subject to depreciation.

The economic life is the time span when an asset is expected to be available for use.

The economic lives established by the company for the main types of fixed assets which are part of its assets are those set by the chemical industry.

The depreciation is entered in the books pursuant to the lifetime and to the depreciation method initially set. In respect of the depreciation of the tangible fixed assets, the Company uses straight-line depreciation, by uniformly including the operating costs of fixed amounts, set commensurate with the number of years of their economic life, for the following types of assets:

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

The lifetime originally set shall be revised (by decrease or increase) whenever the conditions of use initially estimated are changed, when a tangible asset is subject to ageing, when a shelf-life is implied or a technical state is noted, state which permits a use longer than the one initially estimated.

As a result of the re-estimation of the life originally established, the depreciation expenditure shall be recalculated for the remaining period of use.

### **Intangible assets**

The intangible assets include:

- development costs;
- concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets;
- goodwill;
- advance payments for intangible assets;
- intangible assets for mineral resource exploitation and evaluation

An intangible asset should be acknowledged if and only if:



- it is estimated that the future economic benefits attributable to the asset shall be obtained by the company; and
- the cost of the asset may be accurately established.

An intangible asset is initially entered under the production or purchase cost, depending on the way it became part of the company assets.

The development costs are entered under their cost of production.

The production cost of the fixed assets resulting from the development phase includes the direct costs associated with the production as direct materials, energy consumption for technological purposes, the costs of salaries, statutory contributions to testing costs of the correct operation of the asset, the professional fees and fees paid in connection with the asset, the cost covered for the necessary permits.

The development costs which are deemed as intangible assets, development costs are depreciated during validity period of the contract or during the duration of use, where appropriate.

### **Financial assets**

The financial assets include:

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

The financial assets are specified under the acquisition value when becoming part of the company assets.

The changes of fair value are specified under the profit and loss account.

### **Assets related to the right of use**

#### Recognition and evaluation

Asset related to the right of use represents the right of a tenant to use a supporting asset during the lease agreement.

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 to use the following contracts: short-term leasing contracts and leasing contracts for which the underlying asset has a low value. The costs related to the performance of these types of exempted contracts are recognized as current expenses for the rents, during the period of use of the good.

Initial valuation of the asset related to the right of use.

At the start date of the lease contract, the asset related to the right of use is evaluated at cost, by summing the following values:

- a. the value of the initial assessment of the debt arising from the lease, representing the present value of the lease payments that are not paid at that time, using the marginal loan rate;
- b. any leasing payments made on or before the start of the lease contract, less any incentives (discounts) received under the contract;

c. any initial direct costs incurred by the tenant, between the date of initiation and the beginning of the lease contract;

d. and, as the case may be, an estimate of the costs to be borne by the lessee for the restoration, the place where the underlying asset is located or for bringing it to the condition imposed in the terms and conditions of the lease.

Initial assessment of the debt arising from the lease.

At the date of commencement, the lessee must evaluate the debt arising from the lease at the present value of the lease payments that are not paid at that date.

Leasing payments must be updated using the marginal loan rate.

Further evaluation

After the start date of the lease agreement, respectively the registration of an asset representing the right of use and the related debt, these will be evaluated subsequently by the model of the amortized cost, as follows:

a. The asset representing the right of use - is amortized on a straight-line basis over the entire duration of the lease;

b. Debt arising from the leasing contract - is evaluated similar to any other financial obligations, using the effective interest method, so that the balance is diminished based on the amortized cost and the interest expense is allocated during the lease contract.

### **Items of stocks**

The entry into books of the stock is performed on the date of the transfer of risks and benefits.

When they become the company's property, the stocks are evaluated and entered in the books under the entry value, which is set as follows:

- based on the cost of acquisition - for purchased stocks;
- based on the pre-established production cost - for stocks produced within the company;
- the value of the contribution, set based on an evaluation - for stocks representing the company capital;
- at fair value - for stocks obtained free of charge or found to be extra when inventorying.

The discounts granted by the supplier and specified on the purchase invoice reduces the acquisition cost of the goods.

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

The normal levels of material consumption shall be reviewed within 12 months.

The inventory outflow of stocks is evaluated and recorded by applying the FIFO method, namely the inventory items which were purchased or produced first shall be those that are consumed and sold first. The items remaining in stock at the end of the time interval are those who were purchased or produced most recently.

On the date when drafting the balance sheet, the stocks are evaluated at the lowest value between the cost and the net realizable value.

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

When the company decides to change the use of a tangible asset, namely that it will be sold, at the time when taking the decision to change its purpose, the transfer of the asset shall be entered into books from the category of tangible assets into the one of the stocks held for sale.

## **Revenues**

The revenues are increases of economic benefits, occurred during the financial year, which generated an increase in equity in forms different than those which render the new contributions of the company's new owners.

