THE BOARD OF DIRECTORS' REPORT

ON 31.12.2024

Yearly report according to:	Law 297/2004 regarding the capital market Law 24/2017 regarding the issuers of financial instruments and market operations ASF Regulation No. 5/2018
For the financial year:	2024
Report date:	31.12.2024
Company name:	Sinteza SA Oradea
Registered office:	Oradea, Borșului Street no.35, Bihor county
Phone/fax number:	0259.456.116 / 0259.462.224
Unique identification code:	67329
Trade Register order number:	J/05/197/1991
Regulated market:	Bucharest Stock Exchange
Subscribed/paid-in share capital:	9,916,889 lei
Main characteristics of mobile securities:	Shares issued in dematerialized form

1. Analysis of the company's activity

1.1. Description of the basic activity of the commercial company

SINTEZA SA, established by Government Decision no. 1213/20.11.1990 of the Chemical Enterprise “SINTEZA”, is registered in the Trade Register under no. J/05/197/1991, fiscal code RO 67329 and has its registered office on Borșului Street, no. 35, Oradea, Bihor county.
During the year 2024, no mergers or reorganizations of any kind took place.

1.1.1. General assessment elements

In 2024, the company obtained the following indicators, according to the balance sheet:

1. Total revenues: **3,168,804 lei** , of which:
    - net turnover: 2,756,670 lei, of which 1,601,101 lei is represented by export sales;
    - income from the variation of stocks: -2,419,844 lei;
    - other income: 2,704,822 lei;
    - financial income: 16,283 lei;
    - income from provisions and adjustments regarding the operating activity: 110,873 lei;

2. Total expenses: **11,942,476 lei,** of which:
    - operating expenses: 11,258,367 lei;
    - financial expenses: 669,267 lei;
    - deferred profit tax expenses: 14,842 lei;

3. Net operating result: **-8,773,672 lei;**

4. Liquidity at the end of the period: **396,157 lei equivalent**

1.1.2 Evaluation of the technical level of the company

The company exploits the industrial platform in Sos. Borșului no. 35 and operates the benzoic acid plant, a technically advanced plant, modernized in previous years, obtaining products intended mainly for the foreign market. The benzoic acid produced is intended for industrial chemical applications. Unfortunately, throughout the entire period of 2024, the benzoic acid plant was maintained in conservation, the income obtained from the sale of benzoic acid being tributary to the stock produced in the previous year.

At the same time, the company continued in 2024 the rental activity of some of its available assets, obtaining income from rentals.

The main products manufactured in 2024 and the revenues obtained from their sale, as well as other revenues, compared to the previous year are:

No. of items	Products	2024		2023	
		RON	%	RON	%
1	Industrial platform exploitation	1,053,690	38.22	748,035	5.12
2	Organic synthesis manufacturing	1,702,980	61.78	13,847,779	94.88
	Total	2,756,670	100.00	14,595,814	100.00

1.1.3. Evaluation of technical and material supply activity

Given that during the entire period of the reported financial year, the benzoic acid plant was in conservation, the company no longer carried out a raw material (toluene) supply activity. However, the company monitored the evolution of the price of crude oil and toluene throughout 2024 in the hope of a return to a favorable situation. On the European market, the year 2024 brought a slight decrease in the price of crude oil compared to the previous year, the price of toluene, except for cyclical variations generated by the evolution of the supply-demand ratio, generally followed the same trend.

As a result of the continuation of the war in Ukraine, and the maintenance of the European economic sanctions imposed on the Russian Federation, it continued to sell most of its crude oil to Asian countries, especially China and India, at a lower price (compared to the global one). In this context, Chinese benzoic acid producers also had toluene and energy at a lower cost than Sinteza in 2024. It can therefore be said that these competitors enjoyed a competitive advantage generated by the distortion induced by Russia on the raw materials and energy market throughout 2024.

1.1.4. Sales activity evaluation

Sinteza SA sells benzoic acid manufactured mainly within the European Union, but also in other countries such as Turkey. The company sells on the free competitive market, without significant dependencies on a customer or group of customers, using both direct sales and distributors in the capitalization process.

Traditionally, the benzoic acid market in Europe is a generally stable one dominated by a large German producer and in which Chinese benzoic acid producers export significant quantities. Sinteza, being the 3rd and the smallest player on the market, has always positioned itself in the following segments: (1) customers who needed a 2nd source of benzoic acid of European origin, (2) customers who for various reasons do not want benzoic acid of Chinese origin but want a price below that of the top producer and (3) customers to whom Sinteza can offer a competitive price due to its geographical proximity. We are talking here about Turkey and most of the countries of the former Soviet space.

With the war in Ukraine and the resulting distortion in the price of benzoic acid, the segments in which Sinteza was active narrowed significantly. In particular, the Turkish market almost completely opted for cheap benzoic acid from China. In addition, the economic sanctions active in Europe meant that all the customers the company had in the former Soviet space remained inaccessible.

All of these elements determined a situation for 2024 in which Sinteza would have been able to sell benzoic acid only at a level that would cover approximately 35 - 40% of production capacity. At such a level, production costs would have led to loss-making operations, which is why it was decided to continue the plant's conservation status and implement a cost reduction plan.

1.1.5. Evaluation of company personnel issues

In 2024, the average number of employees was 45 people. This figure represents a significant reduction compared to the previous year and is the result of the implementation of the cost reduction plan generated by the difficult situation of the company in 2024. In this sense, the evolution of the company's staff level had a decreasing trend with a reduction of 43 positions (1 hiring and 44 closed employment contracts). This reduction combined layoffs, voluntary departures and a natural fluctuation of personnel.

In terms of professional training, the structure includes 8 employees with higher education, the rest of the staff having secondary or general education.

The degree of unionization in 2024 was 0%, and there were no conflicting elements in labor relations.

1.1.6 Assessment of environmental impact aspects

The company maintained all authorizations and approvals required by the relevant legislation for its object of activity. During the reported period there was no major impact on the environment and there are no disputes related to the violation of environmental protection legislation.

In 2024, Sinteza found a solution to the most important historical environmental problem it faced: the greening of hazardous substance landfills, which Sinteza had not used since 2006, but for which the closure procedures had not yet been completed. Given the lack of financial resources necessary to carry out such a project on its own, Sinteza decided to sell the land on which these landfills are located, together with the environmental obligations, to a company specialized in such greening operations. This company, in return, committed to closing these landfills and submitted a plan to APM Bihor in this regard. This transaction was finalized in December 2024.

1.1.7 Evaluation of research and development activity

Sinteza did not carry out research and development activities related to benzoic acid technology in 2024, both due to limited financial resources and due to uncertainties related to this product on the European market.

However, considering the possible new business directions that the company anticipates during the reported period, Sinteza specialists conducted a series of tests and trials in the field of electrochemistry and technologies related to coupling reagents. These activities highlighted the company's capability not only to take over technology from partner companies but also a potential to further develop such technologies.

1.1.8 Evaluation of risk management activity

The company operates in a free competitive market, being exposed from this point of view to normal risks. The company implements the risk management system, the process covering the identification, analysis, management and monitoring of the risks to which it is exposed.

Price risk – there is a permanent monitoring of this risk. In fact, the analysis of this risk showed in 2024 that in the situation where the difference between the price of benzoic acid in Europe and that in China is of the order of hundreds of euros per ton (in favor of imports) Sinteza has the possibility of covering its production capacity with orders only to a small extent and thus operations with benzoic acid are unprofitable.

Credit risk – Given the complete reduction in production volume due to adverse market conditions, the company has sought to optimize banking exposure levels, aiming to reduce this exposure. The aspect has also become important due to the trend in recent years of increasing the cost of credit;

Liquidity risk – there is a permanent concern to maintain liquidity at a supra-unitary level. Despite all these efforts, the liquidity level as of 31.12.2024 was 0.2 cash flow risk is monitored daily through weekly and monthly receipts and payments forecasts.

1.1.9 Perspective elements regarding the company's activity

Given the uncertain situation on the European benzoic acid market and the fact that in general the prospect of a business based only on the manufacture of a single commodity chemical product has a reserved prognosis in ensuring the business continuity that the company needs, the company's management has focused on diversifying its activities. An area is taken in consideration that involves the production of high value-added products, which serves a dynamic market and which is less vulnerable to competition from Asian producers (especially China). The targeted field is that of electrochemistry, an area in which on the one hand Sinteza can capitalize on its over 100 years of experience in chemistry, and on the other hand it has a special dynamic as a result of the expected developments in the electric power industry as a result of the impact given by the increasingly intense development of energy produced from renewable sources.

The formalization of this direction was achieved when Sinteza decided to add, alongside the existing NACE codes, the NACE code 2720 – Manufacture of batteries and accumulators – to its scope of activity**.**

Sinteza mainly aims to develop a collaboration in the field of electrolyte production and redox flow batteries, for which in November 2024 Sinteza signed a letter of intent with a well-known American company.

The funding of own contribution will be made from funds raised, such as bank loans and capital contributions.
In order to finance this new development direction, also at the end of 2024, the company signed with the Ministry of Energy a financing contract from the NRRP C 6.I4.1 program for a project entitled "Establishment of a new production, testing

and recycling capacity for electrolytes used for the manufacture of industrial batteries for storing electricity"

During the reported period, the company pursued other potential business developments, part of the resources necessary to initiate such programs, as well as to support liquidity needs for daily activity, were secured from the capitalization of surplus assets, which are available to the company.

1.1.10 Information on internal control

Within Sinteza SA, ensuring internal control concerns internal control and internal audit activities. In the field of internal control, compliance with regulations specific to the company's activity, compliance with internal rules, decisions of the management bodies and financial and accounting rules was pursued.
Internal audit is provided through a service contract with an independent firm. The internal auditor evaluates the company's control and governance processes through a systematic and methodical approach and brings to the attention of the general manager and administrators the significant aspects found through the audit report.

2 Tangible assets of the company

2.1 Location and description

The company owns and manages the following assets:

a) Șoș. Borșului no. 35 Platform - now dedicated only to the manufacture of benzoic acid

2.2 Potential ownership issues

There are no issues related to property rights.

3 The market for securities issued by the company

The company's share capital is 9,916,889 lei, divided into 66,112,590 shares with a nominal value of 0.15 lei/share. The shares are traded on the Bucharest Stock Exchange, Standard category. On 31.12.2024, the shareholder structure was as follows:

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

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

4 Company management

On 31.12.2024, the company's Board of Directors was composed of:

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

The executive management of the company is ensured by the general manager Gelu Stan.
None of the above have been involved in litigation or administrative proceedings related to the ability to perform their duties.

5 Corporate Governance Statement

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

Sinteza SA is a commercial company managed in a unitary system. The supreme governing body of the company is the General Meeting of Shareholders, according to the provisions of the articles of association. General meetings can be ordinary and extraordinary.
The Ordinary General Meeting of Shareholders is convened at least once a year, no later than 5 months after the end of the financial year. The main duties of the OGMS are those provided for in the Companies Law.

The Extraordinary General Meeting of Shareholders meets whenever necessary to decide according to the law. The convening of general meetings of shareholders is done by the Board of Directors whenever necessary or when the legislation of commercial companies requires it. Information regarding the date of the meeting, the place, the agenda and other information necessary for shareholders are made public through the convening notices published in the Official Gazette and the local press.

Each share of the company entitles the holder to one vote at the general meetings. The vote is exercised directly or by proxy. The organization and conduct of the general meetings are provided for in the company's articles of association and comply with the requirements of the company law.

The company is managed by a board of directors consisting of 3 directors elected for a period of 4 years, re-electable and revocable. The majority of the members of the board of directors are non-executive and independent directors. The board of directors meets whenever necessary, but at least once every three months, at the company's headquarters. The board of directors is convened by its chairman, or by his deputy, in accordance with the provisions of the articles of association.

