

APPROVED by the Board of Administration

by Decision no. \_\_\_\_\_ from \_\_\_\_\_

### **SUBSTANTIATION NOTE**

**regarding the approval, by the General Meeting of Shareholders  
of 2019 Income and Expenditure Budget of CONPET S.A.**

The Income and Expenditure Budget for the year 2019 has been approved by the OGMS in the meeting dated April 09, 2019, as per the provisions of the Government Ordinance no.26/2013.

**The Substantiation of the draft Revenues and Expenditure Budget rectified is based on the legislation regarding:**

- strengthening financial discipline and settlement of the salary expenses in 2019 budget at the level of certain economic operators where the state or administrative-territorial units are unique or majority shareholders or hold directly or indirectly a majority participation (GD no. 26/2013);
- layout and structure of the Revenues and Expenditure Budget, as well as the substantiation annexes thereof (OMPF no. 3145/2017).
- the application, by the companies whose values are admitted for trading on a regulated market, of the International Standards of Financial Reporting (Order of the Ministry of the Public Finances no. 2844/2016);

The correction of the income and expenditure budget approved for the year 2019 is being generated, mainly, by the reduction of the number of posts, having as consequence the dismissal of a number of 29 employees, occupants of the dismissed posts for reasons not related to themselves and also by awards of wage increases.

The proposal to amend the 2019 Revenues and Expenditure Budget falls within the provisions of the GD no.26/2013 *regarding the strengthening of financial discipline at the level of certain economic operators where the state or administrative-territorial units are unique or majority shareholders or hold directly or indirectly a majority participation*, at Art. 10, para (2), letter a):

*“(2) The economic operators may proceed to the rectification of the revenues and expenditures budgets, as per the provisions of Art. 4, whenever due to reasonably substantiated reasons are*

necessary amendments of the level of the following approved economic-financial indicators, as follows:

a) exceeds of the maximum limits of the economic-financial indicators provided at para. (1) letter a), by the observance of the waging policy objectives set pursuant to the annual state budget law and of the provisions of Art. 9, para. (3).

## **Presentation and substantiation of the indicators included in the draft revenues and expenditure budget amended for the year 2019**

In substantiating the draft budget there have been considered the followings:

- analysis of the budget execution performed along the first 6 months of 2019;
- evolution of the main budget indicators related to the first 6 months of 2019;
- provision of the necessary resources to normally perform the activity until the end of 2019;
- the provisions of the Collective Labor Agreement;

### **I. REVENUES**

**The total revenues** are budgeted by the amount of 4,745 thousand RON, from 419,679 thousand RON to 424,424 thousand RON, in the following structure:

**The operating revenues** are being augmented by the amount of 2,300 thousand RON, from 416,774 thousand RON to 419,074 thousand RON, representing revenues generated by the maturity of invoking the statute of limitation of the shareholders in what regards the payments of the dividends due and unclaimed until the date of 31.07.2019 related to the financial year 2015.

**The financial revenues** are provided with an increase of 2,445 thousand RON, from 2,905 thousand RON to 5,350 thousand RON. This increase is being represented by the excess amount from the revenues out of interests associated to bank deposits at June 30, 2019, over the level budgeted for that period.

### **II. EXPENDITURE**

The operating expenses raised by 4,745 thousand RON, from 366,765 thousand RON to 371,510 thousand RON and the amendments in the structure of the operating expenses, by main types of expenses is the following:

#### **a) Personnel expenses**

The personnel expenses have grown by 6,872 thousand RON, from 154,578 thousand RON to 161,450 thousand RON, as follows:

##### *Salary related expenses*

In Law no.50 of the state budget for the year 2019, at chapter III "Final dispositions", Art.62 are being provided the coordinates of the government on the wage policy for the year 2019.

Considering the fact that, the company has not recorded, in 2018, outstanding payments and has provided for the year 2019 a level of outstanding payments equal to zero, respectively it estimates not to record in 2019 outstanding payments, CONPET S.A. falls within Art.62 Para (1) letter b) of the state budget Law related to 2019, no.50/2019 where are being stipulated the followings:

(1) For the year 2019, the economic operators who are subject to the provisions of Art.9, Para (1), Letter b) and Para (3) of the Government Ordinance no.26/2013 regarding the reinforcement of the financial discipline at the level of the economic operators to which the state or the administrative-territorial units are sole or majority shareholders or hold directly or indirectly a majority stake approved with the completions by Law no.47/2014, ulterior amendments and completions, can forecast, in the income and expenditure budget, the augmentation of the salary expenses as compared to the level planned in the last income and expenditure budget approved as per the legal provisions, as follows:

.....

b) economic operators who have not exceeded the outstanding payments scheduled for the end of 2018 may increase salary related expenses provided in 2019 to not schedule the arrears, and if scheduled to predict their reduction to the planned level of the previous year with at least the growth index of average gross monthly employed recalculated in accordance with paragraph (2).”

Therefore, not recording outstanding payments by the end of 2018 and scheduled in the budget of the year 2019, CONPET S.A. can budget the award of salary augmentations, as the budget law, in this case, does not forbid and does not limit the augmentation of the salary-related expenses to the operators not recording outstanding payments.

We hereby mention that, at 30.06.2019 the company has not recorded outstanding payments.

Within the negotiation of the Collective Labor Agreement applicable at 01.01.2019 it was agreed upon the awards of salary outputs starting 01.10.2019 according to the financial results registered in the first 6 months 2019, namely income increases and/or expenses savings related to the budget.

As this condition has been fulfilled, there have been analyzed the possibilities related to awards of the salary outputs, in view of stimulating the employees and for the stabilization of the specialized personnel.

*Salary-related expenses grew by 4,915 thousand RON, from 141,961 thousand RON to 146,876 thousand RON, as follows:*

- 4,770 thousand RON stands for the amount by which are being augmented the salaries expenses, in order to ensure: the increase of the basic salary by 300 RON gross/employee as of the date of 01.10.2019 and the award of a premium in net quantum of 1000 RON/employee on the occasion of the Oilman Day.
- 145 thousand RON stand for bonuses granted as per the collective Labor Agreement, such as:
  - ✓ 119 thousand RON stand for the amount by which are being augmented the expenses destined to the transport to and from the workplace. The increase of these expenses, as compared to the amount initially budgeted is due the increase of the number of employees benefiting, on monthly basis, by the reimbursement of the expenses with the transport to and from the workplace as compared to the previous year, as well as result of the increase, over estimations, of the fuels price in the first half of the current year, as compared to the inflation rate considered at the initial budgeting.
  - ✓ 26 thousand RON stand for expenses destined to the settlement of the cost payed by the employees for the crèche/kindergarten. The increase of this type of

expenditure is generated by the increase of the monthly number of employees benefiting from this salary advantage.

