

QUARTERLY REPORT REGARDING THE ECONOMIC - FINANCIAL ACTIVITY OF CONPET S.A.

at March 31st, 2021

(period 01.01.2021 – 31.03.2021)

Prepared in compliance with Art 125 and Annex 13 of ASF Regulation no. No. 5/10.05.2018 on the issuers of financial instruments and market operations



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1 COMPANY PRESENTATION

1.1 Report and issuer identification data

Quarterly report
prepared in compliance with:

The provisions of Article 67 of Law no. 24/ 2017
regarding the issuers of financial instruments
and market operations;
Annex 13 of Regulation no. 5/10.05.2018
On the issuers of financial instruments and
market operations;

Date of the report	5/13/2021
Company's name	CONPET S.A.
Registered Offices	No. 1-3 Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,
Telephone/facsimile Number	0244 401360 / 0244 516451
E-mail / Internet	conpet@conpet.ro / www.conpet.ro
Trade Identification Number at the Trade Register Office	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium category
Subscribed and entirely paid-up share capital	28,569,842.40 RON
Main features of the issued securities	8,657,528 shares with a nominal value of 3.3 RON/share
Total market value	793,029,565 RON (91.6 RON/share at 31.03.2021)
Applied accounting standard	International Accounting Standard no. 34 - „Interim Financial Reporting”
Auditing	The Interim Financial Statements concluded at 31.03.2021 have not been audited

1.2. Main activities

CONPET is a strategic company, part of the architecture of the national energy system, being the operator of the crude oil National Transport System via pipelines.

Since 2002, CONPET is the concessionaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, based on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to GD no. 793/25.07.2002.

The Crude Oil, Rich Gas, Condensate and Ethane National Transport System (NTS) is being defined and regulated by Law no. 238/7.06.2004 - Petroleum Law and the Methodological Norms for the enforcement of the Petroleum Law approved under G.D.2075/2004 and is part of the state's public property, being of strategic importance.

1.3. The company's mission, vision and values

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, 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 as well as accessing the related markets corresponding to the segments of the value chain of the oil industry.

CONPET vision targets to strengthen its position of strategic player in the Romanian oil industry, acting as crude oil, rich gas, condensate and ethane carrier via pipelines and by rail.

Company's Values:

- continuous learning and improvement;
- concern for people and environment;
- openness and quality improvement;
- flexibility and dynamism;
- communication and cooperation.

1.4. Shareholding

CONPET is a State-held company, listed at the Bucharest Stock Exchange, under COTE symbol.

The synthetic structure in the shareholding, at reference date 31.03.2021, is as follows:

- 58.7162% - the Romanian State by the Ministry of Energy;
- 41.2838% - Other shareholders natural or legal persons.

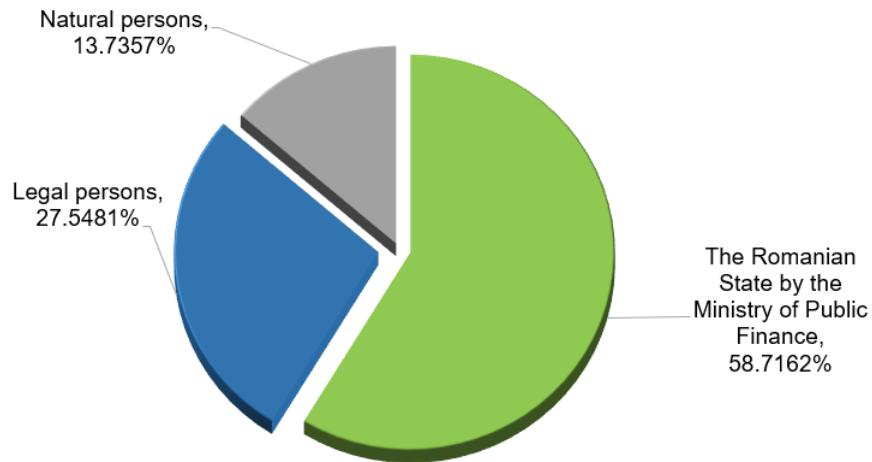


Chart 1 - CONPET S.A. Shareholding Structure at 31.03.2021

The share capital of CONPET at 31.03.2021 is of 28,569,842.40 RON and is divided into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

CONPET SA did not perform transactions having as scope its own shares and, consequently, the company did not hold own shares.

1.5 Company Organization

CONPET was established in 1990, based on the Government Decision no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiești, being the first company established in the oil industry in Romania.

Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, rich gas, condensate and ethane National Transport System.

The crude oil, rich gas, condensate and ethane National Transport System (NTS) is State's public property and bears strategic importance. The NTS is being defined and regulated pursuant to the Oil Law no. 238/7.06.2004 and the Methodological Norms for the Application of the Oil Law, approved pursuant to GD no. 2075/2004.

CONPET supplies transport services for its clients via both the National Transport System, conceded under the Concession Agreement and by rail, from the loading ramps to the refineries, for the oil areas which are not connected to the major transport lines.

1.6 Development Strategic objectives

The strategic objectives established and assumed by the administrators though the Administration

Plan, for the period 2018-2022, were defined in strong correlation with the strategic directions, the vision and expectations of the tutelary authorities, namely the one of the shareholders and the contextual lines of the Energy Strategy of Romania along 2018-2030, envisaging the years 2050. The strategic objectives are:

- Boost efficiency and improve the activity performance;
- develop new activities, related and non related to the core business;
- define the Company as a regional player;
- outstanding management of the human resources;
- implement and develop the corporate government principles.

2. CONPET - EXECUTIVE SUMMARY

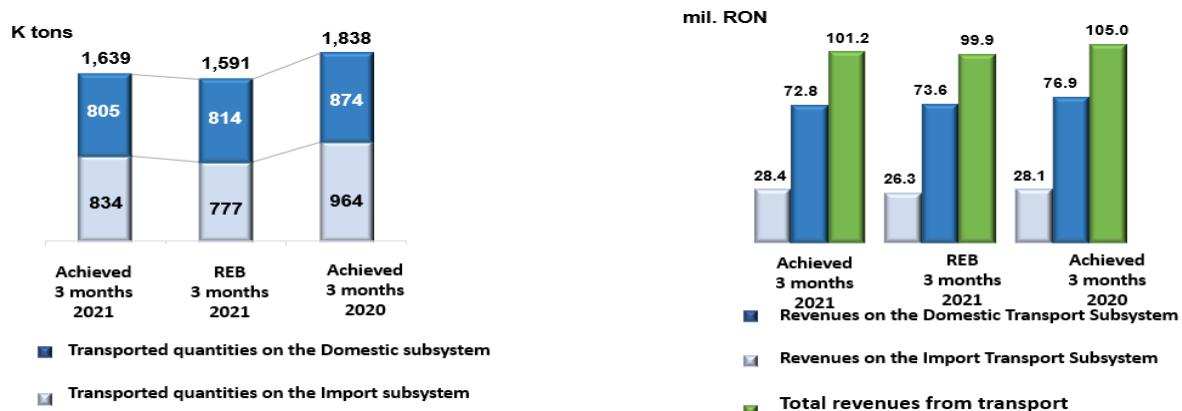
2.1. Operating activity indicators

The evolution of the transport product volumes of crude oil, condensate and rich gas, transported via the National Transport System (NTS), during January - March 2021, compared to the Revenues and Expenditure Budget (REB) and the similar period of 2020, is exposed in the table below:

Indicators	M.U.	Achieved January-March 2021	Budget January - March 2021	Achieved January-March 2020	Variation%	
					Achieved/Budget 2021	Achieved 2021/2020
Total transported quantities	Thousand tons	1,639	1,591	1,838	▲3.0%	▼10.8%
Total transport revenues	Thousand RON	101.2	99.9	105.0	▲1.3%	▼3.7%

Table 1 - Evolution of the transported volumes and revenues achieved in January - March 2021 as compared to Budget 2021 and the similar period in 2020

Chart 2 - Evolution of the quantities transported and revenues on the domestic and import subsystems



2.2. Economic-financial Indicators

The level of the main economic-financial Indicators of the company achieved in 2021 Q1, as compared to the similar period of last year and to the Budget is as follows:

Indicators	January- March 2021			Achieved January- March 2020	Variation% Achieved 2021/2020
	Achieved	Budget	Variation (%) Achieved/ Budget		
Turnover (thousand RON)	101,758	100,483	▲1.3%	105,715	▼3.7%
Operating Revenues (thousand RON)	111,938	109,811	▲1.9%	113,696	▼1.5%
Operating Expenses (thousand RON)	99,935	103,106	▼3.1%	96,601	▲3.5%
Operating Profit (EBIT) (thousand RON)	12,003	6,705	▲79.0%	17,095	▼29.8%
Operating profit margin (%) Operating Revenues)	10.7%	6.11%	▲4.6 p.p.	15.04%	▼4.3 p.p.
Value adjustments for fixed assets, less adjustments related to rights of use resulted from leasing contracts	12,875	12,219	▲5.4%	11,719	▲9.9%
EBITDA (thousand RON)	24,878	18,924	▲31.5%	28,814	▼13.7%
Operating Expenses/Turnover x 100 (%)	98.21%	102,61%	▼4.4 p.p.	91.38%	▲6.8 p.p.
Total Revenues (thousand RON)	112,780	110,706	▲1.9%	115,652	▼2.5%
Total Revenues (thousand RON)	100,008	103,289	▼3.2%	96,719	▲3.4%
Gross profit (thousand RON)	12,772	7,417	▲72.2%	18,933	▼32.5%
Net profit (thousand RON)	9,558	6,385	▲49.7%	16,303	▼41.4%
Average number of employees (pers.)	1,532	1,565	▼2.1%	1,549	▼1.1%
Productivity (thousand RON/employee)	73	70	▲4.3%	73	-

Table 2 - The main economic-financial Indicators achieved in January- March 2021 vs 2021 Budget and the ones achieved in the same period of 2020

2.3. Investments

The investment program related to 2021 mainly includes rehabilitation works of the major transport pipelines and works related to the modernization of installation and equipment related to the Crude Oil National Transport System.

The investment projects targets both enhancing efficiency of the transport activity as well as the operation, under safety conditions, of the National Transport System.

During the three months period ended March 31st, 2021, CONPET S.A. achieved investments amounting to 11,897 thousand RON.

The degree of achievement of investments as compared to program in the first quarter of 2021

and 2020, by ownership and total, is as follows:

Investment (Thousand RON)	Budget 2021	January- March 2021			January- March 2020		
		Achieved	Program	Degree of achievement %	Achieved	Program	Degree of achievement %
Total investments, out of which:	96,000	11,897	15,361	77%	20,139	17,621	114%
Public domain	69,000	8,202	10,363	79%	16,733	13,020	129%
Operating domain	27,000	3,695	4,998	74%	3,406	4,601	74%

Table 3 - Evolution of the investments achieved in January- March 2021 as compared to the program and the similar period in 2020

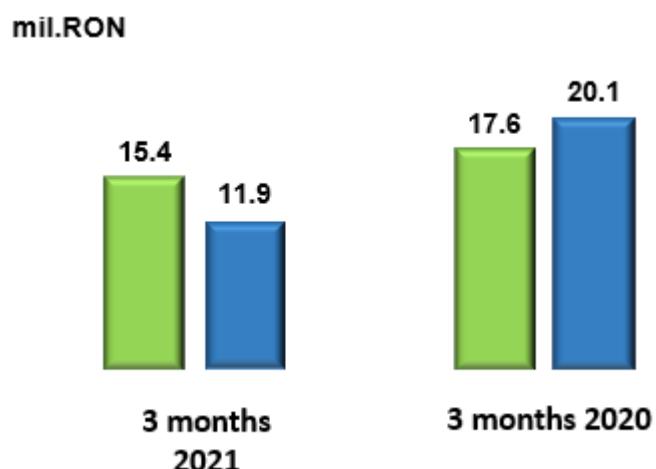


Chart 3 - Evolution of the total investments achieved as compared to program

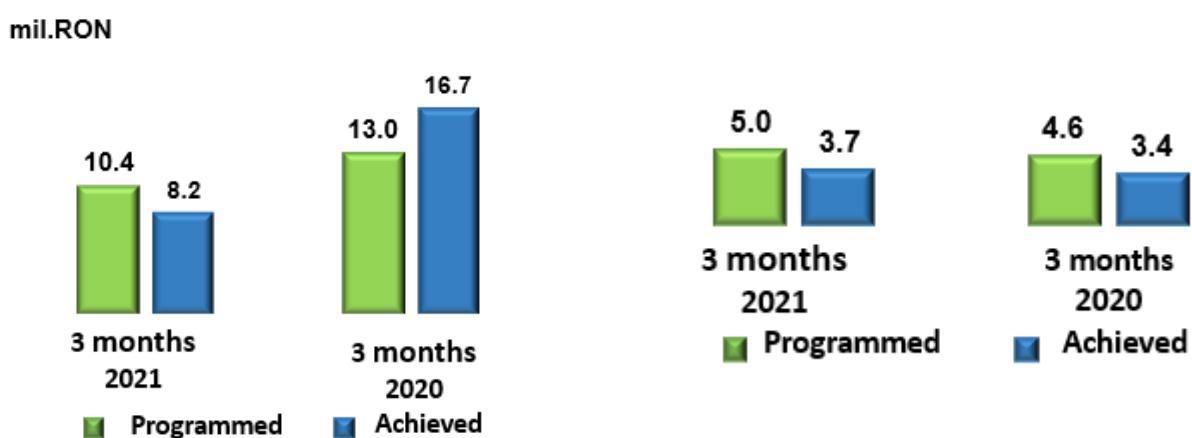


Chart -4 – Evolution of investments in the public domain achieved as compared to program

Chart 5 - Evolution of investments in the operating area achieved as compared to program

2.4. Company's Stock Market Indicators

At 31.03.2021, CONPET S.A. had a market capitalization of 793.03 million RON, occupying the 19th position in "Top 25 of issuers by capitalization".

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices of the Bucharest Stock Exchange, respectively *BET*, *BET-TR*, *BET-XT*, *BET-XT-TR*, *BET-BK*, *BET-NG* and *BET Plus indices*.

In the first three months of 2021, 6,057 stock transactions have been recorded, with a traded volume of 364,362 shares, the total value of the transactions being of 32.85 million RON. During January 1st – March 31st, 2021, the minimum trading price amounted to 77.20 RON/share and the maximum price of 98.00 RON/share. On average, have been traded 5,784 shares/day, the average value of a trading day amounting to 521,396 RON/day (63 days). During the review period, the closing price of CONPET S.A. shares has increased by 18.65%.

3 ANALYSIS OF THE COMPANY'S BUSINESS

3.1. Analysis of the operating activity

3.1.1. Regulation Framework

CONPET SA is the operator of the crude oil, rich gas, condensate and ethane National Transport System(SNT). The transport service is being supplied under the natural monopoly regime based on the tariff set by NAMR.

The NTS is being defined and regulated pursuant to the Oil Law no. 238/7.06.2004 and the Methodological Norms for the Application of the Oil Law, approved pursuant to GD no. 2075/2004.

3.1.2. The crude oil, condensate and rich gas activity

CONPET S.A. supplies transport services for its clients both via SNT according to the Oil Concession Agreement of the National Transport System of crude oil, gasoline, condensate and ethane, as well as by rail, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The NTS was built taking into account the natural distribution of oil fields, so as to ensure the transport of oil from all these fields to refineries. The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The SNT's pipeline network is approximately 3,800 km long, currently being used a 3,161 km pipeline network.

The Crude Oil, Rich Gas, Condensate and Ethane Transport System has in composition more transport subsystems, as follows:

- ✓ The domestic crude oil and condensate transport subsystem, having in composition pipelines covering approx. 1,540 km, for the transport of crude oil and condensate from the extraction units throughout the country to the refineries. The domestic crude oil and

condensate production is transported via pipelines, by railway tanks, or combined (rail and pipelines).

- ✓ The rich gas transport subsystem is meant for the rich gas transport from the rich gas separation units in Ardeal (Biled and Pecica) to Petrobrazi refinery.
- ✓ The ethane transport subsystem provides the ethane transport from Turburea ethane separation platform to Arpechim Pitesti refinery. Currently, due to the inactivity of the Arpechim refinery, the subsystem is used only a portion of it, namely the pipeline linking the Totea warehouse to Petrobrazi refinery for the transport of condensate.
- ✓ The subsystem for the import crude transport provides the transport of crude oil from Oil Terminal Constanta to the refineries in Ploiești, Arpechim-Pitești and Midia.

For the crude oil, rich gas, condensate and ethane transport service, annually CONPET has to develop a proper transport program so as to provide free access to the available throughput of the system to all applicants, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The available throughput represents the difference between the total physical throughput of the system and the crude oil scheduled for transport in the given year.

The transport contracts signed with the beneficiaries of the services are compliant with the regulated frame-contract approved by NAMR and provides the legal framework for the supply of the transport services.

The transport of the crude oil quantities is being performed from the sites of product delivery by the producers or importers, from the extraction areas, or from Oil Terminal, to the processing units (refineries) using the facilities from the pumping stations and the receipt sites.

These facilities consist of crude oil and condensate storage tanks, storage tanks for the storage of rich gas, technological pipes from the pumping/receipt sites, pumping aggregates, major pipelines, crude oil and rich gas loading and unloading ramps, rail tank cars.

The transported volume by products - crude oil, rich gas and condensate, programmed and achieved in 2021 Q1, as compared to the same period of 2020 and the extent of usage of the transport capacity, is as follows:

Transport Subsystems	Indicators and products	January-March 2021	January-March 2020	Variation % 2021/2020
DOMESTIC				
Domestic crude oil, condensate and light condensate				
- programmed quantities (thousand tons)	810	866		▼6.5%
- achieved quantities (thousand tons)	800	869		▼7.9%
- degree of achievement	98.8%	100.3%		▼1.5 p.p.
- degree of use of the transport throughput	52.5%	57.6%		▼5.1 p.p.
Rich gas				
- programmed quantities (thousand tons)	4.0	4.8		▼16.7%
- achieved quantities (thousand tons)	5.0	4.7		▲6.4%
- degree of achievement	125%	97.9%		▲27.1 p.p.
- degree of use of the transport throughputs	27.7%	16.2%		▲11.5 p.p.

Transport Subsystems	Indicators and products	January-March 2021	January-March 2020	Variation % 2021/2020
Total domestic subsystem				
	- programmed quantities (thousand tons)	814	871	▼6.5%
	- achieved quantities (thousand tons)	805	874	▼7.9%
	- degree of achievement	98.9%	100.3%	▼1.4 p.p.
	- degree of use of the transport throughputs	52.2%	56.8%	▼4.6 p.p.
Crude oil				
IMPORT	- programmed quantities (thousand tons)	777	838	▼7.3%
	- achieved quantities (thousand tons)	834	964	▼13.5%
	- degree of achievement	107.3%	115.0%	▼7.7 p.p.
	- degree of use of the transport throughputs	28.7%	33.2%	▼4.5 p.p.
TOTAL	- programmed quantities (thousand tons)	1,591	1,709	▼6.9%
	- achieved quantities (thousand tons)	1,639	1,838	▼10.8%
	- degree of achievement	103.0%	107.5%	▼4.5 p.p.
	- degree of use of the transport throughputs	36.8%	41.3%	▼4.5 p.p.

Table 4-Transported volumes by types of products and by transport subsystems during 2021Q1 as compared to program and the same period of 2020

Evolution of the volume transported on transport subsystems is presented, as follows:

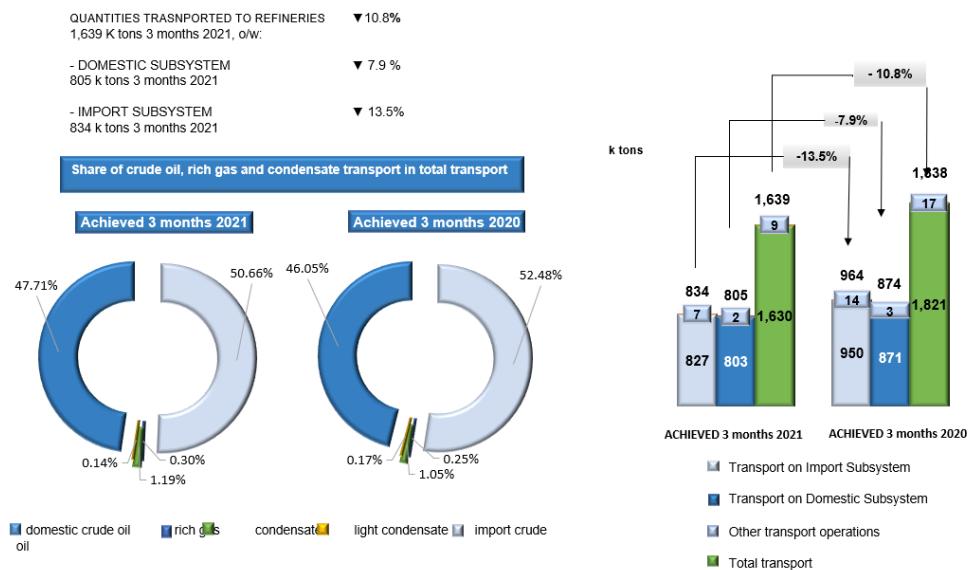


Chart 6 - Quantities transported on the transport subsystems

The total quantity transported during January - March 2021 was lower by approx. 199 thousand tons as compared to the same period of 2020, o/w: 130 thousand tons on the import transport subsystem (2021 Q1: 834 thousand tons; 2020 Q1: 964 thousand tons), and 69 thousand tons on the domestic subsystem (2021 Q1: 805 thousand tons; 2020 Q1: 874 thousand tons).

Within the first three months of 2021, the rail transport volumes amounted to 35% (282 thousand tons of crude oil) out of the total product throughput (crude oil, rich gas, condensate) coming from the domestic production which have been delivered to the refineries.

The evolution of the standardized technological consumption on products in the first quarter of 2021, as compared to the level registered in the same period 2020 is presented as follows:

Products	January-March 2021			January-March 2020		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil:	0.2415%	0.1672%	- 0.07 p.p.	0.2445%	0.1478%	-0.09 p.p.
Domestic crude oil, condensate and light condensate	0.3641%	0.3532%	- 0.01 p.p.	0.3637%	0.3574%	-0.01 p.p.
Rich gas	7.3830%	3.2610%	- 4.12 p.p.	7.383%	3.106%	-4.28 p.p.

Table 5-The evolution of technological standardized consumption as compared to achieved Quarter I 2021 vs. Quarter I 2020

The technological consumptions recorded during transport stand within the allowable limits provided in the transport contracts.

The tariffs for the supply of crude oil, rich gas and ethane are regulated and approved by the NAMR and are distinguished for each transport subsystem.

