

FINANCIAL STATEMENTS
at the date and for the six months period ended
June 30, 2019

according to the Minister of Finance Order no. 2844/2016 and the International Accounting Standard 34 "Interim Financial Reporting"



CONTENTS:

Interim Financial Statements

Interim Statement of the Financial Standing	1 – 2
Interim statement of the profit or loss and other global result elements	3
Interim Statement of changes in shareholders equity	4 – 5
Interim Statement of Cash-flow	6 - 7
Explanatory Notes to the interim financial statements	8 - 25

The Company CONPET S.A.

Interim Statement of the Financial Standing at June 30, 2019

*(All the amounts are expressed in RON, unless otherwise specified)***INTERIM STATEMENT OF THE FINANCIAL STANDING AT Sunday, June 30, 2019**

	Note:	June 30 2019 (revised)	December 31st, 2018 (audited)
ASSETS			
Non-current assets			
Tangible assets	4	441,615,081	430,599,587
Intangible assets	5	2,326,070	2,843,604
Financial Assets	6	860,682	860,582
Receivables related to the deferred corporate tax	13	3,566,022	3,047,153
Non-current assets		448,367,855	437,350,926
Current assets			
Stocks	7	8,816,110	9,168,429
Trade receivables and other receivables	8	40,865,056	43,155,623
Cash and cash equivalents	9	237,831,201	259,682,354
Accrued expenses		1,632,382	1,770,972
Total current assets		289,144,749	313,777,378
TOTAL ASSETS		737,512,604	751,128,304
Equities and liabilities			
Equities			
Subscribed and paid-up share capital	10	28,569,842	28,569,842
Legal reserves	10	5,713,968	5,713,968
Revaluation reserves	10	23,266,778	25,810,840
Other reserves	10	495,101,123	496,092,345
Retained earnings	10	43,966,486	44,689,400
Year's Result	10	31,180,013	60,676,014
Total Equities		627,798,210	661,552,409
Accrued income			
Investment Subsidies		1,120,886	1,178,489
Accrued income		9,020	9,849
Total Accrued Income		1,129,906	1,188,338
Long-term liabilities			
Long-term provisions	12	14,633,426	14,760,148
Long-term trade liabilities	11	892,912	892,912
Total long-term liabilities		15,526,338	15,653,060

The Company CONPET S.A.

Interim Statement of the Financial Standing at June 30, 2019

*(All the amounts are expressed in RON, unless otherwise specified)***Current liabilities**

Trade liabilities	11	31,890,029	19,154,131
Current Corporate Tax	11	2,752,867	3,786,286
Other liabilities	11	43,304,390	36,699,081
Short-term provisions	12	15,110,864	13,094,999
Total current liabilities		93,058,150	72,734,497
Total liabilities		108,584,488	88,387,557
TOTAL EQUITIES AND LIABILITIES		737,512,604	751,128,304

These interim financial statements and the related notes, from page 1 to page 25 have been authorized for issue and signed by the company management at August 12, 2019.

**Director General
Vasile Chis**

**Economic Director, PhD Eng. Timur-
Econ. Sanda Toader**

The attached notes, from 1 to 19, are integral part of these financial statements.

The Company CONPET S.A.

Interim statement of profit or loss and other elements of the global result for the period of 6 months ended at June 30, 2019

(All the amounts are expressed in RON, unless otherwise specified)

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL
RESULT FOR THE SIX MONTHS PERIOD ENDED
AT June 30, 2019**

	Note:	6 months ended at June 30, 2019 (revised)	6 months ended at June 30, 2018 (revised)
Operating Revenues	15		
Turnover Revenues		200,616,993	184,931,130
Other revenues		15,652,511	15,045,242
Earnings from disposal of assets		15,924	-
Total operating revenues		216,285,428	199,976,372
Operating Expenses	16		
Stocks Expenses		3,403,834	3,269,384
Expenses with energy and water		6,582,865	5,948,665
Personnel expenses		79,244,144	65,958,492
Value adjustments on current, non-current assets		22,834,354	22,241,734
Impairments of current assets		(431,046)	(96,920)
Expenses related to external services		53,074,322	48,817,415
Other expenses		16,610,921	26,632,668
Losses from disposal of assets		-	50,665
Adjustments related to provisions		1,889,143	3,881,331
Total operating expenses		183,208,537	176,703,434
Operating Profit		33,076,891	23,272,938
Financial Revenues		4,103,524	2,373,563
Financial Expenses		42,218	4,333
Financial profit	17	4,061,306	2,369,230
Profit before corporate tax		37,138,197	25,642,168
Expenses with current income tax	13	6,420,613	5,164,647
Expenses with (revenues from) deferred corporate tax		(462,429)	(1,148,091)
Profit of the period		31,180,013	21,625,612
TOTAL GLOBAL RESULT		31,180,013	21,625,612
Result per share		3.60	2.50

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**Director General
Vasile Chis**

Economic Director, PhD Eng. Timur-

Econ. Sanda Toader

The attached notes, from 1 to 19, are integral part of these financial statements.

INTERIM STATEMENT OF THE CHANGES IN EQUITIES AT JUNE 30, 2019 (revised)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1, 2019	28,569,842	5,713,968	25,810,840	496,092,345	44,689,399	60,676,014	661,552,408
Net result of the year						31,180,013	31,180,013
Net reduction of the modernization quota reserve	-	-	-	(337,729)	-	-	(337,729)
Surplus achieved from revaluation	-	-	(2,257,869)	-	2,257,869	-	-
Reunification reserve from revaluation of the land plots not included in share capital	-	-	(342,634)	452,314	(109,680)	-	-
Deferred corporate tax recognized at the expense equity	-	-	56,441	-	-	-	56,441
Dividends due to shareholders	-	-	-	(1,105,807)	(4,304,887)	(59,242,229)	(64,652,923)
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	-	1,433,785	(1,433,785)	-
Balance at June 30, 2019	28,569,842	5,713,968	23,266,778	495,101,123	43,966,486	31,180,013	627,798,210

Note: The position "Other reserves" also contains the reserve representing the modernization quota , in amount of 458,604,096 RON at 30.06.2019, namely 458,941,825 RON at 01.01.2019. These reserves are considered monthly on expenses account, by applying the ratio of modernization quota specified in the tariff share on revenues of transport services. Reserves from the modernization quota decrease monthly , by the resumption of income amortization of fixed assets financed from this source.