The revenues category includes both the amounts received or receivable in its own name and the gains from any other source.

The revenues are classified as follows:

- Operating revenues;
- Financial revenues;

The revenues are indicated on an accrual basis.

The revenues from sales of goods are recorded when the goods are delivered to the buyers, when they are delivered based on the invoice or in other circumstances provided by the contract, which confirm the transfer of ownership over such goods to customers.

The revenues from sale of goods are acknowledged when the following conditions are met:

- the significant risks and benefits arising from the ownership of the goods have been transferred to the buyer;
- the company no longer manages the goods as it would have done it normally, if ownership over them and no longer actually controls them;
- the revenues may be reliably evaluated;
- it is likely that the company enjoys the economic benefits associated with the transaction; and
- the transaction costs can be reliably assessed.

The revenues from supply of services are entered in the accounts as they are performed, in connection with the stage of work completion.

The stage of work completion shall be determined based on the completion reports attached to the invoices, on the acceptance protocol or other documents attesting the work development and the acceptance of services rendered.

The interest revenues are periodically ascertained, as they are generated.

The revenues from royalties and rents are ascertained pursuant to the maturities of the contract.

The revenues from dividends are ascertained when the shareholder's right to collect them is established.

The revenues from the reduction or cancellation of provisions, from the adjustments made for depreciation or impairment are entered if it turns out they are no longer necessary, if the risk occurs or the expenditure becomes chargeable. The revenues are assessed at the value determined by the agreement between the seller and buyer, taking into account the amount of any trade discounts granted.

The revenues received before the date of the balance sheet for the subsequent financial year are listed under revenues in advance.

## **Expenses**

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

- consumption of stocks;
- works executed and services provided in the benefit of the company;
- expenditure on staff;
- execution of certain statutory or contractual obligations;
- provisions;
- depreciations;
- adjustments for depreciation or loss in value.

The accounts for the expenditure are kept based on the types of expenses, as follows:

- operating expenses;
- financial expenses.

The synthetic accounts of expenditure containing multiple items with different tax deductibility turn into analytical accounts, so that each analytical account show its specific content.

## **Liabilities**

The liabilities are pointed out in the books in relation to third parties.

The accounts of suppliers and of the other liabilities are kept on categories, as well as on each natural and legal person.

The personnel entitlements are entered in books specifying the contributions withheld.

The payable income tax should be ascertained as debt related to the amount unpaid.

The deferred tax is the amount of the income tax payable in the future. The debts concerning the deferred tax constitute of the amounts of income tax payable in future accounting periods of time, as regards the taxable temporary differences.

It is calculated based on tax rates that are expected to be applicable to temporary differences, when they are resumed, pursuant to the legislation in force on the reporting date.

The deferred tax assets are the amounts of the income tax recoverable in future accounting periods of time.

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

## **Provisions**

A provision shall be entered in the accounts when:

- the company has a current obligation generated by a previous event;
- it is likely that an outflow of resources shall be required to settle the obligation; and
- a reliable estimate of the value of the obligation may be performed.

The provisions are not recognized for future operating losses.

The provisions are reviewed on the date when the individual financial statements are drafted and adjusted to reflect the current best estimate.

If no outflow of resources is likely in order to settle an obligation, the provision is invalidated by being resumed under revenues.

### **Commercial and financial discounts**

The trade discounts granted by the supplier and indicated by the purchase invoice adjusts decreasing the purchase cost of the goods.

The trade discounts granted to customers adjusts in order to reduce the amount of revenues related to the transaction.

### **Contingent assets and liabilities**

The contingent assets and liabilities are specified by the explanatory notes if it is likely to have inflows of economic benefits.

They are annually evaluated to determine if an outflow of resources including economic benefits has become likely and it is necessary to ascertain a liability or a provision in the financial statements for the period when the change occurred.

### **Events following the drafting of financial statements**

The events following the balance sheet date are those favorable or unfavorable events that occur between the balance sheet date and the date when the publication of the annual financial statements is authorized. They are submitted in notes when they are deemed significant.

### **New standards and interpretations**

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

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

### **4. Determination of fair values**

The disclosure requirements of the information set out by the financial statements, as well as some of the Company's accounting policies determine the need for their disclosure.

The Company assessed the fair value of property items on the date when it adopted the IFRS and it submitted the financial statements of prior periods at fair value.

The Company uses, as much as possible, observable market information when valuing the assets or the liabilities at fair value. The hierarchy of the fair value classifies the entry data for the valuation techniques used to measure the fair value on three levels, as follows:

- Level 1: (unadjusted) quoted price on the active markets for identical assets or liabilities that the entity may access on the valuation date;
- Level 2: entry data, different than the quoted prices referred by level 1, which are observable for assets or liabilities, either directly or indirectly;
- Level 3: non-observable entry data for assets or liabilities.