The tariffs applied for the import transport subsystem vary according to the batch of transported quantity, being practiced the bracketing tariff model and to the hand-over site-refinery. Between January 2020 – March 2021, the following tariffs were applied:

- Tariffs from transport services on Domestic Subsystem

Period	Transport tariff (RON/ton)	Approved by NAMR Order no.
December 31 st , 2019– February 7 th , 2021	87.53	427/2019
Starting February 8 th , 2021	91.03	19/2021

Tabel 6 - Transport tariffs Domestic Subsystem

➤ Tariffs for transport services on Import Subsystem

Period	Batches	Arpechim Refinery	Ploiești Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order no.
	Thousand tons/month	RON/ton	RON/ton	RON/ton	
December 31 st , 2019	< 120	40.40	39.50	15.00	
February 7 th , 2021	> 120	17.25	17.00	12.85	427/2019
Starting with February 8 th , 2021	< 120	42.00	40.90	16.50	
	> 120	17.90	17.60	14.40	19/2021

Table 7 - Transport tariffs import subsystem

The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The transport services are being performed based on the contracts concluded with the clients, prepared based on the frame contract annually approved by the National Agency for Mineral Resources.

The company holds a monopoly position on the market of crude oil transport via pipelines, having no competitors in its core business.

The total value of the transport services, VAT excluded, invoiced to the beneficiaries between January - March 2021 is amounting 101,150 thousand RON. The per client situation is the following:

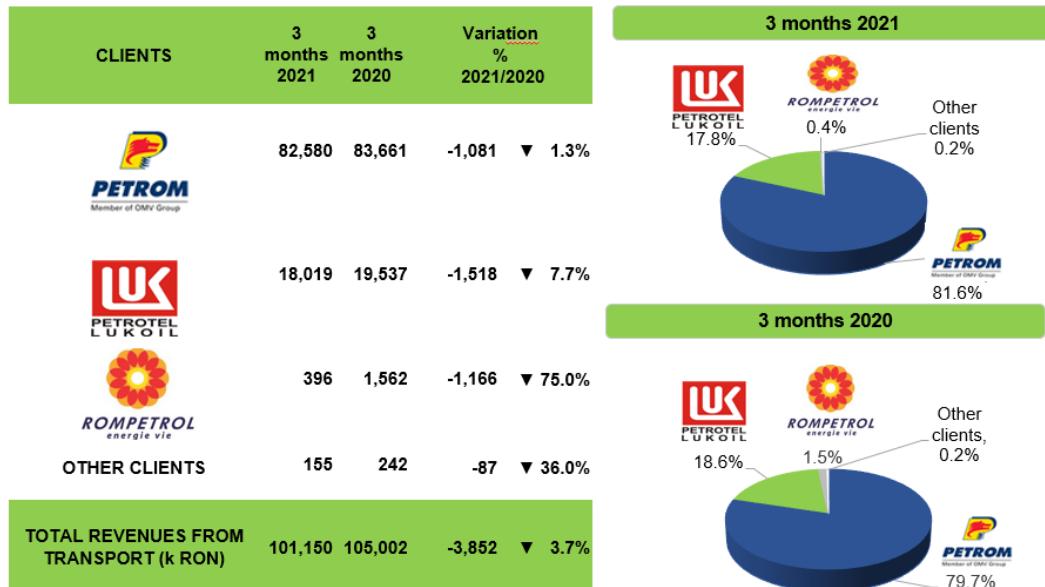


Chart 7 - Transport revenues divided per clients

The transport services supplied by the company are addressed to a reduced number of clients, the transported crude oil volumes being closely related to the trade policy thereof.

The revenues achieved from the transport services supplied for OMV Petrom account for 81.6% in the total transport revenues of the company.

Other activities

The revenues achieved from other activities have 0.6% contribution to the company's turnover and derive from leases of lands and telecommunication equipment and rail tank cars shunting services.

3.1.3. Assessment of the operating activity

In the table below is being presented the evolution of the transport services supply for the first three months of 2021, as compared to the same period of 2020, and as compared to the budgeted amounts.

Indicators (Thousand RON)	Achieved January- March 2021	Budget January - March 2021	Achieved January- March 2020	Variation%	
				Achieved/Budget 2021	Achieved 2021/2020
Revenues from transport services on the domestic subsystem	72,775	73,556	76,874	▼1.1%	▼5.3%
Revenues from transport services on the import subsystem	28,375	26,327	28,128	▲7.8%	▲0.9%
Total	101,150	99,883	105,002	▲1.3%	▼3.7%

Table 8 - Statement of the transport revenues

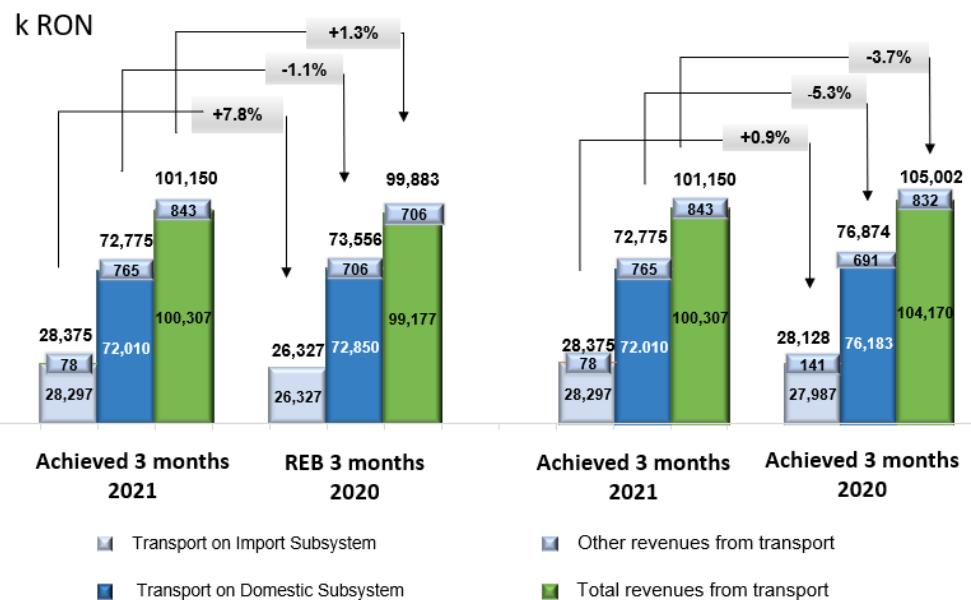


Chart 8 - Evolution of transport revenues / subsystems

The procurement activity

The procurement activity performed in compliance with the provisions of the Internal Procurement Norms of CONPET S.A.. and other internal procedures.

Between January - March 2021, 19 procurement procedures were initiated, with 7 procedures finalized through the conclusion of contracts amounting to 5.5 million RON and 99 thousand Euro.

At the end of March 2021, 25 acquisitions were in progress, with an estimated total value of 135.80 million RON and 2.35 million Euro.

The tracking and recording of the procurement contracts and contract conclusion for realization of revenues

At 31.03.2021, the structure of the contracts in progress is as follows:

- 146 works contracts, of which: 25 ongoing and 121 contracts where works were finalized in terms of execution, but falling under the defect liability period;
- 134 services contracts, of which: 114 ongoing and 20 contracts where works were finalized in terms of execution, but falling under the defect liability period;
- 107 products supply contracts, of which: 23 ongoing and 84 contracts where works were finalized in terms of execution, but falling under the defect liability period;
- 63 contracts generating revenues for CONPET S.A., other than crude oil transport contracts.
- 86 utilities procurement contracts.

As per the requirement of the EGMS dated 23.10.2014, the works procurement contracts with values higher than 500,000 Euro, which have been concluded during 01.01.2021 - 31.03.2021 are detailed in Annex no. 4 to this Report. As regards the reporting of the services procurement contracts with values higher than 100,000 Euro, we hereby mention not having concluded any contract in 2021Q1.

3.1.4. Juristic acts concluded under the conditions of Art. 52 Para (1) and (3) of EGO no.109/2011

During the reported period, Conpet Company did not conclude juristic acts under the conditions of Art. 52 para. (1) and (3) EGO no.109/2011.

3.1.5. Mergers and reorganization of the company, acquisitions and disposals of assets for the period January-March 2021

During 2021Q1 there were no mergers and there have not been made procurements or alienations of fixed tangible assets consisting of buildings and lands.

Purchases of tangible and intangible assets in the period January - March 2021 were made in accordance with the investment program and the 2021 Revenues and Expenditure Budget and are intended for business deployment and modernization.

The company has no open subsidiaries in Romania or abroad.

3.1.6. Assessment of human resources and social dialog activity

The effective number of employees on March 31st, 2021 was of 1548 persons.

For the achievement of the objective regarding the *reshape and ongoing adaptation of the human resources in correlation with the technical - economic requirements and realities of the company*, the adjustment of the human resources necessary is being adapted and monitored, considering the followings:

- the efficient use of personnel;
- providing business continuity, under the conditions required by the permanent fluctuations in production;
- providing balance between the personnel number and the real technical-economic and administrative needs of the company.
- flexible redistribution of human resources in order to avoid possible blockage in supplying personnel and in view of ensuring the most effective use of the personnel.

The personnel structure according to the level of studies and gender, at March 31, 2020 is presented in the table below:

Studies	Total	% in total employees	Women	% in total employees	Men	% in total employees
General education (8-10 grades)	109	7.1%	12	0.8%	97	6.3%
Secondary education	895	57.8%	79	5.1%	816	52.7%
Higher education	544	35.1%	206	13.3%	338	21.8%
Total	1,548	100%	297	19.2%	1,251	80.8%

Table 9 - Personnel structure by education level and gender

Following the adoption, in 2020, of certain measures meant to resize the human resource, as well as of certain voluntary, or triggered to other causes personnel termination, the effective number of employees at 31.03.2021 decreased by 46 employees as compared to 31.03.2020.

At 31.03.2021, the number of employees having graduated higher education studies was of 544 employees (35.1%) out of which: 13.3% represent women and 21.8% men.

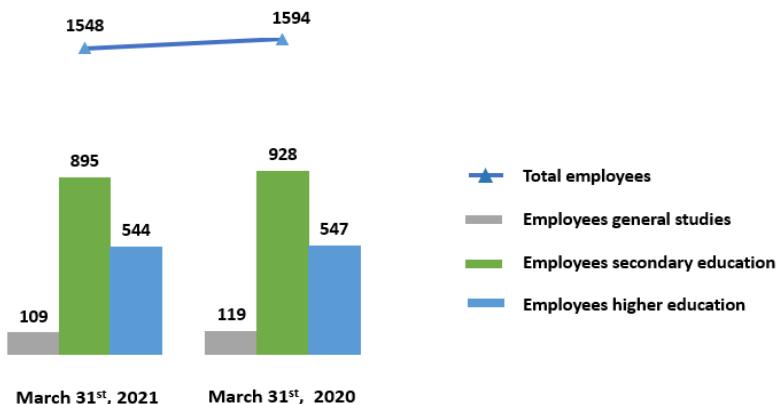


Chart 9 - Employee structure at March 31, 2021 YoY

The evolution of personnel structure by education categories reveals the interest of the company to cover the need for workforce based on highly-qualified specialists, as well as based on continuous improvement of the existing staff.

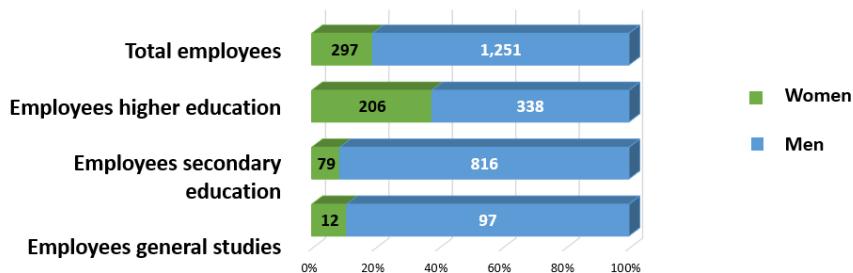


Chart 10 -Personnel structure according to gender and level of education at March 31st, 2021

In 2021Q1 the structure of employees by categories was the following:

- ✓ Directly productive 571 employees;
- ✓ Technically productive 333 employees;
- ✓ Indirectly productive 244 employees;
- ✓ Administrative 271 employees;
- ✓ General service 129 employees.

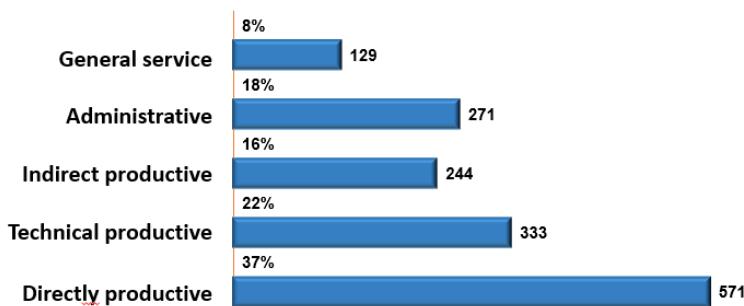


Chart 11 - The structure of employees by personnel category at March 31st, 2021

98.97% of the employees of the company are members of Conpet Free Union.

During January - March 2021, there have been no elements of a conflicting nature between employees and the management of the company.

The Personnel Risk and the Waging System

At March 31st, 2021 the age structure is not balanced, the age group ranging 51-60 years has the highest weight (50%) and is followed by the age group 41-50 years (29%) and the one ranging 31 - 40 (11%).

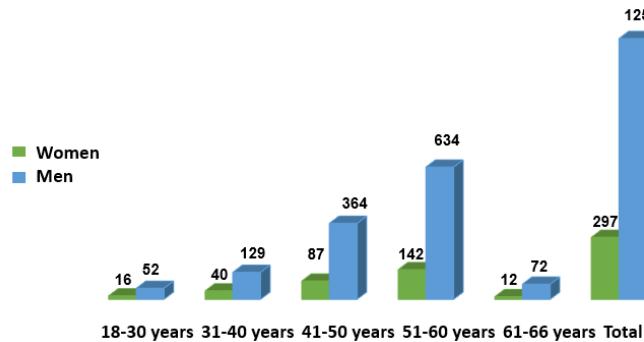


Chart 12 - Personnel structure by gender and age groups at March 31st, 2021

The average age of CONPET personnel is high enough (49.27 years old), the advantage being that 53.94% of the personnel has over 20 years of experience in the company, which stands for stability and professionalism, but also accumulation of knowledge and skills having required many years of experience to be gained.

The average age of the personnel employed within the last two years is 41.5 years, with an average work experience of 12.5 years.

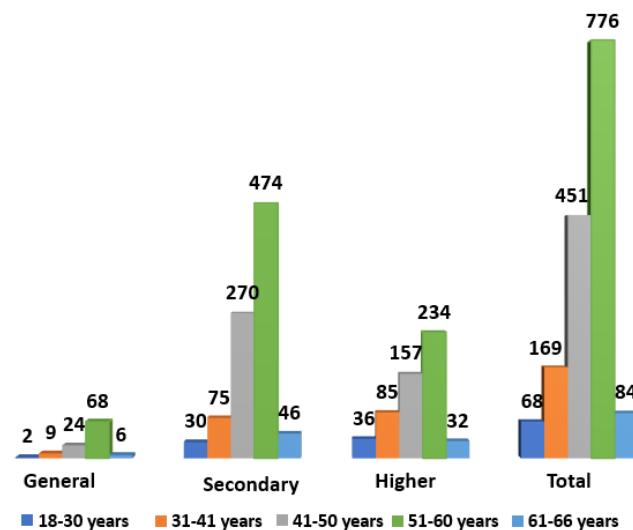


Chart 13 - Personnel structure by studies and age groups at March 31, 2021

In the chart above it can be noted that the highest share of employees is represented by personnel aged between 51-60 years and 41-50 years with secondary and higher education.

The risk of personnel is that, in the future the company shall deal with staff shortages due to experienced staff departures, by natural causes.

The level of this analyzed risk was low; this is a high tolerability risk and for the control thereof have been set medium and long-term measures by way of the personnel policy and the monitoring of the personnel fluctuations (personnel input/output in/out the company).

It is also considered that the age group 41-50 years is well represented by the tier of employees who will meet the retirement conditions at the standard age in no less than 15 years, staff with a rich background of knowledge and professional experience, with a seniority in the company of over 10 years (76%).

In this regard, the urgent need of vacant posts occupancy is carefully monitored, according to the needs set by organizational entities, the complexity and diversity of activities, skills needed and the responsibility incurred by the posts.

The Collective Labor Agreement

The Collective Labor Agreement was approved by the Board of Directors for a period of two years, starting with 01.01.2019 until 31.12.2020 and was registered with the Inspectorate of Labor Prahova on 27.12.2018. In August 2020, at the request of the Free Union of CONPET, two rounds of negotiations were held between the social partners, resulting in the conclusion of an Addendum to the Collective Labor Agreement. By the Addendum concluded and registered with the Inspectorate of Labor Prahova on 22.09.2020, the Collective Labor Agreement validity was extended by 12 months, starting January 1st, 2021.

The rights of the employees existing in the Labor Agreement have been negotiated so that the business profitability be ensured, as well as a balance between the interests of the two parties, the Management and the Union, considering that the interests of the employees and the company's management cannot be divergent, as well as the fact that the most important resource of the company is the human resource.

In 2021 Q1 there were no requests formulated by the social partners (Management and Union) for the amendment of the Collective Labor Agreement applicable at company level and consequently, no negotiations took place for the conclusion of such an Addendum.

The Activity of Professional Training and Authorization

In order to maintain and/or develop specific skills and basic skills of human capital, the training activities are carried out on an ongoing and planned basis, based on the professional training and authorization programs of the company, as a result of the conduct of a comprehensive process of identification and priorities setting of the CONPET SA staff training needs.

Training of company personnel is achieved mainly through participation in external courses, organized in collaboration with certified trainers for all fields of activity within the company. Also, training is conducted internally by trainers and/or experts of the company, with a good knowledge and experience relevant to the activity of the company. They hold training sessions and trainings to update knowledge and skills specific to the job.

Training of the employees has two components: professional (technical, economic and other specialties) necessary to perform duties in the job description and a general one on training and/or professional licensing in various fields.

CONPET S.A. management assures annually, by the Revenues and Expenditure Budget, sources for the provision of professional training. Special attention is paid to the training of technical staff (maintenance and operations), mainly for new skills necessary to carry out the safely operation of the National Transport System.

In order to ensure the protection of employees, in the context of the evolution of COVID – 19 pandemic, in 2021, the representatives of the Human Resources Department worked with the training/authorization providers to ensure the participation of CONPET employees in interactive *Training on-line* sessions, as well as to *in-house training*.

Crt no.	Type of training and professional authorization 2021 Q1	Participant employees
1	Various fields authorizations (specific to activity fields)	10
2	Railway authorizations	42
3	Training	51
4	Internal authorizations	181
Total		284

Table 10 Structure of Professional Training and Authorization

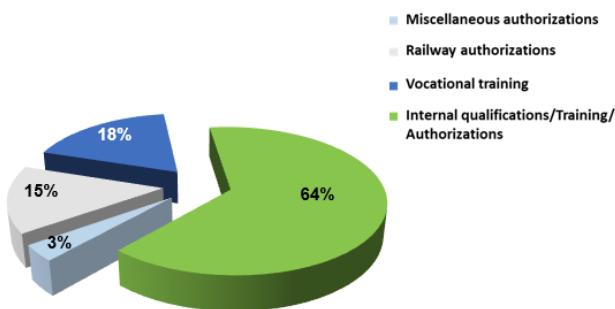


Chart 14– Share of Courses of professional training and authorization

The assessment of the professional performance of the employees

The action for evaluating the professional performance of employees for the activity carried out in 2020 took place between January - March 2021, in accordance with a new Regulation for

evaluating the performance of employees.

The new Regulation is in line with OGSG no. 600/20.04.2018 approving the Code of Internal/Management Control, Law no.53/2003 republished - the Labor Code, as well as with the Board of Directors' requests, that focus on the individual professional performance, a basic principle in labor relations.

The performance individual objectives of the management staff for the activity carried out in 2021, the performance indicators, the target values and associated weights, as they have been set following the analysis performed at every entity level within the company made object of the conclusion of the Addenda to the individual labor agreements of the employees.

3.2. Investments conducted during January-March 2021

The investment projects within CONPET S.A. mainly target the increase of the efficiency of the transport activity.

From the modernization quota, CONPET S.A. finances investments provided in the rehabilitation, modernization and development programs, agreed with the National Agency for Mineral Resources, according to the "Petroleum concession agreement for the operation of the national transport system of crude oil, rich gas, condensate and ethane, including the main pipelines and the ancillary installations, endowments and facilities".

During January-March 2021, have been achieved investments amounting to 11,897 thousand RON, as compared to a program of 15,361 thousand RON. As compared to the annual program of 96,000 thousand RON, the investments achieved in 3 months represent 12.4%.

The value of the investment objectives achieved in the first 3 months, on assets belonging, as compared to the program and the same period of 2020, is as follows:

Investments (thousand RON)	Revenues and Expenditure Budget year 2021	January- March 2021			2020 Budget	January- March 2020		
		Achieved	Program	Level of Achievement %		Achieved	Program	%
Total investments, out of which:	96,000	11,897	15,361	77%	97,500	20,139	17,621	114%
Public domain	69,000	8,202	10,363	79%	70,000	16,733	13,020	129%
Operating domain	27,000	3,695	4,998	74%	27,500	3,406	4,601	74%

Table 11 - Investments achieved within 3 months 2021 as compared to the Budget and the similar period in 2020

The investments achieved in the three months period of 2021, as compared to the program and YoY, detailed by financing sources, are being presented in the chart below:

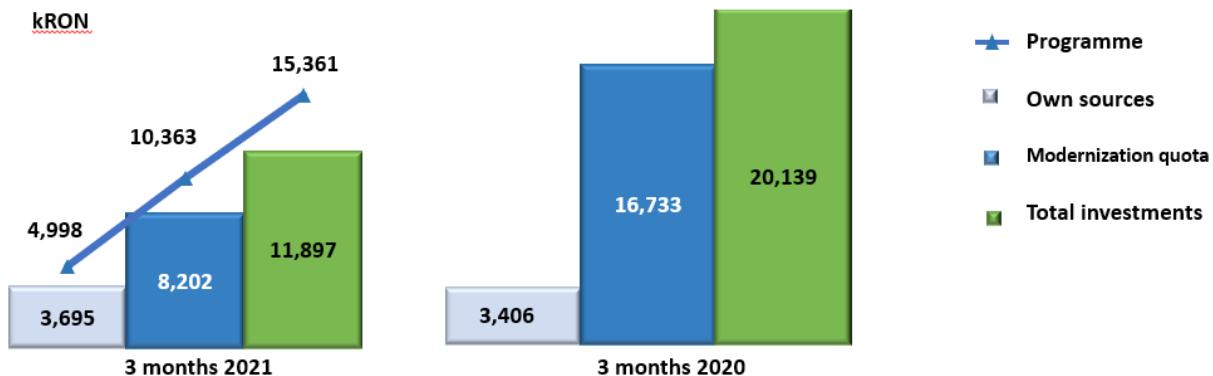


Chart 15 - Investments achieved by financing sources

The main investment objectives completed and commissioned in January–March 2021:

Replacement of the 14 inch crude oil pipeline of Bărăganu - Călăreți on a length of 15,972 m., with an estimated pipeline repair coefficient higher than 0.8, set as a result of the smart pigging

The execution has been finalized. In February 2021 was performed the reception upon the commissioning, with a total value of 16,047.35 thousand RON.

The status of the main investments ongoing at March 31st, 2021:

I. PUBLIC DOMAIN

Replacement of the Ø10^{3/4}" F2 Siliște-Ploiești crude oil pipeline, Brazi Stadium area – inside Petrobrazi Refinery, Prahova County, on a length of approximately 1,170m and replacement of cleaning installation.