The additional *expenditure representing gift vouchers in amount of 81 thousand RON*. The increase of such type of expenditure is being performed at the expense of the reduction of other expenditure - social expenditure type.

Other personnel expenses, representing severance payments related to personnel lay-off have increased by the amount of 1,800 thousand RON, from 1,782 thousand RON to 3,582 thousand RON. The amount of 1,800 RON, by which is being supplemented the value of the initial budget will be used for the payment of severance pays as per the Collective Labor Agreement

#### Considerations regarding the proposal to complement the expenditure related to severance payments

By the Administration Plan for the period 2018-2022, the Board of Administration of CONPET and the directors with mandate contract have assumed a series of strategic objectives targeting the development and effectiveness of the activity, as well as the shares that the management has to undergo in view of achieving each objective.

One of the objectives assumed by the Administration Plan is the reshape and ongoing adaptation of the human resources in correlation with the technical economic requirements and realities of the company.

In this respect, following the analysis of the number of employees and the real needs for the performance of the technical activities, economic and administrative of the company, it has been decided that, in addition to the number of eliminated posts initially forecasted in the budget, on Semester I 2019, to be eliminated other 29 posts in Quarter IV 2019. The estimated amount that has to be distributed for the performance of severance payments, as it is being provided in the Collective Labor Contract, reaches 1,800 thousand RON.

The lay-off of a number of 29 employees leads to amendments in the structure of the income and expenditure budget approved for 2019, as follows:

- *The increase of the severance payments related to the personnel lay-offs* by the amount of 1,800 thousand RON and, implicitly, the augmentation of the personnel expenses.
- The reduction of the physical number at December 31, 2019 with 29 persons, from 1,628 at 1,599 persons;
- The reduction of the average number of personnel at December 31, 2019 with 1 person, from 1,613 to 1,612 persons.

The expenses related to the mandate contract have been augmented by the amount of 9 thousand RON, from 3,183 RON to 3,192 thousand RON and represent the difference resulting from the calculation of the variable component due to the Economic Director with mandate contract for the year 2018, as per the OGMS Decision no,3/23.04.2019 on the approval of the general limits of the variable composition of the Directors with mandate contract.

The expenses with contributions due by the employer have increased by the amount of 148 thousand RON, from 7,652 thousand RON to 7,800 thousand RON representing the labor insured contribution 92.25%) related to the increase of the expenditure with severance payments.

**b) The goods and services expenses have** lowered by 2,155 thousand RON from 100,393 thousand RON to 98,238 thousand RON. The amendments in the structure of goods and services expenses on the main types of expenses reveal the followings:

- The increase of the expenditure with the insurance premiums by the amount of 50 thousand RON for covering the costs with the insurance policy of the directors with mandate contracts;
- The diminution of the repairs and maintenance expenditure by the amount of 800 thousand RON
- The reduction of other expenditure with the services delivered to third parties in amount of 1,347 thousand RON representing demolition works of certain disabled goods;
- The diminution of the material expenses by the amount of 58 thousand RON.

The amendment in the structure of the expenses with sponsorship by diminution of the expenses representing sponsorship for other actions and activities and the increase of expenses in education, social and sports activities.

**b) Other operating expenses**, are augmented by the amount of 28 thousand RON representing expenses with the severance granted by the company to the owners when using the lands for investment and repairs works;

Changes occurred in substantiation data - Annex 2

The augmentation of the salary-related expenses determines the increase of the monthly average earnings per employee, as follows:

- The monthly average earnings/employee (RON/person) determined based on the salary related expenses is being increased with 258 RON/person (from 6,774 RON/person to 7,032 RON/person);
- The average monthly earnings per employee (RON/person) based on payroll expenses, recalculated as per the annual State the annual State Budget Law) is being increased with 258 RON/person (from 6,677 RON/person to 6,936 RON/person);

The labor productivity is provided with an increase of 0.6% (from 258 thousand RON/person to 260 thousand RON/person), following the increase of the operating expenses and the reduction of the average personnel number, from 1613 to 1612 persons.

The proposed changes do not affect the level of the Gross Result of 52,824 thousand RON, namely the net result in amount of 43,803 thousand RON.

Considering the above, we recommend for analysis and endorsement to the Board of Administration, the amended Revenues and Expenditure Budget related to 2019

and

Based on Art.15 Para (3), letter g) of the Articles of Incorporation of CONPET, we hereby recommend for approval of the Ordinary General Meeting of Shareholders the rectified Revenues and Expenditure Budget related to 2019.

We hereby attach to the substantiation note the following annexes:

- Annex no. 1 The Revenues and Expenditure Budget amended for 2019;

- Annex no. 2 Detailing of the economic-financial indicators stipulated in 2019 amended Budget;
- Annex no. 3 Total Revenues Performance;
- Annex no. 4 Investments Program, Endowments and Financing Sources - 2019 amended;
- Annex no. 5 Measures to improve the gross results and reduce outstanding payments.

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Subscribed and paid-up share capital 28 569 842.40 RON

Annex no. 1

## REVENUES AND EXPENDITURE BUDGET AMENDED FOR THE YEAR 2019

Thousand RON

	INDICATORS	No. row	Approved Current year 2019	Amendment proposals Current year 2019	%	Provisions		%
						YEAR 2020	YEAR 2021	
						7	8	
0	1	2	4	5	6= 5/4	7	8	9= 7/5 10= 8/7
I.		TOTAL REVENUES (Row1=Row2+Row5+Row6)	1	419.679	424.423	439.472	447.255	103,5 101,8
	1	Total operating revenues, of which:	2	416.774	419.074	438.072	445.855	104,5 101,8
		a). subsidies, as per the legal provisions in force	3					
		b). transfers, as per the legal provisions in force	4					
	2	Financial Revenues	5	2.905	5.350	1.400	1.400	25,2 % 100,0%
	3	Extraordinary Income	6					
II		TOTAL EXPENSES (Row7=Row8+Row20+Row21)	7	366.855	371.600	385.886	389.233	103,8% 100,9%
	1	Operating expenses, out of which:	8	366.765	371.510	385.486	388.733	103,8% 100,8%
		A. goods and Services Expenses	9	100.393	98.238	101.338	99.115	103,2% 97,8%
		B. taxes, fees and similar levies related expenses	10	32.786	32.786	33.537	33.882	102,3% 101,0%
		C. personnel expenses, out of which:	11	154.578	161.450	165.066	168.930	102,2% 102,3%
		C0 Salaries and bonuses expenses (Rows 13+14)	12	141.961	146.876	152.659	156.445	103,9% 102,5%
		C1 Salaries	13	123.567	128.337	134.040	137.448	104,4% 102,5%
		C2 Bonuses	14	18.394	18.539	18.619	18.997	100,4% 102,0%
		C3 Other personnel expenses, out of which:	15	1.782	3.582	0	0	0,0% 0,0%
		Compensation costs related to staff cuts	16	1.782	3.582	0	0	0,0% 0,0%
		Expenses related to the Contract of Mandate and other management and control bodies, committees and commissions	17	3.183	3.192	4.759	4.759	149,1% 100,0%
		C5 Expenses with contributions due by the Employer	18	7.652	7.800	7.648	7.726	98,0% 101,0%
	D.	Other operating expenses	19	79.008	79.036	85.545	86.806	108,2% 101,5%
	2	Financial Expenses	20	90	90	400	500	444,4% 125,0%
	3	Extraordinary expenses	21					
III		GROSS RESULT (profit/loss)	22	52.824	52.824	53.586	58.022	101,4 108,3