If the entry data for the measurements of the fair value of an asset or of a liability may be classified on several levels of the fair value hierarchy, the measurement based on fair value is entirely classified as entry data with the lowest level of uncertainty which is significant for the whole measurement.

Measurement techniques and entry data used to perform measurements IFRS 13.91(1)

a. The appraiser used in its report on appraisal of buildings and lands:

Market data selected by the appraiser: analysis of real estate market:

- Specific real estate market

- Analysis of the offer existing on the market
- Analysis of demand
- Market balance

b. Information supplied by the proprietor: Documents on the history of fixed assets, repair works performed, degree of use. Presentation of classification level of measurements at fair value in the fair value hierarchy IFRS 13.93 (b)

Based on the entry data used by the valuation technique, the fair value of the buildings and lands on 31<sup>st</sup> December 2018 was classified at level 3 of the fair value hierarchy, the valuation being performed based on the non-observable data on the active market of lands and real estates.

#### 4. Tangible assets

The parent company's individual statement is the following:

	Lands	Buildings	Equipment and other	Tangible assets in progress	Advance tangible assets	Total
<i>Value appraised</i>						
<b>Balance on 1st January 2021</b>	14,565,500	12,486,893	16,467,027	1,636,674	0	45,156,094
Increases		191,397			0	191,397
Decreases				191,397	0	191,397
<b>Balance on 30 st June 2021</b>	14,565,500	12,678,290	16,467,027	1,445,277	0	45,156,094
<i>Depreciation and write-downs</i>						
<b>Balance on 1st January 2021</b>	0	1,175,107	2,864,639	0	0	4,039,746
Increases		287,712	739,616	0	0	1,027,328
Decreases				0	0	
<b>Balance on 30 st June 2021</b>	0	1,462,819	3,604,255	0	0	5,067,074
<i>Net value</i>						
<b>Balance on 1st January 2021</b>	14,565,500	11,311,786	13,602,388	1,636,674	0	41,116,348
<b>Balance on 30st June 2021</b>	14,565,500	11,215,471	12,862,772	1,445,277	0	40,089,020

Report at group level:

Lands	Buildings	Equipment and other	Total
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				Tangible assets in progress	Advance tangible assets	
<i>Value appraised</i>						
<b>Balance on 1st January 2021</b>	14,565,500	12,486,893	16,467,027	1,636,674	0	45,156,094
Increases		191,397			0	191,397
Decreases				191,397	0	191,397
<b>Balance on 30st June 2021</b>	14,565,500	12,678,290	16,467,027	1,445,277	0	45,156,094
<i>Depreciation and write-downs</i>						
<b>Balance on 1st January 2021</b>	0	1,175,107	2,864,639	0	0	4,039,746
Increases		287,712	739,616	0	0	1,027,328
Decreases				0	0	0
<b>Balance on 30 st June 2021</b>	0	1,462,819	3,604,255	0	0	5,067,074
<i>Net value</i>						
<b>Balance on 1st January 2021</b>	14,565,500	11,311,786	13,602,388	1,636,674	0	41,116,348
<b>Balance on 30st June 2021</b>	14,565,500	11,215,471	12,862,772	1,445,277	0	40,089,020

The tangible assets of the company include the assets allocated to the production. A part of these assets is mortgaged or pledged to guarantee the bank loans. The tangible assets in progress represent the investments to be completed for the increase of the production capacities.

The depreciation method used by the company for all types of depreciable assets is the linear method.

The service life established when putting into service of the assets were set within the limits provided by the internal regulations as regards the classification of the fixed means and they were not modified in 2021

## 6. Intangible assets

It is highlighted in this group of assets which constitute the company's assets the value of the licenses paid to the European regulatory authorities operating in the field of manufacture and sale of chemicals amounting to lei 321.854, depreciable during the use period planned for the manufacturing equipment, as well as licenses for the computer programs amounting to lei 116.866.

<b>Gross value on 30.06.2021</b>	<b>438,720</b>
Depreciation	255,565
Of which in the year 2021	28,526
<b>Net value on 30.06.2021</b>	<b>183,155</b>

## 7. Financial assets

The parent company holds:

1. holding of 99.765% within the subsidiary company S.C. Chimprod S.A. Oradea. The accounting value of the shareholding is of lei 1,265,650, entirely impaired value

2. holding of 0.0999% within SSIF BRK Financial Group SA, located in Cluj-Napoca, accounting value 170,108, impaired up to the market share on 31<sup>st</sup> December 2020.
3. holding of lei 1,000 at the Employers' Organization in the Chemical and Petrochemical Areas of Bucharest

<b>Gross value on 30.06.2021</b>	<b>1,436,758</b>
Adjustments for impairment recorded	1,332,497
<b>Net value on 30.06.2021</b>	<b>104,261</b>
Other financial assets	2,295
<b>Total</b>	<b>106,556</b>

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

Cost (lei) of June 30, 2021

Balance on January 1, 2021 85.384

Depreciation related to right of use -37.446  
Balance as of June 30, 2021 47.938

Effect of switching to IFRS 16 **2020** **2021**

Financial expenses interest on the concession contract 3,828 1,740  
Amortization related to the right of use 17,974 8,985  
Total cost 21,802 10,725

The operational lease was concluded in 2019.