The Company CONPET S.A.*(All the amounts are expressed in RON, unless otherwise specified)*

Note: The position „Other Reserves” also includes the reserve representing the modernization quota in amount of 457,070,983 RON at 30.06.2018, respectively 445,943,171 RON at

INTERIM STATEMENT OF THE CHANGES IN EQUITIES AT JUNE 30, 2018 (revised)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1st, 2018	28,569,842	5,713,968	31,016,763	478,500,458	40,211,069	74,387,774	658,399,874
Net result of the period	-	-	-	-	-	21,625,612	21,625,612
Augmentation of the reserve representing modernization quota fund	-	-	-	11,127,812	-	-	11,127,812
Write-back of surplus from revaluation	-	-	(2,670,782)	-	2,670,782	-	-
Dividends due to shareholders	-	-	-	-	-	(69,621,097)	(69,621,097)
Allocation from profit provided by law - exemption from the reinvested income tax	-	-	-	-	1,352,092	(1,352,092)	-
Other allocations from the preceding year's result	-	-	-	3,159,448	255,137	(3,414,585)	-
Balance at June 30, 2018	28,569,842	5,713,968	28,345,981	492,787,718	44,489,080	21,625,612	621,532,201

01.01.2018.

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Director General,
PhD. Eng. Timur-Vasile Chis
Sanda Toader

Economic Director,**Econ.**

INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

		- RON-	
	Name of the Item	6 months 2019 (revised)	6 months 2018 (revised)
	Cash flows from operating activities:		
+	Proceeds from services supply	223,289,593	193,137,048
+	Proceeds from interests related to banking placements	4,229,974	1,957,740
+	Other proceeds	3,562,954	2,131,735
-	Payments to the suppliers of goods and services	53,075,352	53,182,508
-	Payments by and on behalf of the employees	74,939,500	64,185,854
-	VAT Payments	24,091,451	20,434,472
-	Corporate tax payments	7,454,032	6,315,952
-	Other payments regarding operating activities	19,206,000	20,218,298
A	Net cash from operating activity	52,316,186	32,889,439
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	29,520	6,570
+	Proceeds from modernization quota	15,175,542	25,326,114
-	Payments for purchase of tangible assets	31,371,385	40,502,097
B	Net cash from investment activities	(16,166,323)	(15,169,413)
	Cash-flows from financing activities		
+	Proceeds of dividends transferred to Depozitarul Central	2,786,508	5,891,170
-	Paid dividends	60,787,524	67,005,869
C	Net cash from financing activities	(58,001,016)	(61,114,699)
	Net increase of the cash and cash equivalents <i>cash=A+B+C=D2-D1</i>	(21,851,153)	(43,394,673)
D1	Cash and cash equivalents at the beginning of the period	259,682,354	209,845,721
D2	Cash and cash equivalents at end of the period	237,831,201	166,451,048
	<i>to which is being added:</i>		
	<i>Government securities as government bonds</i>	-	70,309,618
	Total availabilities at the end of the period	237,831,201	236,760,666

The value of net cash flows from operating activities on June 30, 2019, records an increase of 19.4 m RON as compared to June 30, 2018, which comes from higher receipts from the transport activity.

Cash outflows for payment of property generated a net negative cash flow from investing activities in amount of 16.2 m RON. As compared to the same period last year, the net cash flow recorded a negative value decrease of about 1 m RON.

The net cash from the financing activity recorded in both periods compared negative amounts determined by the payment of dividends to shareholders.

The Company CONPET S.A.
Interim cash-flow statement for the 6 month period ended at June 30, 2019;
(All the amounts are expressed in RON, unless otherwise specified)

Cash representing the modernization quota, of total availability in the balance on 30.06.2019, is 178 m RON. Cash from the modernization quota has special use regime, respectively for investment related payments related to the National Transport System.

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Director General,
PhD. Eng. Timur-Vasile Chis
Econ. Sanda Toader

Economic Director,

The attached notes, from 1 to 19, are integral part of these financial statements.

1. Business Description and General Information

The company "CONPET" S.A. ("The Company") is a joint-stock company, with a unitary system administration, as per Law no. 31/1990 on the companies, republished, subsequent amendments, is registered at the Prahova Trade Registry under no. J29/6/1991 and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

Address of the registered offices is Ploiesti Municipality, No. 1-3, Anul 1848 Street, Prahova County.

"CONPET" S.A. is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired, in 2002, following the conclusion with the National Agency of Mineral Resources, the competent authority representing the State's interests in the oil resources sector, of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

The company's shares are traded at the Bucharest Stock Exchange (BSE) on September 5, 2013, under the "COTE" symbol.

CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**, starting March 2017.

At 30.06.2019, CONPET S.A. had a market capitalization of 690.8 million RON (146 million euro), ranking 18 in "Top 25 issuers according to capitalization".

Company Set-up

CONPET is set up based on GD 1213/20.11.1990 regarding the set-up of the joint stock commercial companies in the industry, pursuant to Law no.15/1990 regarding the reorganization of the public economic units as autonomous administrations and joint stock companies, by taking over all assets and liabilities of the former Crude Oil Pipeline Transport Enterprise (Rom.I.T.T.C.).

The shareholder structure and number of voting rights at 30.06.2019 are:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,360,557 shares representing 27.26 % and
- natural persons, with 1,213,599 shares representing 14.02 %.

Company's Mission

CONPET mission is the operation of the National Transport System of crude oil under safety and efficient conditions, free access to the available capacity of the system to all inquirers, authorized legal persons, under equal conditions, in a non-discriminatory and transparent manner.

Other Information on the Company's Business

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines aiming at supplying the refineries with crude oil and derivatives out of domestic production, as well as with imported crude oil ((NACE code 4950- "transports via pipelines").