			INDICATORS	No. row	Approved Current year 2019	Amendment proposals Current year 2019	%	Provisions		%	
								YEAR 2020	YEAR 2021		
IV			INCOME TAX	23	9.021	9.021	100,0%	9.026	9.736	100,1%	107,9%
V			ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX, out of which:	24	43.803	43.803	100,0%	44.560	48.286	101,7%	108,4%
	1		Legal reserves	25							
	2		Other reserves - fiscal incentives provided by Law	26							
	3		Accounting losses from previous years	27							
	4		Allocate own sources of financing for the projects partly financed through foreign loans, as well as for the establishment of the necessary sources to reimburse capital ratio, interests, commissions and other fees	28							
	5		Other allocations stipulated by law	29							
	6		Accounting profit remaining after deducting the amounts from Rows 25, 26, 27, 28, 29	30	43.803	43.803	100,0%	44.560	48.286	101,7%	108,4%
	7		Employees profit sharing schemes within the limit of 10% of the net profit but not more than the monthly average base salary achieved at the level of the economic operator reported in the corresponding year	31	4.878	4.878	100,0%	4.964	5.379	101,7%	108,4%
	8		Minimum 50% transfers to the state or local budget in case of regimes autonomes or dividends due to shareholders in case of the societies or state-owned companies, out of which:	32	41.379	41.379	100,0%	42.096	45.615	101,7%	108,4%
		a).	- dividends payable to the state budget	33	24.296	24.296	100,0%	24.717	26.783	101,7%	108,4%
		b).	- dividends payable to the local budget	33a	0	0		0	0		
		c).	- dividends payable to other shareholders	34	17.083	17.083	100,0%	17.379	18.832	101,7%	108,4%
	9		Retained earnings on destinations under Rows31 - 32 is distributed to other reserves and is its own source of funding	35	2.424	2.424	100,0%	2.464	2.671	101,7%	108,4%
VI			REVENUES FROM EUROPEAN FUNDS	36							
VII			ELIGIBLE EXPENSES FROM EUROPEAN FUNDS, out of which:	37							
		a).	material expenses:	38							
		b).	salaries expenses	39							
		c).	expenses on provision of services	40							
		d).	advertising and publicity expenses	41							
		e).	Other expenses	42							
VIII			INVESTMENT FINANCING SOURCES, out of wich:	43	86.000	86.000	100,0%	133.500	156.000	155,2%	116,9%
	1		Government grants	44							
			budget allocations related to payments of the commitments from previous years	45							



			INDICATORS	No. row	Approved Current year 2019	Amendment proposals Current year 2019	%	Provisions		%	
								YEAR 2020	YEAR 2021		
IX			INVESTMENT RELATED EXPENSES	46	86.000	86.000	100,0%	133.500	156.000	155,2%	116,9%
X			SUBSTANTIATION DATA	47							
	1		Number of employees (estimated at the end of the year	48	1.628	1.599	98,2%	1.599	1.599	100,0%	100,0%
	2		Total average number of employees	49	1.613	1.612	99,9%	1.579	1.579	98,0%	100,0%
	3		Average monthly earnings per employee (RON/employee) based on payroll expenses *)	50	6.774	7.032	103,8%	7.477	7.666	106,3%	102,5%
	4		Average monthly earnings per employee (RON/person) based on payroll expenses, recalculated as per the annual State Budget Law **)	51	6.677	6.935	103,9%	7.477	7.666	107,8%	102,5%
	5		Labor productivity in physical units per total average number of employees (kRON/employee) (Row 2/Row 49)	52	258	260	100,6%	277	282	106,7%	101,8%
	6		Labor productivity in physical units per total average number of personnel, recalculated as per the annual State Budget Law	53	258	260	100,6%	277	282	106,7%	101,8%
	7		Labor productivity in physical units per total average number of personnel, (finished goods quantity/person)	54							
	8		Total expenses per each 1000 RON of total revenues (Row 7/Row 1)x1000	55	874	876	100,2%	878	870	100,3%	99,1%
	9		Overdue payables	56	0	0		0	0		
	10		Overdue receivables	57	288	288	100,0%	276	265	96,0%	95,8%

\*) Row 50 = Row 154 from Substantiation Annex no.2

\*\*) Row 51 = Row 155 from Substantiation Annex no.2

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**DETAIL OF THE ECONOMIC - FINANCIAL INDICATORS SET OUT IN THE REVENUES AND EXPENDITURES BUDGET AMENDED FOR THE YEAR 2019 AND THEIR QUARTERLY DISTRIBUTION**

Annex no. 2

				INDICATORS	No. row	YEAR 2018		Current year 2019		Amendment proposals Current year 2019	%	%	out of which:				
						APPROVED		Achieved year 2018	Approved				Achieved 30.06.2018	Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.2018	As per BoA Decision no.33/18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
0	1			2	3	4	4a	5	6	7	8	9= 8/5 X 100	10= 8/6 X 100	11	12	13	14
I.				TOTAL REVENUES (Row2+Row22+Row28)	1	414.321	414.321	424.173	419.679	220.389	424.424	100,1%	101,1%	99.555	203.950	314.523	424.424
	1			Total operating revenues (Rows 3+8+9+12+13+14), out of which:	2	412.763	412.763	418.711	416.774	216.285	419.074	100,1%	100,6%	98.730	202.304	312.246	419.074
			a).	from sold production (Rows 4+5+6+7), out of which:	3	380.980	380.980	384.986	385.087	200.522	385.087	100,0%	100,0%	91.058	186.937	286.665	385.087
			a1)	from the sale of products	4				0					0	0	0	
			a2)	from supplied services	5	377.098	377.098	380.579	381.641	196.519	381.641	100,3%	100,0%	90.561	185.742	284.532	381.641
			a3)	from royalties and rentals	6	1.403	1.403	1.483	1.434	782	1.434	96,7%	100,0%	359	717	1.076	1.434
			a4)	other revenues	7	2.479	2.479	2.924	2.012	3.222	2.012	68,8%	100,0%	138	478	1.057	2.012
			b).	from sale of goods	8	100	100	154	170	95	170	110,3%	100,0%	42	85	128	170
			c)	from operating subsidies and transfers related to the net turnover (Rows 10+11), out of which:	9	0	0	0	0	0	0			0	0	0	0
			c1	subsidies, as per the legal provisions in force	10	0	0	0	0	0	0			0	0	0	0
			c2	transfers, as per the legal provisions in force	11	0	0	0	0	0	0			0	0	0	0
			d)	from the production of fixed assets	12	0	0	434	0	74	0	0,0%		0	0	0	0
			e)	revenues associated to production cost in progress	13	585	585	949	-848	-804	-848	-89,3%	100,0%	0	1	-206	-848
			f)	Other operating revenues (Rows 15+16+19+20+21), out of which:	14	31.098	31.098	32.187	32.365	16.399	34.664	107,7%	107,1%	7.630	15.281	25.659	34.664
			f1)	finances and penalties	15	50	50	97	0	10	0	0,0%		0	0	0	0
			f2)	Gain from disposals of assets (Rows 18+19), out of which:	16	53	53	64	1.187	16	1.187	1868,0%	100,0%	0	0	0	1.187
				- tangible assets	17	53	53	64	1.187	16	1.187	1868,0%	100,0%	0	0	0	1.187
				- intangible assets	18												
			f3)	investment subsidies	19												
			f4)	exploitation of CO2 certificates	20												
			f5)	other revenues	21	30.995	30.995	32.027	31.178	16.373	33.478	104,5%	107,4%	7.630	15.281	25.659	33.478