The Board of Directors has the following responsibilities:

a.- approves the organizational structure of the company and the number of positions, as well as the regulations for the establishment of functional and production departments;

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

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

d.- approves the method of depreciation of fixed assets in the company's assets, their decommissioning and preservation, as well as the downgrading and scrapping of material assets, other than fixed assets;

e.- decides on the granting of sponsorships;

f.- approves the company's tactics and managerial strategy;

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

h.- appoints the members of the management committee, as appropriate.

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

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

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

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

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

The company will continuously improve its communication with shareholders and investors by complying with more and more requirements of the BVB Code.

6. Financial and accounting situation

Individual financial position of Sinteza SA in 2024 compared to 2023 is presented as follows:

INDICATOR	INDIVIDUAL	
	31.12.2023	**31.12.2024**
Tangible assets		
Land and land improvements	14,737,009	18,253,878
Constructions	11,515,309	12,149,003
Technical installations and means of transport	9,881,254	10,005,429
Furniture, office equipment […]	69,154	49,762

Tangible assets under construction	1,065,604	498,677
Advances for tangible fixed assets		
Total Tangible Assets	**37,268,330**	**40,956,749**
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	52,390	14,584
Intangible assets in progress		
Shares held in subsidiaries and other fixed assets	3,295	3,295
Rights of use of leased assets	71,898	43,837
Total Fixed Assets	**37,395,913**	**41,018,465**
Current Assets		
Stocks	2,759,880	273,988
Trade and other receivables	1,052,742	148,675
Expenses recorded in advance	99,828	61,410
Cash and cash equivalents	223,168	396,157
Assets classified as held for sale	1,999,171	1,975,894
Total Current Assets	**6,134,789**	**2,856,124**
Total Assets	**43,530,702**	**43,874,589**
Own Capital		
Share capital	9,916,889	9,916,889
Capital premiums		
Reserves	30,686,182	35,008,016
Exercise result	-10,719,506	-8,773,672
Retained earnings	-1,482,584	-9,466,029
Other equity items	-540	-540
Minority interests		
Total Equity	**28,400,441**	**26,684,664**
Long-term Debts		
Long-term loans and other liabilities	45,691	19,448
Deferred income		
Provisions		
Deferred tax liabilities	3,496,076	4,284,750
Total Long-Term Debt	**3,541,767**	**4,304,198**
Current Debts		
Short-term loans	5,160,720	3,836,872
Trade and other payables, including derivative financial instruments	6,108,938	8,958,603
Deferred income	197,811	57,708
Provisions	121,025	32,544
Liabilities classified as held for sale		
Total Current Debts	**11,588,494**	**12,885,727**
Total Debts	**15,130,261**	**17,189,925**

Total Equity and Debt	**43,530,702**	**43,874,589**

For the financial year 2024, the parent company SINTEZA SA prepared consolidated financial statements, including the commercial company CHIMPROD SA, with the following identification data:

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

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

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

Consolidated financial position in 2024 compared to 2023 is presented as follows:

INDICATOR	CONSOLIDATED	
	31.12.2023	**31.12.2024**
Tangible assets		
Land and land improvements	14,737,009	18,253,878
Constructions	11,515,309	12,149,003
Technical installations and means of transport	9,881,254	10,005,429
Furniture, office equipment […]	69,154	49,762
Tangible assets under construction	1,065,604	498,677
Advances for tangible fixed assets		
Total Tangible Assets	**37,268,330**	**40,956,749**
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	52,390	14,584
Intangible assets in progress		0
Shares held in subsidiaries and other fixed assets	6,195	6,195
Rights of use of leased assets	71,898	43,837
Total Fixed Assets	**37,398,813**	**41,021,365**
Current Assets		
Stocks	2,759,880	273,988
Trade and other receivables	1,052,757	148,690
Expenses recorded in advance	99,828	61,410

Cash and cash equivalents	224,033	397,224
Assets classified as held for sale	1,999,171	1,975,894
Total Current Assets	**6,135,669**	**2,857,206**
Total Assets	**43,534,482**	**43,878,571**
Own Capital		
Share capital	9,916,889	9,916,889
Capital premiums		
Reserves	32,125,420	36,447,254
Exercise result	-10,724,863	-8,779,552
Retained earnings	-4,691,722	-12,680,525
Other equity items	-540	-540
Minority interests	-4,183	-4,196
Total Equity	**26,621,001**	**24,899,330**
Long-term Debts		
Long-term loans and other liabilities	45,691	19,448
Deferred income		
Provisions		
Deferred tax liabilities	3,496,076	4,284,750
Total Long-Term Debt	**3,541,767**	**4,304,198**
Current Debts		
Short-term loans	5,160,720	3,836,872
Trade and other payables, including derivative financial instruments	7,892,158	10,747,919
Deferred income	197,811	57,708
Provisions	121,025	32,544
Liabilities classified as held for sale		
Total Current Debts	**13,371,714**	**14,675,043**
Total Debts	**16,913,481**	**18,979,241**
Total Equity and Debt	**43,534,482**	**43,878,571**

The financial statements for the year 2024 are prepared in accordance with the provisions of MFP Order 881/2012, MFP Order 2844/2016, MFP Order 5394/2023 and MFP Order 107/20.01.2025, applicable to commercial companies whose securities are traded on a regulated market.

CHAIRMAN OF THE BOARD OF DIRECTORS

ALEXANDRU SAVIN

Declaration of compliance of Sinteza SA with the new BVB Corporate Governance Code on 31.12.2024

The provisions of the BVB Governance Code	Complies	Does not comply or partially complies	Reason for non-compliance
A. RESPONSIBILITIES OF THE COUNCIL			
A.1. All companies must have internal Board regulations that include the terms of reference/responsibilities of the Board and the key management functions of the company, and that apply, among other things, the General Principles in Section A.		X	The terms of reference/responsibilities of the Board and key management functions are contained only in the company's articles of association, updated in 2012.
A.2. Provisions for the management of conflicts of interest should be included in the Board's rules of procedure. In any case, Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in the discussions (including by non-attendance, unless non-attendance would prevent a quorum) and from voting on a decision on the matter giving rise to the conflict of interest.		X	Provisions regarding the management of conflict of interest will be included in the Corporate Governance Regulation (declaration) to be developed by the Board of Directors.
A.3. The Board of Directors or Supervisory Board must consist of at least five members.		X	The current organizational and management structure of Sinteza SA contained in the Articles of Association establishes a number of 3 members for the Board of Directors. The modification of the number of members will be made with the approval of the General Meeting of Shareholders and the amendment of the Articles of Association.
A.4. The majority of the members of the Board of Directors must not hold an executive position. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of companies in the Standard Category. In the case of companies in the Premium Category, no less than two non-executive members of the	X		All three current members of the Board of Directors are non-executive. Two of the three members of the Board of Directors are independent.

Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a declaration at the time of his nomination for election or re-election, as well as when any change in his status occurs, indicating the elements on the basis of which he is considered independent in terms of his character and judgment and according to the following criteria: A.4.1. is not a General Manager/Executive Director of the company or of a company controlled by it and has not held such a position in the last five (5) years; A.4.2. is not an employee of the company or of a company controlled by it and has not held such a position in the last five (5) years; A.4.3. does not receive and has not received additional remuneration or other benefits from the company or a company controlled by it, other than those corresponding to the capacity of non-executive director; A.4.4. is not or has not been an employee or does not have or has not had during the previous year a contractual relationship with a significant shareholder of the company , a shareholder who controls over 10% of the voting rights, or with a company controlled by him; A.4.5. does not have and did not have in the previous year a business or professional relationship with the company or a company controlled by it, either directly or as a client, partner, shareholder , member of the Board/Administrator, general manager/executive director or employee of a company if , due to its substantial nature , this relationship may affect his objectivity; A.4.6. is not and has not been in the last three years the external or internal auditor or a partner or employee associate of the current external financial auditor or of the internal auditor of the company or of a company controlled by it; A.4.7. is not a general manager/executive director of another company where another general manager/executive director of the company is a non-executive director; A.4.8. has not been a non-executive director of the company for a period exceeding twelve years; A.4.9. has no family ties with a person in the situations mentioned in points A.4.1. and A.4.4.			
A.5. Other relatively permanent professional commitments and		X	The professional biographies of the Board members were not made public on the

obligations of a Board member, including executive and non-executive positions on the Board of non-profit companies and institutions, must be disclosed to shareholders and potential investors prior to nomination and during his or her term of office.			company's website or on the BVB . This requirement will be met with the reconfiguration of the company's website.
A.6. Any member of the Board must disclose to the Board any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any relationship that may affect the member's position on matters decided by the Board.		X	Such information to the Council was not considered necessary.
A.7. The company must appoint a Board Secretary responsible for supporting the work of the Board.	X		There is a nominated person who holds this position on the Council.
A.8. The corporate governance statement shall state whether a Board review has taken place under the chairmanship of the chairman or the nomination committee and, if so, shall summarise the key measures and changes resulting from it. The company shall have a policy/guideline on the Board review, including the purpose, criteria and frequency of the review process.		X	The Corporate Governance statement is being developed and will include such a policy.
A.9. The corporate governance statement must contain information on the number of meetings of the Board and committees during the last year, the participation of directors (in person and in absentia) and a report of the Board and committees on their activities.	X		The Board of Directors meets regularly once a month and whenever deemed necessary for the proper conduct of the company's activities.
A.10. The corporate governance statement must include information regarding the exact number of independent members of the Board of Directors or the Supervisory Board.	X		The Board of Directors has 3 members, 2 of whom are independent members.
A.11. The Board of Premium Category companies must establish a nomination committee consisting of non-executive persons, which will lead the nomination procedure for new members of the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent.	X		This requirement does not apply to Sinteza SA listed in the Standard Category of BVB.
B. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM			
B.1. The board must establish an audit committee of which at least one member must be an independent non-executive director. The majority	X		An audit committee operates within the board that meets the independence and competence requirements required by the BVB Code.

of the members, including the chairman, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of companies in the Premium Category, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.			
B.2. The chairman of the audit committee must be an independent non-executive member.	X		
B.3. As part of its responsibilities, the audit committee must conduct an annual assessment of the internal control system.		X	The annual audit report contains references to the company's internal control system.
B.4. The assessment should consider the effectiveness and coverage of the internal audit function, the adequacy of the risk management and internal control reports presented to the Board's audit committee, the promptness and effectiveness with which executive management addresses deficiencies or weaknesses identified as a result of internal control, and the presentation of relevant reports to the Board.		X	The assessment of internal audit is made in the Annual Report of the Administrators
B.5. The audit committee must assess conflicts of interest in connection with the transactions of the company and its subsidiaries with related parties.	X		Conflict of interest assessment is carried out when such transactions are decided
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.	X		There are references in the Annual Report of the Administrators regarding this aspect.
B.7. The audit committee should monitor the application of legal standards and generally accepted internal audit standards. The audit committee should receive and evaluate the reports of the internal audit team.	X		Internal audit reports are made available to the audit committee annually.
B.8. Whenever the Code mentions reports or analyses initiated by the Audit Committee, these must be followed by periodic (at least annually) or ad-hoc reports that must be subsequently submitted to the Board.	X		
B.9 No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements concluded by the company with shareholders and their affiliates.	X		There are no such provisions in the articles of association or other internal regulations of the company.