Contract in progress, have been executed:

- Common platform related to the smart pigging stations, filters and SKIDs
- Foundations of smart pigging stations, filters
- Pipe installation 10 ¾ " on approx. 800 m

SKID 10" will be replaced with SKID 20". PETROSTAR performs the redesign related to the replacement (foundation, isometrics). Physical degree of achievement - 65%.

Works related to the replacement of a pipeline section of about 3400 m in length with Ø103/4" diameter, part of Icoana – Cartojani Ø103/4" pipeline

Pipeline assembly works were carried out, on a length of 3,428m. Preparations are made to make the pressure tests. Physical degree of achievement - 80%.

Replacement of a crude oil pipeline section Ø 8 $\frac{5}{8}$ " Lucăceşti – Vermeşti along the section Lucăceşti Station-Măgura hill, about 2 km in length, + 6" connection to Moineşti crude oil loading ramp, 700 linear meters in length. Assembly works were carried out on an 8" pipeline on a length of 2,000 m out of a total of 2,484 m, respectively on the 6" pipeline 216 m were assembled out of a total of 250 m. Physical degree of achievement - 81%.

Replacement of a section of about 500 m length pipeline 59/16 Copăceni - Vega Refinery and smart pigging stations. The contract includes design and execution. At March 31st, 2021 were finalized the design stages and 500 m of pipeline were replaced; the pressure tests are to be executed. Physical degree of achievement - 90% - no pigging stations, technological samples. The contract is suspended.

Replacement of crude oil pipeline Ø 24" Călăreşti – Pietroşani (7 sections) in total length of 5.9 km. Design and execution contract, 5,485 meters of new pipeline were, overall, assembled. Physical degree of achievement– 93%.

Replacement of a pipeline section, 3500 m in length, with diameters Ø12 3/4" and Ø14 3/4" Cartojani-Ploieşti in the water tributary to Neajlov river and St. Gheorghe forest. Execution contract, the hand-over location was made in September 2020. Have been assembled 2,020 meters of Ø14 3/4" pipeline out of a total of 2,062 m to be replaced and 1,390 linear meters of the Ø 12 3/4" pipeline out of of a total of 1,450 meters to be replaced. Physical degree of achievement - 97%.

Replacement of crude oil pipelines 10 "L1 and L2 Silişte-Ploieşti, on a length of about 300 m, located in Ariceşti Rahtivani, Prahova. Design and execution contract, the Urban Planning Certificate and the permits werw issued. Stage I of the contract has been completed.

Smart pigging of the pipelines Ø12"Line1 and Ø12"Line 2 Călăreşti-Petrotel. Was finalized the review of the preliminary reports. The final reports were delivered; ongoing works - the on-site verification of the executed works.

Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage 2. The design and execution contract was signed in December 2019 for 30 SPCs and their integration in the monitoring system in operation.

The hand over of the location in view of the design was done for all 30 sites.

The contract design stage is in progress.

13 Certificates in Urban Planning and 11 Building permits were obtained. The locations for 11 SPCs were handed-over and was finalized the execution of 4 of them, 7 being in progress.

Crude oil tank Poiana Lacului station. Physical degree of achievement– 100%. PVFL (Works completion Protocol) Documentation was submitted to ISC Arges and PIF.

Orleşti station crude oil tank. Physical degree of achievement– 50%.

Crude oil tanks Biled ramp 2,500 cubic meters. Executed works - decommissioning of old tank jacket, 100%. Ongoing decommissioning of the ring bearing foundation related to old tank.

Condensate tank R500 Bărbăteşti. Executed works - tank foundation and pipe rack sleepers

cable anchors. Waterproofing of the spill box (geomembranes). Were assembled and verified the cathodic protection elements (reference electrodes, anodic and cathodic cables related to electrodes, anodeflex) The works were executed in proportion of 10%.

Upgrade Ciresu ramp. Physical level of achievement by objective - 30%.

Upgrade Berca ramp. Physical level of achievement by objective - 98%.

Upgrade Imeci ramp. Physical level of achievement by objective - 83%.

Modernization of Marghita ramp. Physical level of achievement objective - 70%.

Modernization of locomotive parking shed Biled Ramp. The design and execution contract was signed in April 2019. Design works in progress. The Urban Planning Certificate, C.U., P.T. (Technical Design Project), D.T.A.C.(Technical Documentation for issue of building permit), A.C (Building Permit). were handed-over to the Purchaser.

The technical project is currently under endorsement in the Technical Economic Committee of CONPET.

Optimization of SCADA system and upgrade of Hardware and Software of the remotes transmission units (RTU)

In September, 2017 has been initiated the implementation of the SCADA System optimization and the Hard and Soft upgrade of the data and automation Transmission System and it contains several stages, as follows:

Stage I - Technical project and execution details - within 9 months starting the signing of the contract.

Stage II – Personnel training, procurement, configuration/testing in the factories, site installation and testing of the first 3 stations – within 5 months as of the date of approval of the technical documentation in the Technical and Economic Committee (Rom.CTE).

Stage III - Procurement, configuration/testing in the factory, installation and site testing in 9 stations – within 8 months from the completion of stage II.

Stage IV – Procurement, configuration/testing in the factory, installation and site testing in 9 stations – within 8 months as of the completion of stage III.

Stage V_A, V_B, V_C, V_D și V_E - procurement, configuration/testing in the factory, installation and site testing 8 stations - within 8 months from the completion of stage IV.

Stage VI – commissioning of the entire system – within 4 months as of the completion of stage V. Operational acceptance – in 6 months from the date of completion without objections of the reception protocol on commissioning.

Stages I, II, III, IV and V_A, V_B, V_C, V_D_1 and V_E_1 are completed.

90% level of completion, respectively the equipment is installed and the functional tests performed in 27 locations and commissioning in 27 locations, out of a total number of 29 locations.

Geographical patrimonial inventory system. In December 2020 was finalized the implementation. In progress 36 months post-implementation assistance (development) - first quarter completed.

II. OPERATOR FIELD

Replacement of Ø8%" crude oil pipeline NEW Vega-Brazi Refinery, in Petrobrazi Refinery-SKIDs keyboard area, Prahova County, on a length of approximately 800 m and replacement of cleaning installation

Ongoing execution contract. There have been executed:

- Common platform related to the smart pigging stations, filters and SKIDs
- Foundations of smart pigging stations, filters and the 8" SKIDs
- All the materials related to the smart pig stations and filter battery were delivered, the assembly thereof being in progress
- Pipe assembly 8" 430 m.

Physical degree of achievement 70%.

Modernization of Conpet S.A. headquarters building located in Ploiesti, 7 Independentei Blvd.

Physical degree of achievement 99.5%.

Transformation of LDH 700 HP 139-2 in LDE

The execution and design contract was signed in June 2019.

Physical degree of achievement 100%. Commissioning will be made in May 2021.

Transformation of LDH 1250 HP 860-2 in LEA

The execution contract was signed in August 2020. Physical degree of achievement 50%.

During January-March 2021 were obtained 5 building permits for investment objectives, out of which one for pipeline rehabilitation works and 4 for mechanical works, in amount of 16.1 million RON.

In the first quarter of 2021, the following projects were presented and endorsed in the Technical Economic Committee of CONPET:

- PT+MP+CS+DE for the objective: "Replacement of crude oil pipeline Ø10¾" LASCĂR CATARGIU - INDEPENDENȚA", approx. 3,5 km in length", with a total value of 3,251 thousand RON exclusive of VAT, o/w 2,872 thousand RON represent value C+M;
- Technical Design "Replacement of crude oil pipeline L1 8% Țicleni – Bărbătești, location - way of access to water tank Bărbătești City Hall", approx. 200 m, with a value of 1,992 thousand RON VAT excluded, out of which 1,739 thousand RON represent value C+M;
- Technical Project "Electricity feeding" - increase of electrical power - CONPET Administrative headquarters III, works estimated value amounting to 500 thousand RON, o/w design 45 thousand RON and C=M works, equipment 455 thousand RON (405 thousand RON /per connection tariff);
- Solution Study regarding Technical Design "Replacement of crude oil pipeline Ø 8 5/8" Lucăcești-Vermești- the section defined by Măgura Hill (Crucea ROsie) and Vermești (Vermești mine road), on a length of approx. 9 km, with a proposed scenario to avoid the set-aside of the wood lands from the forest use and the enhance probability to obtain

building permit; estimated value - 11,231 thousand RON, VAT excluded, o/w 9,872 thousand RON represent C+M, with an execution period of 10 months.

At March 31st, 2021, 24 design works are in progress: 9 - part of design and execution contracts and 15 - part of design contracts.

The record of the 77.45% level of achievement of the investments was mainly due to: bad weather condition affecting the execution works on pipelines and tanks. Delays in the execution due to coronavirus pandemic, being recorded cases of employees' infection for both construction companies and material suppliers.

3.3 Analysis of the financial activity

The financial information presented in this report have been supplied based on the interim financial statements for the three months period ended March 31st, 2021, prepared in compliance with the International Accounting Standard no. 34 - „Interim Financial Reporting”.

3.3.1. Report grounds

The quarterly report of the Board of Directors for the period January - March 2021 is prepared in compliance with the provisions of Article 67 of Law no. 24/2017 regarding financial instruments issuers and market operations and Annex no. 13 of ASF Regulation no.5/ 10.05.2018 regarding issuers and securities operations;

3.3.2. Statement of the Financial Standing at March 31st, 2021

In summary, the statement of the Financial Standing at March 31st, 2021 is as follows:

Name of the element (thousand RON)	March 31, 2021 (unaudited)	December 31, 2020 (audited)	Variation% 2021/2020
Intangible assets	513,328	514,915	▼ 0.3%
Current assets	262,747	245,032	▲ 7.2%
Total Assets	776,075	759,947	▲ 2.1%
Equities	667,308	657,011	▲ 1.6%
Total liabilities	108,767	102,936	▲ 5.7%
Total equity and liabilities	776,075	759,947	▲ 2.1%

Table 12 - Summary of the company's financial standing at 31.03.2021 as compared to 31.12.2020

The extended variant of the Statement on financial standing at March 31st, 2021 is presented in Annex no. 1.

The total assets increased by 2.1% (16,128 thousand RON) as compared to the level recorded at December 31st, 2020 following the increase of the current assets by 7.2%.

The tangible assets recorded a 0.3% slight decrease as compared to December 31st, 2020, generated by input of fixed assets in a total value lower than the value of the amortization registered in the first three months of 2020.

The current assets increased by 7.2% (17,715 thousand RON), from 245,032 thousand RON

achieved at the end of 2020, to 262,747 thousand RON, value registered at March 31st, 2021. The augmentation of the value of assets was mainly determined by the increase of the available cash (approx. 12 mRON).

At 31.03.2021, the cash availabilities in the modernization quota existing in bank accounts amounted to 117,364 thousand RON, 960 thousand RON higher as compared to 31.12.2020. The cash representing modernization quota is intended exclusively for funding the modernization and development works of public property goods.

Trade receivables and other receivables records an increase of about 3.9 mRON.

The equity capital increased by 1.6% (10,297 thousand RON) as compared to December 31st, 2020 reaching 667,308 thousand RON. The equity capital increase was mainly achieved from the profit registration within the first three months in amount of 9,558 thousand RON and from the net increase, by 765 thousand RON, of the reserves representing modernization quota

Current liabilities, in amount of 86,169 thousand RON, are higher by 6,567 thousand RON as compared to December 31st, 2020, mainly due to the increase of the provisions for non-taken annual leaves and for the employees' share of profit.

Structure of Debts

At March 31st, 2021 and December 31st, 2020, the trade receivables and other receivables look as follows:

Thousand RON

Liabilities	December, 31 2020	March 31 2021	Maturity term for the balance at March 31, 2021		
			Under 1 year	Between 1-5 years	Over 5 years
Trade liabilities	23,583	23,003	23,003	-	-
Liabilities to the employees	33,992	37,834	18,377	3,068	16,389
Other liabilities, here-included fiscal debts and social insurances related debts	34,102	35,609	32,469	2,540	600
Total	91,677	96,446	73,849	5,608	16,989

Table 13 Statement of liabilities at March 31, 2021 vs. December 31, 2020

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

Thousand RON

Liabilities	December, 31 2020	March 31 2021	Maturity date for the balance at March 31, 2021		
			Under 1 year	Over 1 year	Over 5 years
Salaries contributions	5,427	4,845	4,845	-	-
Current corporate tax	738	2,814	2,814	-	-
Royalty due to the State Budget	7,865	7,729	7,729	-	-

VAT payable	3,022	3,831	3,831	-	-
Other interests and debts -	1,015	1,252	1,252	-	-
State Budget					
Dividends Payable	10,278	10,190	10,190	-	-
Leasing related liabilities	4,277	3,893	1,624	1,669	600
Accrued revenues	964	936	98	838	-
Other liabilities	516	119	86	33	-
Total	34,102	35,609	32,469	2,540	600

Table 14 Statement of other liabilities, here included the fiscal debts and social insurances related debts

The debts recorded in the balance at 31.03.2021 stand for current liabilities, within the maturity date.

3.3.3. Profit & Loss Account for the period January - March 2021

Within the 3 months period ended March 31st, 2021, CONPET S.A. obtained a net profit of 9,558 thousand RON, lower by 6,745 thousand RON as compared to 2020 Q1 (16,303 thousand RON). As compared to the budget, the net profit increased by 3,173 thousand RON.

The financial result achieved in the period January - March 2021, as compared to the Budget and YoY are the followings:

Indicators (thousand RON)	Achieved January- March 2021	Budget January- March 2021	Achieved January- March 2020	Variation	
				Achieved/Budget Budget 2021	Achieved 2021/ 2020
Turnover	101,758	100,483	105,715	▲ 1.3%	▼ 3.7%
Operating Revenues	111,938	109,811	113,696	▲ 1.9%	▼ 1.5%
Operating Expenses	99,935	103,106	96,601	▼ 3.1%	▲ 3.5%
Operating Profit (EBIT)	12,003	6,705	17,095	▲ 79.0%	▼ 29.8%
Value adjustments for fixed assets, less adjustments related to rights of use resulted from leasing contracts	12,875	12,219	11,719	▲ 5.4%	▲ 9.9%
EBITDA	24,878	18,924	28,814	▲ 31.5%	▼ 13.7%
Financial Revenues	842	895	1,956	▼ 5.9%	▼ 57.0%
Financial Expenses	73	183	118	▼ 60.1%	▼ 38.2%
Financial profit	769	712	1,838	▲ 8.0%	▼ 58.2%
Total revenues	112,780	110,706	115,652	▲ 1.9%	▼ 2.5%
Total expenses	100,008	103,289	96,719	▼ 3.2%	▲ 3.4%
Gross Profit	12,772	7,417	18,933	▲ 72.2%	▼ 32.5%
Net Profit	9,558	6,385	16,303	▲ 49.7%	▼ 41.4%

Table 15 - The main economic indicators achieved in the period January - March 2021 vs Budget 2021 and the same period of 2020

The statement of the profit and loss account for the three months period ended March 31st, 2021 is presented in detail in Annex no. 2.

Evolution of the financial results during January-March 2021, as compared to the same period of the year 2020 is represented in the chart below:

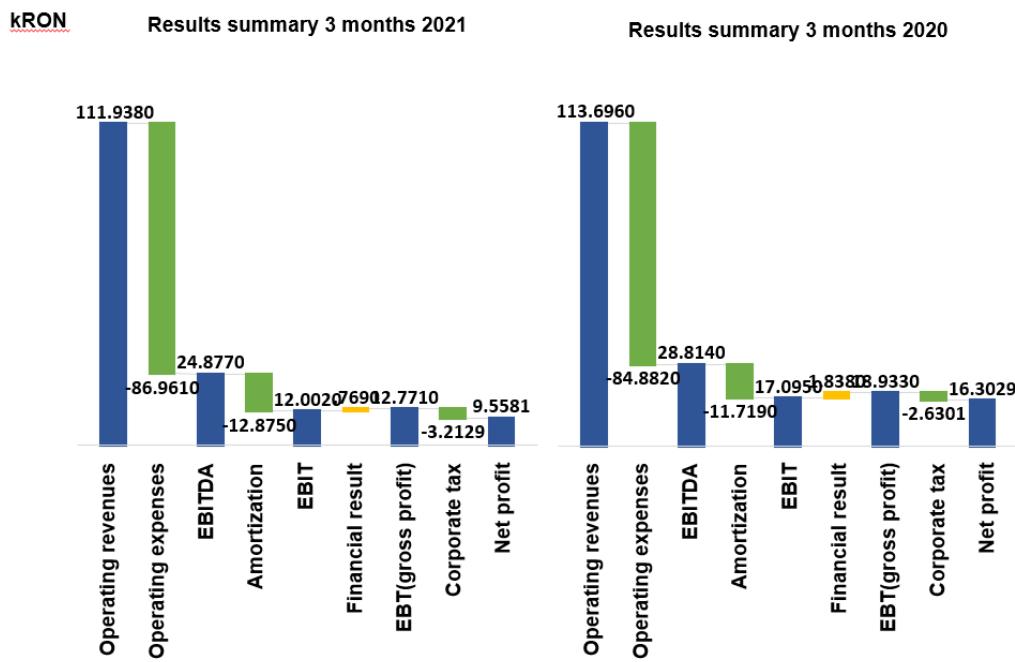


Chart 16 - Synthesis of financial results in January- March 2021 as compared to the similar period in 2020

Operating Revenues

The total revenues of the operating activity in the first three months of the year, as compared to Budget and YoY, is the following:

Achieved January- March 2021	Budget January - March 2021	Variation % Achieved % Budget	Indicators (thousand RON)	Achieved January- March 2021	Achieved January- March 2020	Variation%) 2021/2020
101,150	99,883	▲ 1.3%	Total revenues from transport services	101,150	105,002	▼ 3.7%
608	600	▲ 1.3%	Other Turnover Revenues	608	713	▼ 14.7%
101,758	100,483	▲ 1.3%	Turnover	101,758	105,715	▼ 3.7%
9,247	8,924	▲ 3.6%	Write-back to revenues of reserve constituted based on the expenses with the modernization quota	9,247	8,317	▲ 11.2%
933	404	▲ 130.9%	Other operating revenues	933	(336)	-
111,938	109,811	▲ 1.9%	Total Operating Expenses	111,938	113,696	▼ 1.5%

Table 16 - Statement of the operating revenues

The turnover of the company is 99% achieved from the transport revenues, the remaining 1% represents revenues from: rent of land and telecommunications equipment, rail shunting, etc.

The company recognizes monthly, in the operating revenues, reserves from the modernization quota at the level of the amortization of the tangible assets financed therefrom. Within the first 3 months of 2021, the value of these revenues was of 9,247 thousand RON.

The operating expenses achieved during January-March 2021, as compared to the same period of the previous year and the budgeted provisions look as follows:

Achieved January-March 2021	Budget January-March 2021	Variation % Achieved/Budget	Indicators (thousand RON)	Achieved January-March 2021	Achieved January-March 2020	Variation % 2021/2020
1,223	1,590	▼23.1%	Material expenses, out of which:	1,223	1,320	▼7.3%
674	910	▼25.9%	-expenses with consumables	674	676	▼0.3%
353	404	▼12.6%	- fuel expenses	353	420	▼16.0%
3,874	3,629	▲6.8%	Other external Expenses with energy and water	3,874	4,280	▼9.5%
39,827	41,088	▼3.1%	Personnel expenses	39,827	36,804	▲8.2%
12,875	12,219	▲5.4%	Value adjustments on fixed assets, less rights of use	12,875	11,719	▲9.9%
488	539	▼9.5%	Value adjustments on rights of use	488	443	▲10.2%
26,964	27,071	▼0.4%	Expenses with outside services, out of which:	26,964	27,127	▼0.6%
404	807	▼49.9%	Maintenance (maintenance, current repairs)	404	404	-
16,019	15,335	▲4.5%	- expenses with crude oil transport by rail	16,019	15,754	▲1.7%
80	203	▼60.6%	- expenses with decontamination works	80	104	▼23.1%
7,729	7,681	▲0.6%	- oil royalty	7,729	8,090	▼4.5%
2,732	3,045	▼10.3%	-other services performed by third parties	2,732	2,775	▼1.5%
4,018	5,407	▼25.7%	Adjustments regarding provisions and impairments on current assets	4,018	4,535	▼11.4%
10,666	11,563	▼7.8%	Other operating expenses, out of which:	10,666	10,373	▲2.8%
10,011	10,608	▼5.6%	- modernization quota expenses	10,011	9,329	▲7.3%
99,935	103,106	▼3.1%	Total operating expenses	99,935	96,601	▲3.5%

Table 17 - Statement of the operating expenses

In the first 3 months of 2021, the operating expenses were in amount of 99,935 thousand RON, registering an increase by 3.5% (3,334 thousand RON) as compared to 2020 Q1, mainly due to the increase of the personnel expenses, of the expenses related to the amortization of the fixed assets, of the modernization quota and rail transport services.

As compared to Budget, the operating expenses decreased by 3.1%, being registered savings to the following types of expenses: personnel expenses (1,261 thousand RON), maintenance and repair expenses (403 thousand RON), material expenses (367 thousand RON), services performed by third parties (313 thousand RON).

The operating profit achieved at 31.03.2021, as compared to the same period of 2020 has recorded a decrease by 5,092 thousand RON (29.8%).

EBITDA records the value of 24,878 thousand RON, 3,936 thousand RON (13.7%) lower than the same period of the previous year.

As compared to the budget provisions, the operating profit registers a 79% increase and the EBITDA indicator reflects a degree of achievement of 131.5%.

The Financial profit recorded in the first 3 months of 2021 is higher by 57 thousand RON compared to the budgeted one.

The gross profit and net profit recorded decreases by 6,161 thousand RON (32.5%), respectively 6,745 thousand RON (41.4%) as compared to the period January-March 2020.