				INDICATORS	No. row	YEAR 2018			Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:			
						APPROVED		Achieve d year 2018	Approved	Achieved 30.06.2018				Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
	2			Financial revenues (Rows 23+24+25+26+27),	22	1.558	1.558	5.462	2.905	4.104	5.350	97,9%	184,2%	825	1.646	2.277	5.350
			a).	financial fixed assets	23				0					0	0	0	
			b).	financial investments	24	604	604	604	0	0	0	0,0%		0	0	0	0
			c).	foreign exchange differences	25	0	0	6	5	16	5	89,3%	100,0%	1	3	4	5
			d).	interest income	26	954	954	4.853	2.900	4.088	5.345	110,1%	184,3%	824	1.643	2.273	5.345
			e).	Other financial revenues	27				0					0	0	0	
	3			Extraordinary income	28				0					0	0	0	
II	TOTAL EXPENSES (row 30+row 131+row 139)				29	360.047	360.047	352.482	366.865	183.251	371.600	105,4%	101,3%	87.979	182.718	276.409	371.600
	1			Operating expenses (Rows 31+79+86+114), out of which:	30	359.947	359.947	352.471	366.765	183.209	371.510	105,4%	101,3%	87.968	182.698	276.354	371.510
				A. Expenses - materials and services (Rows 32+40+46), of which:	31	93.804	93.784	88.210	100.393	48.026	98.238	111,4%	97,9%	22.677	48.884	73.984	98.238
		A1		Expenses related to inventories (Rows 33+34+37+38+39), out of which:	32	18.838	19.138	18.176	20.832	9.987	20.775	114,3%	99,7%	6.046	10.910	15.434	20.775
			a).	raw materials	33				0					0	0	0	
			b).	consumables, out of which	34	5.553	5.903	5.570	6.639	2.868	6.581	118,2%	99,1%	1.586	3.269	4.896	6.581
			b1)	spare parts	35	1.096	1.196	1.126	1.419	668	1.419	125,9%	100,0%	327	684	1.019	1.419
			b2)	fuel expenses	36	2.095	2.045	1.930	2.163	995	2.163	112,1%	100,0%	471	1.020	1.596	2.163
			c).	other materials and small inventory	37	1.658	1.608	1.355	1.873	483	1.873	138,2%	100,0%	485	997	1.452	1.873
			d).	expenses with energy and water	38	11.547	11.547	11.164	12.217	6.583	12.217	109,4%	100,0%	3.950	6.592	9.008	12.217
			e).	stocks expenses	39	80	80	87	103	53	103	118,7%	100,0%	25	52	77	103
		A2		Expenses - third party services (Rows 41+42+45), of which:	40	6.066	5.766	3.768	5.877	2.287	5.027	133,4%	85,5%	1.094	3.011	4.035	5.027
			a).	maintenance and repair expenses	41	3.822	3.286	1.576	3.604	1.194	2.704	171,6%	75,0%	605	1.688	2.188	2.704
			b).	rentals (Rows 43+44), of which:	42	1.643	1.978	1.729	1.786	877	1.786	103,3%	100,0%	358	1.076	1.431	1.786
			b1)	- rendered by state owned entities	43	328	393	355	296	206	296	83,5%	100,0%	76	150	223	296
			b2)	- rendered by private entities	44	1.315	1.585	1.374	1.490	671	1.490	108,4%	100,0%	282	926	1.208	1.490
			c).	insurance premiums	45	602	502	463	487	216	537	115,9%	110,3%	131	247	416	537
		A3		Expenses - other third party services (Rows 47+48+50+57+62+63+67+68+69+78), out of which:	46	68.899	68.879	66.266	73.683	35.752	72.436	109,3%	98,3%	15.538	34.963	54.516	72.436
			a).	outsourced manpower	47				0					0	0	0	

				INDICATORS	No. row	YEAR 2018		Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:				
						APPROVED		Achieve d year 2018	Approved				Achieved 30.06.2018	Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
		b).	commissions and fees, out of which:		48	775	775	128	799	136	799	623,3%	100,0%	159	218	337	799
		b1)	legal assistance		49				0					0	0	0	
		c)	protocol, promotion and advertising (Rows 51+53), of which:		50	500	500	456	590	184	590	129,5%	100,0%	134	246	357	590
		c1)	protocol, of which:		51	315	315	279	315	133	315	113,0%	100,0%	89	161	238	315
			- gift vouchers (Law no. 193/2006, further amendments)		52				0					0	0	0	
		c2)	promotion and advertising, of which:		53	185	185	177	275	51	275	155,5%	100,0%	45	85	119	275
			- gift vouchers related to advertising (Law no. 193/2006, further amendments)		54				0					0	0	0	
			- gift cards related to marketing campaigns, market studies, promotion on existing or new markets - Law no.		55				0					0	0	0	
			- expenses for the promotion of goods		56				0					0	0	0	
		d)	Sponsorship expenses according to EGO no. 2/2015 (Rows 58+59+61), o/w:		57	600	600	536	600	138	600	111,9%	100,0%	50	260	479	600
		d1)	related to medical/health		58	240	240	211	240	16	240	113,7%	100,0%	10	90	170	240
		d2)	related to education/social/sports, out of which:		59	300	240	224	240	110	269	120,3%	112,1%	15	115	239	269
		d3)	related to sports clubs		60	220	180	170	180	75	180	105,9%	100,0%	0	80	160	180
		d4)	sponsorships - other activities		61	60	120	102	120	12	91	89,4%	75,8%	25	55	70	91
		e)	Transport of goods and persons		62	58.576	58.576	59.253	61.174	32.142	61.174	103,2%	100,0%	13.243	29.180	45.233	61.174
		f)	Travel expenses, detachment, transfer, out of which:		63	1.154	1.134	755	1.464	738	1.464	194,0%	100,0%	400	810	1.127	1.464
			- daily allowance (Row 65+66), out of which:		64	421	421	276	523	208	523	189,5%	100,0%	139	281	395	523
			- domestic		65	371	371	246	443	140	443	180,0%	100,0%	105	221	332	443
			- abroad		66	50	50	30	80	68	80	267,0%	100,0%	34	60	63	80
		g)	postal and telecommunication expenses		67	558	558	523	589	261	589	112,6%	100,0%	148	294	441	589
		h)	bank fees and commissions		68	45	45	41	50	22	50	121,1%	100,0%	13	25	38	50