B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Board following a binding opinion of the Board's audit committee and properly disclosed to shareholders and potential investors, to the extent that these transactions fall within the category of events subject to reporting requirements.		X	The adoption of such a policy by the Council will be considered. Its inclusion in the corporate governance regulations will also be taken into consideration.
B.11. Internal audits must be carried out by a structurally separate division (internal audit department) within the company or by engaging an independent third party entity.	X		The company's internal audit is carried out by an independent third-party entity based on a service contract.
B.12. In order to ensure the performance of the main functions of the internal audit department, it should report functionally to the Board through the audit committee. For administrative purposes and within the framework of management's obligations to monitor and mitigate risks, it should report directly to the CEO.	X		The internal auditor reports functionally to the board of directors and the audit committee, and administratively to the General Manager.
C. REMUNERATION POLICY			
C.1. The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review. The remuneration policy should be formulated in such a way as to enable shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in the dual system. It should describe how the process and decisions on remuneration are conducted, detail the components of executive management remuneration (such as salaries, annual bonuses, long-term incentives linked to the value of shares, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria for any form of variable remuneration). In addition, the remuneration policy should specify the duration of the executive director's contract and the notice period provided for in the contract, as well as any compensation for dismissal without just cause.		X	According to the company's Articles of Association, the remuneration of the members of the Board of Directors is a responsibility of the General Meeting of Shareholders. After development and approval, the Remuneration Policy will be published on the website together with the reconfiguration of the company's website.

Any essential change in the remuneration policy must be published in a timely manner on the company's website.			
D. ADDING VALUE THROUGH INVESTOR RELATIONS			
D.1 The company must organize an Investor Relations service – made known to the general public through the responsible person(s) or as an organizational unit. In addition to the information required by legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:		X	This department was created in the unit's organizational chart in 2016. The person responsible for investor relations was nominated. The 2023 version of the company's website covers these aspects
D.1.1. Main corporate regulations: articles of association, procedures regarding general meetings of shareholders;		X	The requirement will be implemented with the reconfiguration of the company's website.
D.1.2. Professional CVs of the members of the company's management bodies, other professional commitments of the members of the Board, including executive and non-executive positions on boards of directors in companies or non-profit institutions;		X	The requirement will be implemented with the reconfiguration of the company's website.
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual) – at least those provided for in point D.8 – including current reports with detailed information regarding non-compliance with this Code;	X		These reports and information are published on the company's website.
D.1.4. Information regarding general meetings of shareholders: agenda and information materials; procedure for electing members of the Board; arguments supporting the proposals for candidates for election to the Board, together with their professional CVs; shareholders' questions regarding the items on the agenda and the company's responses, including the decisions adopted;	X		This information is published on the company's website.
D.1.5. Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of a shareholder's rights, including the deadlines and principles applied to such operations. Such information shall be published in a time frame that allows investors to make investment decisions;		X	The new version of the company's website includes a news section that will also provide such information.
D.1.6. Name and contact details of a person who will be able to provide,		X	This information is published on the company's website.

upon request, relevant information;			
D.1.7. Company presentations (e.g., investor presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), audit reports and annual reports.	X		This information is published on the company's website.
D.2. The company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the General Manager or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website.		X	The distribution of dividends is established by decision of the General Meeting of Shareholders according to the provisions of the company's Articles of Association. The publication on the company's website of the policy regarding the annual distribution of dividends will be made after its development and approval by the internal management bodies.
D.3. The company will adopt a policy regarding forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the overall impact of a number of factors regarding a future period (the so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts initially presented. The policy on forecasts will establish the frequency, the period considered and the content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The policy on forecasts will be published on the company's website.		X	The publication of the policy regarding forecasts on the company's website will be made after its development and approval by the internal management bodies.
D.4. The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. Amendments to the rules shall enter into force, at the earliest, starting with the next general meeting of shareholders.	X		The Rules of the General Meeting of Shareholders are mentioned in each notice published according to legal requirements approximately 45 days before each meeting.
D.5. The external auditors shall be present at the general meeting of shareholders when their reports are presented at such meetings.	X		
D.6 The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and management systems of significant risks, as well as opinions on issues subject to the decision of the general meeting.	X		The annual report of the administrators, presented to the annual general meeting of shareholders together with the financial statements , contains the assessment of the Board of Directors on the internal control and management systems of significant risks.
D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting upon prior invitation from the Board. Accredited journalists may also attend the general shareholders' meeting, unless the Chairman of the Board decides otherwise.	X		Sinteza SA is open to the participation of specialists , consultants , experts or analysts at the shareholders' meetings . A set of general rules and procedures in this regard will be subject to discussion and approval by the Board.
D.8. Quarterly and semi-annual financial reports will include information	X		Starting with 2016, the reports are published both in Romanian and English.

in both Romanian and English regarding the key factors influencing changes in sales levels, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another.			
D.9. A company shall hold at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions shall be published in the investor relations section of the company's website on the date of the meetings/conference calls.	X		Sinteza SA organizes such meetings twice a year, according to the annual calendar filed with the BVB.
D.10. If a company supports various forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the company is part of its mission and development strategy, it will publish the policy regarding its activity in this field.		X	A policy in this regard will be developed by the Council if deemed appropriate.

SINTEZA SA

Individual and consolidated financial statements
on December 31, 2024

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

Contents:

Financial statements

Statement of financial position for the financial year ended December 31, 2024

INDICATOR	INDIVIDUAL	
	31.12.2023	**31.12.2024**
Tangible fixed assets		
Land and land improvements	14,737,009	18,253,878
Constructions	11,515,309	12,149,003
Technical installations and means of transport	9,881,254	10,005,429
Furniture, office equipment […]	69,154	49,762
Tangible assets under construction	1,065,604	498,677
Advances for tangible fixed assets		
Total Tangible Assets	**37,268,330**	**40,956,749**
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	52,390	14,584
Intangible assets in progress		
Shares held in subsidiaries and other fixed assets	3,295	3,295
Rights of use of leased assets	71,898	43,837
Total Fixed Assets	**37,395,913**	**41,018,465**
Current Assets		
Stocks	2,759,880	273,988
Trade and other receivables	1,052,742	148,675
Expenses recorded in advance	99,828	61,410
Cash and cash equivalents	223,168	396,157
Assets classified as held for sale	1,999,171	1,975,894
Total Current Assets	**6,134,789**	**2,856,124**
Total Assets	**43,530,702**	**43,874,589**
Own Capital		
Share capital	9,916,889	9,916,889
Capital premiums		
Reserves	30,686,182	35,008,016
Exercise result	-10,719,506	-8,773,672
Retained earnings	-1,482,584	-9,466,029
Other equity items	-540	-540
Minority interests		
Total Equity	**28,400,441**	**26,684,664**
Long-Term Debts		
Long-term loans and other liabilities	45,691	19,448
Deferred income		
Provisions		
Deferred tax liabilities	3,496,076	4,284,750

Total Long-Term Debt	**3,541,767**	**4,304,198**
Current Debts		
Short-term loans	5,160,720	3,836,872
Trade and other payables, including derivative financial instruments	6,108,938	8,958,603
Deferred income	197,811	57,708
Provisions	121,025	32,544
Liabilities classified as held for sale		
Total Current Debts	**11,588,494**	**12,885,727**
Total Debts	**15,130,261**	**17,189,925**
Total Equity and Debt	**43,530,702**	**43,874,589**

Consolidated statement of financial position for the financial year ended December 31, 2024

INDICATOR	**CONSOLIDATED**	
	31.12.2023	**31.12.2024**
Tangible fixed assets		
Land and land improvements	14,737,009	18,253,878
Constructions	11,515,309	12,149,003
Technical installations and means of transport	9,881,254	10,005,429
Furniture, office equipment […]	69,154	49,762
Tangible assets under construction	1,065,604	498,677
Advances for tangible fixed assets		
Total Tangible Assets	**37,268,330**	**40,956,749**
Intangible assets		
Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	52,390	14,584
Intangible assets in progress		0
Shares held in subsidiaries and other fixed assets	6,195	6,195
Rights of use of leased assets	71,898	43,837
Total Fixed Assets	**37,398,813**	**41,021,365**
Current Assets		
Stocks	2,759,880	273,988
Trade and other receivables	1,052,757	148,690
Expenses recorded in advance	99,828	61,410
Cash and cash equivalents	224,033	397,224
Assets classified as held for sale	1,999,171	1,975,894
Total Current Assets	**6,135,669**	**2,857,206**
Total Assets	**43,534,482**	**43,878,571**
Own Capital		
Share capital	9,916,889	9,916,889

Capital premiums		
Reserves	32,125,420	36,447,254
Exercise result	-10,724,863	-8,779,552
Retained earnings	-4,691,722	-12,680,525
Other equity items	-540	-540
Minority interests	-4,183	-4,196
Total Equity	**26,621,001**	**24,899,330**
Long-Term Debts		
Long-term loans and other liabilities	45,691	19,448
Deferred income		
Provisions		
Deferred tax liabilities	3,496,076	4,284,750
Total Long-Term Debt	**3,541,767**	**4,304,198**
Current Debts		
Short-term loans	5,160,720	3,836,872
Trade and other payables, including derivative financial instruments	7,892,158	10,747,919
Deferred income	197,811	57,708
Provisions	121,025	32,544
Liabilities classified as held for sale		
Total Current Debts	**13,371,714**	**14,675,043**
Total Debts	**16,913,481**	**18,979,241**
Total Equity and Debt	**43,534,482**	**43,878,571**

Individual comprehensive income statement as of December 31, 2024

Indicator	**INDIVIDUAL**	
	31.12.2023	**31.12.2024**
Ongoing Activities		
Income	14,595,814	2,756,670
Other income	3,486,228	2,704,822
Inventory variation	455,726	-2,419,844
Total Operating Income	**18,537,768**	**3,041,648**
Inventory expenses	9,139,021	132,774
Utility expenses	2,889,218	608,879
Employee benefit expenses	6,108,997	3,765,622
Expenses for depreciation and impairment of fixed assets	2,516,758	2,430,047
Gains / losses on disposal of fixed assets		
Adjustment of the value of current assets	1,912,813	3,362
Adjustments regarding provisions	-59,243	-88,481
Other expenses	6,469,358	4,295,291
Total Operating Expenses	**28,976,922**	**11,147,494**
Result of Operational Activities	**-10,439,154**	**-8,105,846**

Financial income	148,391	16,283
Financial expenses	717,952	669,267
Net Financial Result	**-569,561**	**-652,984**
Profit Before Tax	**-11,008,715**	**-8,758,830**
Current income tax expense		
Deferred income tax expense		14,842
Deferred income tax income	289,209	
The result of Continuing Activities	**-10,719,506**	**-8,773,672**
Minority interests		
Total Comprehensive Income for the Period	**-10,719,506**	**-8,773,672**

Consolidated statement of comprehensive income as of December 31, 2024

Indicator	**CONSOLIDATED**	
	31.12.2023	**31.12.2024**
Ongoing Activities		
Income	14,595,814	2,756,670
Other income	3,486,228	2,704,822
Inventory variation	455,726	-2,419,844
Total Operating Income	**18,537,768**	**3,041,648**
Inventory expenses	9,139,021	132,774
Utility expenses	2,889,218	608,879
Employee benefit expenses	6,113,818	3,771,058
Expenses for depreciation and impairment of fixed assets	2,516,758	2,430,047
Gains / losses on disposal of fixed assets		0
Adjustment of the value of current assets	1,912,813	3,362
Adjustments regarding provisions	-59,243	-88,481
Other expenses	6,469,907	4,295,749
Total Operating Expenses	**28,982,292**	**11,153,388**
Result of Operational Activities	**-10,444,524**	**-8,111,740**
Financial income	148,391	16,283
Financial expenses	717,952	669,267
Net Financial Result	**-569,561**	**-652,984**
Profit Before Tax	**-11,014,085**	**-8,764,724**
Current income tax expense		
Deferred income tax expense		14,842
Deferred income tax income	289,209	
The result of Continuing Activities	**-10,724,876**	**-8,779,566**
Minority interests	13	14
Total Comprehensive Income for the Period	**-10,724,863**	**-8,779,552**