3.3.4. The main economic-financial indicators

Name of the indicators	Calculation formula	Achieved	Achieved	Variation
		Jan.-Mar. 2021	Jan.-Mar. 2020	
PROFITABILITY INDICATORS				
Gross sales margin	EBIT (operating profit)	11.8%	16.2%	▼4.4 p.p.
	Turnover			
operating profit margin	EBIT (operating profit)	10.7%	15.0%	▼4.3 p.p.
	Operating Revenues			
EBITDA in total sales	EBITDA	24.4%	27.3%	▼2.9 p.p.
	Turnover			
EBITDA adjusted in total sales	Adjusted EBITDA	25.2%	28.2%	▼3.0 p.p.
	Turnover			
EBITDA in equity	EBITDA	3.7%	4.3%	▼0.6 p.p.
	Total Equities			
EBITDA adjusted in equity	Adjusted EBITDA	3.8%	4.4%	▼0.6 p.p.
	Total Equities			
Gross Profit Rate	Gross result	12.6%	17.9%	▼5.3 p.p.
	Turnover			
LIQUIDITY INDICATORS				
Current liquidity indicator (times)	Current assets	3.1	3.1	-
	Current liabilities			
The quick ratio indicator (acid test)	Current assets - Stocks	3.0	3.0	-
	Current liabilities			
PROFITABILITY INDICATORS				
Return on Assets (ROA)	Net result	1.2%	2.1%	▼0.9 p.p.
	TOTAL ASSETS			

Name of the indicators	Calculation formula	Achieved Jan.-Mar. 2021	Achieved Jan.-Mar. 2020	Variation 2021/2020
Return on Equity (ROE)	Net result	1.4%	2.4%	▼1.0 p.p.
	Total Equities			
Return on Sales (ROS)	Net result	9.4%	15.4%	▼6.0 p.p.
	Turnover			
Inventories turnover speed (days)	Medium stock X90	435	568	▼23.4%
	Sales costs			
Duration of stocks rotation (times)	Sales costs	0.21	0.16	▲31.2%
	Average stock			
Rotation speed of the clients debits (days)	Average stock clients X90	28	27	▲3.7%
	Turnover			
Rotation duration of the clients debits (times)	Turnover	3.2	3.3	▼3.0%
	Average stock clients			
Rotation speed of supplier credits (days)	Average balance clients X90	25.3	30.8	▼17.9%
	Procurement from suppliers of goods and services			
Rotation speed of the suppliers credits (times)	Procurement from suppliers of goods and services	3.6	2.9	▲24.1%
	Average balance suppliers			
RISK INDICATORS				
Leverage degree indicator	Borrowed capital	0.47%	0.47%	-
	Total shareholders' equities			

Table 18 - Main economic-financial indicators

3.3.5 Implementation of the revenues and expenditure budget for the the period January 1st - March 31st, 2021

Implementation of the Budget Q1 2021 is presented in the format and structure of MPFO no. 3818/2019

		INDICATORS (thousand RON)	BUDGET Q1 2021	Achieved Q1 2021	%
I.		TOTAL REVENUES, o/w:	110,706	112,780	101.9%
	1	Total Operating Revenues	109,811	111,938	101.9%
	2	Financial Revenues	895	842	94.1%
II		TOTAL EXPENSES, o/w:	103,289	100,008	96.8%
	1	Operating expenses, out of which:	103,106	99,935	96.9%
	A.	goods and services expenses	24,789	24,342	98.2%
	B.	taxes, fees and similar levies related expenses	8,265	8,318	100.6%
	C.	Personnel expenses, out of which:	41,088	39,827	96.9%
	C0	Salary related expenses	37,462	36,481	97.4%
	C1	Salaries expenses	34,144	33,300	97.5%

		INDICATORS (thousand RON)			BUDGET QI 2021	Achieved QI 2021	%		
		C2	Bonuses		3,318	3,181	95.9%		
		C3	Other personnel expenses, out of which:		1,835	1,590	86.6%		
			expenditure on compensatory payments relating to staff redundancies		1,835	1,590	86.6%		
		C4	Expenses related to the Contract of Mandate and other management and control bodies, committees and commissions		577	575	99.7%		
		C5	Expenses with contributions due by the Employer		1,214	1,181	97.3%		
		D.	Other operating expenses		28,964	27,448	94.8%		
	2	Financial Expenses			183	73	39.9%		
III		GROSS RESULT (profit/loss)			7,417	12,772	172.2%		
IV		INCOME TAX			1,032	3,214	311.4%		
V		ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX			6,385	9,558	149.7%		
VI		INVESTMENT FINANCING SOURCES			15,361	11,897	77.4%		
VII		INVESTMENT RELATED EXPENSES			15,361	11,897	77.4%		
VIII		SUBSTANTIATION DATA							
	1	Number of employees estimated at the end of the reporting period			1,585	1,585	100%		
	2	Total average number of employees			1,565	1,532	97.9%		
	3	Total expenses per each 1000 RON of total revenues			933	887	95.1%		
	4	Overdue payables			0	0	100%		
	5	Outstanding receivables			285	22	7.7%		

Table 19 Budget - execution QI 2021

3.3.6. Financial and non-financial key performance indicators

The financial and non-financial performance indicators of the administrators have been approved in the OGMS meeting dated December 18th, 2018.

In accordance with the administration Plan of CONPET, chapter 7 "Performance indicators and criteria", during 2018-2022, the performance indicators and objectives are being defined and set out as follows:

Crt. no.	Performance indicator	Performance objective	M.U.	Target values					KPI weights for the settlement of the remuneration
				2018	2019	2020	2021	2022	

A. FINANCIAL KEY PERFORMANCE INDICATORS: 25%									
1.	Outstanding payments	Level zero	Thous and RON	0	0	0	0	0	2%
2.	The decrease of the operating expenses = (Operating expenses – Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of expenses in the turnover at the level assumed by the Administration Plan	%	80.8%	82.6%	82%	81.5%	81.3%	8%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences.	The realization of adjusted EBITDA target assumed by the Administration Plan	Thous and RON	108,443 thousand RON	90,316 Thousand RON	95,987 Thousand RON	98,872 Thousand RON	101,785 Thousand RON	10%
4.	Labor Productivity	Realization of the labor productivity level provided in the annual approved Budget	Thous and RON pers	100% according to Annual Budget	100% acc. to Annual Budget	100% according to Annual Budget	100% according to Annual Budget	100% according to Annual Budget	5%
B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 75%									
B1. OPERATIONAL: 25%									
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy).	The target value is lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude oil ≤ 0.361% Import crude Lukoil ≤ 0.29% Import crude oil Petrom ≤ 0.143% Import crude oil Midia ≤ 0.108%					3%
6.	Monitoring of the annual electricity average specific consumption for technological purposes	Maintenance of the annual electricity average specific technological consumption at a level of Max 3.3 Kwh/to	Kwh/to	Max 3.3 Kwh/to	Max 3.3 Kwh/to	Max 3.3 Kwh/to	Max 3.3 Kwh/to	Max 3.3 Kwh/to	2%
7.	Achievement of the investments financed out of the modernization quota	Min. Realization 95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	≥95%	≥95%	≥95%	≥95 %	20%
B2. OF CORPORATE GOVERNANCE: 50%									
8.	Implementation/development of the internal management/audit system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%	100%	20%
9.	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%	100%	20%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	≥90 %	≥90 %	≥90 %	≥90 %	10%

Table 20 - Performance indicators and objectives

A quarterly evaluation of performance indicators shall be carried out in order to identify any negative deviations from targets and to ensure timely corrective action to achieve annual targets.

For the first three months 2021, the total degree of achievement of the key performance indicators for administrators is of 83.3%.

The total degree of achievement of the key performance indicators was favorably influenced by the key financial performance indicators by 2.9 pp and unfavorably by the non-financial key performance indicators by 19.6 p.p., i.e. by the failure to achieve the operational indicator "Implementation of the investments financed by the modernization quota" (82%).

In structure, the quarterly (Q1 2021) degree of achievement of the key performance indicators reveals the following:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	according to the contract of mandate	Achieved 2021 Q1	Variation
A. Financial key performance indicators	25.0%	27.9%	2.9 p.p.
B. Non-financial key performance indicators	75.0%	55.4%	-19.6 p.p.
B1. Operational	25.0%	5.4%	-19.6 p.p.
B2 of Corporate Governance	50.0%	50.0%	0.0 p.p.
Total degree of achievement of the performance indicators	100.0%	83.3%	-16.7pp

Table 21 Degree of achievement KPIs administrators - Q1 2021

A) **Financial key performance indicators (+2.9 pp):**

Quarterly targets planned of the financial indicators for 2021 are based on the Revenues and Expenditure Budget.

➤ **Outstanding Payments Indicator**

At 31.03.2021 the company did not register outstanding payments. As compared to the scheduled values, the indicator has been 100% achieved.

➤ **Indicator Decrease of Operating Expenses**

The indicator *Decrease of Operating Expenses* contributed favorably by **0.3 p.p.** The objective of this performance indicator is to decrease the share of operating expenses in turnover. The turnover increase by 1.3%, as well as the decrease of expenditure have favorably influenced the achieved level of the indicator, the achievement degree in the first 3 months 2021 being of 104.1%;

➤ **ADJUSTED EBITDA Indicator**

Adjusted EBITDA indicator favorably influenced by **2.4 p.p.** the increase of the degree of achievement of the financial indicators. The indicator has recorded an increase by 5,034 thousand RON (24.4%), achieved mainly at the expense of the operating profit.

The achievement degree of the indicator in the period January-March 2021 is of 124.4%.

➤ **Labor Productivity Indicator**

Labor productivity had a positive contribution of **0.2 p.p.**. The increase in labor productivity by 4.3%, as compared to the planned one, has been realized by increasing the operating revenues by 1.9% and decreasing the average number of staff by 33 persons. The achievement degree of this indicator in the first 3 months 2021 is of 104.3%.

B) Non-financial key performance indicators (-19.6pp)

B1) Operational

➤ *Operational Indicator “Framing within the specific consumptions for the crude oil transport”*

The addition of 0.4 pp of the non-financial key performance indicators in the increase of the total degree of fulfillment was made at the expense of the **operational indicator - Framing within the specific consumptions for the crude oil transport**, being registered a specific consumption in transport lower by 14.8% as compared to the quarterly target.

In structure, the achievement of specific consumption for the crude oil transport on crude oil types and refineries for the period January 01st - March 31st, 2021, as well as the average consumption reveals the followings:

Targets Q I 2021	Achievements Q I 2021	Indicator's Achievement Degree
Domestic crude oil ≤ 0.361%	Domestic crude oil = 0.350%	
Import crude oil Lukoil ≤ 0.29%	Import crude oil Lukoil = 0.180%	
Import crude oil Petrom ≤ 0.143%	Import crude oil Petrom = 0.140%	0.254%
Import crude oil Midia ≤ 0.108%	Import crude oil Midia = 0.100%	114.8%

*) Average technological consumption (calculated according to the share of each transport type).

Table 22 The specific consumption for the crude oil transport on crude oil types and refineries QI 2020

The achievement degree of this indicator in the period January 01st - March 31st, 2021 is of 114.8%.

➤ *The operational indicator “Monitoring the annual average specific consumption of electric power for technological purposes”*

The objective related to this indicator is represented by the maintenance of the annual average of electric power technological consumption at a maximum level of 3.3 KWh/to.

This indicator is deemed achieved if the achieved level thereof has a lower value or equal to 3.3 KWh/to. If the realized value of the indicator is higher than 3.3 KWh/to, for the calculation of the total degree of fulfillment of the indicators, the individual level of the degree of achievement of this indicator is limited to 100%.

The average specific consumption of electric power in technological purpose achieved in the period January - March 2021 was of 2.84 Kwh/ton, under the target level of 3.3 kwh/to, and, consequently, the indicator is deemed achieved 100%.

- **Operational indicator, "Achievement of the investments financed out of the modernization quota"**

The objective of this indicator is the realization of investments financed from the modernization quota of at least 95% of the modernization quota constituted during the reporting period.

The degree of achievement of the indicator is being determined based on the formula: Value of investments financed out of the modernization quota, achieved/Value of modernization quota achieved in the reporting year (modernization quota recognized in the expenses) X 100

The achieved degree of this indicator in the period January-March 2021 is of 82% (8,202 thousand RON investments financed from the modernization quota/10,011 thousand RON modernization quota constituted in the 3 months period 2021).

The contribution of this indicator in the total degree of fulfillment is zero, as the achieved level of the indicator (82%) is below 95%. In the case of this indicator, the contribution in the total degree of achievement shall be of 100 % if a degree of achievement \geq 95 % is recorded and zero if a degree of achievement $<95\%$ is recorded.

B2) Corporate Governance Indicators

- **The indicator "Implementation/Development of the internal management control system in compliance with the legal requirements in force"**

The objective of this indicator is being represented by the 100% achievement of actions provided in the development program for the internal management control system.

In the period January-March 2021 all the activities in the development program of the internal control management system of CONPET S.A., with achievement due term in the first 3 months of 2021 have been achieved, consequently the achievement degree is 100%.

- **Indicator "Duly reporting of the degree of achievement of the performance indicators of the company"**

The objective of this indicator is represented by the timely reporting of the degree of achievement of the performance indicators of the company.

In the first 3 months 2021 the level of this indicator was of 100%.

According to the OMPF no. 1952/2018 regarding the regulation of the procedure for monitoring the implementation of the provisions of EGO no. 109/2011 on the corporate governance of public enterprises, Annexes 1 and 3 for the Second Quarter 2020 were sent to the Ministry of Economy, Energy and Business Environment in time, on January 14th, 2021, by address no. 1498.

Consequently, the degree of achievement of the indicator for the period January-March is of 100%.

- **Indicator "Boost of institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans"**

The objective of this indicator is to fulfill the measures undertaken by the integrity Plan approved to the extent of minimum 90%.

The degree of achievement of the indicator in the first 3 months 2021 is of 100%.

Directors with contract of mandate

The financial and non-financial key performance indicators for the Director General and the Economic Director have been approved by Decision of the Board of Directors dated 18.12.2018 and for the Deputy Director General have been approved by the Board of Directors on 19.03.2019. The targets and weights of the indicators for the period 2018-2022 are set out in the Annex to the directors' mandate contracts.

For the first three months 2021, the total degree of achievement of the performance indicators for administrators is of 86.6%.

In structure, the quarterly degree of achievement (Q I 2021) of the key performance indicators is presented as follows:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	according to the contract of mandate	Achieved Q1 2021	Variation
A. Financial key performance indicators	50.0%	55.9%	5.9 pp
B. Non-financial key performance indicators	50.0%	30.7%	-19.3 pp
B1. Operational	30.0%	10.7%	-19.3 pp
B2. of Corporate Governance	20.0%	20.0%	0.0 pp
Total degree of achievement of the performance indicators	100.0%	86.6%	-13.4 pp

Table 23 Degree of achievement of KPIs directors with contract of mandate - QI 2021

3.3.7. Cash-flow

The Cash-flow Statement for the three months period ended March 31st, 2021 is as follows:

(DIRECT METHOD)

	Name of the element (thousand RON)	January–March 2021	January–March 2020
A	Net cash from operating activities	17,096	28,041
B	Net cash from operating activity	(4,353)	(13,145)
C	Net cash from financing activities	(831)	(781)
	Net increase of the cash and cash equivalents=A+B+C	11,912	14,115
D1	Cash and cash equivalents at the beginning of the period	198,257	238,577
D2	Cash and cash equivalents at the end of the period	210,169	252,692

Table 24 - Synthesis of the cash-flows for the three months period ended March 31st, 2021, as compared to March 31st, 2020

The extended version of the Interim Statement of Cash Flows for the three-months period ended March 31st, 2021 is presented in Annex no.3.

The value of net cash flows from operating activity records a decrease by 10.9 mil. RON generated by:

- Decrease of receipts, against the background of the decrease in the transported quantities in the first quarter of 2021, as compared to the first quarter of 2020;
- Increase in payments to suppliers of goods and services and to employees by approximately 4 mRON.

Cash outflows for payment of assets generated a net negative cash flow from investing activities in amount 4.4 million RON. The net cash records a negative value, down by about 9 million RON due to the decrease in the amount of payments to investment providers between January and March 2021, as compared to the same period of the previous year.

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

Of the total of 210 million RON availabilities in cash at 31.03.2021, the share of the modernization quota is of 117 million RON.

3.3.8. Related party transactions

Between 01.01.2021 - 31.03.2021 the Company carried out the following significant transactions with related parties:

Procurement from related parties

Partner	Unsettled amounts at December, 31 st 2020	Procurement Period 01.01- 31.03.2021	Settlements in the period 01.01- 31.03.2021	Unsettled amounts at December 31 st , 2021
SNTFM CFR Marfă S.A.	6,709,061	19,384,150	19,263,811	6,829,400

*The amounts are in RON and VAT inclusive.

Table 25 - Purchases from related parties

3.4. Other aspects

3.4.1. Situation of lands not included in the share capital

At 31.03.2021, CONPET has recorded in the company patrimony lands in surface of 733,648.93 sq.m. with a fair value amounting to 22,858,900 RON, held based on the Land Ownership Certificates (709,949.07 sq.m.) and sale-purchase contracts (23,699.86 sq.m.).

The company has augmented the share capital with some part of the lands held based on the land ownership certificates (Ro. CADP), not being included in the share capital lands with a surface of 554,537.62 sq.m, being comprised in 48 CADP. The land ownership certificates for these lands have been obtained during 2001-2005 and the value assessed at the date of acquiring the certificates, set out in compliance with GD no.834/1991 is of 26,708,233 RON. These lands have been recorded in the company's patrimony at the expense of other equity reserves. The fair value of these lands at 31.03.2021 is of 12,562,749 RON.

The Board of Directors has undertaken all steps in view of augmentation of the share capital by the value of land held based on the land ownership certificates.

Thus, under the lands appraisal reports, in compliance with the provisions of Art. 6 Para (3) of GD no.834/1991 subsequent amendments and completions, drafted by expert valuer, the Board of Directors has summoned the Extraordinary General Meeting of Shareholders, on 19.05.2016, in first call, namely 20.05.2016, in second call. At both EGMS meetings the quorum has not been met.

Although there have been convened two general meetings of shareholders, the Board of Directors has summoned a new EGMS for 05.07.2016, with the same Agenda. Following the cast vote by the shareholders present and represented, the proposal to augment the share capital has not been approved, due to the lack of necessary quorum for approval votes.

Subsequently, there have been undertaken all steps for the augmentation of the share capital, and at 26.03.2019, the EGMS has approved the initiation of the procedure for the augmentation of the share capital and the appointment by the Trade Register Office Prahova of an expert authorized to assess the lands brought as contribution to the share capital.

Based on the new appraisal report has been convened the EGMS, on 04.07.2019 in first call and 05.07.2019 in second call, with the Agenda - Approval of the augmentation of the share capital by maximum value of 101,763,954.60 RON, representing contribution in kind (lands) in amount of 59,751,935.10 RON and cash amounting to maximum 42,012,019.50 RON, from the current value of 28,569,842.40 RON at the value of maximum 130,333,797 RON, by issuing a number of maximum 30,837,562 new shares, nominative, dematerialized, at a price of 3.3 RON/share, equal to the nominal value, without share premium.

In both EGMS meetings has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital by contribution in kind.

Between 08-09.08.2019 the Prahova Chamber of Accounts checked the fulfillment of the measure on the capital increase and issued on 02.09.2019 Decision no. 3026/651/2013 which extended the deadline for implementation of the measure until 31.03.2020.

In order to achieve the measure ordered, the necessary steps were taken to increase the share capital and, on 24.09.2020, the Extraordinary General Meeting of Shareholders (EGMS) of CONPET, approved the initiation of the procedure for the augmentation of the share capital of the company by the value of the land plots held based on 48 land ownership certificate and formulation of a request to the Trade Register office attached to Prahova Law Court for the appointment of an authorized appraiser for the evaluation of the land plots in total surface of 554,537.61 sq.m. Between 28.09.2020 - 03.12.2020, 3 applications for the appointment of an authorized assessor have been submitted to the Office of the Trade Registry at the Prahova Court. For the first two requests, the appointed evaluators refused acceptance of the work, with the third evaluator agreeing to submit a financial bid for the execution of the work. On 23.12.2020 Conpet concluded the service contract with the designated assessor and in January 2021 the evaluation was completed.

In March 2021, i.e. on 10.03.2021, at the first call and on 11.03.2021, at the second call of the Extraordinary General Meeting of Shareholders of CONPET S.A. Ploieşti, having on the Agenda the augmentation of the share capital by the value of the 48 lands on the agenda, the quorum of presence provided by law necessary for the increase of the share capital by contribution to the

nature was not met.

3.4.2. Litigations

The most important disputes in which the company is involved are shown below:

a) Litigations regarding the ownership of tangible assets of the company

CONPET S.A. is involved in a single process regarding the claim of ownership of certain real estate, respectively:

File no. 2782/229/2018 - Fetesti Court - in the course of settlement

Trial stage: First court on merits

Parties: Conpet SA –claimant

Zacon Trandafir - respondent

Object: Conpet SA has filed a sue petition against Zacon Trandafir for the court to note absolute nullity of the contract of sale no. 1047/03.02.1999, between Conpet SA, as seller and Zacon Trandafir as buyer, to order the defendant to pay the costs. Subsidiarily, the respondent Zacon Trandafir is required by CONPET to pay the value of the property at the fair market value determined by the report of a judicial technical expertise.

Deadline: 22.04.2021

b). Litigations related to the owners claims of the land transited by the Crude Oil National Transport System

On 31.03.2021, CONPET S.A. had a number of 16 active trial files in the various stages of trial, having as object the claims of the owners of the land related to the lack of use of the owned lands crossed by the highway components of the National Crude Oil Transport System. Among these, we list a number of 11 cases that we consider to be important in terms of the amount of the applicants' claims and representative through the legal content of the applications (the rest of the cases outlining some of the types of legal proceedings listed below):

1. File no. 3451/108/2016 ** – Timisoara Court – pending

Trial stage: Appeal - retrial

By Decision no. 761/23.11.2017 the Court of Appeal of Timișoara admits the appeal of the applicant Territorial Administrative Unit of Pecica, Arad County, annuls the appealed judgment and sends the case for retrial to the Arad Tribunal. Decision no. 761/23.11.2017 was appealed by CONPET S.A. at The High Court of Cassation and Justice.

Clarifications: The Territorial Administrative Unit of the city of Pecica has filed a petition requesting the court to order the obligation of the defendant CONPET S.A. to divert the crude oil pipeline that crosses a number of 22 plots of building land, intended for housing construction, to pay the amount of 65,000 Euro representing the value of the house located in the plot no. A141.7760/5/174, registered in the Land Register no. 306869, because this can no longer be used, to pay an annual rent, during the existence of the pipeline, as a result of the enclosing of the areas shown above by the right of legal servitude exercised by CONPET S.A. and to compel the defendant CONPET S.A. to pay compensation for the period 31.10.2014-31.05.2016 as a

result of the limitation of the attributes of the ownership of the 22 plots of building land and the decrease of the fair market value of the land in the real estate market due to the restrictions imposed by Order no.196/2006 of NAMR regarding constructions. At the same time has requested the obligation of the defendant CONPET S.A. as every three years to adapt the amount of damages to the real estate market value, from that moment, of similar lands and to the provisions of the future orders of N.A.M.R.

By the Report dated 07.06.2018 the High Court of Justice declared Conpet's appeal as inadmissible, being promoted against a final judgment, which does not fit into the hypothesis regulated by Art. 483 Para. 1 of the Civil Procedure Code. By the conclusion of 10.10.2018, the High Court of Justice basically admits the appeal declared by the claimant-defendant Conpet S.A. against the civil decision no. 761/A of November 23rd, 2017 issued by the Timișoara Court of Appeal – Second Civil Section.

By the decision **no. 615/22.03.2019** the High Court of Cassation and justice - (Ro. ICCJ) admits the recourse introduced by the recourse petitioner-respondent Conpet S.A., annuls the attacked decision and sends the case for a new trial to the same appellate court - The Court of Appeal Timisoara.

Deadline: 10.05.2021.

