

ACF Confident SRL
Dimitrie Cantemir Street, no. 24-26
410519 Oradea, Romania

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **SINTEZA SA**

Report on the audit of financial statements

Opinion

We audited the consolidated and individual financial statements of the company **SINTEZA SA** and of **its subsidiary** (the "**Group**"), with its registered office in Oradea, Șoseaua Borșului no. 35, identified by the tax identification number 67329, which includes the consolidated and individual statement of the financial position as of December 31st, 2020, the consolidated and individual statement of the overall result, the consolidated and individual statement of changes in equity and the consolidated and individual statement of flows of the treasury related to the financial year ended on this date, and the notes to the financial statements, including a summary of the significant accounting policies.

The consolidated financial statements at December 31st, 2020 are identified as follows:

Total equity:	29,862,798 RON
Net loss for the financial year:	(5,225,286) RON

1. In our opinion, the attached consolidated and individual financial statements provide a faithful picture of the Group's financial position as of December 31st, 2020, as well as of the consolidated and individual financial performance and the individual and consolidated cash flows for the year ended on this date, according to the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations in compliance with the International Financial Reporting Standards.

The basis for opinion

1. We have conducted our audit in accordance with International Auditing Standards ("IAS"), EU Regulation no.537 of the Parliament and of the European Council (hereinafter referred to as " Regulation ") and Law no.162 / 2017

Our responsibilities based on these standards are described in detail in the section *"The auditor's responsibilities in an audit of the financial statements"* from our report. We are independent of the Company, according to the Code of Ethics of Accounting Professionals issued by the Board of Accountants (IESBA code), according to the ethical requirements that are relevant for the audit of the financial statements in Romania, including the Regulation and the Law, and we have satisfied our ethical responsibilities, according to these requirements and according to the IESBA Code. We believe that the audit evidences we have obtained are sufficient and adequate to provide a basis for our opinion.

Key audit issues

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

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

Recognition, evaluation and presentation in the financial statements of the assets intended for sale in accordance with IFRS 5

Our audit procedures included:

- the evaluation of the management's estimate regarding the fair value of the assets held for sale based on the analysis of the existing offer on the market of the equipment specific to the chemical industry;
- carrying out detailed tests for verifying the value of the assets, determining the adjustments of the book value and their reclassification to tangible assets;
- compliance with the presentation requirements in the financial statements of the information according to IFRS 5.

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

Continuity of activity

The company's activity in the current and previous years ended with a loss.

From Note 2 to the financial statements, results the evaluation made by the company's management of the capacity to continue its activity as a continuous activity. The assumption in assessing the company's ability to continue its activity is based on the cash flows that will be generated in the following periods from the realization of the development program activity, the rental / sale of the available assets and the identification of other financing.

Our audit procedures included:

- the evaluation of the company's management plans regarding future actions in relation to the company's ability to continue its activity;
- the analysis of the financial information forecast for the financial year 2021;
- analysis of short-term debt maturities;
- existence / non-existence of events after the end of the reporting period until the date of approval of the financial statements. No such events took place.

However, in the current economic environment resulting from the Covid-19 pandemic, there are risks to the Company's ability to continue operating under normal conditions.

Other information - The consolidated report of the administrators

1. The administrators are responsible for the preparation and presentation of other information. Those other information include the consolidated Report of the administrators, but do not include the consolidated financial statements and the auditor's report on them.

Our opinion regarding the consolidated financial statements does not cover this other information and, unless explicitly mentioned in our report, we do not express any kind of assurance conclusion regarding them.

In connection with our audit of the consolidated financial statements for the financial year ended on December 31st, 2020, it is our responsibility to read those other information and, in this approach, to assess whether that information is materially inconsistent with the financial statements, or with the knowledge that we have obtained during the audit, or if they appear to be significantly distorted.

Regarding the consolidated Report of the administrators, we read it and we report whether it has been prepared, in all significant aspects, in accordance with the Order of the Minister of Public Finance no. 2844/2016, points 26-28;

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

a) The information presented in the consolidated Report of the administrators for the financial year for which the consolidated financial statements have been prepared, is in

accordance, in all significant aspects, with the consolidated financial statements;

b) The consolidated Report of the administrators was prepared, in all the significant aspects, according to the Order of the Minister of Public Finance no. 2844/2016, points 26-28.