Statement of changes in individual equity on December 31, 2024

Sources of changes in equity	Share capital	Share premiums	Issued capital instruments	Other equity	Cumulated value of other elements of the overall result	Retained earnings	Revaluation reserves.	Other reserves	(-) Treasury shares	Profit or loss (-) attributable to equity of the mother company	(-) Interim dividends	Minority interests Cumulative value of other comprehensive	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changing accounting policies														
Opening balance (current period)	9,916,889				(10,719,506)	(1,482,584)	26,582,348	4,103,834	(540)					28,400,441
Ordinary bond issues														
Preference share issues														
Issuance of other capital instruments														
Exercise or expiration of other issued capital instruments														
Debt to equity conversion														
Capital reduction														
dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity to liabilities														
Transfers between equity components					10,719,506	(10,719,506)								
Increases or (-) decreases in equity resulting from business combinations														
Share-based payments														
Other increases or (-) decreases in equity						2,736,061	4,321,834							7,057,895
The total overall result of the exercise					(8,773,672)									(8,773,672)
Closing balance (current period)	9,916,889				(8,773,672)	(9,466,029)	30,904,182	4,103,834	(540)					26,684,664

Statement of changes in individual equity on December 31, 2023

Sources of changes in equity	Share capital	Share premiums	Issued capital instruments	Other equity	Cumulated value of other elements of the overall result	Retained earnings	Revaluation reserves.	Other reserves	(-) Treasury shares	Profit or loss (-) attributable to equity of the mother company	(-) Interim dividends	Minority interests Cumulative value of other comprehensive	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changing accounting policies														
Opening balance (current period)	9,916,889				(2,088,497)	(1,345,597)	28,098,250	4,103,834	(540)					38,684,339
Ordinary bond issues														
Preference share issues														
Issuance of other capital instruments														
Exercise or expiration of other issued capital instruments														
Debt to equity conversion														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity to liabilities														
Transfers between equity components					2,088,497	(2,088,497)								
Increases or (-) decreases in equity resulting from business combinations														
Share-based payments														
Other increases or (-) decreases in equity						1,951,510	(1,515,902)							435,608
The total overall result of the exercise					(10,719,506)									(10,719,506)
Closing balance (current period)	9,916,889				(10,719,506)	(1,482,584)	26,582,348	4,103,834	(540)					28,400,441

Consolidated statement of changes in equity
on December 31, 2024

Sources of changes in equity	Share capital	Share premiums	Issued capital instruments	Other equity	Cumulated value of other elements of the overall result	Retained earnings	Revaluation reserves.	Other reserves	(-) Treasury shares	Profit or loss (-) attributable to equity of the mother company	(-) Interim dividends	Minority interests Cumulative value of other comprehensive	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changing accounting policies														
Opening balance (current period)	9,916,889				(10,724,863)	(4,691,722)	26,618,284	5,507,136	(540)			(4,183)		26,621,001
Ordinary bond issues														
Preference share issues														
Issuance of other capital instruments														
Exercise or expiration of other issued capital instruments														
Debt to equity conversion														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity to liabilities														
Transfers between equity components					10,724,863	(10,724,863)								
Increases or (-) decreases in equity resulting from business combinations														
Share-based payments														
Other increases or (-) decreases in equity						2,736,061	4,321,834					(14)		7,057,881
The total overall result of the exercise					(8,779,552)									(8,779,552)
Closing balance (current period)	9,916,889				(8,779,552)	(12,680,525)	30,940,118	5,507,136	(540)			(4,196)		24,899,330

Consolidated statement of changes in equity
on December 31, 2023

Sources of changes in equity	Share capital	Share premium	Issued capital instruments	Other equity	Cumulated value of other elements of the overall result	Retained earnings	Revaluation reserves.	Other reserves	(-) Treasury shares	Profit or loss (-) attributable to equity of the mother company	(-) Interim dividends	Minority interests Cumulative value of other comprehensive	Minority interests Other elements	Total
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Opening balance (before restatement)														
The effect of error corrections														
The effect of changing accounting policies														
Opening balance (current period)	9,916,889				(2,097,266)	(4,545,966)	28,134,186	5,507,136	(540)			(4,170)		36,910,269
Ordinary bond issues														
Preference share issues														
Issuance of other capital instruments														
Exercise or expiration of other issued capital instruments														
Debt to equity conversion														
Capital reduction														
Dividends														
Buying own shares														
Sale or cancellation of own shares														
Reclassification of financial instruments from equity to liabilities														
Transfers between equity components					2,097,266	(2,097,266)								
Increases or (-) decreases in equity resulting from business combinations														
Share-based payments														
Other increases or (-) decreases in equity						1,951,510	(1,515,902)					(13)		435,595
The total overall result of the exercise					(10,724,863)									(10,724,863)
Closing balance (current period)	9,916,889				(10,724,863)	(4,691,722)	26,618,284	5,507,136	(540)			(4,183)		26,621.001

Individual cash flow statement
on 31.12.2024

	31.12.2023	31.12.2024
Cash flows from operating activities		
Receipts from customers	19,619,785	8,618,112
Other receipts (including net VAT refunds)	3,286,432	1,081,651
Payments to suppliers	19,153,834	2,931,416
Payment of net salaries	3,628,071	2,333,037
Payments to budgets	555,047	1,578,188
Other payments	810,323	951,963
Net cash from operating activities	-1,241,058	1,905,159
Cash flows from investing activities		
Payments for the purchase of fixed assets	85,095	119,142
Proceeds from the sale of tangible assets		
Interest received		
Net cash from investing activities	-85,095	-119,142
Net cash from financing activities		
Loan proceeds	1,839,721	
Interest paid and loan repayments	1,504,606	1,613,028
Dividends paid		
Net cash from financing activities	335,115	-1,613,028
Net increase/(decrease) in treasury	-991,038	172,989
Cash and cash equivalents at the beginning of the period	1,214,206	223,168
Cash and cash equivalents at the end of the period	223,168	396,157

Consolidated cash flow statement
on 31.12.2024

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	31.12.2023	31.12.2024
Cash flows from operating activities		
Receipts from customers	19,619,785	8,618,112
Other receipts (including net VAT refunds)	3,288,932	1,087,691
Payments to suppliers	19,153,834	2,931,416
Payments of net salaries	3,631,070	2,336,452
Payments to budgets	556,772	1,580,188
Other payments	810,872	952,386
Net cash from operating activities	-1,243,831	1,905,361
Cash flows from investing activities		
Payments for the purchase of fixed assets	85,095	119,142
Proceeds from the sale of tangible assets		
Interest received		
Net cash from investing activities	-85,095	-119,142
Net cash from financing activities		
Loan proceeds	1,839,721	
Interest paid and loan repayments	1,504,606	1,613,028
Dividends paid		
Net cash from financing activities	335,115	-1,613,028
Net increase/(decrease) in treasury	-993,811	173,191
Cash and cash equivalents at the beginning of the period	1,217,844	224,033
Cash and cash equivalents at the end of the period	224,033	397,224

Notes to the financial statements

1. Reporting entity

The parent company Sinteza SA has its registered office in Oradea, Borșului street no. 35, Trade Register registration number J/05/197/1991. It is a joint-stock company and operates in Romania in accordance with the provisions of Law no. 31/1990 on commercial companies.

The Company's main activity is the production and marketing of basic organic chemical products - NACE code 2014.

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

As of 31.12.2024, the parent company is owned by the following shareholders:

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

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

The entity included in the consolidation

CHIMPROD SA was included in the consolidation, having the following identification data:

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

The shares of Chimprod SA are not traded on the regulated securities market. The company is managed by mandate from the sole administrator Sinteza SA, having as permanent representative Mrs. Coman Dana. The participation held by Sinteza SA is 99.765%, and the participation held by non-controlling interests is 0.235%.

Date of approval for publication of financial statements

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

2. Basis of preparation

Declaration of conformity

The Group's individual and consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).
Starting with the 2012 financial year, the Company and the Group are required to apply International Financial Reporting Standards (IFRS).

The basis of consolidation

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

Presentation of financial statements

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

Functional and presentation currency

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

Basis of evaluation

The individual and consolidated financial statements have been prepared on a historical cost basis, except for assets - tangible fixed assets - which are valued at fair value every three years.
The accounting policies have been applied consistently for the periods presented in these financial statements. The going concern principle has been respected.

Use of estimates and judgments

The preparation and presentation of individual and consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) requires the use of estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts. The estimates, judgments and assumptions are based on historical experience. The results of these estimates form the basis of judgments regarding the accounting amounts that cannot be obtained from other sources.
When some elements of the annual financial statements cannot be evaluated precisely, they are estimated. Estimates are made based on the most recent reliable

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

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

- the period in which the change occurs, if it affects only that period; or
- the period in which the change occurs and future periods, if the change also has an effect on them.

The Group uses estimates to determine:

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

Judgments and assumptions are reviewed periodically by the Company and are recognized in the periods in which the estimates are revised.

3. Significant accounting policies

The parent company and the subsidiary organize and manage financial accounting, according to the Accounting Law no. 82/1991, republished, with subsequent amendments and completions. Financial accounting ensures the chronological and systematic recording, processing, publication and storage of information regarding the financial position, financial performance and other information regarding the activity carried out.

The accounting policies have been developed so as to ensure the provision, through the annual financial statements, of information that must be understandable, relevant to the needs of users in making decisions, credible in the sense of representing faithfully the assets, liabilities, financial position and profit or loss of the company, not to contain significant errors, not to be biased, to be prudent, complete in all material respects, comparable so that users can compare the company's financial statements over time, to identify trends in its financial position and performance and to be able to compare the financial statements with those of other companies in order to evaluate the financial position and performance.

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

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

Foreign currency transactions

Foreign currency transactions are recorded in lei at the exchange rate on the date of settlement of the transactions. At the end of each month, foreign currency debts are valued at the foreign exchange market exchange rate, communicated by the National Bank of Romania on the last banking day of the month in question. The exchange rate differences recorded are recognized in accounting as income or expenses from exchange rate differences, as the case may be. Exchange rate differences that arise when settling foreign currency debts at different rates from those at which they were initially recorded during the month or from those at which they are recorded in accounting must be recognized in the month in which they arise, as income or expenses from exchange rate differences. Differences in value that arise when settling debts expressed in lei, depending on an exchange rate different from that at which they were initially recorded during the month or from those at which they are recorded in accounting must be recognized in the month in which they arise, as other financial income or expenses.

Financial instruments

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

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

Receivables are recorded on an accrual basis, in accordance with legal or contractual provisions. Trade receivables may be discounted before maturity. At the end of each month, receivables in foreign currency are valued at the foreign exchange market exchange rate, communicated by the National Bank of Romania on the last banking day of the month in question. The exchange rate differences recorded are recognized in the accounting under income or expenses from exchange rate differences, as the case may be. At the end of each month, receivables expressed in lei, the settlement of which is made according to the exchange rate of a currency, are valued at the foreign exchange market exchange rate, communicated by the National Bank of Romania on the last banking day of the month in question . In this case, the differences recorded are recognized in the accounting under other financial income or other financial expenses, as the case may be. Exchange rate differences that arise when settling receivables in foreign currency at rates different from those at which they were initially recorded during the month or from those at which they are recorded in the accounts must be recognized in the month in which they arise, as income or expenses from exchange rate differences. Value differences that arise when settling receivables expressed in lei, depending on an exchange rate different from that at which they were initially recorded during the month or from those at which they are recorded in the accounts must be recognized in the month in which they arise, as other financial income or expenses.

Bank accounts include:

- Values to be collected (cheques and commercial bills deposited with banks)
- Availability in lei and foreign currency
- Checks issued by the company
- Short-term bank loans
- Interest on deposits and loans granted by banks in current accounts.