				INDICATORS	No. row	YEAR 2018			Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:			
						APPROVED		Achieve d year 2018	Approved	Achieved 30.06.2018				Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
			i)	other expenses with services performed by third parties,out of wich:	69	1.699	1.699	1.463	1.782	818	1.883	128,7%	105,6%	328	802	1.341	1.883
			i1)	expenses of assurance and security	70	564	564	486	701	252	701	144,3%	100,0%	122	275	488	701
			i2)	expenses on maintenance and operation of the information technique	71	376	376	360	419	187	519	143,9%	123,9%	105	209	314	519
			i3)	Training expenses	72	500	500	500	547	341	547	109,5%	100,0%	87	249	439	547
			i4)	tangible/intangible assets revaluation, of which:	73	109	109	74	55	24	55	74,7%	100,0%	0	40	55	55
				- related to the public domain assets	74				5		5		100,0%	0	0	5	5
			i5)	services rendered by subsidiaries	75				0					0	0	0	
			i6)	management recruitment expences as per EGO no. 109/2011	76	100	100	25	0	0	0	0,0%		0	0	0	0
			i7)	expenses with advertisments on auctions and other advertisments	77	50	50	18	60	14	60	334,2%	100,0%	14	29	45	60
			j)	Other expenses	78	4.993	4.993	3.111	6.636	1.312	5.289	170,0%	79,7%	1.063	3.128	5.163	5.289
				B Tax expenses, charges and similar (Row 80+Row 81+Row 82+Row 83+Row 84+ Row 85), of which:	79	32.017	32.017	31.683	32.786	16.224	32.786	103,5%	100,0%	7.747	15.926	24.442	32.786
			a).	charges for the exploitation of mineral resources	80				0					0	0	0	
			b).	charges for royalty for the concession of public assets and mineral resources	81	29.384	29.384	29.560	30.277	15.173	30.277	102,4%	100,0%	7.115	14.662	22.551	30.277
			c)	licence fees	82				0					0	0	0	
			d)	certification fees	83				0					0	0	0	
			e)	environmental fees	84	1	1	0	1	0	1	851,1%	100,0%	0	1	1	1
			f)	other taxes and duties	85	2.631	2.631	2.123	2.508	1.051	2.508	118,1%	100,0%	632	1.263	1.890	2.508
				C. Personnel expenses (Rows 87+100+104+113), out of which:	86	141.019	141.019	140.265	154.578	79.244	161.450	115,1%	104,4%	36.858	81.799	121.441	161.450
			C0	Payroll expenses (Rows 88+92)	87	128.689	128.689	128.457	141.961	72.388	146.876	114,3%	103,5%	34.095	74.093	111.221	146.876
			C1	Salaries (Rows 89+90+91), out of which:	88	114.025	113.770	113.578	123.567	61.617	128.337	113,0%	103,9%	31.235	63.218	95.558	128.337
				a) basic salaries	89	87.431	87.270	87.111	93.663	46.589	95.163	109,2%	101,6%	23.601	47.202	70.434	95.163
				b) benefits and other bonuses related to the basic salary (according to the Collective Labour Agreement - Bo. CCM)	90	25.525	25.982	25.964	29.004	14.761	32.274	124,3%	111,3%	7.365	15.576	24.408	32.274
				c) other bonuses (as per Collective Labor Agreement)	91	1.069	518	503	900	267	900	178,9%	100,0%	269	440	716	900

				INDICATORS	No. row	YEAR 2018			Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:			
						APPROVED		Achieve d year 2018	Approved	Achieved 30.06.2018				Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
			C2	Bonuses (Rows 93+96+97+98+99), out of which:	92	14.664	14.919	14.879	18.394	10.771	18.539	124,6%	100,8%	2.860	10.875	15.663	18.539
				a) social compensation provided for art. 25 of Law no. 227/2015 regarding the Tax Code*), further amendments and completions, out of which:	93	4.385	4.918	4.916	5.754	2.023	5.754	117,0%	100,0%	966	1.992	4.897	5.754
				- nursing vouchers acc. to Law no. 193/2006 updated;	94				0					0	0	0	
				- gift vouchers related to social compensations according to Law no. 193/2006 further amendments:	95	765	1.007	1.007	1.067	578	1.148	114,0%	107,6%	579	579	1.148	1.148
				b) meal vouchers;	96	5.525	5.247	5.234	5.310	2.642	5.310	101,5%	100,0%	1.461	2.795	4.025	5.310
				c) holiday vouchers;	97	0	0	0	0	0	0			0	0	0	0
				d) expenses concerning employee participation in the profits earned in the	98	2.969	2.969	2.969	5.090	5.084	5.090	171,4%	100,0%	0	5.090	5.090	5.090
				e) other expenses as per Collective Labor Agreement	99	1.785	1.785	1.760	2.240	1.023	2.385	135,5%	106,4%	433	998	1.651	2.385
			C3	Other personnel expenses (Rows 101+102+103), out of which:	100	3.141	3.141	3.008	1.782	1.514	3.582	119,1%	201,0%	0	1.782	1.782	3.582
				a) severance payment expenses related to personnel layoffs	101	3.141	3.141	3.008	1.782	1.514	3.582	119,1%	201,0%	0	1.782	1.782	3.582
				b) expenses with the remuneration due under court order	102	0	0	0	0	0	0			0	0	0	0
				c) employment costs related to restructuring, privatisation, special administrator, other commissions and committees	103	0	0	0	0	0	0			0	0	0	0
			C4	Expenses related to the Contract of Mandate and other management and control bodies, committees and commissions (Rows 105+108+111+112), out of which:	104	1.794	1.872	1.556	3.183	1.541	3.192	205,1%	100,3%	880	1.980	2.591	3.192
				a) related to directors/directorship	105	591	661	493	1.535	601	1.544	313,3%	100,6%	445	879	1.216	1.544
				-fixed component	106	443	513	493	1.258	601	1.258	255,2%	100,0%	274	602	930	1.258
				-variable component	107	148	148	0	277	0	286		103,2%	171	277	286	286
				b) related to the Board of Administration/Supervisory Board, out of which:	108	1.203	1.211	1.063	1.648	940	1.648	155,0%	100,0%	435	1.101	1.374	1.648
				-fixed component	109	1.055	1.063	1.063	1.094	547	1.094	102,9%	100,0%	274	547	820	1.094
				-variable component	110	148	148	0	554	393	554		100,0%	161	554	554	554
				c) for GMS and censors	111	0	0	0	0	0	0			0	0	0	0
				d) other committees and commissions established under the Law	112	0	0	0	0	0	0			0	0	0	0
			C5	Expenses with contributions due by the Employer	113	7.395	7.317	7.244	7.652	3.801	7.800	107,7%	101,9%	1.883	3.944	5.847	7.800