CONPET supplies transport services for its clients both via the National Transport System concessioned based on the oil concession agreement of the National Transport System of crude oil, rich gas, condensate and ethane, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The crude oil National Transport System represents the ensemble of the major interconnected pipelines ensuring the collection of the oil extracted from the exploitation areas or of the imported, from the delivery sites to the processing units.

CONPET, as concessionaire of the crude oil National Transport System entitles as common carrier and has the obligation to provide, as per the legal provisions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The crude oil National Transport System belongs to the Romanian State public domain and is being administered by NAMR. (as per the Oil Law provisions). It comprises a pipeline system of approx. 3,800 km and a transport throughput of 18.5 million tons/year.

The Legal Environment

The activity in the oil sector is being regulated by the Oil Law no. 238/2004.

The National Agency for Mineral Resources (NAMR) represents State interests in oil resources domain and is the competent authority authorized to apply the dispositions of Law 238/2004.

As per the Oil Law, the National Agency for Mineral Resources entitles as Concession Provider of the goods belonging to the public domain, concessioned to the operators acting in the oil industry.

The main responsibilities of NAMR are the followings:

- negotiates and concludes, on State's behalf, oil agreements;
- awards mining concession licenses and exploitation permits;
- issues regulating acts, norms, instructions, orders and rules;
- controls the compliance by the holders of the concession agreements with the concession licenses and exploitation permits conditions;
- manages the Crude Oil and Natural Gas National Pipeline Transport Systems and regulates the exploitation activities thereof by the system's concession agreements concluded;
- annuls the concession acts/administration acts;
- approves the tariffs and the frame-contract for the transport of crude oil, rich gas, condensate and ethane.

The tariff for the supply of the transport service via the National Transport System of crude oil, rich gas, condensate and ethane

The transport tariff stands for the exchange value of the transport service supplied by the holder of the oil concession agreement - as common carrier, for the transport, via the crude oil National Transport System, of one ton of oil along the oil take-over sites from domestic producers or from import to the delivery sites at the refineries.

The transport rates are established in accordance with Order no.53/2008 for the approval of the guidelines regarding the criteria, methodology and settlement procedure of the regulated tariffs for the transport via the National Transport System are being prepared by ANRM, acting as competent authority.

The transport tariffs are differentiated on the two subsystems belonging to the National Transport System, namely the sub-system for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the sub-system for the transport of the imported crude oil. The tariffs practiced for the transport on the import subsystem are being established on refineries, according to the transported quantities, and on the bracket tariff model.

The transport tariffs are being determined by allocation of the value of the transport service to oil quantities transported for the beneficiaries, on the corresponding distances, by using a methodology based on service cost determination, defined as the overall necessary revenues for covering the system transport operations, here included:

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, gas and water, costs related to the amortization of the fixed assets, the royalty and other taxes applicable to the transporter, expenses related to the provision of pipeline guard, decontamination expenses, other expenses;
- modernization and development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

The interim financial statements have been prepared pursuant to the Order of the Minister of Public Finances no. 2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards (IFRS) ("OMFP 2844/2016) and IAS 34 - Interim Financial Reporting. They do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31, 2018. Nevertheless, certain selected explanatory notes have been included in order to explain the events and transactions significant for the understanding of the changes occurred in the financial standing and company performance since the last annual financial statements at the date and for the financial year ended December 31st, 2018.

The Company prepares quarterly interim financial statements and publishes them no later than 45 days after the end of each quarter.

The Interim Financial Statements at June 30, 2019, prepared in compliance with IAS 34 have not been audited, but have been revised by the financial auditor.

(b) Accounting Estimates and Professional Reasoning

The preparation of the financial statements implies the use, by the Company's management, of estimates, professional reasoning and hypotheses affecting the reported value related to assets, liabilities, revenues and expenses. The estimates and hypotheses are being permanently evaluated and are based on the historical experience, as well as on other factors, here included predictions of future events considered to be reasonable in certain circumstances. The results of these estimates set the grounds for the professional reasonings regarding the accounting value of the assets and liabilities that cannot be obtained from other information sources. The actual results may be different from the estimates values.

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2018.

3. Accounting Policies

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company at the date and for the financial period ended at December 31, 2018, except for the adoption of new standards effective from January 1, 2019.

The company CONPET S.A.
 Explanatory notes to the interim financial statement at June 30, 2019
 (All the amounts are expressed in RON, unless otherwise specified)

4. Tangible assets

In the first 6 months of the year 2019 the intangible assets have evolved as follows:

Name	Lands and land improvements	Buildings and special installation	Operating oil products	Machinery and equipment	Measuring and control devices	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross accounting value at January 1, 2019	22,584,099	255,182,601	42,072,846	84,139,169	71,712,695	28,925,819	6,519,889	59,335,444	570,472,562
Aggregate amortization at January 1, 2019	-	(20,825,576)	-	(42,742,494)	(53,066,070)	(19,390,298)	(3,848,537)		(139,872,975)
Net accounting value at January 1, 2019	22,584,099	234,357,025	42,072,846	41,396,675	18,646,625	9,535,521	2,671,352	59,335,444	430,599,587
Tangible inputs	-	19,460,919	-	9,019,759	1,303,281	1,179,635	-	2,428,468	33,392,062
Tangible outputs	-	(2,154)	-	(6,224)	(31,689)	-	-	-	(40,067)
Amortization registered during the year	-	(11,455,155)	-	(4,544,593)	(4,432,809)	(1,529,153)	(374,791)	-	(22,336,501)
Net accounting value at June 30, 2019	22,584,099	242,360,635	42,072,846	45,865,617	15,485,408	9,186,003	2,296,561	61,763,912	441,615,081
<i>Net accounting value at January 1, 2019</i>	<i>22,584,099</i>	<i>234,357,025</i>	<i>42,072,846</i>	<i>41,396,675</i>	<i>18,646,625</i>	<i>9,535,521</i>	<i>2,671,352</i>	<i>59,335,444</i>	<i>430,599,587</i>
<i>Net accounting value at June 30, 2019</i>	<i>22,584,099</i>	<i>242,360,635</i>	<i>42,072,846</i>	<i>45,865,617</i>	<i>15,485,408</i>	<i>9,186,003</i>	<i>2,296,561</i>	<i>61,763,912</i>	<i>441,615,081</i>
Difference	-	8,003,610	-	4,468,942	(3,161,217)	(349,518)	(374,791)	2,428,468	11,015,494

The net value of the tangible assets at 30.06.2019 has increased as compared to the end of 2018 by the amount of 11,015,494 RON.