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

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

Foreign currency deposits are valued monthly at the exchange rate communicated by the National Bank of Romania for the last working day of the month. The liquidation of deposits established in foreign currency is carried out at the exchange rate communicated by the National Bank of Romania, as of the date of the liquidation operation. Exchange rate differences between the exchange rate on the date of establishment or the exchange rate at which they are recorded in the accounting and the exchange rate of the National Bank of Romania as of the date of liquidation of bank deposits are recorded as income or expenses from exchange rate differences, as the case may be.

Tangible fixed assets

Tangible fixed assets are assets that:

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

Tangible assets include:

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

Tangible assets are initially valued at cost. This is the acquisition cost or the production cost, depending on the method of entry of the tangible asset into the company. Trade discounts granted by the supplier and recorded on the purchase invoice adjust the acquisition cost of the assets in the sense of reduction.

Cost of fixed assets includes direct production expenses such as direct materials, energy consumed for technological purposes, costs representing employee salaries, legal contributions and other related expenses, which result directly from the construction of tangible fixed assets , site development costs, initial delivery and handling costs, installation and assembly costs, costs of testing the correct functioning of the asset, professional fees and commissions paid in relation to the asset, the cost of product design and obtaining the necessary permits;

Subsequent expenses related to a tangible asset are recognized:

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

Tangible fixed assets are presented in the balance sheet at their fair value. Tangible fixed assets are revalued at an interval of 3 years. In years in which no revaluations are performed, tangible fixed assets are presented in the annual financial statements at the value established at the last revaluation less accumulated depreciation and accumulated adjustments for impairment loss.

Depreciation of tangible assets is calculated starting with the month following their commissioning and until their full cost is recovered. Land is not depreciated.

The useful life is the period during which an asset is expected to be available for use. The economic useful lives established by the company for the main categories of fixed assets in its assets are those usual in the chemical industry.

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

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

The initially established useful life will be revised (in the sense of decrease or increase) whenever changes occur in the initially estimated conditions of use, obsolescence of a tangible asset is observed, when a conservation period occurs or a technical condition is observed that allows a longer use than the one initially estimated. As a result of the re-estimation of the initially established useful life, the depreciation expense will be recalculated for the remaining period of use.

Intangible assets

Intangible assets include:

- development expenses;
- concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets;
- goodwill;
- advances granted for intangible assets;
- intangible assets for the exploitation and evaluation of mineral resources

An intangible asset should be recognized if and only if:

- it is estimated that the future economic benefits attributable to the asset will flow to the company; and
- the cost of the asset can be measured reliably.

An intangible asset is initially recorded at acquisition or production cost depending on the method of entry into the assets.

Development expenses are recognized at their production cost.

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

Development costs that are recognized as intangible assets are amortized over the contract period or the useful life, as applicable.

Financial assets

Financial assets include:

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

Financial assets are recognized upon entry into the balance sheet at acquisition value. Changes in fair value are recognized in the profit and loss account.

Right-of-use assets

Recognition and evaluation
A right-of-use asset represents a lessee's right to use an underlying asset during the term of the lease.

The company applies IFRS 16 for operating leases .

The Company applies the exceptions provided for in IFRS 16 regarding the recognition of a right-of-use asset to the following contracts: short-term leases and leases 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 rental expenses, during the period of use of the asset.

Initial measurement of the right-of-use asset
At the commencement date of the leasing contract, the asset relating to the right of use is valued at cost, by summing the following values:

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

Initial measurement of the liability arising from the lease agreement
At the commencement date, the lessee must measure the liability arising from the lease at the present value of the lease payments not yet due. The lease payments must be discounted using the incremental borrowing rate.

Subsequent evaluation
After the commencement date of the leasing contract, respectively the registration of a right-of-use asset and the related liability, they will be subsequently valued using the amortized cost model, as follows:

a. The asset representing the right of use – is depreciated on a straight-line basis over the entire duration of the leasing contract;

b. The debt arising from the leasing contract – is valued similarly to any other financial obligations, using the effective interest method, so that the balance is reduced based on the amortized cost and the interest expense is allocated over the term of the leasing contract.

Elements of the nature of stocks

The accounting entry of inventories is made on the date of transfer of risks and benefits.
On the date of entry into the company, inventories are valued and recorded in the accounting at the entry value, which is determined as follows:
- at purchase cost - for purchased stocks;
- at predetermined production cost - for stocks produced in the company;
- at the contribution value, established following the evaluation - for stocks representing contributions to the share capital;
- at fair value - for stocks obtained free of charge or found as a plus during inventory.

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

The standard cost method is used in determining the cost of production, taking into account normal levels of materials and consumables, labor, efficiency and production capacity.
The levels of material consumption considered normal are reviewed at 12-month intervals.
When inventories are removed from management, they are valued and recorded using the FIFO method, i.e. the inventory items that were produced or purchased first are the ones that are consumed or sold first. The items that remain in inventory at the end of the period are the ones that were purchased or produced most recently.
At the balance sheet date, inventories are valued at the lower of cost and net realizable value.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.
When the company decides to change the use of a tangible asset, meaning that it is to be sold, at the time of making the decision regarding the change of destination, the transfer of the asset from the tangible assets category to the inventory held for sale category is recorded in the accounting .

Revenues

Revenues represent increases in economic benefits, occurring during the year, which generated an increase in equity in forms other than those expressing new contributions from the owners of the enterprise.
The revenue category includes both amounts received or receivable in one 's own name, as well as earnings from any source.
Revenues are classified as follows:
- Operating income;
- Financial income;

Revenue is recognized on an accrual basis.

Revenue from sales of goods is recorded at the time of delivery of the goods to the buyers, their delivery based on the invoice or under other conditions provided for in the contract, which attests the transfer of ownership of the respective goods to the customers.
Revenue from the sale of goods is recognized when the following conditions are met:
a) the significant risks and rewards of ownership of the goods have been transferred to the buyer;
b) the company no longer manages the goods sold to the level it would normally have done if it owned them, nor does it have effective control over them;
c) the income can be measured reliably;
d) it is probable that the economic benefits associated with the transaction will flow to the company; and
e) the transaction costs can be measured reliably.

Revenue from services is recorded in accounting as they are performed, correlated with the stage of execution of the work.
The stage of execution of the work is determined based on the work reports accompanying the invoices, receipt reports or other documents attesting to the stage of completion and receipt of the services provided.

Interest income is recognized periodically, proportionally, as the respective income is generated.

Revenue from royalties and rentals is recognized according to the contractual due dates.

Dividend income is recognized when the shareholder's right to receive it is established.

Income from the reduction or cancellation of provisions, respectively adjustments for depreciation or loss of value, is recorded if their maintenance is no longer justified, the risk is realized or the expense becomes due.

Revenues are valued at the value determined by agreement between the seller and the buyer, taking into account the amount of any trade discounts granted.
Revenues collected before the balance sheet date that relate to the subsequent financial year are presented as deferred revenue.

Expenses

The expenses of the parent company and the subsidiary represent the amounts paid or payable for:
- inventory consumption;
- works performed and services provided that benefit the company;
- personnel expenses;
- execution of legal or contractual obligations;
- provisions;
- depreciation;
- adjustments for depreciation or impairment.

Expense accounting is kept by type of expense, as follows:
- operating expenses;
- financial expenses.

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

Debts

Debts are recorded in accounting on third-party accounts. Accounting for suppliers and other debts is kept by category, as well as by each individual or legal entity.

Personnel rights are recorded in accounting with the withholding of contributions.
The income tax payable must be recognized as a liability within the limit of the unpaid amount .

Deferred tax is the amount of income tax payable in a future period. Deferred tax liabilities are represented by the amounts of income tax payable in future accounting periods, in respect of taxable temporary differences.
It is calculated based on the tax rates expected to be applicable to temporary differences, upon their reversal, based on the legislation in force at the reporting date.
Deferred tax assets are represented by the amounts of income tax recoverable in future accounting periods.
Deferred tax receivables and payables are offset only if there is a legal right to offset current tax liabilities and receivables .

Provisions

A provision will be recognized in accounting when:
- the company has a current obligation arising from a previous event;
- it is probable that an outflow of resources will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

No provisions are recognized for future operating losses.
Provisions are reviewed at the date of preparation of the individual Financial Statements and adjusted to reflect the current best estimate.
If an outflow of resources is no longer probable to settle an obligation, the provision is reversed through reversal to income.

Commercial and financial discounts

Trade discounts granted by the supplier and recorded on the purchase invoice adjust the purchase cost of the goods in the sense of reduction.
Trade discounts granted to customers adjust the amount of revenue related to the transaction in the sense of reduction .

Contingent assets and liabilities

Contingent assets and liabilities are disclosed in the explanatory notes if it is probable that an inflow of economic benefits will occur.
These are assessed annually to determine whether an outflow of resources embodying economic benefits has become probable and it is necessary to recognize a liability or provision in the financial statements of the period in which the change in the classification of the event occurred.

Events subsequent to the preparation of the financial statements

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

New standards and interpretations
Amendments to standards applicable in 2024 are presented in Note 31.

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

4. Determining fair values

The presentation requirements for the information contained in the financial statements as well as some of the Company's accounting policies determine the need for their presentation.

The Company proceeded to the fair value assessment of the assets at the date of transition to IFRS and presented the Financial Statements of the previous periods at fair value.
When measuring assets or liabilities at fair value, the Company uses observable market information to the extent possible. The fair value hierarchy classifies the inputs for the valuation techniques used to measure fair value into three levels, as follows:

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

If the inputs to the fair value measurement of an asset or liability can be classified into multiple levels of the fair value hierarchy, the fair value measurement is classified entirely into the same level of the fair value hierarchy as the input with the lowest level of uncertainty that is significant to the entire measurement.
Valuation techniques and inputs used in making valuations IFRS13.91(a)
In the building and land valuation report, the appraiser used:

Market data chosen by the appraiser: real estate market analysis
- Specific real estate market
- Analysis of the existing offer on the market
- Demand analysis
- Market equilibrium

b. Information provided by the owner: Documents regarding the history of the assets, repair work performed, degree of exploitation.

Presentation of fair value measurement classification level in its entirety in the fair value hierarchy IFRS 13.93(b)

Based on the input data used in the valuation technique, the fair value of buildings and land as of 31.12.2024 was classified at level 3 of the fair value hierarchy, the valuation being performed based on unobservable data on the active market of land and buildings.

5. Tangible fixed assets

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

	Lands	Buildings	Equipment and other	Tangible assets in progress	Advance on tangible assets	Total
Assessed value						
Balance as of January 1, 2024	14,737,009	13,028,177	13,283,664	1,065,604	0	42,114,454
GROWTH	5,064,963	1,679,515	2,323,028	331,438	0	9,398,944
Discounts	1,539,244	2,558,689	5,551,501	898,365	0	10,547,799
Balance as of December 31, 2024	18,262,728	12,149,003	10,055,191	498,677	0	40,965,599
Depreciation and amortization						
Balance as of January 1, 2024	0	1,512,868	3,333,256	0	0	4,846,124
GROWTH	8,850	740,875	1,614,455	0	0	2,364,180
Discounts		2,253,743	4,947,711			7,201,454
Balance as of December 31, 2024	8,850	0	0	0	0	8,850
Net worth						
Balance as of January 1, 2024	14,737,009	11,515,309	9,950,408	1,065,604	0	37,268,330
Balance as of December 31, 2024	18,253,878	12,149,003	10,055,191	498,677	0	40,956,749

At the group level, the situation is:

	Lands	Buildings	Equipment and other	Tangible assets in progress	Advance on tangible assets	Total
Assessed value						
Balance as of January 1, 2024	14,737,009	13,028,177	13,283,664	1,065,604	0	42,114,454
GROWTH	5,064,963	1,679,515	2,323,028	331,438	0	9,398,944
Discounts	1,539,244	2,558,689	5,551,501	898,365	0	10,547,799
Balance as of December 31, 2024	18,262,728	12,149,003	10,055,191	498,677	0	40,965,599
Depreciation and amortization						
Balance as of January 1, 2024	0	1,512,868	3,333,256	0	0	4,846,124

INCREASE	8,850	740,875	1,614,455	0	0	2,364,180
Discounts		2,253,743	4,947,711			7,201,454
Balance as of December 31, 2024	8,850	0	0	0	0	8,850
Net worth						
Balance as of January 1, 2024	14,737,009	11,515,309	9,950,408	1,065,604	0	37,268,330
Balance as of December 31, 2024	18,253,878	12,149,003	10,055,191	498,677	0	40,956,749

The company's tangible fixed assets include assets used for production. Some of these assets are mortgaged or pledged to secure loans taken from banks. Tangible fixed assets in progress represent investments in progress to increase production capacity.