2. File no. 1372/212/2017 - Constanta Court - in the course of settlement

Trial stage: First court on merits

Cruceanu Alin Florinel filed a petition for trial asking the court to rule the obligation of Conpet SA to pay damages equal to the market value of the real estate property – plot of land in surface of 460 square meters located in Lazu commune, 29, Luceafărului street, Constanța County and the plot of land in surface of 460 sqm located in Lazu commune, 31 Luceafărului street, Constanța county, value appreciated at the amount of 30,000 Euro, the equivalent of 134,700 RON; the obligation of Conpet SA to pay the value of the land lack of use in the form of annual rent for the last three years; the obligation of Conpet SA to pay the court costs for the resolution of the present petition. Subsequently, the claimant specified its action with regard to the second part of the petition requesting the court to rule the obligation of Conpet SA to pay the amount representing the lack of use of the two land plots for the period between 10.12.2015 and the date when the decision remained final decision admitting the first part of the petition.

Conpet formulated the counterclaim/re conventional petition requesting the court to rule the obligation on the claimant to allow CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two plots of land owned by the claimant Cruceanu Alin Florinel, situated in Agigea commune, Lazu village, 29, Luceafărului street. respectively 31, Luceafărului street, Constanța county. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the Ø 20 " major transport pipelines for crude oil of Constanța-Bărăganu for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition, for performing any repairs and also for establishing the amount of the annual rent provided by law owed by us, the undersigned, to the claimant in exchange for exercising the right of legal servitude.

Court hearing: 20.05.2021

3. Case File no. 18344/212/2017 - Constanta Court - in the course of settlement

Trial stage: First court on merits

Mitu Dumitru and Mitu Rodica file a petition for trial requesting that the obligation of Conpet to pay compensatory damages for the two plots of land located in the village of Lazu, the commune of Agigea, Constanța county affected by the route of certain pipelines that transport oil products, as well as the respondent's obligation to pay an annual rent for the deprivation of use on the land affected by the exercise of the legal servitude, starting with 20.06.2014 and of compensations in the form of an annual payment for the affectation of the use of the part of the land on which the pipeline is not located, with the obligation to pay the trial costs.

Conpet formulated a counterclaim/reconventional petition requesting the court to rule the obligation of the claimants to allow the company CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two plots of land owned by the claimants. The right of legal servitude shall be exercised on a 2.4-meter-wide corridor located along the F2 Ø 20 " Constanța-Bărăganu crude oil pipeline for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition and for performing any repairs and to set the amount of the annual rent prescribed by the law owed by Conpet to the claimants in exchange for the exercise of the right to legal servitude. Also, Conpet made a guarantee call request from the Ministry of Public Finance and the National Agency for Mineral Resources (A.N.R.M.) so that, if Conpet S.A. Ploiești falls from claims regarding the claims of the claimants made in the petition for trial to compensate us with the amounts we will be obligated to pay to the claimants.

Deadline: 12.05.2021

4. Case File no. 14960/280/2015 – PITESTI Court – pending

Trial stage: Appeal

Cîrstea Stelian and Cîrstea Gherghina filed a petition of trial asking the court to rule the obligation of Conpet SA to pay the lack of use from the date of acquisition of land - namely 06.10.2014, lack of use that is provisionally valued at the amount of 1000 RON - following to increase iota application for summons after taking evidences and order CONPET SA to raise their pipelines and related facilities on land owned by the applicant and to the extent that it is not possible to be ordered defendant to pay a monthly amount equivalent to the value a rent for land occupied and damaged pipes and plants on it - the rent on the free market.

The claimants increased their claims to the amount of 6,276 RON representing the deprivation of use since 06.10.2014 until present.

Clarifications: By Sentence No. 2797/07.07.2020 the Pitești Court rejects as unfounded the exception of the lack of passive procedural quality invoked by the Romanian State through the Ministry of Public Finance. It rejected as ungrounded the request of indicating the holder of the right formulated by the claimants in contradictory with the defendants: the Romanian State through the Ministry of Public Finances, the National Agency for Human Resources. Admits in part the request made by the plaintiffs in contradiction with the defendant Conpet S.A. Orders the defendant Conpet SA to pay to the complainants the sum of 350 RON representing the consideration of the non-use for the period October 2014 – October 2019 and subsequently the sum of 70 RON/year as an annuity for the duration of the concession. Admits the defendant Conpet SA's request for the refund of the judicial fee paid in addition to the resolution of the application for recusal of expert Ionescu Steliană. It provides for the refund to the defendant Conpet SA of the judicial stamp duty in the amount of 100 lei paid by the defendant with payment order no. 7178/24.10.2016. Orders the defendant Conpet SA to pay the plaintiffs the sum of 95

RON in costs. The decision was appealed by Cîrstea Stelian and Cîrstea Gherghina. By judgment no. 943/04.12.2020 the Specialised Tribunal in Arges accepts the exception of procedural material jurisdiction and disclaims in favor of the Arges Tribunal the jurisdiction to resolve the appeal. By judgment no. 1801/26.04.2021 the Arges Tribunal accepts the the exception of procedural material incompetence of the Arges Tribunal - Civil Division, an ex-oficio exception. Decline jurisdiction to resolve the appeal in favor of the Arges Specialized Tribunal. It notes the negative conflict of competence. It provides for the ex-officio suspension of the appeal. Sends the case to the Pitesti Court of Appeal to resolve the conflict of jurisdiction. No appeal.

Court hearing: --

5. Case File no. 220/262/2017 *– Moreni Court– pending

Trial stage: Merits- retrial

Chivu Ion filed a petition requesting the court to rule the obligation of Conpet SA to divert the crude oil pipeline passing through his property in surface of 1,753 square meters located in Ocnița commune T14, P114, the establishment of the access location with the obligation of Conpet SA to pay an annual rent related to both the access road and the pipeline that damages the land and damages for the land affected by the pipeline.

Clarifications: By the **judgment no.1000/05.11.2019** the Moreni Court partially accepts the main part of the petition.

The court partially admits the counterclaim. The judgment was attacked with appeal by Conpet SA and Chivu Ion. By **Decision no. 223/02.06.2020** the Dâmbovița Tribunal accepts the appeals, annuls the judgment appealed and sends the case back to the first court.

Deadline: 03.06.2021

6. Case File no. 5413/204/2017 *– Prahova Tribunal – pending

Trial stage: Merits- retrial

Dobrogeanu Dumitru and Dobrogeanu Păun Ioan filed a petition of trial asking the court to rule the obligation of CONPET SA to pay an annual rent for the land plots occupied by the two oil products pipelines (crude oil) starting 01.07.2014 and in the future, for the entire duration of the pipelines, to pay the compensation for the losses incurred by not reaching certain economic objectives on the remaining area between the two pipes after their restriction and the area along the national road DN1 (E60) and payment of court costs. The first part of the claim was estimated by the claimants at the amount of 48,000 Euro/year (220,000 RON), and the second part at the amount of 25,000 RON/year.

By the **judgment no. 2446/28.08.2018** the Prahova Tribunal admits the exception of the lack of passive capacity to stand trial, invoked by the defendant National Agency for Mineral Resources. Rejects the claim, in contradiction with that defendant, that it has been brought against a person without procedural standing. Admits the exception of the lack of passive procedural capacity. It rejects the request made against the respondent Conpet SA, as there is a case law. It finds that the respondents did not claim costs. The decision was appealed by Dobrogeanu Dumitru.

Clarifications: By the **judgment no. 2804/11.11.2019** the Ploiești Appellate Court rejects the appeal declared by the appellant Dobrogeanu Dumitru as unjustified. Admits the exception of the inadmissibility of the appeal. The court rejects as inadmissible the appeal declared by the appellant Dobrogeanu Păun Ioan. The decision was attacked with recourse by Dobrogeanu Dumitru and Dobrogeanu Păun Ioan.

By conclusion dated 22.10.2020 the ICCJ accepts in principle the appeals declared by the

applicants Dobrogeanu Dumitru and Dobrogeanu Păun loan and sets a time limit for their trial. By **Decision no. 206/04.02.2021** the High Court of Cassation and Justice rejects the appeal declared by the applicant Dobrogeanu Păun loan against the civil decision no.2804 of November 11, 2019, delivered by the Court of Appeal Ploiesti, Civil Division I. Admits the appeal declared by the applicant Dobrogeanu Dumitru against the same decision. It overturns the recurred decision and the civil sentence no. 2446 of August 28, 2018 of the Prahova Tribunal and refers the case for retrial to the Prahova Tribunal. Final judgement.

7. Case File no. 1122/284/2019 – Răcari Court – pending

Trial stage: First court on merits

Sotir Mădălina Rebeca files a petition for trial requesting the court to order Conpet SA to compensate it with the sum of 25,000 Euro for the land area of 523 sq.m., category constructions courtyards, the land of the claimant located in the Commune of Cojasca, Dâmbovița county with cadastral no. 72587, under-crossed by Conpet pipeline.

Conpet formulated the counterclaim/re conventional petition requesting the court:

1. The obligation of the claimant Sotir Mădălina Rebeca to allow the company CONPET S.A. the exercise of the right of legal servitude/easement established by the provisions of art. 7 and foll. of Law no. 238/2004 on the land owned by her, located in the commune of Cojasca, the village of Cojasca, Dâmbovița county. The right of legal servitude shall be exercised on a 2.4 meter wide corridor located along the Ø 14 3/4" major transport pipeline for crude oil Cartojani-Teleajen Refinery (Lukoil) for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition and for performing any repairs. The exercise of the easement right is to be carried out throughout the existence of the pipeline located on the claimant's land but not later than the date of the termination of the concession oil contract concluded by us, the undersigned company CONPET S.A., with the Romanian State.
2. The establishment of the amount of the annual rent provided by the law due to us, the undersigned company CONPET S.A., to the claimant Sotir Mădălina Rebeca in exchange for exercising the right of legal servitude/easement starting from the date of the definitive decision given in the present case, rent consisting in the value of the annual use of the plot of land affected by the exercise of servitude/easement.

Deadline: 11.05.2021

8. Case File no. 4395/270/2020 - Onesti Court - in the course of settlement

Trial stage: First court on merits

Object: Onesti Municipality and the Local Council of Onesti Municipality, Bacău County called for trial Conpet SA, asking the Court:

"1 Obligation of the defendant to conclude the Convention for the exercise of the right of legal servitude on the lands in the surface of 11,474.5 sq.m., under-crossed and affected by the crude oil transport pipelines within the radius of Onești municipality, against the payment of an annual annuity, during the life of the pipelines, to the local budget of the municipality of Onești, determined by the principle of the smallest infringement of the right of ownership and calculated taking into account the value of the movement of the property affected, established under the law at the time of the damage.

2. Obligation of the defendant to pay material damages, representing the consideration of the lack of use of land in the surface of 11,474.5 sq.m. under crossed and affected by crude oil transport

pipelines within the radius of the municipality of Onești, established according to the Market Study approved by the Decision of the City Council no. 199 of 29.11.2018, respectively according to the Updated Market Study approved by the City Council Decision no. 122 of 29.06.2020, calculated starting from 2017 until the date of conclusion of the Convention for the exercise of the right of legal servitude on such land, plus late increases, interest and late payment penalties in the amount provided for in the Code of Tax Procedures applicable during that period.

3. The obligation of the respondent to pay the trial costs incurred by this trial."

Deadline: 18.05.2021

9. Case File no. 5022/270/2020 - Onești Court - in the course of settlement

Trial stage: First court on merits

Parties: Bacău Regional Water Company S.A. - Applicant

Radu Marian - Counterclaimant defendant

S.C. E.On Energie România - Re conventional defendant

S.C. Delgazgrid S.A. - Re conventional defendant

S.C. Transgaz S.A. - Re conventional defendant

S.C. Conpet SA - Defendant and re-conventional claimant

The General Secretariat of the Romanian Government - Re conventional defendant

The Romanian State by the Ministry of Public Finances - Re conventional defendant

Object: By counterclaim, the defendant Radu Marian requested that the applicant and the other counterclaims, including our subscribed Conpet S.A., be ordered to:

1. "prior purchase of the servitudes of passage, because we had no advantage, no favor, but only damages, caused us only trouble and damage, although all were obliged not to aggravate the situation of the fund served, not to cause damage to the owner of the fund served by the exercise of servitude, but on the contrary, to contribute to preserve it and even improve it, they were obliged to conclude an agreement, or expropriation for all the said immovable property, taking into account the fact that all those goods are in the transport lane which is of public utility established by the laws mentioned, the constructions were carried out with their consent, but after a right and prior compensation including the payment of claims, damages claimed up to the time of actual expropriation or real estate exchange of value equal to the amount claimed, if it suits us, or even other variants if we are convenient to make a counterclaim against the applicant and bring the applicant and the following defendants to court.."

2. "Obligation of the defendants to move the transport networks located on its property, on another site, at a distance of min. 20m from the limits of our property, at their expense and until the network is moved, I demand immediate discontinuation of transport from these infrastructures until they agree to pay the damages and guarantee that in the event of damage resulting in material damage or human life, they will accept our claims and compensate us immediately without further comment."

3. "Obligation of the defendants to bring the land to the initial state, the dissolution of the home illegally located by Transgaz..."

4. " Obligation of the parties jointly and severally to pay compensation of 1,000,000 (one million) Euro in this case for infringement of fundamental rights and freedoms, for all criminal activity carried out to date and for all the material and moral damage caused, plus a monthly fee of 5,000 (five thousand) Euro and the tax to be paid to the State for this fee for each defendant , injured party, i.e. for me and my wife, valid on the date of filing this counterclaim, application for a tortious

civil appeal, at the Onești Court, at the Bacău Court, for each month of 1990 when we have become owners of the first lot of land and the applicant and the other defendants carry on transport activities these transport networks, unlawfully located on our property until now, a value which in the future requires to have a periodic indexation of its own motion, equal to the coefficient of increase of the minimum wage per economy, as a reference index and to be transmitted to our descendants who will own these goods (construction, land, with everything on them, etc.) after our death, how long these transport networks will exist."

5. "Obligation of the defendants in the event of damage resulting in material, moral or life damage to compensate us in advance for the repair of the damage, both for damage caused by the damage and for damage caused in the event of the repair of the damage. We also request compensation for damage caused by previous damage and its remediation, as well as prior compensation for damage caused by current damage and the damage caused by its remediation."

6. "The obligation on the claimant and the defendants to pay the costs of the proceedings, or where there is no such legal possibility, pursuant to Articles 90, Para. (1) and 2, Letters a, b and c and Para. 3 of the Code of Civil Procedure, I make a request for legal aid under the terms of the special law on public legal aid, specifically, the granting of exemptions both for the payment of this stamp duty and for any taxes during the whole process until the damage is paid, because we do not have any material possibilities to support this civil process without jeopardizing our own maintenance and our family."

Conpet formulated the counterclaim/re conventional, petition requesting the court:

1. To rule the obligation of the claimants Radu Marian and Radu Elena to allow the company CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of Art. 7 and following of Law no. 238/2004 on the arable unincorporated land owned by the claimants situated in Tg. Ocna locality, no. 6, progresului street, Bacău County. The exercise of the right of legal services is to be carried out on a 2,4 meter wide corridor along the crude oil pipeline Ø 10 3/4" Vermeti – Tg. Ocna, for the purpose of permanent access to the pipe for daily checking of the condition of the pipe and carrying out any repair work. The exercise of the easement right is to be carried out throughout the existence of the pipeline located on the claimant's land but not later than the date of the termination of the concession oil contract concluded by us, the undersigned company CONPET S.A., with the Romanian State.

2. The establishment of the amount of the annual rent provided by the law due by us, the undersigned company CONPET S.A., to the claimants Radu Marian and Radu Elena in exchange for exercising the right of legal servitude/easement starting from the date of the definitive decision given in the present case, rent consisting in the counter value of the annual use of the plot of land affected by the exercise of servitude/easement.

At the same time, Conpet also made a request for the right holder to be held by the holder of the crude oil pipeline Ø 10 3/4" Vermeti – Tg. Ocna, with inventory number 120036/P.I.F. 1952 located on the arable unincorporated land of the plaintiffs Radu Marian and Radu Elena located in Tg. Ocna locality, no. 6 Progresului street, Bacău County, the Romanian State represented by: The Ministry of Public Finances, headquartered in Bucharest municipality no. 17 Apolodor street, District 5 and the National Agency for Mineral Resources, headquartered in Bucharest, no. 59 Dacia Boulevard, District 1

Deadline: 05.05.2021

10. Case File no. 1657/91/2020 *– Prahova Tribunal – pending

Trial stage: First court on merits

Parties: Vasile Maria Ilaria - at S.C.P.A. Buruian, Caracaş and Associates - Plaintiff
 Dragu Georgeta - at S.C.P.A. Buruian, Caracaş and Associates - Plaintiff
 The company Conpet SA Ploiesti - defendant
 The Romanian State - by the Ministry of Public Finances - defendant
 The National Agency for Mineral Resources - defendant

Object: By the request for legal action, the plaintiffs Vasile Maria Ilaria and Dragu Georgeta asked the court to:

- A. In particular, to oblige the defendant to pay an annual annuity of 496.64 Euro for the pipe protection area belonging to the defendant and passing through the private property of the undersigned, starting from the date of registration of this application for legal action;
- B. In particular, to oblige the defendant to pay an overall compensation of 508,080 Euro for the assignment of the attribute of use of the good according to its intended purpose, i.e. that the undersigned cannot build construction on the private property;
- C. In particular, to oblige the defendant to pay the legal interest for the annual annuity referred to in item A, starting from the date of registration of the application for this legal appeal;
- D. In particular, oblige the defendant to pay the legal interest for the overall compensation referred to in item B, from the date of registration of this request for a legal summons;
- E. In addition, we ask you to order the other two defendants to pay the amounts indicated in the previous items."

Conpet formulated the counterclaim/re conventional, petition requesting the court:

1. To oblige the complainants Vasile Maria – Ilaria, Dragu Georgeta and Dragu Maria to allow the company CONPET S.A. the exercise of the right of legal services established by the provisions of Art. 7 et seq. of Law no. 238/2004 on the land owned by them, situated in Focșani city, Vrancea County. The exercise of the right of legal easement is to be carried out in a passage of 2.4 meters wide located along the Ø 20" Bărăganu - Borzești/Rafo Onești crude oil transport pipeline standing for purposes of permanent access to the pipeline in order to verify the day-to-day management of the status of the pipe and the execution of any repair works. The exercise of the easement right is to be carried out throughout the existence of the pipeline located on the claimant's land but not later than the date of the termination of the concession oil contract concluded by us, the undersigned company CONPET S.A., with the Romanian State.
2. To determine the amount of the annual fee stipulated by the law due by us, the undersigned CONPET S.A., to the claimants Vasile Maria – Ilaria, Dragu Georgeta and Dragu Maria in exchange for exercising the right of legal services, consisting in the consideration for the annual use of the land affected by the practice of legal servitude.

Deadline: 25.05.2021

11. Case File no. 32294/299/2020 - 1 Bucharest Court - in the course of settlement
Trial stage: First court on merits

Parties: CONPET SA – respondent-re convenient

Bob Mihăiță - claimant-defendant

NAMR- defendant

Object: Bob Mihăiță files a summons requesting the court to order:

1. The obligation of Conpet SA and NAMR to move the crude oil pipeline crossing the land owned by the claimant located in Cernavoda, plot 1, plot A6 / 2, Constanța county;

2. The establishment of the equivalent value of the lack of use, for a period of three years, prior to the formulation of the summons, amounting to 150,000 RON;
3. In the alternative, the obligation of Conpet SA to pay an annual rent for the use of the land owned by the claimant, from the date of filing the summons, in the amount of 5 euro/sq.m./year for the area of 14,645 sq. m., land affected by the protection and safety area, during the existence of legal servitude;
4. Payment of legal fees.

Conpet formulated the counterclaim/re conventional petition requesting the court:

1. To order the claimant to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of Art. 7 et seq. of Law no. 238/2004 on the land owned by the claimant Bob Mihăită located in Cernavoda, plot 1, plot A6 / 2, Constanța County. The exercise of the right of legal servitude is to be carried out on a 2.4 meter wide corridor located along each of the main crude oil transport pipelines that under-cross the claimant's land, respectively the F1 main crude oil transport pipeline Ø 14¾", F2 main crude oil transport pipeline Ø 20", and Pipeline 28 Constanța - Bărăganu of crude oil transport Ø 28", for the purpose of permanent access to pipelines for daily verification of the condition of pipelines and execution of possible repair works. The exercise of the right of legal servitude is to be carried out throughout the existence of the pipelines located on the land of the claimant, but no later than the date of termination of the oil concession agreement concluded by us, the undersigned Conpet SA, with the Romanian State;
2. To establish the amount of the annual rent provided by law due by us, the undersigned, to the claimant in exchange for exercising the right of legal servitude.

Deadline: 11.05.2021

c). *Litigations brought before the administrative court*

CONPET S.A. has pending before courts 1 litigation, respectively:

1. Case File no. 1474/105/2019 *– Ploiești Court – pending

Trial stage: Appeal

The municipality of Ploiești filed a request for a summons and requested the court, by the decision it will issue, to order:

- the obligation of Conpet to pay the amount of 17,748 RON/month, representing the value of non-use, starting from 30.03.2016 and until the conclusion of a contractual form with Conpet, amount that will be updated with the inflation index communicated by the National Institute of Statistics;
- the obligation of Conpet to pay the equivalent in RON of the amount of 72,110.17 Euro (VAT excluded), at the official RON/Euro exchange rate, communicated by the National Bank of Romania, valid at the date of payment, representing the value of the deprivation of use for the period 29.03.2013 - 29.03.2016;
- the obligation of Conpet to pay the trial costs incurred by this trial.

By the Decision no. 908/20.06.2019 the Prahova Tribunal admits the exception of the functional non-competence of the Prahova Tribunal - the Second Civil Section of Administrative and Fiscal Litigation and declines the case having as object the action of criminal liability, in favour of the Prahova Tribunal – 1st Civil Section.

Clarifications: By **Sentence no. 1205/13.07.2020** the Prahova Tribunal rejects the request for the completion of the expert report on specialty real estate valuations as unfounded. It dismisses the lack of active capacity to stand trial as ungrounded. Admits the exception to the limitation of

the substantive right to action, invoked by the defendant. Rejects the request for the defendant to be ordered to pay the sum of 847,692 RON, representing a non-use consideration for the period 29.03.2013 – 29.03.2016 as prescribed. It admits the counterclaim. Orders the defendant to pay to the complainant the sum of 1,025,081 RON representing the missing use consideration for the period 30.03.2016 – 15.11.2019, an amount updated with the rate of inflation at the date of actual payment. Rejects the defendant's claim that the plaintiff be ordered to pay the costs as unfounded. The judgment was attacked with appeal by Conpet SA and Ploiești Municipality.

Deadline: 20.05.2021

d) Litigations related to the structure of the share capital

CONPET S.A. has pending before courts 1 litigation, respectively:

1. Case File no. 5212/105/2018 – Prahova Tribunal – pending

Trial stage: First court on merits

Fondul Proprietatea SA filed a petition for trial requesting the court to rule the following:

1. To request Conpet to pay the amount of 734,747.04 RON representing the net value of dividends related to a percentage of 6% of Conpet's share capital, respectively for a number of 524,366 shares held by the claimant by the registration date of the OGMS of Conpet on 25.04.2007 (i.e. 14.05.2007), for the financial year 2006.
2. The obligation of Conpet to pay compensatory damages, namely the legal interest related to the dividends from maturity due date requested in item 1 and until the date of the introduction of the petition for trial (i.e. namely 09.11.2018) in the amount of 579,015.97 RON.
3. The obligation of Conpet to pay the legal interest related to the net value of the dividends, subsequently, from the date of the petition for trial and until the actual payment of the requested amounts,
4. To request Conpet to pay the costs of this dispute.