During the first six months of the year 2019 have been recorded tangible assets amounting to 33,392,062 RON and the depreciation of intangible assets during this period was of 40,067 RON. Depreciation of tangible assets for the period amounts to 22,336,501 RON.

The tangible assets put into use in the first six months of the year 2019 were of 30,963,594 RON. The depreciation method used is the linear one.

The lands held by the Company are located in Ploiesti , at the company's administrative offices , and in the 24 counties covered by the transport pipelines or where the crude oil tanks loading ramps are being located.

At 30.06.2019 CONPET has recorded in the company's patrimony lands in surface of 733,649 sq.m. with a fair value amounting to 22,584,099 RON, namely:

- 554,538 sq.m. stand for lands with a book value of 12,348,115 RON held based on 48 Land Ownership Certificates obtained during 2001-2005, appraised at the date of obtaining of the certificates, in compliance with GD no.834/1991 on the settlement and appraisal of various lands held by the state-owned commercial companies, at the value of 26,708,233 RON. These lands have been recorded in the company's patrimony on the expense of other equity reserves, without augmenting the share capital by the value inscribed in the land ownership certificates.
- 155,411 sq.m. stand for lands with a book value of 3,144,984 RON, held from 14 certificates obtained ownership until 2001. The share capital of the company was augmented by the amount of these lands;
- 23,700 sq.m. is land with a book value of 7,091 m RON, purchased by the Company under sale - purchase contracts. A part of the purchased lands are related to the administrative buildings and on the other purchased lands are being placed telecommunications towers in different locations over the country.

The tangible assets also include the oil operating product, evaluated in the statement of the financial standing at the cost determined from revaluation, retreated by the application of IAS 29 "The financial reporting in Hyper inflationary Economies". During the first six months there were no movements of oil, its value on 30.06.2019 is 42,072,846 RON.

Tangible assets in progress

At June 30, 2019, the value of the property in progress is 61,763,912 RON and includes investment objectives set out in the "Investment Program 2019" such as: replacements for portions of pipes on lengths and different routes, securing works of oil pipes on crossover or under crossing rivers, reservoirs upgrade, pumping stations and ramps upgrade, pumping systems upgrading, modernization of the cathodic protection systems and telecommunications works.

5. Intangible assets

Statement of intangible assets in the first six months of 2019 is as follows:

Name	Licenses and software	Other intangible assets	Total intangible assets
Inventory value at January 1, 2019	6,395,880	910,983	7,306,863
Aggregate amortization at January 1, 2019	(3,598,392)	(864,867)	(4,463,259)
Net accounting value at January 1, 2019	2,797,488	46,116	2,843,604
Input of intangible assets	6,789	-	6,789
Amortization registered during the year	(500,430)	(23,893)	(524,323)
Net accounting value at June 30, 2019	2,303,847	22,223	2,326,070
Net accounting value at January 1, 2019	2,797,488	46,116	2,843,604
Net accounting value at June 30, 2019	2,303,847	22,223	2,326,070
Difference	(493,641)	(23,893)	(517,534)

At 30.06.2019 the net value of intangible assets decreased by 517,534 RON as compared to January 1, 2019, due to amortization recorded during the six months period.

The depreciation method used is the linear one.

Intangible assets consist of software, software licenses, intangible assets of rights of use nature recorded for consideration expenses incurred by the company in connection to electricity and water.

6. Financial Assets

Within the first six months of 2019 the financial assets evolved as follows:

Name	Other fixed securities	Claims fixed	Total financial fixed assets
Net accounting value at January 1, 2019	5,000	855,582	860,582
Inputs	100	-	100
Outputs	-	-	-
Net accounting value at June 30, 2019	5,100	855,582	860,682
Difference	100	-	100

At 30.06. 2019, the value of financial assets increased compared to January 1, 2019 with 100 lei as a result of the association of the company with other companies to form the Romanian National Committee for World Petroleum Council (CNR-CMP) gaining associate membership. The company also holds equity in the equity capital of the independent monitor in amount of 5,000 RON.

The intangible assets contain also intangible receivables made up of refundable guarantees paid by the Company for the temporary removal from the agricultural circuit of certain land surfaces used in view of performing several investment works.

7. Stocks

Name	Consumables	Services in progress	Waste products	Total stocks
Gross accounting value at January 1, 2019	5,847,940	1,079,048	3,379,336	10,306,324
Adjustments for depreciation of stocks	(986,824)	-	(151,071)	(1,137,895)
Net accounting value at January 1, 2019	4,861,116	1,079,048	3,228,265	9,168,429
Stocks inflows during the period	3,464,939	1,455,027	822,901	5,742,867
Consumption/outputs of stocks during the period	(3,417,790)	(1,079,048)	(2,012,047)	(6,508,885)
Expense with (revenue from) adjustments for depreciation of stocks	327,436	-	86,263	413,699
Net accounting value at June 30, 2019	5,235,701	1,455,027	2,125,382	8,816,110
Net accounting value at January 1, 2019	4,861,116	1,079,048	3,228,265	9,168,429
Net accounting value at June 30, 2019	5,235,701	1,455,027	2,125,382	8,816,110
Difference	374,585	375,979	(1,102,883)	(352,319)

The stocks are made up of materials, spare parts and other materials that are to be used when performing the company's core business, including the ones comprising security and intervention stocks meant for the potential provoked and technical breakdowns. The stocks also contain waste products (recoverable) triggered by the pipelines replacement works and scrapping of fix assets. The company registers in the services in progress the cost of the services not received by the beneficiary until the end of the period, on the account of the revenues related to services in progress.