				INDICATORS	No. row	YEAR 2018			Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:			
						APPROVED		Achieve d year 2018	Approved	Achieved 30.06.2018				Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
			D. Other operating expenses (Rows 115+118+119+120+121+122), out of which:	114	93.107	93.127	92.313	79.008	39.715	79.036	85,6%	100,0%	20.686	36.089	56.488	79.036	
			a). increases and penalties (Rows 116+117), out of which:	115	0	0	1	0	1	0	0,0%		0	0	0	0	
			- to the consolidated state budget	116	0	0	1	0	0	0	0,0%		0	0	0	0	
			- to other creditors	117	0	0	0	0	1	0	0,0%		0	0	0	0	
			b). Loss from disposal of assets	118	0	0	0	0	0	0			9	154	272	0	
			c) expenses related to transfer for personnel payment	119	0	0	0	0	0	0	0	0	0	0	0	0	
			d) other expenses	120	41.242	41.262	42.271	30.015	15.422	30.042	71,1%	100,1%	7.020	14.517	22.480	30.042	
			e) depreciation (tangible assets) and amortization (Intangible assets)	121	44.307	44.307	44.502	45.904	22.834	45.904	103,2%	100,0%	11.377	22.636	34.462	45.904	
			f) Impairment for value loss and provisions (Rows 123-126), in which:	122	7.557	7.557	5.539	3.090	1.458	3.090	55,8%	100,0%	2.280	-1.218	-726	3.090	
			f1) expenses with adjustments and provisions	123	13.687	13.687	15.708	12.177	9.161	12.177	77,5%	100,0%	3.287	6.092	7.933	12.177	
			f1.1) -provisions related to the employees' share of profit	124	5.090	5.090	5.090	4.878	2.494	4.878	95,8%	100,0%	1.220	2.439	3.659	4.878	
			f1.2) -provisions related to the contract of mandate	125	0	517	499	2.350	1.175	2.350	471,0%	100,0%	0	0	0	2.350	
			f2) revenues from provisions and reversals of impairment adjustments, out of which:	126	6.130	6.130	10.169	9.087	7.703	9.087	89,4%	100,0%	1.007	7.310	8.659	9.087	
			f2.1) from provisions cancellation (Rows 128+129+130), out of which:	127	6.130	6.130	10.169	9.087	7.703	9.087	89,4%	100,0%	1.007	7.310	8.659	9.087	
			- from the employees share of profit	128	2.969	2.969	2.969	5.090	5.084	5.090	171,4%	100,0%	0	5.090	5.090	5.090	
			- impairment of tangible assets and current assets	129	219	219	250	200	435	200	80,1%	100,0%	50	100	150	200	
			- revenues from other provisions	130	2.942	2.942	6.950	3.797	2.184	3.797	54,6%	100,0%	957	2.120	3.419	3.797	
2			Financial Expenses (Rows 132+135+138), out of which:	131	100	100	11	90	42	90	834,1%	100,0%	10	20	55	90	
			a). Interest expense, out of which:	132	0	0	0	50	0	50		100,0%	0	0	25	50	
			a1) related to investment loans	133	0	0	0	50	0	50		100,0%	0	0	25	50	
			a2) related to loans for current activity	134	0	0	0	0	0	0			0	0	0	0	
			b). foreign exchange rate differences out of which:	135	100	100	8	9	4	9	118,2%	100,0%	2	4	7	9	
			b1) related to investment loans	136	0	0	0	0	0	0			0	0	0	0	
			b2) related to loans for current activity	137	0	0	0	0	0	0			0	0	0	0	
			c) other financial revenues	138	0	0	3	31	38	31	975,4%	100,0%	8	16	23	31	
	3		Extraordinary expenses	139	0	0	0	0	0	0			0	0	0	0	
III			GROSS RESULT (profit/loss)(Rd.1- Rd.29)	140	54.274	54.274	71.691	52.824	37.138	52.824	73,7%	100,0%	11.577	21.231	38.113	52.824	

					INDICATORS	No. row	YEAR 2018			Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:			
							APPROVED		Achieve d year 2018	Approved	Achieved 30.06.2018				Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
							As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
					Non-taxable income	141	6.230	6.230	10.307	9.258	7.803	9.258	89,8%	100,0%	1.049	7.395	8.787	9.258
					fiscal non-deductible expenses	142	14.699	14.699	16.599	13.062	9.514	13.062	78,7%	100,0%	3.409	6.491	8.790	13.062
IV					INCOME TAX	143	8.463	8.463	11.015	9.021	5.958	9.021	81,9%	100,0%	2.085	3.726	6.556	9.021
V					SUBSTANTIATION DATA													
	1				Total operating revenues, of which: (Row2)	144	413.210	413.210	418.711	416.774	216.285	419.074	100,1%	100,6%	98.730	202.304	312.246	419.074
			a).		- revenues from subsidies and transfers	145	0	0	0		0	0			0	0	0	0
			b).		- other revenues not considered in the determination of the labor productivity, as per the annual State Budget Law	146	0	0	0		0	0			0	0	0	0
	2				Payroll expenses (Rows 87), out of which: **)	147	128.689	128.689	128.457	141.961	72.388	146.876	114,3%	103,5%	34.095	74.093	111.221	146.876
			a).		amounts representing increases of the gross average earnings/employee due to the augmentation of the gross minimum basic pay guaranteed for payment	148												
			b).		amounts representing payroll increases related to the reinstatement thereof for entire 2019, determined as a result of awarding salary increases or/and increase of the number of personnel in 2018	149	586	586	586	1.879	1.260	1.879	320,6%	100,0%	630	1.260	1.879	1.879
			c).		increase of payroll expenses due to the legal amendments on the mandatory social contributions	150	19.562	19.518	19.486	0	0	0	0,0%		0	0	0	0
	3				Salary expense (Row 88)	151	114.025	113.770	113.578	123.567	61.617	128.337	113,0%	103,9%	31.235	63.218	95.558	128.337
	4				Number of employees estimated at the end of the year	152	1.657	1.657	1.657	1.628	1.627	1.599	96,5%	98,2%	1.657	1.628	1.628	1.599
	5				Total average of employees	153	1.646	1.646	1.635	1.613	1.607	1.612	98,6%	99,9%	1.630	1.625	1.617	1.612
	6		a).		Average monthly earnings per employee (RON/person) based on payroll expenses [(Row 147 - Row 93* - Row 98)/Row 153]/12*1000	154	6.143	6.116	6.145	6.774	6.771	7.032	114,4%	103,8%	X	X	X	7.032
			b).		Average monthly earnings per employee (RON/person) based on payroll expenses, recalculated as per the annual State Budget Law	155	5.123	5.098	6.115	6.677	6.640	6.935	113,4%	103,9%	X	X	X	6.935
	7		a).		Labor productivity in average personal total value units (thousand RON/person) (Row 2/Row 153)	156	251	251	256	258	135	260	101,5%	100,6%	X	X	X	260
			b).		Labor productivity in physical units per total average number of personnel, recalculated as per the annual State Budget Law	157	251	251	256	258	135	260	101,5%	100,6%	X	X	X	260