Clarifications: Conpet S.A. filed an impleader of the Romanian State through the Ministry of Finance and A.A.A.S.

By the **Conclusion of 25.06.2019**, the Prahova Court rejected as inadmissible the impleader of the Authority for the Administration of State Assets, formulated by the defendant Conpet S.A. The Romanian State through the Ministry of Public Finance and Conpet decided against this decision of the Court. By the same Conclusion from 25.06.2019 the court admitted in principle the request for a Call on Guarantee of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the exception of lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered before the Court of Appeal Ploiești with no. 5212/105/2018/a2. By the Decision no. 515/05.11.2019 the Ploiești Appellate Court admits the exception of the inadmissibility of the appeal declared by the Ministry of Public Finances. The court rejects this appeal as inadmissible. The court rejects the exception of the lack of interest and the exception of the inadmissibility of the appeal declared by Conpet SA. Dismisses this appeal as unfounded. Final judgement.

By the Conclusion of 20.09.2019, the Prahova Tribunal suspends the trial of the case until the settlement of the appeals made against the decision pronounced on 25.06.2019. This conclusion remained final by non-recurrence.

Deadline: 06.05.2021

3.5. Analysis of the Corporate Activity

3.5.1. Capital Market Business

The shares issued by CONPET S.A. are traded on the regulated market administered by the Bucharest Stock Exchange, on the Principal segment, at Equity sector - category Premium, under "COTE" symbol.

At the end of the first quarter of 2021, the trading price of CONPET shares recorded an increase by 20.21% compared to the closing price of the first trading day of the previous year.

In summary, the transactions recorded with CONPET SA shares on Bucharest Stock Exchange during January - March 2021 are as follows:

- 6,057 transaction have been performed, 39% more YoY (4,371 transactions). The total volume of shares traded amounted to 364,362 shares, 55.09% higher than the volume recorded during January-March 2020 (234,928 shares);
- The total value of trades amounted to 32,847,938 RON, by 92.32% higher than the value recorded in the same period of 2020 (17,079,823 RON);
- The average trading price was of 88.08 RON/share, higher by 13.00 Ron/share versus the average price of the shares registered during the same period of 2020 (75.08 RON/share);
- The maximum limit registered by the trading price was 98.00 RON/share and was reached at the beginning of February;
- A peak of the transactions was recorded on 29.02.2021, when a total volume of 43,086 shares was traded, amounting 3,760,050.4 RON, representing 11.83% of the total volume of COTE shares traded during January - March 2021;
- The Market capitalization at the end of the first quarter of 2021 was of 793,029,565 RON, higher by 38.79% as compared to the value recorded at the end of the same period of 2020 (571,396,848 RON). At 31.03.2021, as per TOP 100 issuers according to capitalization, CONPET ranked 19.

The main trading indices during January- March 2021 for the shares issued by CONPET are presented in the following table:

Indices Month	Average price (RON/share)	No. of trades	No. of traded shares	Value of trades (RON)
January	80.45	1,722	103,050	8,610,351
February	92.62	2,739	173,161	16,298,442
March	90.25	1,596	88,151	7,939,145
Cumulated	88.08	6,057	364,362	32,847,938

Table 26 - Main trading indices

The evolution of the average trading price of CONPET S.A. shares, during January- March 2021, is the following:

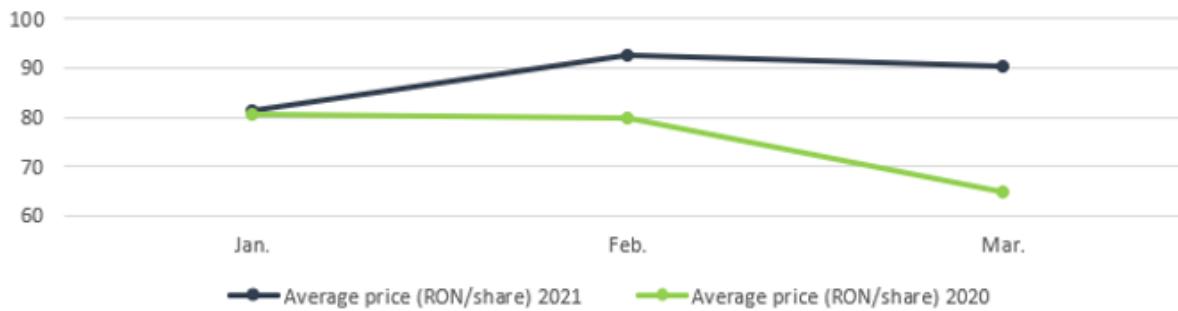


Chart 17 - Evolution of the average trading price of the shares

During January-March 2021 the average trading price of the shares of CONPET SA followed an upward trend. Within the first 3 months of 2021, the average trading price of CONPET shares was over the values recorded within the same period of the previous year.

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices of the Bucharest Stock Exchange, respectively **BET**, **BET-TR**, **BET-XT**, **BET-XT-TR**, **BET-BK**, **BET-NG** and **BET Plus indices**.

Obviously, this triggers a boost of the investors' trust in CONPET S.A., the company being considered a benchmark in the Romanian capital market.

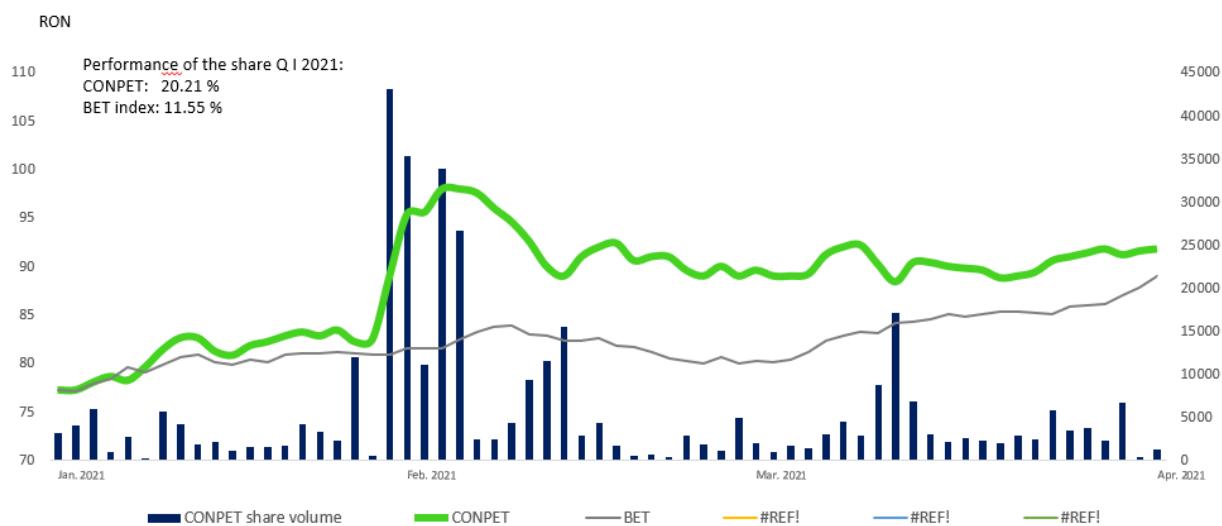
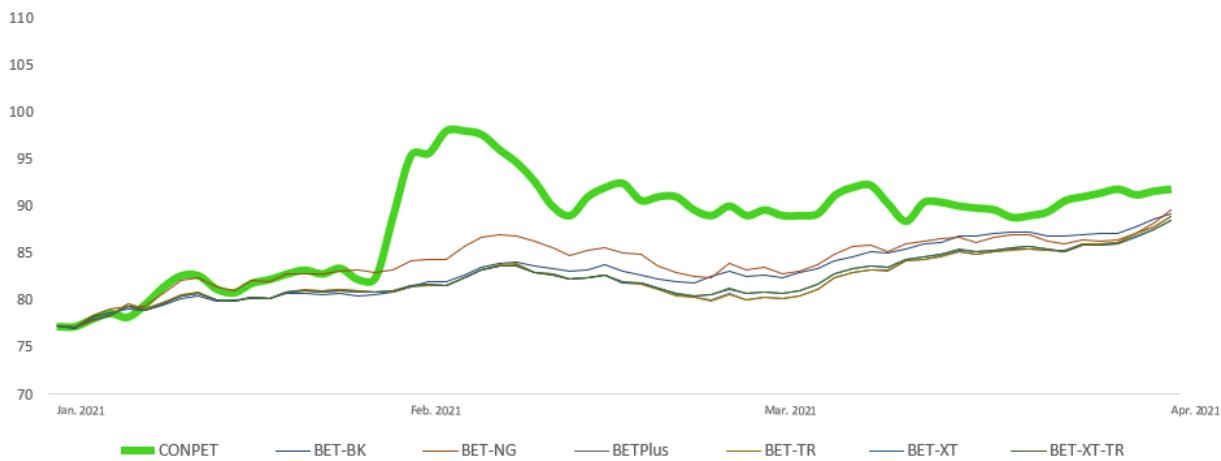


Chart 18 - Evolution of COTE share vs. BET index (rebased) (RON)



Own shares, issuance of bonds or other debt instruments

CONPET S.A. did not perform transactions having as scope purchase of own shares and does not hold own shares at the end of Q1 2021.

CONPET has not issued bonds or other debt instruments.

Dividends

CONPET S.A. continued its dividend policy, the gross dividend per share being of 6.89 RON. The dividend yield recorded at the date of dividend approval was of 7.4 %.

The Ordinary General Meeting of Shareholders dated 28.04.2021 approved the distribution in the form of dividends of the amount of 59,314,941 RON from the net profit and of the amount of 392,498 RON from the retained earning representing surplus realized from revaluation reserves. The date of payment set by the OGMS was 24.06.2021.

The evolution of the gross dividend per share in the financial years within the last 5 years is the following:

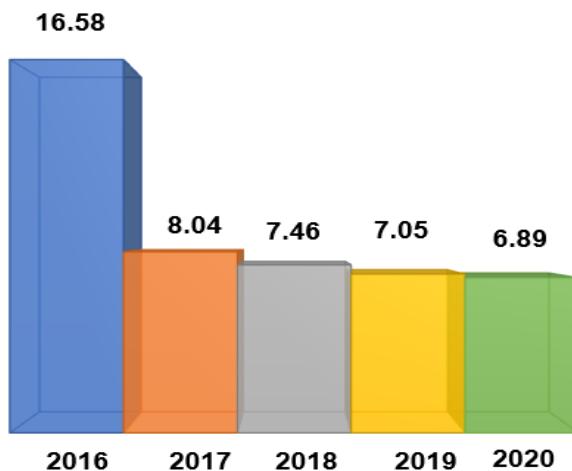


Chart 20 Evolution of dividend per share (RON/share) during 2016– 2020

3.5.2 The Executive Management

Between January - March 2021, the executive management had the following composition:

Position	Name and Surname	Observations
Director General	PhD Eng. CHIŞ Timur Vasile	contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of *) In the meeting dated 12.01.2021, the Board of Directors took notice of the decision of Mr. Chiş Timur Vasile to waive the mandate of Director General.
	Legal expert DUMITRACHE Mihaela - Anamaria	according to Article 2 of BoD Decision no. 1/12.01.2021, during the period 19.01.2021 - 04.02.2021 she was empowered to carry out the duties and responsibilities associated with the capacity of Director General.**)
	Eng. Dorin TUDORA	according to Art. 2 of BoD Decision no.3/05.02.2021 provisional appointment starting 05.02.2021 up to 04.06.2021 (inclusive of). ***) By Decison no. 8 dated April 20th, 2021, the BoD appointed him as Director General starting April 21st, 2021, on a period of 4 years, namely up to April 20th, 2025, inclusive of.
Deputy Director General	Legal expert DUMITRACHE Mihaela - Anamaria	contract of mandate of 4 years, period 18.02.2019 - 17.02.2023, inclusive of
Economic Director	Econ. TOADER Sanda	contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of
Deputy Director General 2	Eng. TUDORA Dorin	starting 03.02.2020 as per Decision of the Director General no. 40/31.01.2020 up to 04.02.2021
	Eng. NECŞULESCU Radu Florentin	As per Decision of the Director General no. 59/05.02.2021, starting 05.02.2021 and during the entire period in which the position of Deputy Director General 2 is vacant

Table 27 The Executive - management between January - March 2021

*) According to Article 1 of BoD Decision no. 1/12.01.2021, the BoD took notice of the request made by the Director General, Mr. Timur Vasile Chiş, registered with the company under no. 1106/11.01.2021, respectively of the waiving of the term of office of Director General entrusted by the Board of Directors, the contract of mandate being terminated in accordance with Article 12.1(c), with the mention that the notice period accepted by the BoD will be until the end of 18.01.2021.

**) According to Article 2 of BoD Decision no.1/12.01.2021, Mrs. DUMITRACHE Mihaela-Anamaria was empowered to carry out the duties and responsibilities associated with the capacity of Director General until the date of appointment of a Director General to be selected in accordance with the provisions of the EGO no. 109/ 2011 on corporate governance of public enterprises, But no later than 5 months from the date of the BoD Decision, i.e. until 08.06. 2021, delegating the company management in compliance with the legal provisions in force and with the contract of mandate.

***) According to Article 2 of BoD Decision no. 3/05.02.2021, the Board of Directors appointed Mr. Tudora Dorin as provisional Director General starting 05.02.2021 until the completion of the recruitment and

selection procedures of the Director General according to EGO 109/2011, but not more than 4 months, that is starting from 05.02.2021 up to 04.06.2021 (inclusive of).

Heads of Units:

Position	Name and Surname
Head of Transport Operations Unit	Eng. STOICA Narcis Florin
Head of Maintenance Development Unit	Eng. BUZATU Dan
Head of Critical Infrastructures Unit	Eng. NECŞULESCU Radu Florentin (starting 05.02.2021 inclusive of, temporary delegation of tasks and powers of Deputy Director General 2)

Chief Engineers:

Position	Name and Surname
Production Chief Engineer	Eng. BACIU Dan-Silviu
Maintenance Development Chief Engineer	Eng. CÎRLAN Florentina – Anca

3.5.3. Activity regarding the sponsorship concluded between January - March 2021

The sponsorship actions are being performed following the approval of the Revenues and Expenditure Budget as per the law, falling within the sponsorship expenses broken down by areas of interest.

CONPET SA seeks the actions of sponsorship to be as efficient in terms of the social point of view and the financial assistance to be a real support and benefit for the applicant. The sponsorship policy of the company supports both traditional projects, those that have an important and lasting impact on the community, as well as requests for smaller scale, which promote, through ideas and actions, the individual performance.

For the year 2021, in the Revenues and Expenditure Budget of CONPET S.A. have been provided sponsorship expenses amounting to 700 thousand RON, o/w:

- 280 thousand RON - "Education, schooling and sports";
- 350 thousand RON - "Health and medical field"
- 70 thousand RON - "Other actions and activities"

Within the meetings of the Board of Directors of the company, a sponsorship worth 10 thousand RON was approved between 01.01.2021 - 31.03.2021 - category "other actions and activities", awarded to the "Grigore Alexandru Ghica" Association of the Romanian Gendarmerie for the organization of events dedicated to the anniversary of the 171 years since the foundation of the Gendarmerie.

3.5.4. Coronavirus Pandemic Risk Issues (Covid-19)

Ever since the beginning of this situation, CONPET adopted special measures to protect the employees and limit a potential extension of the disease COVID-19. Thus, prevention and protection measures have been implemented in all workplaces where employees work.

CONPET quickly and efficiently implemented all the emergency measures that were imposed to protect the health of the employees as well as to keep safe the administration of the Crude Oil National Transport System. In the context of the pandemic Corona virus (Covid-19), the company ensures business continuity.

4. RELEVANT CORPORATE EVENTS

March 10th, 2021

Took place the Extraordinary General Meeting of Shareholders with the agenda: Approval of the augmentation of the share capital by maximum value of 108,798,558 RON representing contribution in kind (the lands) amounting to 63,882,386.70 RON and cash amounting to maximum 44,916,171.30 RON, from the actual value of 28,569,842.40 RON to the value of maximum 137,368,400.40 RON by issuance of a maximum number of 32,969,260 new shares, registered, dematerialized, at a price of 3.3 RON/share, equal with the nominal values, without share premium, of which:

(i) 19,358,299 new shares amounting to 63,882,386.70 RON representing the contribution in kind of the Romanian

State with lands in total area of 554,537.61 sq.m subject to the 48 land ownership certificates for which CONPET has obtained, during 2001-2005 land ownership certificates.

(ii) 13,610,961 new shares in amount of 44,916,171.30 RON that will be offered within the exercise of the preemption right, for subscription, in exchange of the contribution in kind of the Romanian State (by representative the Ministry of Energy) to the other CONPET shareholders, namely to the persons entitled as shareholder at the registration date, in view of maintaining the shareholding held within CONPET at the registration date.

The EGMS has not met the presence quorum needed provided by the law for the augmentation of the share capital by contribution in kind.

March 11th, 2021

As in first call the presence quorum has not been met for holding the Extraordinary General Meeting of Shareholders on March 10th, 2021, the meeting took place in second call, namely on March 11th, 2021, with the same agenda.

The Extraordinary General Meeting of Shareholders has ascertained that in second call has not been met either the presence quorum provided by law necessary to decide the augmentation of the share capital by contribution in kind held based on the land ownership certificates.

April 28th, 2021

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2020, the net profit distribution related to the financial year 2020, approved the revenues and expenditure Budget and the Investment Programme for 2021.

5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements at 31.03.2021 and for the period of 3 months ending March 31st, 2021 were prepared in accordance with the Order of the Ministry of Public Finance no. 2844/2016 for the approval of Accounting regulations in accordance with the International Financial Reporting Standards and IAS 34 Interim Financial Reporting.

The interim financial statements do not include all information and elements published in the annual financial statements and must be read together with the annual financial statements prepared on December 31st, 2020.

The interim financial statements at the date and for the three months period ended March 31st, 2021, included in this report, are not audited and have not been revised by an independent auditor.

Accounting Policies

The accounting policies and the evaluation methods adopted in view of preparing the interim financial statements are the same with those used at the preparation of the financial statements concluded at December 31st, 2020.

Annexes:

Annex no. 1 Interim Statement of the Financial Standing at March 31st, 2021;
Annex no. 2 Interim Statement of the profit or loss and other global result elements for the three months period ended at March 31st, 2021;
Annex no. 3 Interim cash-flow statement for the 3 months period ended March 31st, 2021;
Annex no. 4 Statement of services procurement contracts with values higher than 500 000 Euro, concluded during 01.01.2021 - 31.03.2021.

Chairman of the Board of Directors
CONPET S.A.
Gheorghe Cristian - Florin

Director General
Eng. Dorin TUDORA

Economic Director
Econ. Toader Sanda

Annex no. 1

INTERIM STATEMENT OF THE FINANCIAL POSITION AT MARCH 31ST, 2021

- RON-

	March 31 st 2021 (unaudited)	December 31 st 2020 (audited)
ASSETS		
Intangible assets		
Tangible assets	503,313,846	504,534,005
Intangible assets	4,326,809	4,313,253
Financial Assets	1,131,175	1,111,921
Receivables related to the deferred corporate tax	4,556,284	4,955,676
Non-current assets	513,328,114	514,914,855
Current assets		
Inventories	5,921,449	5,912,006
Trade liabilities and other liabilities	44,193,405	40,260,134
Cash and cash equivalents	210,169,594	198,257,333
Prepaid expenses	2,462,090	602,808
Total current assets	262,746,538	245,032,281
TOTAL ASSETS	776,074,652	759,947,136
Shareholders' equity and liabilities		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	20,232,720	20,931,765
Other reserves	501,033,794	500,269,257
Retained earnings	102,199,698	40,678,977
Year's Result	9,558,066	60,846,759
Total Equities	667,308,088	657,010,568
Long-term liabilities		
Long-term liabilities to employees	19,457,461	19,864,043
Other long-term liabilities	3,139,838	3,470,722
Total long-term liabilities	22,597,299	23,334,765
Current liabilities		
Trade liabilities	23,002,712	23,583,540
Ordinary Corporate Tax	2,814,468	738,139
Other liabilities	29,654,727	29,892,967
Debts to employees	18,376,557	14,127,500
Short-term		
Short-term provisions	12,320,801	11,259,657
Total current liabilities	86,169,265	79,601,803
Total liabilities	108,766,564	102,936,568
Total equity and liabilities	776,074,652	759,947,136

Annex no. 2

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL
RESULT FOR THE THREE MONTHS PERIOD ENDED**
March 31st, 2021
- RON-

	3 months ended at March 31, 2021 (unaudited)	3 months ended at March 31, 2020 (unaudited)
Operating Revenues		
Revenues from contracts	101,758,118	105,714,728
Earnings from disposal of assets	189,183	
Other revenues	9,991,013	7,981,444
Total Operating Expenses	111,938,314	113,696,172
Operating Expenses		
Inventory related expenses	1,223,180	1,319,670
Expenses with energy and water	3,873,939	4,279,697
Personnel expenses	39,827,186	36,803,919
Impairments related to property, less impairments related to rights of use resulting from leasing contracts	12,875,184	11,719,403
Value adjustments on rights of use resulting from leasing contracts	488,365	443,419
Impairments of current assets	(22,116)	(13,209)
Expenses with external services	26,963,525	27,126,739
Impairments related to provisions	4,039,732	4,548,252
Other expenses	10,666,713	10,373,021
Total Operating Expenses	99,935,708	96,600,911
Operating Profit	12,002,606	17,095,261
Financial Revenues	841,508	1,956,308
Interest expenses on leases	58,281	82,606
Other financial revenues	13,907	35,823
Financial Expenses	72,188	118,429
Financial profit	769,320	1,837,879
Profit before corporate tax	12,771,926	18,933,140
Expenses with current corporate tax	2,814,468	3,445,651
Expenses with (revenues coming from) deferred income tax	399,392	(815,415)
Profit of the period	9,558,066	16,302,904
TOTAL GLOBAL RESULT	9,558,066	16,302,904
Earnings per share	1.10	1.88

Annex no. 3

**INTERIM CASH-FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED March
31st, 2021**

- RON-

	Name of the Element	3 months 2021 (unaudited)	3 months 2020 (unaudited)
	Cash flows from operating activities:		
+	Proceeds from services supply	109,353,246	116,333,511
+	Proceeds from interests related to banking investments	928,875	1,786,956
+	Other proceeds	1,252,816	1,162,033
-	Payments to the suppliers of goods and services	30,727,778	27,739,491
-	Payments to and on behalf of the employees	39,225,499	37,997,651
-	VAT Payments	12,322,435	11,508,032
-	Expenses with corporate tax and specific tax	763,221	3,077,969
-	Other payments regarding operating activities	11,400,213	10,918,417
A	Net cash from operating activity	17,095,791	28,040,940
	Cash flows from investment activities		
+	Proceeds from sale of tangible assets	189,183	-
+	Proceeds from modernization quota	10,011,038	9,328,760
-	Payments for purchase of tangible assets	14,552,934	22,473,600
B	Net cash from operating activity	(4,352,713)	(13,144,840)
	Cash-flows from financing activities		
-	Paid Dividends	87,870	105,501
-	Payments on the debt related to the leasing	684,529	592,649
-	Interest payments	58,418	82,674
C	Net cash from financing activities	(830,817)	(780,824)
	Net increase of the cash and cash equivalents <i>cash=A+B+C=D2-D1</i>	11,912,261	14,115,276
D1	Cash and cash equivalents the beginning of the period	198,257,333	238,576,951
D2	Cash and cash equivalents end of the period	210,169,594	252,692,227

Annex no. 4

**STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO,
CONCLUDED BETWEEN 01.01.2021-31.03.2021**

Crt. no.	Name of the Contractor	Scope of Contract	Title of the Contract	The applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Notice number/invitation to tender	Initial contract value (RON)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months).	Final contract duration (in months)
1	TALPAC SRL	Construction works of a new crude oil tank (V=2500 c.m.) Biled loading ramp	L-CA 27/08.02.2021	TENDER	-	36932/18.11.2020	5,163,085.52	5,163,085.52	01.03.2021	24	24
TOTAL QUARTER I - 1 CONTRACTS VALUE QUARTER I = 5,163,085.52 RON											
CUMULATIVE TOTAL - 1 CONTRACTS CUMULATIVE VALUE = 5,163,085.52 RON											

NOTE - During 01.01.2021 -31.03.2021 no service contracts with a value greater than 100,000 Euro have been concluded.