8. Trade receivables and other receivables

At June 30, 2019 and December 31, 2018 the trade receivables and other receivables are the followings:

	June 30 2019	December 31st, 2018
Clients	37,522,114	37,830,093
Adjustments for depreciation of receivables	(716,200)	(716,044)
Other trade receivables	310,596	308,268
Subtotal trade receivables (net value)	37,116,510	37,422,317
Other receivables	7,551,673	9,553,936
Adjustments for Impairment of other receivables	(3,803,127)	(3,820,630)
Subtotal other receivables (net value)	3,748,546	5,733,306
Total receivables	40,865,056	43,155,623

Clients' structure per activities, is as follows:

	June 30 2019	December 31st, 2018
Clients-transport activity	36,358,189	36,816,552
Clients - other activities	1,163,925	1,013,540
Total	37,522,114	37,830,093

Trade receivables are no interest bearer and have an average day collection of 31 days.

The main trade receivables in balance at June 30, 2019 are to be received from: OMV PETROM S.A.: 31,798,810 RON (December 31, 2018: 32,003,643 RON), Petrotel Lukoil S.A.– 4,586,076 RON (December 31, 2018: 4,211,228 RON).

The transport services supplies performed by the clients hold a significant share (over 98%) in the Company's turnover.

The major client of the Company, OMV PETROM SA, holds approximately 78% of the total short-term receivables at June 30, 2019.

Other receivables, in amount of 7,551,673 RON mainly include , amounts to be recovered from various natural and legal persons, the majority thereof pending before law courts as litigations (2,195,107 RON, namely 29.07%), non-exigible VAT related to the unreceived invoices until 30.06.2019 (1,244,938 RON, namely 16.49%), amounts to be recovered from the budget representing allowances for sick leave (1,121,617 RON, namely 14.85 %), as well as the interest receivable related to the under 3 months maturity deposits (797,967 RON, namely 10.57%).

Impairments for the depreciation of trade receivables are recorded for the doubtful clients, involved in litigation or insolvency/bankruptcy, presenting default of collection thereof. At June 30, 2019 the value of these impairments amounts to 716,200 RON.

Impairments for the depreciation of other receivables are recorded for debits related to the legal files pending before the Law, paid fines and facing dispute. At June 30, 2019 the value of the impairments amounts to 3,803,127 RON, decreasing by 17,503 RON as compared to December 31, 2018.

The Company's policy is to register impairments for loss of value of 100% from the value of the receivable for the clients facing dispute, dissolution, bankruptcy and for other debits related to the established legal files or the fines facing appeal proceedings.

Statement of receivables according to age

Trade receivables

	June 30 2019	December 31st, 2018
Clients, o/w:	37,522,114	37,830,093
<i>Current and non-depreciated receivables</i>	36,692,594	37,016,470
<i>Current and depreciated receivables</i>	716,200	716,044
<i>Outstanding and non-depreciated receivables, o/w:</i>	113,320	97,579
- outstanding amounts less than 30 days	112,426	91,282
- outstanding amounts between 30 days and 60 days	96	1,657
- outstanding amounts between 60 days and 90 days	416	297
- outstanding amounts between 90 days and 1 year	382	4,343
Other trade receivables, out of which:	310,596	308,268
<i>Current and non-depreciated receivables</i>	310,596	308,268

Other receivables

	June 30 2019	December 31st, 2018
<i>Current and non-depreciated receivables</i>	3,748,546	5,733,306
<i>Current and depreciated receivables</i>	3,803,127	3,820,630

Total	7,551,673	9,553,936
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9. Cash and cash equivalents

At June 30, 2019 and December 31, 2018, the cash and cash equivalents look as follows:

	June 30 2019	December 31st, 2018
Current bank accounts	4,388,490	5,843,515
Bank deposits with maturity ≤ 3 months	233,404,025	253,818,238
Cash in the register	34,081	17,061
Other cash equivalents	4,605	3,540
Total	237,831,201	259,682,354

At June 30, 2019, cash and cash equivalents decreased by 9.19% as compared to December 31, 2018.

Availabilities in the accounts at June 30, 2019 include cash representing the modernization quota with special use provided by the GD. 168/1998, amounting to 178,009,673 RON. It is intended exclusively for funding the modernization and development of public property.

10. Equities

The Share capital

During the reporting period, the share capital of the company has not changed, remaining at the value of 28,569,842 RON, being divided into 8,657,528 ordinary shares with a nominal value of 3.3 RON/share and corresponds to the one registered at the Trade Register Office.

The structure of CONPET S.A. share capital and shareholding at June 30, 2019 reveals the followings:

Shareholders	June 30, 2019			Monday, December 31, 2018		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
Romanian State by the Ministry of Energy	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	2,360,557	7,789,838	27.2659	2,481,740	8,189,742	28.6657
Natural Persons	1,213,599	4,004,876	14.0179	1,092,416	3,604,972	12.6181
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

At June 30, 2019 the value of the legal reserve is of 5,713,968 RON (December 31, 2018: 5,713,968 RON).

The reserve is established at 20% of the share capital, according to Law. 31/1990 and the Article of Incorporation.

Other reserves

At June 30, 2019, Other reserves amounting to 495,101,123 RON, decreasing by the amount of

991,222 RON as compared to December 31, 2018, mainly due to dividend distribution in amount of 1,105,807 RON from reserves representing 35% reserves - own financing sources.

The reserve related to the modernization quota is in amount of 458,604,096 RON and holds the highest share in total other reserves (92.63%).

Revaluation reserves

Based on the provisions of Order no. 2844/2016 for the approval of accounting regulations compliant with IFRS in conjunction with the art. 210, paragraph (3) of Law no. 31/1990 on companies, republished, the company recognizes in the revaluation reserves favorable differences from revaluation of tangible assets.

At June 30, 2019, in the financial standing the revaluation reserves are being presented at the net value of 23,266,778 RON, resulting after the diminution of the gross value by the related deferred tax recognized directly in the equities, as per IAS 12.

Retained earnings

At June 30, 2019 the retained earnings amounts to 43,966,486 RON and contains mainly the difference in value of fixed assets, operating oil resulting from the application of IAS 29 for the first time, amounting to 41,818,297 RON.

Profit of the period

The year's profit achieved in the first six months of 2019 amounts to 31,180,013 RON, 44.18% higher than the one recorded in the first six months of the year 2018.