## 8. Inventories

The parent company's individual report:

**31.12.2020**

**30.06.2021**



Raw materials and other materials	648,555	976,431
Finished products	904,543	628,663
Partly-finished products	782,059	833,980
Merchandise	22,999	22,999
Packages	66,236	65,456
Raw materials to be supplied	286,940	0
<b>Total</b>	<b>2,711,332</b>	<b>2,527,529</b>
Adjustments for write-down of stocks	1,465,556	1,465,556
<b>Total</b>	<b>1,245,776</b>	<b>1,061,973</b>

The report at group level:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Raw materials and other materials	652,226	980,102
Finished products	904,543	628,663
Partly-finished products	782,059	833,980
Merchandise	22,999	22,999
Packages	66,236	65,456
Raw materials to be supplied	286,940	0
<b>Total</b>	<b>2,715,003</b>	<b>2,531,200</b>
Adjustments for write-down of stocks	1,465,556	1,465,556
<b>Total</b>	<b>1,249,447</b>	<b>1,065,644</b>

## 9. Trade receivables

Parent company's individual report:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Customers	2,758,436	3,578,994
Doubtful clients and clients subject to disputes	166,554	166,554
Suppliers-debtors	4,551	4,551
Adjustments for impairment of receivables	-166,554	-166,554
<b>Total</b>	<b>2,762,987</b>	<b>3,583,545</b>
Other receivables	351,957	786,153
<b>Total</b>	<b>3,114,944</b>	<b>4,369,698</b>

The individual trade receivables have a maturity of less than one year.

At group level, the report is:

	31.12.2020	30.06.2021
Customers	978,141	1,798,699
Doubtful clients and clients subject to disputes	251,376	251,376
Suppliers-debtors	4,551	4,551
Adjustments for impairment of receivables	-251,376	-251,376
Total	982,692	1,803,250
Other receivables	354,531	788,727
Total	1,337,223	2,591,977

The consolidated trade receivables have a maturity of less than one year.

The company's commercial relations continued to be formalized by commercial agreements or firm orders in 2021, the clients being the traditional ones over this year too. Over 90% of products manufactured were delivered abroad, to beneficiaries in the Members States of the European Union or non-EU states.

There definitely exists a certain dependence of the company of the EU Community market where the company delivers about 80% of the production exported.

The Company made specific adjustments for the impairment of the overdue receivables of over 365 days amounting to lei 166.555 lei.

## 10. Cash and cash equivalents

Parent company's individual report:

	31.12.2020	30.06.2021
Current bank accounts	27,736	189,543
Cash on hand	4,767	3,612
Other values	0	228
Total	32,503	193,383

Report at group level:

31.12.2020 30.06.2021

Current bank accounts	49,560	209,125
Cash on hand	5,079	3,653
Other values	0	228
<b>Total</b>	<b>54,639</b>	<b>213,006</b>

## 11. Other receivables

Parent company's individual report:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Suspense account	1,481	1,481
Other staff-related receivables	23,070	
Other receivables related to state budget (VAT to be recovered)	327,406	784,672
<b>Total</b>	<b>351,957</b>	<b>786,153</b>

Report at group level:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Suspense account	1,481	4,039
Other staff-related receivables	23,070	0
Other receivables related to state budget (VAT to be recovered)	329,980	784,688
<b>Total</b>	<b>354,531</b>	<b>788,727</b>

All these receivables have a maturity of a less of one year.

## 12. Assets classified as held for sale

Parent company's individual report:

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

	<b>31.12.2020</b>	<b>30.06.2021</b>
Gross value of assets classified as held for sale	3,602,553	2,853,111
Adjustments for assets classified as held for sale	-563,471	
Reclassifications to tangible assets	185,971	
<b>Net value</b>	<b>2,853,111</b>	<b>2,853,111</b>

At the group level the situation is:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Gross value of assets classified as held for sale	3,602,553	2,853,111
Adjustments for assets classified as held for sale	-563,471	
Reclassifications to tangible assets	185,971	
<b>Net value</b>	<b>2,853,111</b>	<b>2,853,111</b>

### **13. Share capital and share premiums**

Parent company's shareholding structure (percentage)

	<b>31.12.2020</b>	<b>30.06.2021</b>
BT Asset Management S.A.I S.A. - F.I.I. BT Invest 1	33,88980	33,88980
Tincau Tibor	28,1346	28,13460
PLATFORMA ROCA	18,00000	18,00000
Other shareholders	19,9756	19,97560
<b>Total</b>	<b>100</b>	<b>100</b>