				INDICATORS	No. row	YEAR 2018		Current year 2019		Amendmen t proposals Current year 2019	%	%	out of which:				
						APPROVED		Achieve d year 2018	Approved				Achieved 30.06.2018	Q I	Q II Cumulated	Q III Cumulated	Q IV Cumulated
						As per OGMS Resolution no.6/14.09.20 18	As per BoA Decision no.33/ 18.12.2018		REB 2019 as per OGMS no.2/09.04 2019								
		c)	Labor productivity in physical units per total average number of personnel, (quantity of finished products/person) W = QPF/Row 153	158													
		c1)	Calculation elements of labor productivity in physical units, of which:	159													
			- quantity of end products (QPF)	160													
			- average price (p)	161													
			- value = QPF x p	162													
			- share in total operating revenue = Row 159/Row 2	163													
8			Overdue payments	164	0	0	0	0	0	0			0	0	0	0	
9			Overdue claims, out of which:	165	300	300	102	288	113	288	282,8%	100,0%	288	288	288	288	
			- from operators fully State-owned/majority capital	166	0	0	0	0	0	0	0,0%		0	0	0	0	
			- from private equity operators	167	300	300	102	288	113	288	282,8%	100,0%	288	288	288	288	
			- from the State budget	168	0	0	0	0	0	0			0	0	0	0	
			- from the Local budget	169	0	0	0	0	0	0			0	0	0	0	
			- - from other entities	170	0	0	0	0	0	0			0	0	0	0	
10			Loans for financing current activity (end of period balance)	171	0	0	0	0	0	0			0	0	0	0	

\*) within the limit provided by in the Art. 25, para. 3, letter b of Law no. 227/2015 regarding the Fiscal Code, further amendments and completions

\*\*) shall be distinctly underlined the amounts not considered to the determination of the monthly gross average earnings, stipulated in the annual State Budget Law

Note: For comparability, revenues and expenses for the year 2018 are presented according to the International Financial Reporting Standards (IFRS)  
Revenues from the sale of assets and capital transactions and, respectively, the costs from disposal of assets are presented as net amounts of gain or loss out of the sale of assets

Director General  
PhD Eng. CHIȘ Timur Vasile

Economic Director,  
Econ. Toader Sanda

Head of Controlling and Budgeting Department Head of Management and Budget Reporting Bureau  
Sirbu Ștefan Econ. Burlacu Rodica



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TIN: RO 1350020; NACE Code 4950; CRN J29/6/22.01.1991  
Subscribed and paid-up share capital 28 569 842.40 RON

Annex no. 3

## Total Revenues Achievement Performance

Annex no. 3  
Thousand RON

Current n	INDICATORS	Provisions year 2017		% 4= 3/2	Provisions preceding year 2018		% 7= 6/5
		Approved	Achieved		Approved	Achieved	
0	1	2	3	4	5	6	7
I.	Total revenues (rows1+2+3)*, out of which:	411	415	101,1%	414	424	102,4%
1	Operating revenues*)	408.331	411.567	100,8%	412.763	418.711	101,4%
2.	Financial revenues	2.515	3.614	143,7%	1.558	5.462	350,7%
3.	Extraordinary revenues	0	0		0	0	

Director General

PhD Eng. CHIȘ Timur Vasile

Economic Director,

Econ. Toader Sanda

Head of Controlling and Budgeting Depart  
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## Investments Program, Endowments and Financing Sources- 2019 amended August