CONPET S.A., Romania

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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

**FINANCIAL STATEMENTS
at the date and for the 3 months period ended
March 31, 2021**

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



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CONTENTS:**Interim Financial Statements**

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The Company CONPET S.A.

Interim Statement of the Financial Standing at March 31, 2021
 (All amounts are expressed in RON, if not otherwise indicated)

INTERIM STATEMENT OF THE FINANCIAL STANDING AT March 31, 2021

Note:	March 31 st	December 31 st
	2021 (unaudited)	2020 (audited)
ASSETS		
Intangible assets		
Tangible assets	4	503,313,846
Intangible assets	5	4,326,809
Financial Assets	6	1,131,175
Receivables related to the deferred corporate tax	13	4,556,284
Total non-current assets		513,328,114
		514,914,855
Current assets		
Stocks	7	5,921,449
Trade liabilities and other liabilities	8	44,193,405
Cash and cash equivalents	9	210,169,594
Prepaid expenses		2,462,090
Total current assets		262,746,538
TOTAL ASSETS		776,074,652
		759,947,136
Equities and liabilities		
Equities		
Subscribed and paid-up share capital	10	28,569,842
Legal reserves	10	5,713,968
Revaluation reserves	10	20,232,720
Other reserves	10	501,033,794
Retained earnings	10	102,199,698
Year's Result	10	9,558,066
Total Equities		667,308,088
		657,010,568
Long-term liabilities		
Liabilities to employees on long-term	11	19,457,461
Other long-term liabilities	11	3,139,838
Total long-term liabilities		22,597,299
		23,334,765
Current liabilities		
Trade liabilities	11	23,002,712
Ordinary Corporate Tax	11	2,814,468
Other liabilities	11	29,654,727
Liabilities to employees on short-term	11	18,376,557
Short-term provisions	12	12,320,801
Total current liabilities		86,169,265
		79,601,803

The Company CONPET S.A.

Interim Statement of the Financial Standing at March 31, 2021
(All amounts are expressed in RON, if not otherwise indicated)

Total liabilities	108,766,564	102,936,568
TOTAL EQUITIES AND LIABILITIES	776,074,652	759,947,136

These interim financial statements and the related notes, from page 1 to page 26 have been authorized for issue and signed by the company management at May 13, 2021.

Director General,
Eng. Dorin Tudora

Economic Director,
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 3 months ended at March 31, 2021

(All amounts are expressed in RON, if not otherwise indicated)

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL
RESULT FOR THE THREE MONTHS PERIOD ENDED**
MARCH 31st, 2021

		3 months ended at March 31, 2021 (unaudited)	3 months ended at March 31, 2020 (unaudited)
Operating Revenues	15		
Revenues from contracts		101,758,118	105,714,728
Earnings from disposal of assets		189,183	-
Other revenues		9,991,013	7,981,444
Total Operating Expenses		111,938,314	113,696,172
Operating Expenses	16		
Expenditure on inventories		1,223,180	1,319,670
Expenses with energy and water		3,873,939	4,279,697
Personnel expenses		39,827,186	36,803,919
Impairments related to property, less impairments related to rights of use resulting from leasing contracts		12,875,184	11,719,403
Value adjustments on rights of use resulting from leasing contracts		488,365	443,419
Impairments of current assets		22,116.	13,209.
Expenses with external services		26,963,525	27,126,739
Impairments related to provisions		4,039,732	4,548,252
Other expenses		10,666,713	10,373,021
Total Operating Expenses		99,935,708	96,600,911
Operating Profit		12,002,606	17,095,261
Financial revenues		841,508	1,956,308
Interest expenses related to leasing contracts		58,281	82,606
Other financial revenues		13,907	35,823
Financial expenses		72,188	118,429
Financial profit	17	769,320	1,837,879
Profit before corporate tax		12,771,926	18,933,140
Expenses with current corporate tax	13	2,814,468	3,445,651
Expenses with (revenues from) deferred corporate tax		399,392	815,415.
Profit of the Year		9,558,066	16,302,904
TOTAL GLOBAL RESULT		9,558,066	16,302,904
Result per share	14	1.10	1.88

These interim financial statements and the related notes, from page 1 to page 26 have been authorized for issue and signed by the company's management at May 13, 2021.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**

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

INTERIM STATE OF THE CHANGES IN EQUITY AT MARCH 31, 2021 (unaudited)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Year's profit or loss	Total Equities
Balance at January 1, 2021	28,569,842	5,713,968	20,931,765	500,269,257	40,678,977	60,846,759	657,010,568
Net result of the year	-	-	-	-	-	9,558,066	9,558,066
Surplus achieved from revaluation	-	-	(699,045)	-	699,045	-	-
Total other global result elements	-	-	(699,045)	-	699,045	9,558,066	9,558,066
Net increase of the modernization quota reserve	-	-	-	764,537	-	-	764,537
Retained earnings from the correction of various elements that have affected the profit of the previous years	-	-	-	-	(25,083)	-	(25,083)
The transfer of the profit related to the previous year in the retained earnings	-	-	-	-	60,846,759	(60,846,759)	-
Balance at March 31, 2021	28,569,842	5,713,968	20,232,720	501,033,794	102,199,698	9,558,066	667,308,088

INTERIM STATE OF THE CHANGES IN EQUITY AT MARCH 31, 2020 (unaudited)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Year's profit or loss	Total Equities
Balance at January 1, 2020	28,569,842	5,713,968	21,111,893	495,540,772	43,997,162	58,876,719	653,810,356
Net result of the year	-	-	-	-	-	16,302,904	16,302,904
Surplus achieved from revaluation	-	-	(760,900)	-	760,900	-	-
Total other global result elements	-	-	(760,900)	-	760,900	16,302,904	16,302,904
Net increase of the modernization quota reserve	-	-	-	1,011,571	-	-	1,011,571
The transfer of the profit related to the previous year in the retained earnings	-	-	-	-	58,876,719	(58,876,719)	-
Balance at March 31, 2020	28,569,842	5,713,968	20,350,993	496,552,343	103,634,781	16,302,904	671,124,831

Note: The position „Other reserves” includes also the reserve representing the modernization quota in amount of 461,885,673 RON at 31.03.2021, namely 461,121,136 RON at 01.01.2021. This reserve has a special regime, provided in GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain. The modernization quota is being collected at the extent of capitalization and proceeds of the production and is being reflected in reserves accounts, on accounts of the expenses. On a monthly basis is being written back to the revenues the modernization quota at the level of depreciation of the fix assets financed out of this source.

These financial statements from page 1 to page 26 have been authorized for issue and signed by the company management at May 13, 2021.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**

INTERIM CASH-FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021**- RON-**

	Name of the Item	3 months, 2021 (unaudited)	3 months 2020 (unaudited)
	Cash flows from operating activities:		
+	Proceeds from services supply	109,353,246	116,333,511
+	Proceeds from interests related to banking placements	928,875	1,786,956
+	Other proceeds	1,252,816	1,162,033
-	Payments to the suppliers of goods and services	30,727,778	27,739,491
-	Payments to and on behalf of the employees	39,225,499	37,997,651
-	VAT Payments	12,322,435	11,508,032
-	Expenses with corporate tax and specific tax	763,221	3,077,969
-	Other payments regarding operating activities	11,400,213	10,918,417
A	Net cash from operating activity	17,095,791	28,040,940
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	189,183	-
+	Proceeds from modernization quota	10,011,038	9,328,760
-	Payments for purchase of tangible assets	14,552,934	22,473,600
B	Net cash from operating activity	(4,352,713)	(13,144,840)
	Cash flows from financing activities:		
-	Paid Dividends	87,870	105,501
-	Payments on the account of the debt related to leasing	684,529	592,649
-	Interest payments	58,418	82,674
C	Net cash from financing activities	(830,817)	(780,824)
	Net increase of the cash and cash equivalents	11,912,261	14,115,276
	cash=A+B+C=D2-D1		
D1	Cash and cash equivalents at the beginning of the period	198,257,333	238,576,951
D2	Cash and cash equivalents at end of the period	210,169,594	252,692,227

The net cash flows from the operating activity register a value lower by approximately 10.9 mRON, as compared to Quarter I, 2020, mainly due to the proceeds from transport services, based on the reduction of the transported volume. The second factor determining the decrease of cash was represented by the increase of the payments to the suppliers of goods and services and to the employees (4.2 mRON).

Cash outflows for payment of assets generated a net negative cash flow from investing activities in amount 4.4 million RON. The net cash registers a negative value, decreasing by approximately 9 mRON due to the decrease in the amount of payments to the investment suppliers during January– March 2021, as compared to the same period of the previous year.

The Company CONPET S.A.

Interim cash-flow statement for the 3 months period ended March 31, 2021;

(All amounts are expressed in RON, if not otherwise indicated)

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

Of the total of 210 million RON availabilities in cash at 31.03.2021, the share related to the modernization quota is in amount of 117 million RON.

These financial statements from page 1 to page 26 have been authorized for issue and signed by the company management at May 13, 2021.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**

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 Prahova Trade Registry under no. J29/6/1991 and the Financial Supervisory Authority with 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.

Starting September 5, 2013, CONPET shares are being traded on the market of Bucharest Stock Exchange (BVB), under "COTE" issuing symbol.

Currently, CONPET is included in 7 indexes of the total of 9, namely **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG AND BET Plus**.

At 31.03.2018, CONPET S.A. had a market capitalization of 793 million RON (161mil Euro), ranking 19 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 shareholders structure and number of voting rights at 31.03.2021 are:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,384,981 shares representing 27.55% and
- natural persons with 1,189,175 shares representing 13.73%.

Company's Mission

CONPET mission is the operation of the crude oil National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, in 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 concession based on the Oil Concession Agreement of the National Transport System of crude oil, rich gas, condensate and ethane via pipelines, as well as by rail, from the loading ramps to the refineries, for the oil areas not connected to the major transport 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.

As concessionaire of the crude oil National Transport System, CONPET has the quality of common carrier and the obligation to provide, as per the legal provisions, free access to the available capacity of system to all applicants, in a non-discriminatory and transparent manner.

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). This 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 the interests of the State 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 behalf of the State, oil agreements;
- grants mining concession licenses and exploitation permits;
- issues regulatory acts, norms, instructions, orders and regulations;
- 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/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, as common carrier for the transport, via the crude oil National Transport System, of an oil ton along the oil take-over sites from the domestic producers or import and the delivery sites to the refineries.

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

The company practices different transport tariffs for the two subsystems belonging to the National Transport System, namely the subsystem for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the subsystem for the transport of the imported crude oil. For the transport on the import subsystem are being settled tariffs per refineries and per transported quantity installments, being applied 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

These 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.

These preliminary financial situations 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, 2020. However, certain selected explanatory notes are included to explain the events and transactions that are significant for understanding the changes in the company's financial standing and performance since the last annual financial statements prepared on and for the financial year ended 31 December 2020.

These interim financial statements have not been audited and have not been revised by an independent auditor.

These interim financial statements have been authorized for issue and signed by the company at the date of May 13, 2021.

(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. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including predictions of future events that are believed to be reasonable under 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 2020.

3. Accounting Policies

The accounting policies applied in these interim financial statements are similar with those applied in the financial statements of the Company at the date and for the financial period ended December 31, 2020, except for the adoption of new standards effective from January 1, 2021.

4. Tangible assets

In the first 3 months of the year 2021 the intangible assets have evolved as follows:

Name	Lands	Buildings and special installations	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, 2021	26,456,788	257,455,571	42,072,846	124,057,805	95,122,213	40,004,324	8,721,520	75,166,282	669,057,349
Depreciation cumulated at January 1, 2021	(1,602,902)	(213,520)	-	(62,090,196)	(68,373,232)	(26,465,285)	(5,549,916)	-	164,295,051.
Impairments for depreciation of assets	-	-	-	-	-	-	-	(228,293)	(228,293)
Net accounting value at January 1, 2021	24,853,886	257,242,051	42,072,846	61,967,609	26,748,981	13,539,039	3,171,604	74,937,989	504,534,005
Tangible inputs	42,769	16,274,963	-	156,868	354,657	515,978	306	5,635,139.	11,710,402
Outputs of tangible assets to the gross value	-	-	-	-	-	401,201.	-	-	401,201.
Cumulated depreciation related to outputs	-	-	-	-	-	401,201	-	-	401,201
Depreciation registered during the period	(221,318)	6,974,463.	-	(2,484,142)	(1,908,935)	(1,054,015)	(287,688)	-	(12,930,561)
Gross accounting value at March 31, 2021	26,499,557	273,730,534	42,072,846	124,214,673	95,476,870	40,119,101	8,721,826	69,531,143	680,366,550
Aggregate amortization at March 31, 2021	(1,824,220)	(7,187,983)	-	(64,574,338)	(70,282,167)	(27,118,099)	(5,837,604)	-	176,824,411.
Impairment Adjustments of assets March 31, 2021	-	-	-	-	-	-	-	(228,293)	(228,293)
Net accounting value at March 31, 2021	24,675,337	266,542,550	42,072,846	59,640,335	25,194,703	13,001,002	2,884,222	69,302,850	503,313,846

At 31.03.2021 the net value of the tangible assets has decreased as compared to the end of 2020 by the amount of 1,220,159 RON.

During the first three months of the year 2021 there were registered inputs of tangible assets in amount of 11,710,402 RON and the depreciation of the tangible assets was in amount of 12,930,561 RON.

Tangible assets received in 2021 was of 17,345,235 RON, of which commissioned 17,085,325 RON and 259,910 RON increases of the assets related to the rights of use resulting from leasing contracts.

Within the tangible assets are being recognized, as per IFRS 16, the assets related to the rights of use resulting from the leasing contracts as such:

➤ At element-row "Lands" is included the value of the rights of use resulting from the lease and concession contracts concluded with various land owners.

On the rented lands are located telecommunication equipment and cathodic protection stations in various locations in the country. At 31.03.2021 the gross value of these assets is of 3,640,657 RON, the cumulated depreciation of 1,824,220 RON, resulting a net value the rights of use related to the lands of 1,816,437 RON.

➤ At the element-row "Special buildings and installations" is included the value of the rights of use resulting from the lease and concession contracts concluded with various owners for buildings rented in order to be made available to the gendarmes, as per GD no.1486/2005 on securing the guard and protection of the objectives, goods and values with gendarmes teams and for the carry out of the administrative activity. At the date of 31.03.2021 the gross value of these assets is of 821,119 RON, the cumulated depreciation of 392,165 RON, resulting a net value of the rights of use related to the buildings of 428,954 RON.

➤ At element-row "Means of transport" includes the value of the rights of use of the assets purchased in December 2019 in the leasing system, consisting of 30 vehicles necessary to the performance of the activity specific to the company and oil products rail tanks lease contract. At 31.03.2021, the gross value of these assets is of 3,024,233 RON, the cumulated depreciation of 1,492,064 RON, resulting a net value of the rights of use related to the means of transport of 1,532,169 RON.

At 31.03.2021, CONPET registers in the company's patrimony lands in area of 733,649 Sq.m., with an accounting value of 22,858,900 RON, made of:

- 554,538 Sqm lands with an accounting value of 12,562,749 RON, held under 48 Certificates of ownership right obtained during 2001-2005, appraised on the date of acquiring the certificates, in accordance with GD 834/1991 on the establishment and appraisal of some lands owned by the state-owned companies, at the value of 26,708,233 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves, without augmenting the share capital by the value thereof.
- 155,411 Sq.m represent lands with an accounting value of 3,215,951 RON held based on 14 Land Ownership Certificates obtained until 2001. The share capital of the company was augmented by the amount of these lands;
- 23,700 Sqm represent lands with an accounting value of 7,080,200 RON, acquired by the Company based several 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 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.

The tangible assets also include the oil operating product assessed in the standing at the cost determined from revaluation, restated by the application of IAS 29 "The financial reporting in the hyperinflationary economies". Along the three months of the year 2021 there were not registered outputs of oil product, the value thereof at the date of 31.03.2021 is of 42,072,846 RON.

Tangible assets in progress

At March 31, 2021 the value of the assets in progress is of 69,302,850 RON and includes investment project provided in "2021 Investment Program" initiated in the previous years, which are mainly composed of: replacement of pipeline portions on various lengths and routes, tanks modernizations, loading ramps modernizations, telecommunication works, cathodic protection modernization systems, modernization of locomotives, modernization of buildings etc.

5. Intangible assets

Statement of intangible assets in the first three months of 2021 reveals the followings:

Name	Licenses and software	Other intangible assets	Total intangible assets
Gross accounting value at January 1, 2021	6,361,295	2,454,804	8,816,099
Aggregate depreciation at January 1, 2021	(3,591,863)	(910,983)	(4,502,846)
Net accounting value January 1, 2021	2,769,432	1,543,821	4,313,253
Input of intangible assets	446,543	-	446,543
Depreciation registered during the period	(304,335)	(128,652)	432,987.
Gross accounting value at March 31, 2021	6,807,838	2,454,804	9,262,642
Aggregate amortization at March 31, 2021	(3,896,198)	(1,039,635)	(4,935,833)
Net accounting value at March 31, 2021	2,911,640	1,415,169	4,326,809

The net value of the tangible assets at 31.03.2021 has increased as compared to the end of 2020 by the amount of 13,556 RON.

In the first three months of the year 2021 there have been recorded intangible assets amounting to 446,543 RON and the depreciation of intangible assets during this period was of 432,987 RON.

The amortization method used is the linear method.

The intangible assets comprise: IT programs, soft licenses, soft, vectorial map of Romania and the numeric attitudinal model of the land, the expenses borne by the company related to the connection to the electric power network and the water network, recognized in intangible assets as rights of use.

Research and development-related expenses are not being capitalized.

6. Financial Assets

Within the first three months of 2021 the financial assets evolved as follows:

Name	Other long-term investments	Long-term receivables	Total financial assets
Gross accounting value at January 1, 2021	5,100	1,427,010	1,432,110
Impairment for depreciation	-	(320,189)	(320,189)
Net accounting value at January 1, 2021	5,100	1,106,821	1,111,921
Inputs	-	35,731	35,731
Outputs	-	(16,477)	(16,477)
Gross accounting value at March 31, 2021	5,100	1,446,264	1,451,364
Impairment for depreciation	-	(320,189)	(320,189)
Net accounting value at March 31, 2021	5,100	1,126,075	1,131,175

At 31.03.2021 the value of the financial assets has increased as compared to January 1, 2021, by 19,254 RON, at the expense of the increase of the non-current receivables during the year.

The company holds equity in the equity capital of the Independent Monitor Registry in amount of 5,000 RON and is associate member, along with other companies, in the Romanian National Committee for the World Petroleum Congress (RO. CNR-CMP), participating at the establishment of CNR-CMP patrimony, with consideration in amount of 100 RON.

Non-current receivables, in net amount of 1,126,075 RON are mainly made up of returnable guarantees paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters and Forests in view of temporary removal of the lands from the agricultural circuit and forest fund for the fulfillment of various investment objectives, as well as from guarantees related to lands and spaces rental contracts in view of carrying out production and administrative activities in different country locations, guarantees for telecommunication equipment, electric power guarantees related to cathodic protection stations, guarantee for the non-payment risk of the invoices, related to a rail tanks lease contract.

7. Stocks

Name	Consumables	Services in progress	Waste products	Total stocks
Gross accounting value at January 1, 2021	6,135,908	769,477	11,163	6,916,548
Impairment for depreciation of stocks	1,004,542.	-	-	1,004,542.
Net accounting value at January 1, 2021	5,131,366	769,477	11,163	5,912,006
Stocks inputs during the period	1,205,809	2,120,483	11,342	3,337,634
Consumption/outputs of stocks during the period	(1,229,021)	(2,087,862)	(22,505)	(3,339,388)
Income from (Expense with) impairment for depreciation of stocks	11,197	-	-	11,197
Gross accounting value at March 31, 2021	6,112,696	802,098	-	6,914,794
Impairments for depreciation of inventories	(993,345)	-	-	(993,345)

Net accounting value at March 31, 2021	5,119,351	802,098	-	5,921,449
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The stocks are made up of materials, spare parts and other materials that are to be used when performing the company's business, including the ones comprising security and intervention stocks meant for the potential provoked and technical breakdowns.

The company registers in the services in progress the cost of the services supplied and not received by the beneficiary until the end of the period, on the account of the revenues related to services in progress.

8. Trade liabilities and Other Liabilities

At March 31, 2021 and December 31, 2020, the trade receivables and other receivables reveal the followings:

	March 31st 2021	December 31st 2020
Clients	39,285,644	35,115,718
Impairments for depreciation of receivables	(339,307)	(339,307)
Other trade receivables	290,847	284,042
Impairments for the loss of value of other short-term intangible receivables	(282,466)	9282,466)
Subtotal trade receivables (net value)	38,954,718	34,777,987
Other receivables	7,553,216	7,807,594
Impairments for the depreciation of other receivables	(2,314,529)	(2,325,447)
Subtotal other receivables (net value)	5,238,687	5,482,147
Total receivables	44,193,405	40,260,134

Clients' structure per activities, is as follows:

	March 31st 2021	December 31st 2020
Clients- transport activity	38,702,131	34,562,999
Other clients - auxiliary activities	583,513	552,718
Total	39,285,644	35,115,718

Trade receivables are no interest bearer and have an average day collection of 28 days.

The main trade receivables in balance at March 31, 2021 are due by: OMV PETROM S.A.– 34,449,237 RON (December 31, 2020: 29,623,308 RON) and Petrotel Lukoil S.A.– 4,208,617 RON (December 31, 2020: 4,904,580 RON).

The transport services deliveries performed for the clients hold a significant share (over 99%) in the Company's turnover.

The Company's client, OMV PETROM SA, holds approximately 78% of the total short-term receivables registered at March 31, 2021.