The Company did not pay dividends quarterly, based on interim financial statements.

11. Trade Liabilities and Other Liabilities

At June 30, 2019 and June 30, 2018, the trade receivables and other receivables look as follows:

Liabilities	December 31, 2018	June 30 2019	Maturity date for the balance at June 30, 2019		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	20,047,043	32,782,941	31,890,029	892,912	-
Other liabilities, here included fiscal debts and social insurances related debts	40,485,367	46,057,257	46,057,257	-	-
Total	60,532,410	78,840,198	77,947,286	892,912	-

The goods and services suppliers for the operating activity are mainly represented by: SNTFM CFR Marfa, Tinmar Energy, OMV Petrom, Edenred Romania S.R.L, Premier Energy, OMV Petrom Marketing, Prodiatour, Service Faur, Dinamic Consult, Quality Business, Afer, Con Metal CF, Cameleon Security Systems, Orange Romania, Mol Romania, Omniasig Vienna Insurance, Coral 33 All Prod, Termoklima. The value of the acquisitions from these suppliers in the first six months of 2019 has a share of 55.31 % in total acquisitions.

The value of acquisitions of property in the first quarter of 2019 accounts for 37.43% of total purchases.

The statement of the employee-related debts, fiscal debts and other maturity date debts look as follows:

Liabilities	December 31, 2018	June 30, 2019	Term fo chargeability for the balance at June 30, 2019		
			Under 1 year	Between 1- 5 years	Over 5 years
Salaries and assimilated debts	5,164,346	6,322,862	6,322,862	-	-
Salaries contributions	4,986,545	6,713,519	6,713,519	-	-
Ordinary Income Tax	3,786,286	2,752,867	2,752,867	-	-
Royalty due to the State Budget	7,901,592	7,816,709	7,816,709	-	-
VAT payable	3,561,409	2,883,925	2,883,925	-	-
Other interests and debts - State Budget	885,327	2,525,305	2,525,305	-	-
Dividends Payable	13,920,113	16,553,145	16,553,145	-	-
Other liabilities	279,749	488,924	488,924	-	-
Total	40,485,367	46,057,257	46,057,257	-	-

12. Provisions

	June 30 2019	December 31, 2018
Provisions for litigations	6,160,041	4,719,029
Provisions for Employees Benefits	23,276,855	22,707,083
Other provisions for risks and expenses	307,394	429,035
Total	29,744,290	27,855,147
<i>Long-term provisions</i>	<i>14,633,426</i>	<i>14,760,148</i>
<i>Short-term provisions</i>	<i>15,110,864</i>	<i>13,094,999</i>

Provisions for litigations

In detail, the provisions for litigations are:

	June 30 2019	December 31, 2018
Litigations for civil compensations	3,688,002	3,348,725
Litigation for third parties failure to respect certain contractual clauses	46,214	46,214
Other litigations	2,425,825	1,324,090
Total	6,160,041	4,719,029

In the first six months of 2019, the provisions for litigations have registered an increase by 1,441,012 RON, following the registration of provisions for newly opened litigations during the year and differences resulting from updating provisions in the preceding period.

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides the compensations, they request either the payment of an annuity following the exercise, by the Company, of the easement right on the lands owned by the claimants, or by the

retirement of the pipelines and installations to be found on lands thereof. Following the restitution of their property rights, they are bringing proceedings in Court against the Company, invoking the lack of land use due to the fact that they are being crossed by the crude oil transport pipelines belonging to the public domain.

Provisions for Employees Benefits

The changes registered in the structure of provisions for the employees benefits consisted in: decrease of the provisions constituted for the benefits granted upon retirement, for employees share of profit, for untaken annual leaves and for variable allowances granted to the members of the Board of Administration and the directors, as per the mandate contracts and the provisions of EGO no.109/2019 on corporate governance.

The highest share in the provisions for the employees benefits is being held by the provision for the benefits granted upon retirement, in amount of 15,035,835 RON, of which 14,633,426 RON stand for long-term liabilities, and 402,409 RON stand for short-term liabilities.

On 30.06.2019 the company has lodged provision for workers participation in profit for the period of six months of 2019, according to the amounts provided in the budget of revenues and expenditures in amount of 2,500,414 RON.

Provisions for untaken annual leaves recorded an increase of 2,774,255 RON for the holidays during the first six months of 2019 left to be carried out by the employees up to the end of the year.

The provision for variable payments given to members of the Board and directors in accordance with the contracts of mandate and GEO 109/2011 on corporate governance amounts to 1,624,096 RON.

Other provisions

The balance of the position "Other Provisions" in amount of 307,394 RON is being represented by the provisions related to environment expenses.

13. Ordinary and Deferred Corporate Tax

The expense with the current and deferred corporate tax of the company at June 30, 2018 and June 30, 2019 is being determined by a statutory rate of 16%.

	June 30 2019	June 30 2018
Expenses with the ordinary corporate tax	6,420,613	5,164,647
Expense with /(revenues from) deferred corporate tax	(462,429)	(1,148,091)
Total	5,958,184	4,016,556

Reconciliation of the effective rate of taxation:

	June 30 2019	June 30 2018
Profit before tax	37,138,197	25,642,168
- Corporate tax at a statutory rate of 16%	5,942,112	4,102,747
Effect on the corporate tax, of:		
- Non-deductible expenses	1,518,761	884,263
Non-taxable revenues	(1,248,420)	(246,614)

Elements similar to the revenues	430,952	510,965
Elements similar to the expenses	(418)	(419)
Saved corporate tax	(106,665)	(62,291)
-Amounts representing sponsorship falling under the limits provided by law	(137,752)	(41,865)
* Specific tax	22,043	17,861
Expenses with the ordinary corporate tax	6,420,613	5,164,647

The deferred corporate tax

The deferred payable and recoverable taxes were calculated based on the temporary taxable and/or deductible differences determined for assets and debts as differences between the accounting value of the asset and/or the debt and the amount attributable in fiscal purposes. The company recognizes the deferred taxes on the account of an expense or an income except for the tax generated by an event directly accounted in the equities.