No changes in the shareholding structure of Sinteza SA occurred in 2021

Subsidiary company's shareholding structure (percentage):

<b>31.12.2020</b>	<b>30.06.2021</b>
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SC Sinteza SA	99.765	99.765
Other shareholders	0,235	0,235
Total	100	100

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

#### 14. Commercial debts and other payables

Parent company's individual report:

	31.12.2020	30.06.2021
Commercial suppliers	4,755,137	4,721,682
Suppliers for investments	164,628	82,339
Suppliers - collaborators	19,500	19,500
Debts to the state budget	1,020,498	1,037,573
Debts to employees	189,409	179,015
Current income tax		
Other payables	1,460,070	1,494,449
Total	7,609,242	7,534,558

The table below sets out a maturity-based classification of individual liabilities on 30<sup>st</sup> June 2021:

	TOTAL DEBT	LESS THAN 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	4,721,682	4,721,682		0
Suppliers for investments	82,339	82,339		0
Suppliers - collaborators	19,500	19,500		0
Debts to the state budget	1,037,573	1,037,573		0
Debts to employees	179,015	179,015		0
Current income tax				0
Other payables	1,494,449	1,462,645	31,804	0
Total	7,534,558	7,502,754	31,804	0

Report at group level:

31.12.2020

30.06.2021

Commercial suppliers	4,711,270	4,707,395
Suppliers for investments	164,628	82,339
Suppliers - collaborators	19,500	19,500
Debts to the state budget	1,022,210	1,039,594
Debts to employees	190,809	180,625
Current income tax		
Other payables	1,460,070	1,494,449
<b>Total</b>	<b>7,568,487</b>	<b>7,523,902</b>

The table below sets out a maturity-based classification of consolidated liabilities on 30<sup>st</sup> June 2021:

	TOTAL DEBT	LESS THAN 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	4,707,395	4,707,395		0
Suppliers for investments	82,339	82,339		0
Suppliers - collaborators	19,500	19,500		0
Debts to the state budget	1,039,594	1,039,594		0
Debts to employees	180,625	180,625		0
Current income tax				0
Other payables	1,494,449	1,462,645	31,804	0
<b>Total</b>	<b>7,523,902</b>	<b>7,492,098</b>	<b>31,804</b>	<b>0</b>

## 15. Loans

Parent company's individual report:

31.12.2020

30.06.2021

Amounts owed to credit institutions	5,938,929	5,202,363
<b>Total</b>	<b>5,938,929</b>	<b>5,202,363</b>

The table below displays a maturity-based classification of loans on 30<sup>st</sup> June 2021:

	TOTAL DEBT	LES THAN 1 YEAR	1-5 YEARS	OVER 5 WEARS
Amounts owed to credit institutions	5,202,363	4,885,276	317,087	0
<b>Total</b>	<b>5,202,363</b>	<b>4,885,276</b>	<b>317,087</b>	<b>0</b>

Report at group level:

31.12.2020

30.06.2021

Amounts owed to credit institutions	5,938,929	5,202,363
<b>Total</b>	<b>5,938,929</b>	<b>5,202,363</b>

The table below displays a maturity-based classification of loans on 30<sup>st</sup> June 2021:

	TOTAL DEBT	LES THAN 1 YEAR	1-5 YEARS	OVER 5 WEARS
Amounts owed to credit institutions	5,202,363	4,885,276	317,087	0
<b>Total</b>	<b>5,202,363</b>	<b>4,885,276</b>	<b>317,087</b>	<b>0</b>

As regards the loans taken by the Company, it continued to implement the policy of using funds for the financing of the company's working capital and of the investments.

The bank loans in progress at the 30.06.2021 are contracted only at the level of parent company, Sinteza SA, and they are the following:

- medium-term loan for working capital, guaranteed by the mortgage on land and buildings located in Oradea, 159 Clujului street, as well as with pledge on current credit balance of the company's accounts opened with the financing bank and the assignment of the insurance policy on the property pledged as collateral, amount EURO 21.308, interest 4,150%, maturity 1<sup>st</sup> August 2021
- investment credit for the extension and upgrade of the manufacturing facilities of benzoic acid, guaranteed by the mortgage on land and buildings located in Oradea, 35 Sos. Borsului, as well as the pledge on current credit balance of the company's accounts opened with the financing bank and the assignment of the insurance policy on the property pledged as collateral, amount of EURO 84.164,28 , interest 3%, maturity 30<sup>th</sup> September 2025
- credit line current account EURO 950.480,63 + unused EURO 99.519,37, interest 3%, maturity 15<sup>th</sup> August 2020

Besides the loans contracted, the company has other financial commitments related to its current activity and investment, namely a letter of bank guarantee in favor of the main supplier of raw material (toluene) amounting to USD 600,000.