Other receivables in amount of 7,553,216 RON mainly include: the amount receivable from the State budget, following the settlement in court of the litigation with ANAF (2,718,892 RON, namely 36%), amounts recoverable from various natural and legal persons, the majority in dispute before the courts (1,795,157 RON, namely 23.8%), amounts receivable from the budget representing allowances for medical leaves (1,209,686 RON, namely 16%), as well as non-exigible VAT related to unarrived invoices up to the date of 31.03.2021 (992,470 RON, namely 13.1%).

Impairments for the depreciation of trade receivables are recorded for the doubtful clients, in dispute or insolvency, which represent non-collection risk. At March 31, 2021, the value of these impairments maintains at the level of the previous year, namely 339,307 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 March 31, 2021 the value of the impairments amounts to 2,314,529 RON, decreasing by 10,918 RON as compared to December 31, 2020.

The company registers impairments for loss of value of 100% from the value of the receivable for the clients in dispute, insolvency and for other debits related to the established legal files or the fines facing appeal proceedings.

Statement on Receivables Seniority

Trade receivables

	March 31st 2021	December 31st 2020
Clients, o/w:	39,285,644	35,115,718
Depreciated receivables	339,307	339,307
Non-depreciated receivables, o/w:	38,946,337	34,776,411
- seniority less than 30 days	38,924,197	34,766,616
- seniority between 30 days and 60 days	9,373	3,439
- seniority between 60 days and 90 days	5,796	530
- seniority between 90 days and 270 days	6,971	5,154
- seniority between 270 days and 1 year	-	672
Other trade receivables, out of which:	290,847	284,042
Depreciated receivables	282,466	282,466
Non-depreciated receivables	8,381	1,576

Other receivables

	March 31st 2021	December 31st 2020
Depreciated receivables	2,314,529	2,325,447
Unimpaired receivables, o/w:	5,238,687	5,344,437
- seniority less than 30 days	2,309,678	5,344,437
- seniority between 30 days and 60 days	210,116	137,710
- seniority between 90 days and 270 days	2,718,892	-
Total	7,553,216	7,807,594

9. Cash and Cash Equivalents

At March 31, 2021 and December 31, 2020 the cash and cash equivalents look as follows:

	March 31st 2021	December 31st 2020
Current bank accounts	2,685,949	5,796,960
Bank deposits with maturity ≤ 3 months	207,473,538	192,447,249
Cash on hand	8,957	11,974
Other cash equivalents	1,150	1,150
Total	210,169,594	198,257,333

At March 31, 2021, the cash balance and cash equivalents increased by approx. 6% as compared to December 31, 2020.

Cash accounts at 31.03.2021 include also the cash representing the modernization quota, with special use regime, provided by GD no.168/1998, in amount of 117,364,439 RON. This is intended exclusively for funding the modernization and development works of public property.

The company has not restricted cash.

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, divided into 8,657,528 ordinary shares with a nominal value of 3.3 RON/share and corresponding to the one registered at the Trade Register Office.

The structure of CONPET S.A. share capital and shareholding structure at March 31, 2021 reveals the followings:

Shareholders	March 31, 2021			31.12.2020		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
The 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	2,384,981	7,870,437	27.5481	2,368,002	7,814,406	27.3519
Natural Persons	1,189,175	3,924,277	13.7357	1,206,154	3,980,308	13.9319
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

At March 31, 2021 the value of the legal reserve is 5,713,968 RON (December 31, 2020: 5,713,968 RON).

The reserve is established at the level of 20% of the share capital, according to Law no. 31/1990 and the Articles of Incorporation.

Other reserves

At March 31, 2021 "Other reserves" are in amount of 501,033,794 RON, increasing by 764,537 RON compared to December 31, 2020, determined by the increase of the reserve representing the modernization quota.

The reserve related to the modernization quota is in amount of 461,885,673 RON and holds the highest share in total other reserves (92.19%).

Revaluation reserves

Based on the provisions of the Ministry of Public Finances 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 March 31, 2021, in the financial standing, the revaluation reserves are being presented at the net value of 20,232,720 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 March 31, the retained earnings is in amount of 102,199,698 RON and comprise mainly the net profit related to the tangible assets related to the previous year transferred to the retained earnings in amount of 60,846,759 RON and the difference in value related to the tangible assets - oil operating product resulting from the application for the first time of IAS 29, in amount of 41,818,297.

Profit of the period

The year's profit achieved in the first three months of 2021 is of 9,558,066 RON, decreasing by 41.37% compared to the profit registered in the first three months of the year 2020 (16,302,904 RON).

11. Trade Liabilities and Other Liabilities

At March 31, 2021 and December 31, 2020 the trade liabilities and other liabilities are the followings:

Liabilities	December 31 st 2020	March 31 20/21	Maturity term for the balance at March 31, 20		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	23,583,540	23,002,712	23,002,712	-	-
	33,991,543	37,834,018	18,376,557	3,068,552	16,388,909
Other liabilities, here included fiscal debts and social insurances related debts	34,101,828	35,609,033	32,469,195	2,539,403	600,435
Total	91,676,911	96,445,763	73,848,464	5,607,955	16,989,344

The goods and services suppliers for the operating activity are mainly represented by: SNTFM CFR Marfa, CEZ Vanzare, Edenred Romania SRL, OMV Petrom S.A., Signal Iduna Asigurare Reasigurare SA, Tinmar Energy SA, OMV Petrom Marketing, Director Special TROOPS-DST SRL, Oil Depol Service SRL, Orange Romania, Asigurarea Romaneasca ASIROM SA, Afer Bucuresti, Envirotech, Eurosting AAW Industry SRL, Iprochim Bucuresti, Swiso Electric SRL, BDO Audit SRL, Dinamic Consult SRL, Estimatori Grup SRL, CON Metal CF SRL,etc.

The value of procurement from the suppliers destined to the operating activity, in the first Quarter of 2021 holds a share of 63.51% in total procurement.

The value of assets procurement in the first Quarter of 2021 accounts for 36.49% in total procurement.

The item-row "Debts to the employees" also includes the debts representing benefits for retirement, the employees share of profit and allowances for the untaken annual leaves at March 31, 2021, recognized as provisions.

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

Liabilities	December 31 st 2020	March 31 st 2021	Maturity date for the balance at March 31, 2021		
			Under 1 year	Over 1 year	Over 5 years
Salaries contributions	5,427,408	4,844,498	4,844,498	-	-
Current corporate tax	738,139	2,814,468	2,814,468	-	-
Royalty due to the State Budget	7,864,678	7,729,093	7,729,093	-	-
VAT payable	3,022,250	3,831,365	3,831,365	-	-
Other interests and debts -	1,014,565	1,251,953	1,251,953	-	-

State Budget					
Dividends Payable	10,277,535	10,189,665	10,189,665	-	-
Leasing liabilities	4,277,338	3,893,183	1,623,708	1,669,040	600,435
Accrued revenues	963,552	935,803	97,941	837,862	-
Other liabilities	516,363	119,005	86,504	32,501	-
Total	34,101,828	35,609,033	32,469,195	2,539,403	600,435

At 31.03.2021 the leasing-related liabilities include future payment obligations related to the leasing concluded for 30 vehicles necessary for the performance of the company's specific activity and debts related to the rights of use recognized for the contracts of lease and concession of various lands, buildings and rail tanks for oil products transport (note 4).

The debts associated to the rights of use recognized for the lease and concession contracts of various lands, buildings and rail tanks for oil products transport have been assessed at the value of payments of rents/royalties along the remaining contracting period, discounted by the loan rate for real estate finance.

The statement of debts to employees on exigibility terms reveals the followings:

Liabilities	December 31 st 2020	March 31 st 2021	Maturity date for the balance at		
			March 31, 2021		
			Under 1 year	Over 1 years	Over 5 years
Salaries and assimilated debts	5,975,076	6,838,963	6,838,963	-	-
	20,351,577	19,807,446	349,985	3,068,552	16,388,909
	6,806,162	7,875,302	7,875,302	-	-
	858,728	3,312,307	3,312,307	-	-
Total	33,991,543	37,834,018	18,376,557	3,068,552	16,388,909

At March 31, 2021 the Company comprises at this chapter salaries and assimilated debts, as well as future debts for benefits granted on retirement, for employees share of profit and for untaken annual leaves recognized as provisions.

The highest share in the provisions for the employees benefits is being held by the Provisions for the benefits granted upon retirement, in amount of 19,807,446 RON, of which 19,457,461 RON stand for long-term liabilities and 349,985 RON stand for short-term liabilities.

At 31.03.2021 the debt for the employees share of profit amounts to 7,875,302 RON, of which: 6,656,393 RON represents the debt related to the year 2020, 149,769 RON is labor insured contribution and 1,069,140 RON represents the share of profit related to the services delivered by the employees in the first three months of 2021, here included the labor insured contribution, constituted within the limit of 10% of the net profit recorded in the first Quarter of 2021.

The debt to the employees also included the debt for the untaken annual leaves, which, at 31.03.2021 is in amount of 3,312,307 RON.

12. Provisions

	March 31 st 2021	December 31 st 2020
Provisions for litigations	6,914,820	6,962,547
Provisions related to mandate contracts	3,049,740	2,506,709
Other provisions for risks and expenses	2,356,241	1,790,401
Total provisions	12,320,801	11,259,657

Provisions for litigations

In detail, the provisions for litigations are:

	March 31st 2021	31.12.2020
Litigations for civil compensations	3,787,053	3,843,938
Litigations for third parties failure to respect certain contractual clauses	93,919	185,943
Other litigations	3,033,848	2,932,666
Total	6,914,820	6,962,547

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides indemnifications, they request the payment of an annuity due to the exercising, by the company, of the legal easement right on the plaintiff's lands, or the decommission of the pipelines and installations located on their fields.

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.

At 31.03.2021 are being registered provision related to litigations for civil compensations in amount of 3,787,053 RON, decreasing by 56,855 RON compared to the value thereof at the date of 31.12.2020, following the updating of the necessary amounts for the settlement of the potential obligations related to litigations opened during the previous years.

At 31.03.2021 the position "Litigation for third parties failure to respect certain contractual clauses" is in amount of 93,919 RON, decreasing by 92,024 RON compared to 31.12.2020, following the completion of a litigation in the first Quarter of 2021 and the position "Other litigations" is in amount of 3,033,848 RON, increasing by 101.182 RON compared to 31.12.2020, following the updating of the amounts necessary for the settlement of potential obligations related to litigations opened during the previous years.

Provisions related to the contract of mandate

At March 31, 2021 there are being constituted provisions for the allowances granted to the members of the Board of Directors and the directors, as per the mandate contracts and EGO 109/2011 on corporate governance, here included the related contributions, as follows:

- 75,202 RON represents provision for untaken annual leaves by the directors with contract of mandate, of which 41,161 RON provisions related to 2020 and 34.041 RON provision related to the first Quarter of 2021;
- 1,342,168 RON provision related to 2020 and 234,295 RON provision related to the first Quarter of 2021.
- 1,398,075 RON represents provision for the variable component granted to the members of the Board of Directors, of which 1,118,460 provision related to the year 2020 and 279,615 RON provision related to the first Quarter of 2021.

Other provisions

At March 31, 2021 the balance of the position "Other provisions" in amount of 2,356,241 RON is composed of:

- 1,413,752 RON provision constituted at the level of penalties related to the amounts due to the State budget for the period 2017-2020 and paid in December 2020, representing the net earnings resulting from the capitalization of the pipe material recovered following replacement works (repairs/modernizations) performed over the National Transport System, value established as per the Audit carried out by the Court of Accounts and completed in March 2020;
- 817,840 RON, provision for environment-related expenses;
- 124,649 RON representing other provisions.

13. Current and Deferred Corporate Tax

The expense with the current and deferred corporate tax of the company at March 31, 2020 and March 31, 2021 is being determined by a statutory rate of 16%.

	March 31 st 2021	March 31 st 2020
Expenses with the corporate tax and specific tax	2,814,468	3,445,651
Expense with /(revenues from) deferred corporate tax	399,392	815,415.
Total	3,213,860	2,630,236

Reconciliation of the effective rate of taxation:

	March 31, 2021	Tuesday, March 31, 2020
Profit before tax	12,771,926	18,933,140
- Corporate tax at a statutory rate of 16%	2,043,508	3,029,302
Effect on the corporate tax of:		
- Non-deductible expenses	1,023,493	985,237
- Non-taxable revenues	278,681.	189,480.
Elements similar to the revenues	133,013	144,849
- Elements similar to the expenses	95,197.	216.
Exempted corporate tax	1,668.	4,293.
- Amounts representing sponsorship falling under the limits provided by law	10,000.	350,000.
- Specific tax	-	11,022
- Bonus rate corporate tax as per . EGO 33/2020	-	180,770.
Expenses with the ordinary corporate tax	2,814,468	3,445,651

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.

Statement of the movements related to the receivable/debt with the deferred income during the first three months of 2021 reveals the followings:

2021	Net value at 1 st of January	Deferred corporate tax recognized in the profit and loss account	Net value at 31st of March	
			Receivable related to the deferred corporate tax	Liability related to the deferred corporate tax
Revaluation of tangible assets	427,532.	132,847	3,352,734	3,647,419.
Provisions	4,924,028	529,224.	4,394,804	-
Impairment of current assets	459,179	3,014.	456,165	-
Deferred corporate tax before offsetting	4,955,675	399,391.	8,203,703	3,647,419.
Receivable/debt offsetting			3,647,419.	3,647,419
Deferred corporate tax - to be recovered				4,556,284

Deferred tax payment, recognized on account of equity items on 31.03.2021 amounts to 3,647,419 RON and the deferred corporate tax to be recovered at 31.03.2021 in the statement of comprehensive income is of 8,203,703 RON.

To conclude, at 31.03.2021 the company has a net receivable related to the deferred corporate tax reaching 4,556,284 RON.

14. Result per share

The result per share in the first three months of the year 2021, as compared to the same period of the previous year reveals the followings:

	March 31 st 2021	March 31 st 2020
Profit of the Financial Year	9,558,066	16,302,904
Number of ordinary shares at the begining and the end of the period	8,657,528	8,657,528
Basic and diluted earnings per share (Lei/share)	1.10	1.88

15. Operating Revenues

a) Revenues from contracts

	March 31 st 2021	March 31 st 2020
Revenues from transport service, of which:		
<i>Revenues from transport services on the Domestic Subsystem</i>	101,149,511	105,001,741
<i>Revenues from transport services on the Import Subsystem</i>	72,774,646	76,873,413
Revenues from rents	28,374,865	28,128,328
Other operating revenues	395,053	396,397
Total transport revenues	101,758,118	105,714,728

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).

OMV Petrom is the client with the highest share in the transport revenues of the company (81.6%).

In the first three months of 2021, the quantities transported on subsystems, as compared to the same period of the previous year are the followings:

	March 31 st 2021	March 31 st 2020
Domestic Subsystem	805,127	873,459
Import Subsystem	833,895	964,453
Total quantities (tons)	1,639,022	1,837,912

The total quantity of transported products has decreased by 10.8% in the first three months of the year 2021, compared to the same period of the previous year, given the decrease by 7.8% of the transported quantity on the domestic transport subsystem and by 13.5% of that transported on the import subsystem.

The tariffs for the supply of crude oil, rich gas, condensate and ethane are regulated and approved by the NAMR and are distinguished for each transport subsystem.

The tariffs practiced for the import transport subsystem vary according to the transported quantity tranche, being practiced the bracketing tariff model and on refinery - the delivery site.

In the reporting period, the following tariffs were applied:

Tariffs from transport services on domestic subsystem:

Period	Transport tariff (RON/ton)	Approved by NAMR Order no.
December 30, 2019 - February 7, 2021	87.53	427/2019

Starting February 8, 2021	91.03	19/2021
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Tariffs for transport services on import subsystem:

Period	Tranches	Arpechim Refinery	Ploiesti Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order no.
	Thousand tons/month	RON/ton	RON/ton	RON/ton	
December 30, 2019 - February 7, 2021	< 120	40.40	39.50	15.00	427/2019
	> 120	17.25	17.00	12.85	
Starting February 8, 2021	< 120	42.00	40.90	16.50	19/2021
	> 120	17.90	17.60	14.40	

b) Other operating revenues

	March 31 st 2021	March 31 st 2020
Revenues out of modernization quota consumption	9,246,502	8,317,189
Earnings from disposal of assets	189,183	-
Other revenues	744,511	335,745.
Total Operating Expenses	10,180,196	7,981,444

Other operating revenues have registered an increase by 27.6% in the first three months of the year 2021 YoY, from 7,981,444 RON to 10,180,196 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 the modernization quota have registered an increase by 11.172% in the first three months of the year 2021 as compared to the same period of the year 2020.

16. Operating Expenses

a) Stocks and Utilities Expenses

	March 31, 2021	March 31, 2020
Expenses with consumables	1,027,725	1,095,855
Other material expenses	195,455	202,994
Other Expenses with Energy and Water	3,873,939	4,279,697
Merchandise expenses	-	20,821
Total Stocks and Utilities related Expenses	5,097,119	5,599,367

b) Personnel expenses

Personnel expenses include expenses for salaries, bonuses for employees, other personnel expenses, allowances related to the contracts of mandate of the members of the Board of Administration and Directors with mandate and expenses related to contributions due by the employer.

	March 31, 2021	March 31, 2020
Salary expenses	33,299,788	31,645,812
Liabilities regarding the employees' bonuses	3,180,820	2,703,178
Other personnel expenses	1,589,920	62,160
Expenditure on the remuneration of directors with mandate and of administrators	575,350 1,181,308	601,620 1,791,149

Expenses with contributions due by the Employer

Total personnel expenses	39,827,186	36,803,919
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The personnel expenses are detailed as follows:

Salary expenses

	March 31, 2021	March 31, 2020
Salary and related contributions expenses	32,961,964	31,551,662
Retirement support	337,824	94,150
Salary related expenses	33,299,788	31,645,812

The expenses with basic salaries of the personnel and the related bonuses have increased in the first three months of 2021, as compared to the same period of 2020, mainly due to the indexation of salaries by 5% starting 01.10.2020.

As per the Collective Labor Agreement (CLA) provisions, the Company has also granted its employees benefits of retirement support nature.

Liabilities regarding the employees' bonuses

	March 31, 2021	March 31, 2020
Employees share of profit	-	1,195
Meal vouchers	1,820,660	1,326,420
Social expenditures under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions	979,856	929,107
Other expenses as per the Collective Labor Agreement.	380,304	446,456
Total	3,180,820	2,703,178

The value of bonuses granted to the employees has recorded an increase of 477,462 RON in the first three months of the year 2021 YoY, mainly due to the awarding of meal vouchers in nominal value of 20 RON/day starting December 2020.

In accordance with the Collective Labor Agreement in force, the Company paid to the employees bonuses as social expenses under art. 25 of Law no. 227/2015 regarding the Fiscal Code consisting of tickets for rest and treatment, including travel, gifts to employees, aid for birth, funeral, serious illness, humanitarian and other social expenses as per the CLA.

The value of bonuses granted as social expenditure and other expenses as per CLA in the first Quarter of 2021 YoY has increased mainly due to the increase of the average earnings per company, which is the basis for calculating the supports granted to the employees.

Based on the restrictions adopted in view of protecting the health of the population given Coronavirus (Covid-19) pandemic, there has been recorded a reduction of the expenses with kindergartens, nurseries, after-school, borne by the company for employees children.

Other personnel expenses

	March 31, 2021	Tuesday, March 31, 2020
Expenses with related severance payments related to the personnel layoffs	1,589,920	62,160
Total	1,589,920	62,160

The position "Other personnel expenses" includes the severance payments granted as per CLA for personnel layoffs performed in March 2021, as compared to October and November 2020.

Expenses on remuneration of directors and administrators

	March 31, 2021	March 31, 2020
Allowance of the directors with mandate	301,888	328,158
Allowances/Indemnifications of the members of	273,462	273,462

the Board of Administration

Total	575,350	601,620
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Expenses with contributions due by the Employer

	March 31, 2021	March 31, 2020
The company's contribution to voluntary pension funds	-	700,932
Company's contribution to voluntary health insurance	381,059	358,957
Labor Insurance contribution and other contributions	800,249	731,260
Total	1,181,308	1,791,149

In 2021 the facultative pension-related expense Pillar III has not been included in the Budget, therefore in Quarter I there have not been registered expenses with the facultative pension.

Due to the salary indexation in October 2020, the labor insured contribution has proportionally increased in the first three months of 2021 compared to the same period of 2020.

c) Expenses related to external services

	March 31, 2021	March 31, 2020
Rail transport expenses	16,019,059	15,753,646
Expenses with royalties, commercial leasing and leases	7,809,140	8,216,813
Third-party pumping expenses	1,141,262	1,223,336
Maintenance and repair expenses	403,507	404,506
Expenses with the decontamination, monitoring of the environmental factors	80,090	104,470
Travel expenses	95,245	274,439
Expenses related to the transport of goods and personnel	9,000	7,143
Postal and telecommunication expenses	144,494	135,893
- Other expenses with services performed by third parties	1,261,728	1,006,493
Total expenses related to external services	26,963,525	27,126,739

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

It is calculated in accordance with the provisions of the Petroleum Law no. 238/2004, by applying a quota of 10% on the value of gross revenues realized from oil operations of oil transport and transit through national oil transport systems, as well as from oil operations performed through oil terminals in public ownership of the state.

d) Other expenses

	March 31, 2021	March 31, 2020
Taxes, fees and similar levies related expenses	588,791	580,005
Compensations, fines and penalties expenses	9,746	9,464
Donations granted (Sponsorship)	10,000	350,000
Environmental protection expenses	11,686	11,088
Expenses with the establishment of the modernization quota	10,011,038	9,328,760
Other operating expenses	35,452	93,704
Other expenses	10,666,713	10,373,021

In the first three months of 2021, 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. 448/2016 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 GD no. 168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no. 227/2015, further amendments and supplementations.

17. Net Financial Result

	March 31 st 2021	March 31 st 2020
Revenues from interests	839,951	1,952,715
Other financial revenues	1,557	3,593
Total financial revenues	841,508	1,956,308
Interest expenses on leasing contracts	58,281	82,606
Other financial revenues	13,907	35,823
Total financial expenses	72,188	118,429
Net Financial Result	769,320	1,837,879

The financial revenues have decreased by 57% in the first three months of the year 2021 YoY. The financial expenses have decreased by 39.1% in the analyzed period YoY, nevertheless maintaining at a very low level compared to the revenues. Based on this evolution, the financial net result has decreased by 58.1% in the first three months of the year 2021 YoY.

18. Related Parties

In the first Quarter of 2021, the Company has carried out the following significant transactions with related parties:

Procurement from related parties

Partner	Unsettled amounts at December 31 st 2020	Procurement Period 01.01-31.03/2021	Settlements in the period 01.01-31.03.2021	Unsettled amounts at March 31, 2021
SNTFM CFR Marfă S.A.	6,709,061	19,384,150	19,263,811	6,829,400

*The amounts are VAT exclusive

19. Ulterior Events

At 28.04.2021 it was carried out the General Meeting of Shareholders (OGMS) that has approved the annual financial statements at the date and for the financial year ended 31.12.2020. In the same meeting, OGMS has approved the distribution of the net profit for the financial year ended 2020 and of some amounts of the retained earnings.

These financial statements from page 1 to page 26 have been authorized for issue and signed by the company's management at May 13,2021.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**