In addition, based on our knowledge and understanding of the Group and of its environment, acquired during the audit of the consolidated financial statements for the financial year ended on December 31st, 2020, we are required to report whether we have identified significant misstatements in the Consolidated Report of administrators. We have nothing to report regarding this aspect.

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

1. The management is responsible for drawing up the financial statements that will give a faithful image 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 in order to allow the preparation of consolidated financial statements without significant distortions, caused either by fraud or error.

2. In the preparation of the consolidated and individual financial statements, the management is responsible for evaluating the Group's ability to continue its activity, for presenting, if applicable, of aspects regarding the continuity of the activity and for using the accounting based on the continuity of the activity, except as the case may be that the management either intends to liquidate the Group or to cease operations, or has no other realistic alternative than these.

3. The persons responsible for governance are responsible for overseeing the Group's financial reporting process.

The auditor's responsibilities in an audit of financial statements

4. Our objectives consist in obtaining a reasonable assurance regarding the extent to which the consolidated financial statements, as a whole, are devoid of significant distortions, caused either by fraud or error, as well as in issuing an auditor's report that includes our opinion. Reasonable insurance represents a high level of insurance, but it is not a guarantee that an audit conducted in accordance with the ISAs will always detect a significant distortion, if this exists. Distortions can be caused either by fraud or error and are considered significant if it can be reasonably expected that they, individually or cumulatively, will influence the economic decisions of the users, based on these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of significant misstatement of the consolidated financial statements, caused either by fraud or error, we design and execute audit procedures in response to those risks and obtain sufficient and adequate audit evidences to provide a basis for our opinion. The risk of not detecting a significant distortion caused by fraud is higher than that of not detecting a significant distortion caused by error, because fraud can involve secret understandings, forgery, deliberate 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 having the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - We evaluate the degree of adequacy of the accounting policies used and the reasonableness of the accounting estimates and related presentations made by the management
 - We draw a conclusion regarding the degree of adequacy of the management's use of the accounting on the basis of the continuity of the activity and we determine, based on the audit evidence obtained, if there is a significant uncertainty regarding events or conditions that could generate significant doubts regarding the Group's capacity to continue its activity. In case we conclude that there is a significant uncertainty, we must draw attention in the auditor's report to the related presentations in the financial statements or, if these presentations are inadequate, we change our opinion. Our conclusions are based on the audit evidences obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease its activity based on the principle of continuity of activity.
 - We evaluate the presentation, the structure and the 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.
5. We communicate to the persons responsible with the government, among other aspects, the planned area and the timely scheduling of the audit, as well as the main findings of the audit, including any deficiencies of the internal control that we identify during the audit.
 6. We also provide the persons responsible for governance with a statement regarding our compliance with the ethical requirements regarding independence and we communicate to them all relations and other issues that may reasonably be considered that could affect our independence and where appropriate, the related safety measures.
 7. Of the aspects that we have communicated to the persons in charge of governance, we establish those aspects that were of greater importance in the audit of the financial statements of the current period and, therefore, are key audit issues. We describe these issues in our audit report, unless the law or regulation prevents the public presentation of that particular issue or if, in extremely rare circumstances, we consider that an issue should not be disclosed

in our report because it is reasonably expected that the benefits of the public interest be surpassed by the negative consequences of this communication.

Report regarding other legal and regulatory provisions

8. We were appointed by the General Meeting of Shareholders on 26.03.2018 to audit the consolidated financial statements of SINTEZA SA and of its subsidiary for the year ended on December 31st, 2020. The total uninterrupted period of our commitment is 4 years, covering the financial year starting with 2017.

We confirm that:

- During the conduct of our audit, we retained our independence from the audited entity.
- We did not provide for Sinteza SA and its subsidiaries the non-audit services prohibited, mentioned in article 5 paragraph (1) of the EU Regulation no. 537 / 2014.

Consistency with the additional report addressed to the Audit Committee

Our audit opinion on the consolidated and individual financial statements expressed in this report is in accordance with the supplementary report addressed to the Company's Audit Committee, which we issued on the same date that we issued this report.

On behalf of

ACF Confident SRL

Oradea, Dimitrie Cantemir Street 24-26

Urs Parasca – partner

Oradea, March 18, 2021