## 16. Provisions

They were not constituted provisions for risks and expenses

## 17. Revenues in advance

In 2021, the company specified in the statement of revenues received in advance from clients under the account for future deliveries. The account balance on 30<sup>st</sup> June 2021 amounting to lei 29.276 highlights the amounts collected from clients for the goods that shall be delivered and services in advance.

### 18. The turnover

The turnover at the 30.06.2021:

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

	<b>31.12.2020</b>	<b>30.06.2021</b>
Incomes from the sale of finished product	10,076,157	19,772,325
Incomes from sale of goods		
Incomes from locations and rents	251,974	230,089
Incomes from rendering of services	127,599	236,209
Incomes from waste products		15,408
<b>Total</b>	<b>10,455,730</b>	<b>20,254,031</b>

At group level, the situation is:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Incomes from the sale of finished product	10,076,157	19,772,325
Incomes from sale of goods		
Incomes from locations and rents	251,974	230,089
Incomes from rendering of services	127,599	236,209
Incomes from waste products		15,408
<b>Total</b>	<b>10,455,730</b>	<b>20,254,031</b>

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

The company did not organize components which should engage separately in business activities, income elements originating from other activity than that of industrial production having an incidental character.



The main share of the activity is represented by the industrial production activity, whose result is examined periodically by the main operational decision-making factor.

Regarding the sales of the company in 2021, these can be divided in two areas as follows:

- sales on foreign market in the amount of 18.557.620 lei
- sales on domestic market in the amount of 1.214.705 lei

## 19. Expenses with raw materials and consumables

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

	<b>31.12.2020</b>	<b>30.06.2021</b>
Raw materials	4,130,371	10,097,347
Auxiliary materials	51,326	83,075
Combustible	19,074	12,110
Spare parts	26,300	33,644
Labor protection and other materials	15,140	20,227
Other expenses	229,471	362,709
<b>Total</b>	<b>4,471,682</b>	<b>10,609,112</b>

At group level, the situation is:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Raw materials	4,130,371	10,097,347
Auxiliary materials	51,326	83,075
Combustible	19,074	12,110
Spare parts	26,300	33,644
Labor protection and other materials	15,140	20,227
Other expenses	229,471	362,709
<b>Total</b>	<b>4,471,682</b>	<b>10,609,112</b>

## 20. Other expenses

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

	<b>31.12.2020</b>	<b>30.06.2021</b>
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Packing	208,990	318,324
Material inventory objects	18,159	32,362
Other non-stored materials	2,322	12,023
<b>Total</b>	<b>229,471</b>	<b>362,709</b>

At group level, the situation is:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Packing	208,990	318,324
Material inventory objects	18,159	32,362
Other non-stored materials	2,322	12,023
<b>Total</b>	<b>229,471</b>	<b>362,709</b>

## 21. Expenses with the employees

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

	<b>31.12.2020</b>	<b>30.06.2021</b>
Salaries	2,652,284	2,901,721
Social insurance and social protection	114,644	82,495
<b>Total</b>	<b>2,766,928</b>	<b>2,984,216</b>

At group level, the situation is:

	<b>31.12.2020</b>	<b>30.06.2021</b>
Salaries	2,676,170	2,930,672
Social insurance and social protection	115,242	83,407
<b>Total</b>	<b>2,791,412</b>	<b>3,014,079</b>

The employees of the company are rewarded with a negotiated salary according to provisions of individual labor contracts with full range of social benefits provided by the Romanian legislation. At company level there is no collective labor contract and therefore no additional benefits are awarded on short term, long term, post-employment benefits or share-based payment. The key management personnel in

company's leadership benefits of the same salary rights as the rest of the employees without existing any additional rights or benefits.

The members of the Board of Directors are rewarded with a fixed monthly allowance, established by the General Meeting of the Shareholders. During year 2021, all the expenses with the administrators' allowances were of 215.388 lei.

## 22. Expenses regarding external services

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

	<b>31.12.2020</b>	<b>30.06.2021</b>
<hr/>		
Other expenses with services performed by third parties		
Maintenance and repairs	47,780	46,562
Post and telecommunications	10,593	11,753
Transport	208,110	381,273
Banking services	66,675	97,970
Trips and delegations	14,689	4,351
Protocol	1,724	3,774
Collaborators	256,415	215,388
Rents	85,708	75,882
Fees	54,600	87,712
Insurance premiums	12,575	14,840
Other expenses with services performed by third parties	239,859	338,660
<b>Total</b>	<b>998,728</b>	<b>1,278,165</b>
<hr/>		

At group level, the situation is:

	<b>31.12.2020</b>	<b>30.06.2021</b>
<hr/>		
Other expenses with services performed by third parties		