Thousand RON

0	1	INDICATORS	Investment end date	2018		Program amended in August		
				Approved	Achieved	2019	2020	2021
		2	3	4	5	6	7	8
I		<b>INVESTMENT FINANCING SOURCES, out of which:</b>		<b>76.625</b>	<b>69.649</b>	<b>86.000</b>	<b>133.500</b>	<b>156.000</b>
	1	<b>Own sources, out of which:</b>		<b>8.795</b>	<b>6.405</b>	<b>13.583</b>	<b>24.500</b>	<b>18.150</b>
		a) - depreciation		8.795	6.405	13.583	24.500	18.150
		b) - profit						
	2	<b>Government grants</b>						
	3	<b>Bank credits, out of which:</b>		<b>0</b>	<b>0</b>	<b>2.177</b>	<b>30.000</b>	<b>50.000</b>
		a) - domestic		0	0	2.177	30.000	50.000
		b) - external						
	4	<b>Other sources, out of which:</b>		<b>67.830</b>	<b>63.244</b>	<b>70.240</b>	<b>79.000</b>	<b>87.850</b>
		Modernization quota		67.830	63.244	70.240	79.000	87.850
II		<b>INVESTMENT EXPENSES , out of which:</b>		<b>76.625</b>	<b>69.649</b>	<b>86.000</b>	<b>133.500</b>	<b>156.000</b>
	1	<b>Investments in progress, out of which:</b>		<b>7.882</b>	<b>7.259</b>	<b>8.663</b>	<b>14.557</b>	<b>4.790</b>
		a) for the assets in the private property of the economic operator		<b>120</b>	<b>87</b>	<b>2.900</b>	<b>3.792</b>	<b>0</b>
	1	LDH 1250 HP transformation	2020	0	0	2.900	0	0
	2	LDH 700 HP transformation	2020	0	0	0	3.737	0
	3	Power supply at JT 0.4 Kv –Mircea Voda Station	2018	120	87	0	0	0
	4	LOCOMOTIVE SHEDS		0	0	0	55	0
		b) for the assets in the public domain of the state or of the territorial administrative unit, o/w:		<b>7.762</b>	<b>7.172</b>	<b>5.763</b>	<b>10.765</b>	<b>4.790</b>
	1	Pilot system for detecting and locating leaks of product from the major pipelines system of crude oil transport Videle - Carotjani - Ploiesti	2019	3.265	3.263	1.432	0	0
	2	Video surveillance systems in 10 CONPET locations	2019	0	0	2.506	0	0
	3	Tanks		4.492	3.909	1.820	10.750	4.700
	4	Projects, Studies, Technical Appraisals		5	0	5	15	90
	2	<b>New investments, out of which:</b>		<b>2.350</b>	<b>2.249</b>	<b>3.140</b>	<b>7.850</b>	<b>13.881</b>
		a) for the assets in the private property of the economic operator:		<b>2.270</b>	<b>2.249</b>	<b>1.460</b>	<b>3.000</b>	<b>4.050</b>
	1	Intangible investments		2.270	2.249	150	1.300	2.600
	2	Integrated information system modernisation		0	0	675	450	450
	3	New building 2nd headquarter of CONPET - Archive, Data Center Building and Metrology (C18), demolition C14		0	0	50	1.130	1.000
	4	Other works		0	0	585	120	0
		b) for the assets in the public domain of the state or of the territorial administrative unit:		<b>80</b>	<b>0</b>	<b>1.680</b>	<b>4.850</b>	<b>9.831</b>
	1	Technical support and consultancy		50	0	50	50	50
	2	Tanks		30	0	30	1.200	8.221
	3	Other works		0	0	1.500	3.500	1.460
	4	Projects, Studies, Technical Appraisals		0	0	100	100	100
	3	<b>Investments in the existing tangible assets (upgrades), out of which:</b>		<b>64.113</b>	<b>58.616</b>	<b>70.046</b>	<b>105.483</b>	<b>127.454</b>
		a) for the assets in the private property of the economic operator:		<b>3.925</b>	<b>2.397</b>	<b>7.304</b>	<b>11.994</b>	<b>3.821</b>
	1	Pipelines rehabilitation		330	322	1.480	2.634	195
	2	Building rehabilitations		850	363	1.885	6.199	900
	3	Other works		2.745	1.711	3.939	3.161	2.726
		b) for the assets in the public domain of the state or of the territorial administrative unit:		<b>60.188</b>	<b>56.220</b>	<b>62.724</b>	<b>93.489</b>	<b>123.633</b>
	1	Pipeline replacement		22.519	21.398	23.930	23.791	32.989
	2	Safe disposals		9.860	9.037	6.824	4.514	4.445
	3	Replacement of the connection lines Danube crossing C1-C2 and C3-C4 Borcea arm, l=24km		260	253	207	35.000	60.500
	4	Modernization and monitoring of the cathodic protection system related to the National Transport System (Ro. SNT) domestic and import		5.000	4.410	3.210	0	0
	5	Modernization and monitoring of the cathodic protection system related to SNT domestic and import - stage 2		0	0	150	2.100	4.650
	6	Tanks		10.043	9.743	6.190	1.040	0
	7	Energy works		2.878	2.848	5.251	5.800	0
	8	Telecommunication works		292	291	7.649	3.260	0
	9	Pumping systems upgrade		3.150	2.797	576	600	2.000
	10	Stations/ ramp modernization		1.629	1.005	4.500	10.521	11.518
	11	Buildings, station fencing		134	87	1.047	1.736	759
	12	Automation and SCADA works		3.951	3.881	2.923	3.936	6.368
	13	Other works		472	469	150	1.191	404
	14	Projects, Studies, Technical Appraisals		0	0	135	0	0
	4	<b>Independent Facilities and Equipment, out of which:</b>		<b>2.280</b>	<b>1.525</b>	<b>4.151</b>	<b>5.610</b>	<b>9.875</b>
		a) for the assets in the private property of the economic operator		<b>2.280</b>	<b>1.525</b>	<b>3.961</b>	<b>5.610</b>	<b>4.475</b>
		b) for the assets in the public domain of the state or of the territorial administrative unit:		<b>0</b>	<b>0</b>	<b>190</b>	<b>0</b>	<b>5.400</b>
	5	<b>which:</b>						
		a) - domestic						
		b) - external						

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Annex no. 5

### Measures to improve the gross result and reduce outstanding payments

Current no.	Measures	Due date	Thousand RON							
			preceding year (2018)		current year (2019)		year 2020		year 2021	
			Achieved		Impacts (+/-)		Impacts (+/-)		Impacts (+/-)	
			Gross result (+/-)	Overdue payments	Gross result (+/-)	Overdue payments	Gross result (+/-)	Overdue payments	Gross result (+/-)	Overdue payments
0	1	2	3	4	5	6	7	8	9	10
<b>Item 1</b>	<b>Measures to improve the gross result and reduce outstanding payments</b>									
1	Revenue growth from transport	31.12.2019 31.12.2020 31.12.2021	X	X	1.063		20.151		2.143	
2	Increase of other operation revenues	31.12.2021							5.604	
3	Decreasing the expenses related to the modernization quota	31.12.2019	X	X	12.497					
4	Reduction of other operating expenses	31.12.2021							552	
	<b>Total Item 1</b>		<b>X</b>	<b>X</b>	<b>13.560</b>	<b>0</b>	<b>20.151</b>	<b>0</b>	<b>8.299</b>	<b>0</b>
<b>Item 2</b>	<b>Causes of depleting the effect of the measures referred to in Item I</b>									
1	Decrease of financial revenues	31.12.2019 31.12.2020	X	X	-112		-3.950			
2	Reduction of other operating revenues	31.12.2019			-700					
3	Increase of personnel expenses	31.12.2019 31.12.2020 31.12.2021	X	X	-21.185		-3.616		-3.863	
4	Increase of maintenance and repair expenses	31.12.2019 31.12.2020	X	X	-1.286		-990			
5	Increase of energy and water costs	31.12.2019 31.12.2020			-1.054		-1.110			
6	Increase of expenses with taxes and fees	31.12.2019 31.12.2020	X	X	-1.103		-751			
7	Increase of other operating expenses	31.12.2019 31.12.2020	X	X	-5.272		-499			
8	Increase of expenses related to the modernization quota	31.12.2020					-6.866			
9	Increase of rail transport expenses	31.12.2019 31.12.2020	X	X	-1.715		-1.607			
	<b>Total Item II</b>		<b>X</b>	<b>X</b>	<b>-32.427</b>	<b>0</b>	<b>-19.389</b>	<b>0</b>	<b>-3.863</b>	<b>0</b>
<b>Item III</b>	<b>GENERAL TOTAL Item. I + Item. II</b>		<b>71.691</b>		<b>-18.867</b>	<b>0</b>	<b>762</b>	<b>0</b>	<b>4.436</b>	<b>0</b>

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