The depreciation method used by the company for all classes of depreciable fixed assets is the straight-line method. The useful lives established upon commissioning of the fixed assets were within the limits provided for by internal regulations regarding the classification of fixed assets and were not modified during 2024.

6. Intangible assets

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

Gross value as of 31.12.2024	**460,061**
Cumulative depreciation	**445,477**
Of which in fiscal year 2024	**37,807**
Net value as of 31.12.2024	**14,584**

7. Financial assets

The parent company owns:
1.- 99.765% stake in the Chimprod SA Oradea subsidiary. The book value of the stake is 1,265,650 lei, fully depreciated value.
2.-participation of 1,000 lei to the Organization of Employers in Chemistry and Petrochemistry Bucharest.

Gross value as of 31.12.2024	**1,266,650**
Impairment adjustments recorded	**1,265,650**
Net value as of 31.12.2024	**1,000**
Other financial assets	**2,295**
Total	**3,295**

Assets related to the right to use leased assets at the level of liability from the application of IFRS 16

Assets related to the right to use leased assets at the level of liability from the application of IFRS 16	2021	2022	2023	2024
Cost (lei) as of 31.12.2024				
Balance as of 31.12. 2024	204,370	204,370	204,370	118,986
Depreciation related to right of use	-46,431	-89,451	-132,472	-75,149
Balance as of December 31, 2024	157,939	114,919	71,898	43,837

The effect of the transition to IFRS 16	2020	2021	2022	2023	2023
Financial expenses, leasing contract interest	3,828	2,976	5,866	4,019	2,427
Depreciation related to the right of use	17,974	17,971	43,021	43,021	28,061
Total cost	21,802	21,802	48,887	47,040	30,488

8. Stocks

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

	31.12.2023	**12/31/2024**
Raw materials and supplies	155,607	124,284
Finished products	2,661,282	227,084
Products in progress	799,202	786,463
Commodities	22,864	22,831
Packing	70,082	54,928
Advances for the purchase of goods	52,012	52,012
Total	3,761,049	1,267,602
Adjustments for inventory depreciation	1,001,169	993,614
Total	2,759,880	273,988

At the group level, the situation is:

	31.12.2023	**12/31/2024**
Raw materials and supplies	155,607	124,284
Finished products	2,661,282	227,084
Products in progress	799,202	786,463
Commodities	22,864	22,831
Packing	70,082	54,928
Advances for the purchase of goods	52,012	52,012

Total	3,761,049	1,267,602
Adjustments for inventory depreciation	1,001,169	993,614
Total	2,759,880	273,988

9. Trade receivables

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

	31.12.2023	31.12.2024
Customers	796,384	44,778
Uncertain and litigious customers	2,317,893	2,321,166
Suppliers borrowers	0	0
Adjustments for impairment of receivables	-2,317,893	-2,321,166
Total	796,384	44,778
Other receivables	256,358	103,897
Total	1,052,742	148,675

At the group level, the situation is:

	31.12.2023	31.12.2024
Customers	796,384	44,778
Uncertain and litigious customers	2,317,893	2,321,166
Suppliers borrowers	0	0
Adjustments for impairment of receivables	-2,317,893	-2,321,166
Total	796,384	44,778
Other receivables	256,373	103,912
Total	1,052,757	148,690

The company has established adjustments for the depreciation of receivables overdue for more than 365 days in the amount of 2,321,166 lei.

10. Cash and cash equivalents

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

	31.12.2023	31.12.2024
Bank current accounts	221,753	392,677
Cash on hand	1,415	3,480
Other values		
Total	223,168	396,157

At the group level, the situation is:

	31.12.2023	31.12.2024
Current accounts at banks	222,523	393,649
Cash on hand	1,510	3,575
Other values		
Total	224,033	397,224

11. Other receivables

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

	31.12.2023	31.12.2024
Settlements from operations under clarification	969	5,371
Other receivables in relation to third parties	2,500	8,540
Other receivables related to the state budget (VAT to be recovered)	252,889	89,986
Total	256,358	103,897

At the group level, the situation is:

	31.12.2023	31.12.2024
Settlements from operations under clarification	969	5,371
Other receivables in relation to third parties	2,500	8,540

Other receivables related to the state budget (VAT to be recovered)	252,904	90,001
Total	256,373	103,912

12. Assets classified as held for sale

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

	31.12.2023	31.12.2024
Gross value of assets classified as held for sale	1,999,171	1,975,894
Value adjustments of assets classified as held for sale		
Reclassifications to tangible assets		
Disposals of assets classified as held for sale		
Net worth	1,999,171	1,975,894

At the group level the situation is:

	31.12.2023	31.12.2024
Gross value of assets classified as held for sale	1,999,171	1,975,894
Value adjustments of assets classified as held for sale		
Reclassifications to tangible assets		
Disposals of assets classified as held for sale		
Net worth	1,999,171	1,975,894

13. Social capital and capital premiums

As of 31.12.2024, the parent company's shareholder structure is as follows (in percentages):

	31.12.2023	31.12.2024
FIA- BT Invest 1	33.89%	33.89%
PASCU RADU	31.16%	31.16%

Alternative Investment Company With Private Capital Roca Investments SA	18.00%	18.00%
Other individuals and legal entities	16.95%	16.95%
Total	100.00%	100.00%

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

	31.12.2023	**31.12.2024**
Sinteza SA	99.76%	99.76%
Other shareholders	0.24%	0.24%
Total	100%	100%

The company continued in 2024 to manage capital by taking into account all its components as defined by Romanian legislation. There were no situations of exclusion of quantitative data or consideration as part of equity of other balance sheet items other than those regulated by domestic legislation.

14. Trade and other debts

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

	31.12.2023	**31.12.2024**
Commercial suppliers	1,168,969	3,408,496
Investment providers	5,511	261,467
Suppliers - collaborators		
Debts to the State Budget	212,218	332,465
Debts to employees	199,405	87,500
Current income tax		
Other debts	4,568,526	4,888,123
Total	6,154,629	8,978,051

The classification of individual debts as of 31.12.2024 according to maturity is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	3,408,496	3,408,496		
Investment providers	261,467	261,467		
Suppliers - collaborators				
Debts to the State Budget	332,465	332,465		
Debts to employees	87,500	87,500		

Current income tax				
Other debts	4,888,123	4,868,675	19,448	
Total	8,978,051	8,958,603	19,448	

At the group level, the situation is:

	31.12.2023	31.12.2024
Commercial suppliers	2,949,264	5,188,791
Investment providers	5,511	261,467
Suppliers - collaborators		
Debts to the State Budget	212,373	332,641
Debts to employees	199,675	87,805
Current income tax		
Other debts	4,571,026	4,896,663
Total	7,937,849	10,767,367

The classification of consolidated debts as of 31.12.2024 according to maturity is presented according to the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Commercial suppliers	5,188,791	5,188,791		
Investment providers	261,467	261,467		
Suppliers - collaborators	0			
Debts to the State Budget	332,641	332,641		
Debts to employees	87,805	87,805		
Current income tax	0			
Other debts	4,896,663	4,877,215	19,448	
Total	10,767,367	10,747,919	19,448	

15. Loans

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

	31.12.2023	31.12.2024
Amounts due to credit institutions	5,160,720	3,836,872
Total	5,160,720	3,836,872

The classification of loans as of 31.12.2024 according to maturity is presented in the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Amounts due to credit institutions	3,836,872	3,836,872		
Total	3,836,872	3,836,872	0	0

At the group level, the situation is:

	31.12.2023	31.12.2024
Amounts due to credit institutions	5,160,720	3,836,872
Total	5,160,720	3,836,872

The classification of loans as of 31.12.2024 according to maturity is presented in the table:

	TOTAL DEBT	UNDER 1 YEAR	1-5 YEARS	OVER 5 YEARS
Amounts due to credit institutions	3,836,872	3,836,872		
Total	3,836,872	3,836,872	0	0

Regarding the contracted loans, the Company continued the policy of using attracted resources to finance the company's working capital and investments. The bank loan in progress at the end of 2024 is contracted only at the level of the parent company Sinteza SA. On December 31, 2024, the current account credit line of 771,370 EURO, with interest Euribor 3M + 1.6%, was due on 28.02.2025

16. Provisions

Provisions were established for risks and expenses as follows:

- provisions for unused vacation leave in the amount of 32,544 lei for SINTEZA SA

17. Advance income

In 2024, the company reflected in the Advance Revenue account the amounts collected from customers for future deliveries. The account balance as of 31.12.2024 in the amount of 57,708 lei highlights the amounts collected from customers for goods to be delivered and services in advance;

18. Turnover

The turnover for the financial year 2024 is presented as follows:
The individual situation at the parent company level is presented as follows:

	31.12.2023	31.12.2024
Revenue from the sale of finished products	13,847,779	1,702,980
Revenue from the sale of goods		
Income from locations and rents	308,405	378,972
Revenue from services	288,391	452,430
Other income (re-invoicing, residual products)	151,239	222,288
Total	14,595,814	2,756,670

At the group level the situation is:

	31.12.2023	31.12.2024
Revenue from the sale of finished products	13,847,779	1,702,980
Revenue from the sale of goods		
Income from locations and rents	308,405	378,972
Revenue from services	288,391	452,430
Other income (rebilling, residual products)	151,239	222,288
Total	14,595,814	2,756,670

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

Regarding the company's sales in 2024, they can be segmented into two areas as follows:

- sales on the foreign market in the amount of 1,601,101 lei;
- sales on the domestic market in the amount of 101,879 lei

19. **Expenses on raw materials and consumables**

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

	31.12.2023	31.12.2024
Raw materials	8,406,639	32,754
Auxiliary materials	250,986	39,795
Combustible	9,506	6,244
Spare parts	110,187	1,563

Labor protection and other materials	55,323	13,357
Other expenses	306,380	39,061
Total	9,139,021	132,774

At the group level, the situation is:

	31.12.2023	31.12.2024
Raw materials	8,406,639	32,754
Auxiliary materials	250,986	39,795
Combustible	9,506	6,244
Spare parts	110,187	1,563
Labor protection and other materials	55,323	13,357
Other expenses	306,380	39,061
Total	9,139,021	132,774

20. **Other material expenses**

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

	31.12.2023	31.12.2024
Packing	255,233	21,126
Materials of the nature of inventory items	27,015	6,593
Other non-stocked materials	24,132	11,342
Total	306,380	39,061

At the group level, the situation is:

	31.12.2023	31.12.2024
Packing	255,233	21,126
Materials of the nature of inventory items	27,015	6,593
Other non-stocked materials	24,132	11,342
Total	306,380	39,061

21. **Personnel expenses**

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

	31.12.2023	31.12.2024
Salaries	5,958,482	3,685,091
Social insurance and social protection	150,515	80,531
Total	6,108,997	3,765,622

At the group level, the situation is:

	31.12.2023	31.12.2024
Salaries	5,963,195	3,690,407
Social insurance and social protection	150,623	80,651
Total	6,113,818	3,771,058

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

The members of the Board of Directors are not remunerated by the decision established by the General Meeting of Shareholders.