Maintenance and repairs	47,780	46,562
Post and telecommunications	10,593	11,834
Transport	208,110	381,273
Banking services	66,884	98,151
Trips and delegations	14,689	4,351
Protocol	1,724	3,774
Collaborators	256,415	215,388
Rents	85,708	75,882
Fees	54,600	87,712
Insurance premiums	12,575	14,840
Other expenses with services performed by third parties	241,665	340,297
<b>Total</b>	<b>1,000,743</b>	<b>1,280,064</b>

### 23. Incomes and financial expenses

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

	31.12.2020	30.06.2021
Incomes from interests	0	0
Incomes from exchange rate differences	14,821	51,930
Other financial incomes	1,822	94,487
<b>Total</b>	<b>16,643</b>	<b>146,417</b>
Expenses from interests	98,760	87,106
Expenses from exchange rate differences	136,183	123,709
Other financial expenses	7,333	20,637
<b>Total</b>	<b>242,277</b>	<b>231,452</b>

At group level, the situation is:

	31.12.2020	30.06.2021
Incomes from interests	0	0
Incomes from exchange rate differences	14,821	51,930
Other financial incomes	1,822	94,487
<b>Total</b>	<b>16,643</b>	<b>146,417</b>
Expenses from interests	98,760	87,106

Expenses from exchange rate differences	136,183	123,709
Other financial expenses	7,333	20,637
<b>Total</b>	<b>242,277</b>	<b>231,452</b>

## 24. Current and deferred income tax

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

In the financial year ended on 30.06.2021, the Company registered a profit of 1,115,573 lei.

	31.12.2020	30.06.2021
<i>Current income tax</i>		
Expenses with current income tax	0	0
<i>Deferred income tax</i>		
Deferred income tax	3,532,726	3,532,726

At group level, the situation is:

	31.12.2020	30.06.2021
<i>Current income tax</i>		
Expenses with current income tax	0	0
<i>Deferred income tax</i>		
Deferred income tax	3,532,726	3,532,726

## 25. Earnings per share

In the financial year ended on 30.06.202, SINTEZA SA registered a profit of 1,115,573 lei.

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

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

In a reasonable period of time, there are no intentions of diluting shares through a preferential distribution. This leads to a result of equality between earnings per share basic and the diluted one, as above.

## 26. Affiliated parties

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

On 30.06.2021, the members of the Board of Directors are:

Alexandru Savin – Chairman of the Board  
Claudiu Sorin Pasula – member  
Cosmin Vasile Turcu – member

On 30.06.2021, executive management consists of:

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

During the year 2021 there were no transactions between the company and the persons in the management of the company.

## 27. Transactions between the parent company and subsidiary

The parent company and the affiliated company do not record transactions on 30.06.2021

## 28. Other liabilities

The parent company and the affiliated company do not record other commitments as of 30.06.2021

## 29. Assets and contingent liabilities

In addition to the contracted loans, the company has other financial commitments related to current and investment activity, namely a bank guarantee letter in favor of the principal supplier of raw material (toluene) worth USD 600,000.

SINTEZA SA is a party to litigation in the following cases:

File number	Court	The subject of the case	Parties in trial and the procedural quality	File status	Term	Details about the file



			Intimate: SINTEZA SA		as compensation + 3171 lei court costs.	
4895/111/2014	Court Bihor	Insolvency proceedings	Creditor SINTEZA SA Debtor Basa Indimex SRL	BANKRUPTCY	TJ: 27.10.2021	+ 39,704, 32 lei
4274/108/2014	Arad Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Comeso Color SA	BANKRUPTCY	TJ: 02.11.2021	+ 21,184, 47 lei
1087/111/2018 in connection with 2744/111/2010	Bihor Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Construct Mod SRL	BANKRUPTCY	TJ: 10.11.2021	+ 2534, 7 lei
484/111/2010	Bihor Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Flavoia SRL	BANKRUPTCY	TJ: 04.11.2021	+ 4,867.10 lei
22419/3/2009	Bucharest Court	Insolvency proceedings	Creditor SINTEZA SA Debtor Energo Mineral Bucharest	BANKRUPTCY	TJ: 08.12.2021	+ 27,173, 79 lei
16873/118/2010	Court Constanta	Insolvency proceedings	Creditor SINTEZA SA Debtor Solanum Com Prod SRL C-ta	background	TJ: 20.09.2021	+ 68,811.51 lei
6473/111/2013	Bihor Court	Insolvency Procedure	Credit SINTEZA SA Debtor Power Plants Oradea SA	BANKRUPTCY	TJ: 15.09.2021	+ 530,671.29 lei - 497,325.60 lei ----- 33,345, 69 lei
3814/30/2019 *	Timis Court	Insolvency proceedings	Credit SINTEZA SA Debtor W&O Frigoservice SRL Timisoara	BANKRUPTCY	TJ: 23.09.2021	+ 1,424.40 lei

The value of the contingent assets can not be estimated at the balance sheet date.