The statement of the movements related to the receivable/debt with the deferred income during the first Quarter of the year 2019 reveals the followings:

2019	Net value at 1 st of January	Deferred corporate tax recognized in the profit and loss account	Net value at March 31, 2019	
			Receivable related to the deferred corporate tax	Liability related to the deferred corporate tax
Reevaluation of tangible assets	(1,344,840)	515,326	3.394,857	(4,224,370)
Provisions	3,701,779	71,701	3,773,480	-
Adjustments of current assets	690,214	(68,159)	622,056	-
Deferred corporate tax before offsetting	3,047,154	518,868	7,790,392	(4,224,370)
Receivable/debt offsetting			(4,224,370)	4,224,370
Tax on net deferred profit (receivable)			3,566,022	-

The deferred tax payable at 30.06. 2019 is in amount of 4,224,370 RON, recognized on the account of the equity elements and the deferred tax recoverable recognized at 30.06.2019, and the statement of the global result is of 7,790,392 RON.

In conclusion, at 30.06.2019 the company has a net receivable related to the deferred corporate tax reaching 3,566,022 RON.

14. Result per share

The result per share in the first six months of the year 2019 , as compared to the same period of the previous year is the following:

	June 30 2019	June 30 2018
Profit of the Financial Year	31,180,013	21,625,612
Number of ordinary shares at the beginning and end of the period	8,657,528	8,657,528
Basic and diluted earnings per share (Lei/share)	3.60	2.50

15. Operating Revenues

a) Revenues related to the turnover

	June 30	June 30
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	2019	2018
Revenues from transport service, of which:	196,518,797	182,034,154
<i>Revenues from transport services on the Domestic Subsystem</i>	146,933,571	143,199,317
<i>Revenues from transport services on the Import Subsystem</i>	49,585,226	38,834,837
Revenues from rents	781,726	738,331
Other revenues contained in the turnover	3,316,470	2,158,645
Total revenues out of turnover	200,616,993	184,931,130

Transport revenues are achieved out of the services supplied to clients for the transport of the crude oil, rich gas and condensate volumes at the tariffs approved by Order of the President of The National Agency for mineral Resources (NAMR).

In the first six months of 2019, the quantities transported on subsystems, as compared to the same period of the previous year are the followings:

	6 completed months June 30, 2019	6 completed months June 30, 2018
Domestic Subsystem	1,733,580	1,758,392
Import Subsystem	1,695,019	1,539,622
Total quantities (tons)	3,428,599	3,298,014

The total volume of transported products increased by 4% in the first six months of 2019 YoY, given the decrease by 1.4% of the quantity transported on the domestic transport subsystem and the increase by 10.1% of the quantity transported on the import subsystem.

The tariffs for the supply of crude oil, rich gas, condensate and ethane transport services are regulated by NAMR and are differentiated for each transport subsystem as follows:

- the tariff of 79.75 RON/ton for the transport service supply on the domestic subsystem was established by NAMR Order no. 32/2016 and has been practiced until June 18th, 2018;
- the tariff of 84.37 RON/ton for transport service supply on the domestic subsystem was established by NAMR Order nr.117/2018 and has been practiced until June 19th, 2018;
- the tariffs for transport services on import transport subsystem approved by NAMR Order no. 32/2016 were applied until June 18th, 2018;
- the tariffs for transport services on import transport subsystem approved by NAMR Order no. 117/2018 were applied until June 19th, 2018;

The tariffs applied for the import transport subsystem vary according to the tranche of transported quantity, being practiced the bracketing tariff model and the refinery- the hand-over site. The tariffs practiced during 01.01.2018-30.06.2019 are being revealed in the table here-below:

Period	Installments	Arpechim Refinery	Ploiesti Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery
	Thousand tons/month	RON/ton	RON/ton	RON/ton
January 1st, 2018 - June 18, 2018	< 100	38.85	38.00	8.00
	>100	16.60	16.00	7.33
Starting June 19th, 2018	< 120	38.85	38.00	27.00*)
	>120	16.60	16.00	24.74*)

*) Starting 14.03.2019 for the transport relation with Petromidia refinery has been approved by NAMR Order no.172/2019 a tariff of 14.00 RON/tom for the tranche up to 120 thousand tons and 12.00 RON/ton for the tranche bigger than 120 thousand tons.

b) Other operating revenues

	June 30, 2019	June 30, 2018
Revenues out of modernization quota consumption	15,513,271	14,198,302

Earnings from disposal of assets	15,924	-
Other revenues	139,240	846,940
Total other operating expenses	15,668,435	15,045,242

Other operating expenses have registered an increase by 4.14 % in the first six months of the year 2019 as compared to the same period of the previous year, from 15,045,242 RON to 15,668,435 RON.

Other operating revenues comprise, mainly, the revenues from the reserve related to the modernization quota at the levels of depreciation of fixed assets financed out of this source. The revenues representing modernization quota have increased by 9.26% in the first six months of 2019 compared to the same period of 2018.

16. Operating Expenses

a) Stocks and Utilities Expenses

	June 30, 2019	June 30, 2018
Expenses with consumables	2,855,142	2,753,933
Other material expenses	495,877	470,778
Other Expenses with energy and water	6,582,865	5,948,665
Merchandise expenses	52,815	44,673
Total Stocks and Utilities related Expenses	9,986,699	9,218,049

b) Personnel expenses

The personnel expenses include salaries expenses and the related contributions, the benefits and bonuses granted to the employees and the allowances related to the mandate contracts of the members of the Board of Administration and the Director General.

	June 30, 2019	June 30, 2018
Salary and related contributions expenses	63,441,958	58,455,578
Liabilities regarding the employees benefits	8,839,697	1,662,588
Liabilities regarding the employees' bonuses	5,421,367	5,099,374
Allowances of the directors with mandate and of the administrators	1,541,122	740,952
Total personnel expenses	79,244,144	65,958,492

The personnel expenses are detailed as follows:

	June 30, 2019	June 30, 2018
Salary and related contributions expenses	63,441,958	58,455,578
Total salaries and contributions	63,441,958	58,455,578

Provisions for the Employees' Benefits Salary

Pursuant to the provisions of the Collective Labor Agreement in force, the company has granted the following benefits to its employees: quarterly premiums, retirement support, marriage support, other benefits, as well as bonuses such as: holiday and treatment vouchers, including the transport, presents given to the employees, birth grants, funeral grants and serious diseases, humanitarian grants, meal vouchers, other bonuses.