22. External benefits expenses

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

	31.12.2023	31.12.2024
Other expenses with third-party executive services		
Maintenance and repairs	92,580	1,690
Post and telecommunications	28,230	22,854
Transport	493,675	166,220
Banking services	103,879	37,188
Travel, secondments	42,908	23,594
Protocol	5,300	603
Collaborators	0	0
Rent	31,578	40,900
Fees	194,766	283,329

Insurance premiums	42,789	31,423
Other expenses with third-party executive services	1,042,485	692,096
Total	2,078,190	1,299,897

At the group level, the situation is:

	31.12.2023	**31.12.2024**
Other expenses with third-party executive services		
Maintenance and repairs	92,580	1,690
Post and telecommunications	28,371	22,854
Transport	493,675	166,220
Banking services	104,287	37,611
Travel, secondments	42,908	23,594
Protocol	5,300	603
Collaborators	0	0
Rent	31,578	40,900
Fees	194,766	283,329
Insurance premiums	42,789	31,423
Other expenses with third-party executive services	1,042,485	692,131
Total	2,078,739	1,300,355

23. Financial income and expenses

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

	31.12.2023	**31.12.2024**
Interest income	90	48
Income from exchange rate differences	148,301	16,235
Other financial income		
Total	148,391	16,283
Interest expenses	446,903	613,764
Expenses from exchange rate differences	265,529	51,711
Other financial expenses	5,520	3,792
Total	717,952	669,267

At the group level, the situation is:

	31.12.2023	31.12.2024
Interest income	90	48
Income from exchange rate differences	148,301	16,235
Other financial income		
Total	148,391	16,283
Interest expenses	446,903	613,764
Expenses from exchange rate differences	265,529	51,711
Other financial expenses	5,520	3,792
Total	717,952	669,267

24. **Current and deferred income tax**

The individual situation at the parent company level is presented as follows:
In the financial year ended on 31.12.2024, the Company recorded an accounting loss of 8,773,672 lei.

	31.12.2023	31.12.2024
Current income tax		
Current income tax expense	0	0
Deferred income tax		
Deferred income tax	3,496,076	4,284,750

At the group level, the situation is:

	31.12.2023	31.12.2024
Current income tax		
Current income tax expense	0	0
Deferred income tax		
Deferred income tax	3,496,076	4,284,750

25. **Earnings per share**

Sinteza SA recorded an accounting loss of 8,773,672 lei in 2024. It is not intended to distribute amounts to shareholders in the form of dividends from the reserves established in previous years.

There are no holders with distribution rights registered in the shareholding structure.
of dividends in other shares. No free shares or shares with preferential rights are distributed with regard to the allocation of dividends. There are no intentions to dilute the shares through a preferential distribution within a reasonable period. This leads to a result of equality between the basic and diluted earnings per share.

26. **Affiliated parties**

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

The members of the Board of Directors as of 31.12.2024 are:

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

The executive management of the company as of 31.12.2024 is provided by General Manager Gelu Stan.

During 2024, the transactions recorded between the company and associated parties are: 1) extension of the loan granted by shareholder Radu Pascu, in the amount of 510,117 euros (contract value 600,000 euros) and 2) extension of the loan granted by shareholder Roca Investments SA, in the amount of 300,000 euros (contract value 600,000 euros)

27. **Transactions between the parent company and the subsidiary**

The parent company Sinteza loaned the affiliated company Chimprod the amount of 8,540 lei. No other transactions are recorded as of 31.12.2024

28. **Other commitments**

The parent company and the affiliated company do not record any other commitments as of 31.12.2024.

29. **Contingent assets and liabilities**

SINTEZA was a party in 2024 to litigation in the following cases:

No. File	**Court**	**Object of the file**	**Parties to the proceedings and procedural quality**	**File status** (first instance/appeal/ recourse etc.)	**Term** (if the file is pending) / **Solution** (if the case is resolved)	***Details about file***
4274/108/2014	Arad Court	Insolvency procedure	SINTEZA SA Creditor / Comeso Color SA Debtor	BANKRUPTCY	Trial date: 28.01.2025	+ 21,184.47 lei

24.06.2022	LiquidatorMann& Associates PAC Singapore	Liquidation procedure	SINTEZA SA Creditor/ Vikudha Singapore PTE.LTD Debtor	JUDICIAL LIQUIDATION	Trial date: -	+ 59,325 Euros
22419/3/2009	Bucharest Court	Insolvency procedure	Sinteza SA Creditor/ Energo Mineral Bucharest Debtor	BANKRUPTCY	Trial date: 16.04.2025	+ 27,173.79 lei
16873/118/2010	Court Constanta	Insolvency procedure	SINTEZA SA Creditor/ Solanum Com Prod SRL Company Debtor	BANKRUPTCY	Trial date: 31.03. 2025	+ 68,811.51 lei
6473/111/2013	Bihor Court	Insolvency procedure	SINTEZA SA Creditor / Electrocentrale Oradea SA Debtor	BANKRUPTCY	Trial date: 29.01.2025	+ 530671.29 lei - 497325.6 lei 33345, 69 lei
5610/3/2017*	HCCJ Bucharest	Claims	SINTEZA SA Respondent/plaintiff NOVI CONSULT SRL, Hatec Industrie-Montagen GMBH , L+K Alangenbau Defendant appellants	APPEAL	Trial date: 21.01.2025	The appeal filed by Sinteza SA was approved on 21.12.2023 , Novi Consult and Hatec were held liable for 6,885,405.80 LEI + legal interest + legal expenses of 192,688.52 LE. Novi Consult and Hatec filed an appeal.
16952/301/ 2024	District 3 Courthouse Bucharest	Contestation of enforcement and Return of forced execution in forced execution file no. 27/2024 Judicial Executor's Office Bran Cristian Bucharest	Novi Consult SRL Contestant / Sinteza SA respondent	FIRST INSTANCE	Trial date: 06.02.2025	
25204/301/ 2024	District 3 Courthouse Bucharest	Enforcement appeal in the forced execution case no. 27/2024 Judicial Executor's Office Bran	Novi Consult SRL through the judicial administrator SOS Insolvency SPRL Contestant / Sinteza SA Defendant	First instance	Trial date: 30.01.2025	

		Cristian Bucharest				
36799/301/ 2024	District 3 Courthouse Bucharest	Enforcement appeal in the forced execution case no. 27/2024 Judicial Executor's Office Bran Cristian Bucharest	Novi Consult SRL Contestant / Sinteza SA respondent	First instance	Trial date: 21.01.2025	
22556/3/2024	Bucharest Court	Insolvency procedure	SINTEZA SA Creditor/ Novi Consult SRL Debtor	BANKRUPTCY	Trial date: 27.05. 2025	+ 8,497,724.16 lei
22556/3/2024/a2	Bucharest Court	Claims challenge against the preliminary table of claims	SINTEZA SA / Challenger Novi Consult SRL Debtor	First instance / BANKRUPTCY	Trial date: 11.02.2025	
1011/P/2023	The Prosecutor's Office attached to the Bihor Court	Criminal complaint and civil party formation for the amount of 31,200 Euros;	Sinteza SA/ Unknown author	Unauthorized access to an email Art. 360 Criminal Code		Damage 31,200 Euros;
82/2/9/2024	NAD Territorial Service Oradea	Criminal complaint	Sinteza SA petitioner L+K Alangenbau	FRAUD	NAD rejects the complaint as unfounded by ordinance dated June 14, 2024, solution contested before the preliminary chamber judge of the Bihor Court;	

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

30. Events subsequent to the date of the financial statements

The current account credit line of 771,370 EURO, which on 31.12.2024 was due on 28.02.2025, has been extended up to 6 months in accordance with the latest request made by SINTEZA SA to UNICREDIT.

31. Standards and interpretations that entered into force in the current year

Amendments to IAS 1 "Presentation of Financial Statements" :

Classification of liabilities as current or non-current : These amendments clarify the criteria for classifying liabilities, emphasizing that this classification is based on the entity's rights at the end of the reporting period and not on management's expectations regarding the settlement of liabilities.

Non-current liabilities with clauses : These amendments specify that, at the reporting date, an entity should not consider clauses that will be required to be met in the future when classifying a liability as current or non-current. Instead, the entity should disclose information about these clauses in the notes to the financial statements.

Amendments to IFRS 16 "Leasing contracts" :

Lease Obligations in Sale and Leaseback Transactions: These amendments provide additional guidance on the accounting for sale and leaseback transactions, particularly with respect to the measurement and presentation of lease obligations after the transaction date.

Amendments to IAS 7 “Cash Flow Statement” and IFRS 7 “Financial Instruments: Additional Disclosures” :

Financing arrangements with suppliers : These amendments require entities to disclose additional information to increase transparency of financing arrangements with suppliers and their effects on liabilities, cash flows and liquidity risk exposure.

Starting with January 1, 2025, the following amendment issued by the International Accounting Standards Board (IASB) and adopted by the European Union will enter into force:

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability

Description: These amendments provide guidance on how to determine the applicable exchange rate when an entity's currency cannot be freely converted into another currency, due to legal restrictions or the lack of an active market.

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

32. Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk.
In order to limit exposure, a risk management policy is being developed to ensure the identification and analysis of risks, the establishment of appropriate limits and controls, and the monitoring of compliance with the established limits. The risk management policies and systems will be reviewed regularly to adapt to changes in the activity and market conditions.

Liquidity risk is the risk that the Company or its Subsidiary will encounter difficulties in meeting its financial obligations or those associated with them, which are settled in cash or cash equivalents. The Parent Company's approach to liquidity management consists of ensuring sufficient liquidity to meet its obligations as they fall due under normal conditions. In this regard, the Company ensures that it has sufficient cash to cover its operational needs.

Market risk is the risk that changes in market prices, exchange rates, interest rates and equity instrument prices will affect the Company's income or the value of financial instruments held. During 2024, there was a significant disruption in the price of benzoic acid on the European market due to the presence of Chinese producers on the market who came up with a price below the cost at which the parent company could have produced benzoic acid, taking into account the cost of raw materials and energy currently in the market.

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

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

	LEI	EURO (RON EQUIVALENT)	USD (RON EQUIVALENT)
Financial assets			
Trade and other receivables	148,675	0	0
Cash and cash equivalents	239,341	156,816	
Total	388,016	156,816	0

	LEI	EURO (RON EQUIVALENT)	USD (RON EQUIVALENT)
Financial debts			
Loans		3,836,872	0
Trade and other debts	4,136,484	4,841,567	0
Total	4,136,484	8,678,439	0

At the group level the situation is

	LEI	EURO (RON EQUIVALENT)	USD (RON EQUIVALENT)
Financial assets			
Trade and other receivables	148,690		0
Cash and cash equivalents	240,408	156,816	
Total	389,098	156,816	0

	LEI	EURO (RON EQUIVALENT)	USD (RON EQUIVALENT)
Financial debts			
Loans		3,836,872	0

Trade and other debts	5,925,800	4,841,567	0
Total	5,925,800	8,678,439	0

The sources for materializing the company’s own contribution to financing this project are 1) syndicated bank loan and 2) own capital contribution.
The risk related to taxation concerns the aspects in which certain transactions are perceived differently by the tax authorities compared to the Company's treatment. This aspect arises from the adoption of European tax regulations starting with January 1, 2007 at the Romanian level, given that the interpretation of the texts and the practical implementation procedures may vary. The Romanian Government has also authorized the operation of a significant number of agencies and bodies with responsibilities in carrying out various controls on companies operating on the territory of Romania. The activity of these agencies and bodies covers not only tax aspects, but also aspects related to regulations and procedures in other areas (safety and health at work, civil protection, security and fire protection, etc.). The Company may be subject to controls as new regulations are issued.