### 30. Events after the financial statements



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

### **31. Standards and interpretations that entered into force this year**

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

- ✓ IFRS 9.39, and 7-Amendments regarding the reform of the interest rate reference index.
- ✓ IFRS 16 - Amendments to lease concessions related to Covid-19.
- ✓ IAS 1 and IAS 8 - Amendments to clarify the definition of “material”.
- ✓ IFRS 3 - Amendments to the definition of a business aimed at resolving difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

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

### **32. Financial Risk Management**

The Group is exposed to credit risk, liquidity risk and market risk. In order to limit the exposure, a risk management policy is being developed, so as to ensure the identification and analysis of risks, establishing appropriate limits and controls, and monitoring compliance with limits set.

Policies and risk management systems will be revised regularly to adapt to changes occurring in business and market conditions.

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

Credit risk is the risk that the group may incur a financial loss as a result of non-fulfillment of contractual obligations by a customer. The parent company has established as credit policy the analysis of each new individual client before offering standard payment and delivery terms.

However, concrete conditions of a specific market (chemicals based on a market with specialized suppliers and customers) sometimes require grant facilities in terms of collection.

The same characteristic of the market requires the company to not require collateral for its receivables.

However, after analyzing individual customers, sometimes they are requested payment in advance or upon delivery (extra markets).

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

Addressing parent company in liquidity management is to ensure sufficient liquidity to pay obligations due under normal conditions.

In this regard, the Company shall ensure it has sufficient cash to meet operational needs.

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

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, acquisitions and borrowing in a currency other than the functional.

Exposure is presented below:

Individual situation at the parent company level is presented as follows:

30.06.2021	LEI	EURO (ECHIV.LEI)	USD (ECHIV.LEI)
<b>Financial assets</b>			
Trade receivables and other receivables	2,638,890	1,730,808	
Cash and cash equivalents	30,580	162,803	
<b>Total</b>	<b>2,669,470</b>	<b>1,893,611</b>	
<b>Financial liabilities</b>			
Loans		5,202,363	
Commercial debts and other debts	4,813,485	2,721,073	
<b>Total</b>	<b>4,813,485</b>	<b>7,923,436</b>	

At the group level the situation is as follows:

30.06.2021	LEI	EURO (ECHIV.LEI)	USD (ECHIV.LEI)
<b>Financial assets</b>			
Trade receivables and other receivables	861,169	1,730,808	
Cash and cash equivalents	50,203	162,803	
<b>Total</b>	<b>911,372</b>	<b>1,893,611</b>	
<b>Financial liabilities</b>			
Loans		5,202,363	
Commercial debts and other debts	4,802,829	2,721,073	
<b>Total</b>	<b>4,802,829</b>	<b>7,923,436</b>	

Tax risk targeting aspects in certain transactions to be perceived differently by the tax authorities in comparison to treatment Company. This lies in the adoption of EU fiscal regulations from 1 January 2007 to Romania, given that the interpretation of texts and practical implementation procedures may vary.

Also, the Government of Romania authorized the operation of a large number of agencies and bodies responsible for carrying out various checks on the companies operating in Romania. The work of these agencies and bodies not only covers tax issues but also issues relating to regulations and procedures in

other areas (safety and health at work, civil protection, security and fire protection etc).

It is possible that the Company will be subject to checks as issuing new regulations.

GENERAL MANAGER  
TUDOR- IOAN STOIA

FINANCIAL MANAGER  
ADRIAN BUCUREAN

## **DECLARATION**

### **IN ACCORDANCE WITH ART.30 OF LAW NO.82/1991**

They have been prepared the financial statements at 30.06.2021:

Legal entity:	SINTEZA S.A.
County:	05-Bihor
Address:	Oradea, Borsului Road, 35
Trade Register number:	J/05/197/1991
Ownership:	34-Stock company
Activity:	2014- manufacture of other basic organic chemicals
VAT Reg. No.:	67329

Financial situation type:	According to the Order 881/2012, Order 2844/2016, Order 10/2019 regarding the application of the Accounting Regulations in compliance with the International Financial Reporting Standards (IFRS) applicable to companies whose securities are admitted to trading on a regulated market.
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Mr.Alexandru Savin, Chairman of the Board of Directors of the Company, assumes responsibility for drawing the half report on 30.06.2021 and confirms that, to his knowledge, this was drafted according to the applicable accounting standards, it offers a fair and accurate picture of assets, liabilities, equity, income and expenses, and that the Board Report includes a correct analysis of the development and performance of the company as well as a description of the principal risks and uncertainties specific to the activity.

**CHAIRMAN OF THE BOARD OF DIRECTORS**

**ALEXANDRU SAVIN**