The benefits granted to the employees, within the first six months of 2019, reveal the followings:

Liabilities regarding the employees benefits

	June 30, 2019	June 30, 2018
Rewards	1,000,000	499,361
Retirement support	208,404	245,830
Marriage support	57,890	7,564

Employees share of profit	5,083,747	-
The company's contribution to facultative pension schemes and voluntary health insurances	2,223,330	764,946
Other benefits	266,326	144,887
Total	8,839,697	1,662,588

Liabilities regarding the employees' bonuses

	June 30, 2019	June 30, 2018
Holiday and treatment vouchers	584,489	493,012
Presents granted to the employees and employees children	151,200	157,350
Grants related to birth, death, serious diseases	461,419	311,616
Food stamps	2,642,475	2,735,775
Other bonuses	1,581,784	1,401,621
Total	5,421,367	5,099,374

The value of employee benefits increased in the first six months of 2019 compared to the same period of 2018 due to the payment in June 2019 of the amounts of the profit employees (2018 amounts of the profit employees were paid in July). The effect in the income of employees' profit participation expense was compensated for the registration of the allowance in income in 2018.

The increase in pension expenditure optional - Pillar III and voluntary health insurance recorded in first half 2019 compared to the first half 2018, was because the amounts budgeted for voluntary pensions for the year 2018 were included in the 2018 budget by stripping BVC approved by OGM in September 2018.

There has been an increase in spending on "other benefits", following the introduction of a new benefit of salary nature (after school) and increase of the amount of daily allowance from 80 lei to 100 lei starting 2019.

Waging system - the directors with mandate and the Board of Administration members

	June 30, 2019	June 30, 2018
Allowance of the directors with mandate	601,617	221,304
Allowances of the members of the Board of Administration	939,505	519,648
Total	1,541,122	740,952

The expenses with the allowances related to the contracts of mandate of the directors and the administrators register an increase as compared to the first six months of the year 2018 due to the conclusion of two new mandate contracts: for the Director Economic and the Deputy Director General.

c) Expenses related to external services

	June 30, 2019	June 30, 2018
Rail transport expenses	29,664,970	27,680,774
Expenses with royalties, commercial leasing and leases	16,049,976	14,830,088
Third-party pumping expenses	2,456,023	2,257,675
Maintenance and repair Expenses	1,366,998	1,117,979

Expenses with the decontamination, monitoring of the environmental factors	234,842	353,366
Travel, detachment and transfer expenses	737,873	348,817
Expenses related to the transport of goods and personnel	21,429	35,815
Postal and telecommunication expenses	260,916	274,216
Other expenses with services performed by third parties	2,281,295	1,918,685
Total expenses related to external services	53,074,322	48,817,415

The expenses with royalties, and rentals comprise the oil royalty representing the amount due by company, as holder of the oil agreement, the State budget, under the law, for the use of goods State public property related to oil operations.

It is being calculated according to the Oil Law no. 238/2004, by application of a quota of 10% of the value of gross income achieved out of oil transport and transit operations through the oil national transport systems, as well as related to the oil operations performed by oil terminals State public property.

d) Other expenses

	June 30, 2019	June 30, 2018
Taxes, fees and similar levies related expenses	1,050,114	1,100,748
Compensations, fines and penalties expenses	11,603	15,787
Donations granted (Sponsorship)	137,752	41,865
Environmental protection expenses	47,743	37,729
Expenses with the establishment of the modernization quota	15,175,542	25,326,114
Other operating expenses	188,167	110,425
Other expenses	16,610,921	26,632,668

Within the first six months of 2019, the expenses recorded with other taxes, fees and similar levies mainly include, the expenses with the local taxes and expenses with the contribution to the special fund, due under the Law no. 448/2006 regarding the protection and promotion of the disabled persons.

The company constitutes reserves regarding the modernization quota through other operating expenses in compliance with the provisions of the GD no. 168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no. 227/2015, further amendments and updates.

17. Net Financial Result

	June 30, 2019	June 30, 2018
Revenues from interests	4,087,732	2,041,159
Revenues from operations with securities and other financial instruments	-	330,110
Other financial revenues	15,792	2,294
Total financial revenues	4,103,524	2,373,563
Other financial expenses	42,218	4,333
Total financial expenses	42,218	4,333
Net Financial Result	4,061,306	2,369,230

The financial revenues have increased by 72.88% in the first six months of the year 2019 YoY, while the financial expenses have maintained at a reduced level as compared to the revenues. Following this evolution, the net financial result has increased by 71.42% in the first six months of the year 2019 as compared to the same period of the year 2018.

18. Related Parties

In the first quarter of 2019, the Company performed the following significant transactions with related parties:

Procurement from related parties

Partner	Unsettled amounts at December 31st, 2018	Procurement Period 01.01-30.06.2019	Settlements Period 01.01-30.06.2019	Unsettled amounts at June 30,2019
SNTFM CFR Marfă S.A.	3,320,405	35,226,441	31,609,427	6,937,419

**The amounts are VAT exclusive*

19. Ulterior Events

At 04.07.2019 (in first call) and 05.07.2019 (in second call) was held the Extraordinary General Meeting of Shareholders with the agenda item on approval of the capital augmentation with the value of land for which they have obtained certificates of ownership in 2001-2005. At both meetings the quorum provided by law has not been met, quorum necessary for the capital augmentation through contribution in kind.

At 17.07.2019 it was published the notice of initiation for purchase of financial audit services for the years 2019, 2020 and 2021 and other related services.

At 25.07.2019 has been prepared by the financial auditor The agreed upon procedures report on transactions reported under Art. 82 of Law no. 24/2017.

These financial statements from page 1 to 25 were authorized for issue and signed by the company management on August 12, 2019.

**Director General,
PhD. Eng. Timur-Vasile Chis
Econ. Sanda Toader**

Economic Director,