33. Business continuity issues

Given the uncertainty regarding the timing and manner of the end of the war in Ukraine, the company's management estimates that the adverse factors currently affecting the European chemical market will continue to be present in the future. It is expected that throughout 2025 the price difference between the price of benzoic acid in Europe and in China will be equal to or greater than 300 US$/ton, a situation that will continue to allow Chinese producers to export massive quantities to Europe, inducing a market situation similar to that of 2023 and 2024. In such a context, Sinteza's benzoic acid operations would have no way of becoming profitable.

In this particularly complex situation, the company's management sought to develop a new business line that would exploit the opportunities brought by the current political and economic crisis. Starting with the war in Ukraine in 2022, Europe started an accelerated process of eliminating dependence on fossil fuels and in particular on those from the Russian Federation. For the production of electricity, renewable sources are the ones that are mainly relied on. Their potential within the EU is far above the total energy needs. Unfortunately, renewable energy has a variable nature and therefore any production capacity that uses a renewable energy source should work in tandem with an electricity storage capacity. The most present technology today in electricity storage solutions is Li-ion, but this technology will no longer represent the best solution in the future, redox flow batteries being a much more interesting technological alternative.

Sinteza took the first concrete steps in outlining a new business line towards the end of the third quarter of 2024, and in the reported period the following milestones are worth noting: the signing in November of a letter of intent with the American company Lockheed Martin regarding collaboration in the field of energy storage systems based on redox flow technology, respectively in December the signing with the Ministry of Energy of a financing contract from the PNRR on component C6.I4.1 of the project entitled "Establishment of a new capacity for the production, testing and recycling of electrolytes used for the manufacture of industrial batteries for storing electricity". The total value of this project is 309,267,174.51 lei including VAT (259,986,634.99 lei excluding VAT), the total eligible value is 248,072,957.25 lei excluding VAT, of which the maximum eligible non-refundable value is 124,036,478.63 lei.

The main milestones in completing this project are the commissioning of the electrolyte plant in mid-2026 and the subsequent completion of a functional framework for a supply chain located predominantly in Romania for many of the components required for high-capacity redox flow batteries.

GENERAL MANAGER	CHIEF ACCOUNTANT
GELU STAN	DOINA UJUPAN

STATEMENT

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

The annual financial statements were prepared as of 31.12.2024 for:

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

The Chairman of the Board of Directors of the company, Mr. Alexandru Savin, assumes responsibility for the preparation of the annual financial statement as of 31.12.2024 and confirms that, to the best of his knowledge, it was prepared in accordance with the applicable accounting standards, that it provides a correct and true picture of the assets, liabilities, equity, income and expenses, and that the report of the Board of Directors includes a correct analysis of the development and performance of the company as well as a description of the main risks and uncertainties specific to the activity carried out.

Chairman of the Board of Directors

Alexandru Savin

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **SINTEZA SA**

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying consolidated and separate financial statements of **SINTEZA SA** and **its subsidiary (the "Group"),** with its registered office in Oradea, Șoseaua Borșului no. 35, identified by the unique fiscal registration code 67329, which comprise the consolidated and separate statement of financial position as of December 31, 2024, the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the financial year then ended, as well as a summary of significant accounting policies and explanatory notes to the financial statements.

2. The consolidated financial statements as of December 31, 2024 are identified as follows:

- **Net assets/Total equity:** **24,899,330 RON**
- **Net loss for the financial year:** **(8,779,552) RON**

3. In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group as of December 31, 2024, as well as of the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended, in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards.

Basis for opinion

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

responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Highlighting some aspects - business continuity

5. The company's activity in the current year ended with a loss of 8,779,552 RON. Therefore, the company's ability to operate on a going concern basis depends on its ability to generate sufficient future income and on financial support from creditors.
   We draw attention to Note 33 of the financial statements, which describes the fact that Sinteza SA is in a process of transitioning its business model, in the context of stopping the traditional production of benzoic acid and initiating a major investment for the production of electrolytes for redox flow batteries, financed by PNRR funds and own/attracted sources (capital contribution and syndicated bank loan). The successful implementation of the planned measures is essential to ensure the continuity of the activity. Although management estimates that these steps will lead to the financial stabilization of the company, such a complex transition is not without risks. Management's plans also include improving liquidity by selling surplus assets. Our opinion is not modified on this aspect.

Key audit matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matters	Audit approach to key audit matter
Revaluation and Registration of Tangible Assets **The Company applies the revaluation model for tangible assets, in accordance with its accounting policy and the provisions of IAS 16 – *Tangible Assets* . In the current financial year, a revaluation of these was carried out, which led to a significant increase in the value of the assets and the revaluation differences recorded in equity. Although the revaluation process is recurring (every three years), its impact on the financial position was material and the audit involved extensive verification of the determination of the net book value, the calculations of revaluation differences and their presentation in the financial statements. For this reason, this**	**To assess the correctness of the recognition and presentation of the revaluation of tangible assets, we applied the following procedures:** **- We analyzed the company's accounting policy regarding the use of the revaluation model and its compliance with the requirements of the applicable international financial reporting standards IAS 16;** **- We recalculated, based on a sample, the differences between the revalued value and the previous net book value, as well as their impact on the equity accounts;** **- We reviewed the accounting records related to revaluation adjustments, including the method of recording the revaluation reserve in accordance with the requirements of IAS 16;**

aspect required increased attention in the audit and was considered a key audit matter.	**- We evaluated the presentation of relevant information in the explanatory notes to the financial statements, including the nature and impact of the revaluation on the company's financial position and equity.**

Based on the procedures performed, we considered that the methodology used was appropriate and in accordance with applicable standards. We did not identify any unadjusted errors.

Other information – Consolidated report of the administrators

7. The directors are responsible for the preparation and presentation of other information. That other information includes the Consolidated Directors' Report, the Remuneration Report, which we obtained before the date of the auditor's report but does not include the consolidated financial statements and the auditor's report thereon.

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

In connection with our audit of the consolidated financial statements for the year ended 31 December 2024, our responsibility is to read that other information and, in doing so, consider whether that other information is materially inconsistent with the financial statements, or with our knowledge obtained in the audit, or appears to be materially misstated. We have nothing to report in this regard.

Regarding the Consolidated Report of the Administrators, we have read and report whether it has been prepared, in all material respects, in accordance with the Order of the Minister of Public Finance no. 2844/2016, points 26-28;

Other reporting responsibilities regarding other information – Consolidated Directors' Report

Based solely 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 were prepared is consistent, in all material respects, with the consolidated financial statements;

b) The consolidated report of the administrators was prepared, in all material respects, in accordance with the Order of the Minister of Public Finance no. 2844/2016, points 26-28.

In addition, based on our knowledge and understanding of the Group and its environment, obtained in the course of our audit of the consolidated financial statements for the financial year ended 31 December 2024, we are required to report whether we have identified any material misstatements in the Consolidated Directors' Report. We have nothing to report in this regard.

Other reporting responsibilities regarding other information – Remuneration Report

With regard to the Remuneration Report, we have read the Remuneration Report to determine whether it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 on issuers of financial instruments and market operations, republished. We have nothing to report on this matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

8. The Group's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Order of the Minister of Public Finance No. 2844/2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities in an audit of financial statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, false statements, and the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and the extent to which the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

13. We have communicated/are communicating with those charged with governance, among other things, the planned scope and timing of the audit, as well as the main audit findings, including any internal control deficiencies that we identify during the audit.

14. We also provide those charged with governance with a statement regarding our compliance with ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

15. From the matters we communicated with those charged with governance, we determine those matters that were of most significance in our audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the public interest benefits of doing so would reasonably be expected to outweigh the adverse consequences of such communication.

Report on other legal and regulatory provisions – Report on compliance with the requirements of the ESEF Regulation

16. In accordance with Law No. 162/2017 on the statutory audit of annual financial statements and consolidated annual financial statements and amending certain regulatory acts, we are required to express an opinion on the compliance of the consolidated financial statements, included in the consolidated annual report, with the requirements of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS (Regulatory Technical Standards) requirements" on ESEF.

Management responsibilities

17. The Company's management is responsible for preparing consolidated financial statements in digital format that comply with the RTS requirements regarding ESEF. This responsibility includes:

— preparation of consolidated financial statements in the applicable xHTML format;
— selecting and applying appropriate iXBRL tags, using professional judgment where necessary;
— ensuring consistency between the digitized information presented in machine-readable and human-readable formats and the signed consolidated financial statements; and
— designing, implementing and maintaining internal controls relevant to the application of RTS requirements regarding ESEF.

Auditor responsibilities

18. Our responsibility is to express an opinion on whether the consolidated financial statements included in the annual report comply, in all material respects, with the requirements of the RTS regarding ESEF, based on the evidence obtained. We conducted our engagement in

accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the compliance of the consolidated financial statements with the requirements of the RTS on EFES. The nature, timing and extent of the procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the requirements of the RTS on EFES, whether due to fraud or error. Our procedures included, among others:

— gaining an understanding of the labeling process;
— assessing the design and implementation of relevant controls over the labeling process;
— reconciliation of the labelled data with the Group's consolidated financial statements presented in human-readable digital format and with the signed and audited consolidated financial statements, stamped by us for identification purposes;
— assessing the completeness of the labeling of the Group's consolidated financial statements;
— assessing the appropriateness of the Group's use of selected iXBRL elements from the ESEF taxonomy and of the creation of elements of the extended taxonomy in the event that no appropriate element has been identified in the ESEF taxonomy;
— evaluating the use of anchoring in relation to extended taxonomy elements;
— assessing the adequacy of the digital format of the consolidated financial statements; and
— assessing the consistency between the digitized information presented in machine-readable and human-readable formats and the signed and audited consolidated financial statements, stamped by us for identification purposes;

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

In accordance with the requirements of ISAE 3000, paragraph 69, letter (i), we attach to this report our statement regarding the application of ISQM1 or other professional requirements, or requirements in laws or regulations that are at least as stringent as ISQM 1.

Opinion

19. In our opinion, the consolidated financial statements of the Group, included in the consolidated annual report for the financial year ended on December 31, 2024, have been prepared, in all material respects, in accordance with the RTS requirements regarding ESEF.

Report on other legal and regulatory provisions

20. We were appointed by the General Meeting of Shareholders on 09.12.2024 to audit the consolidated financial statements of SINTEZA SA and its subsidiary for the year ended on 31 December 2024. The uninterrupted duration of our engagement was extended by two more years, covering the financial years ended on 31.12.2024 and on 31.12.2025.

We confirm that:

● Our audit opinion on the consolidated and separate financial statements expressed in this report is consistent with the additional report presented to the Company's Audit Committee, which we issued on the same date as this report. We also maintained our independence from the audited entity in the conduct of our audit.

● We did not provide the Group with prohibited non-audit services, referred to in Article 5(1) of EU Regulation no. 537/2014.

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

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

Ana Corina Moldovan, Statutory Auditor

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

Oradea, 27 March 2025

Annex - Declaration on the Quality Management System applied in the Assurance Engagement

In accordance with the provisions of paragraph 69 letter (i) of ISAE 3000 (revised), we declare by present that our firm, in carrying out the assurance mission regarding compliance with the requirements of the European Single Electronic Format (ESEF), has applied a quality management system in accordance with the International Standard on Quality Management 1 (ISQM 1) issued by the International Auditing and Assurance Standards Board (IAASB).

This system ensures the existence and implementation of some policies and procedures designed to provide reasonable assurance that the engagements carried out by our firm comply with the requirements of applicable professional standards, relevant ethical requirements, and applicable legal and regulatory provisions.

Auditor's signature:
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Moldovan Ana Corina
Financial auditor
CONTAMOD SRL
Date: 27.03.2025