

# **REPORT OF THE ADMINISTRATORS**

## **2021 H1**

prepared in compliance with Art. 223 of the ASF Regulation no. 5/2018 and Art. 55 of the EGO 109/2011 regarding the corporate governance of the public enterprises



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## 1 COMPANY PRESENTATION

### 1.1. Report and issuer identification data

Bi-yearly Report

Prepared in compliance with:

Articles 65 of Law no. 24/ 2017 regarding the issuers of financial instruments and market operations;  
 Annex 14 of Regulation on 5/10.05.2018  
 On the issuers of financial instruments and market operations;  
 EGO 109/2011 regarding the corporate governance of the public enterprises (amended pursuant to Law no. 111/2016 ).

|  |   |
|--|---|
| Date of the report                                       | 12.08.2021  |
| 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  | <a href="mailto:conpet@conpet.ro">conpet@conpet.ro</a> / <a href="http://www.conpet.ro">www.conpet.ro</a> |
| 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 securities                          | 8,657,528 shares with a nominal value of 3.3 RON/share  |
| Total market value                                       | 741,084,396.80 RON (85.6 RON/share at 30.06.2021)   |
| Applied accounting standard                              | International Accounting Standard no. 34 - „Interim Financial Reporting”                                  |
| Auditing   | The Interim Financial Statements concluded at 30.06.2021 have been revised                                |

## 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 has been 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. 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 publicly held company, listed at the Bucharest Stock Exchange, under COTE symbol.

The synthetic shareholding structure, at reference date 30.06.2021, is as follows:

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

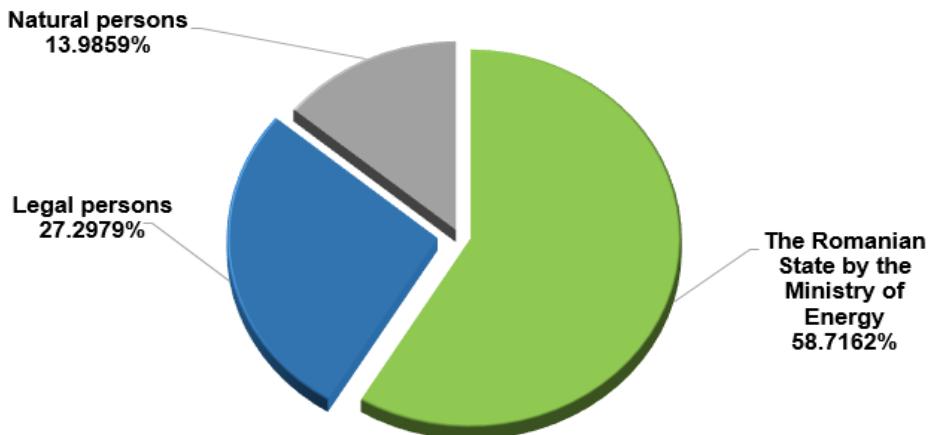


Chart 1 - CONPET S.A. Shareholding Structure at 30.06.2021

The share capital of CONPET at 30.06.2021 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 has not performed transactions having as scope its own shares and, consequently, the company does not hold own shares.

## 1.5. Company Organization

CONPET was established in 1990, based on the Government Decree 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 has become 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. Strategic Development Objectives

The strategic objectives established and assumed by the administrators through 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 product volumes - crude oil, condensate and rich gas, transported through the National Transport System (NTS), during January - June 2021, vs. 2021 Revenues and Expenditure Budget and the similar period of 2020, by transport subsystems, is presented below:

| Achieved Sem. I 2021 | Budget Sem.I 2021 | Variation (%) Achieved/Budget | Indicators                   | Achieved Sem. I 2021 | Achieved Sem. I 2020 | Variation (%) Achieved 2021/2020 |
|----------------------|-------------------|-------------------------------|------------------------------|----------------------|----------------------|----------------------------------|
| <i>Thousand tons</i> |                   |                               |                              |                      |                      |                                  |
| 3,319                | 3,285             | ▲ 1.0%                        | Total transported quantities | 3,319                | 3,439                | ▼ 3.5%                           |
| <i>mRON</i>          |                   |                               |                              |                      |                      |                                  |
| 205.5                | 203.8             | ▲ 0.8%                        | Total transport revenues     | 205.5                | 202.8                | ▲ 1.3%                           |

Table 1 - Evolution of the revenues and volumes transported in 2021 H1 as compared to 2021 Budget and the similar period in 2020

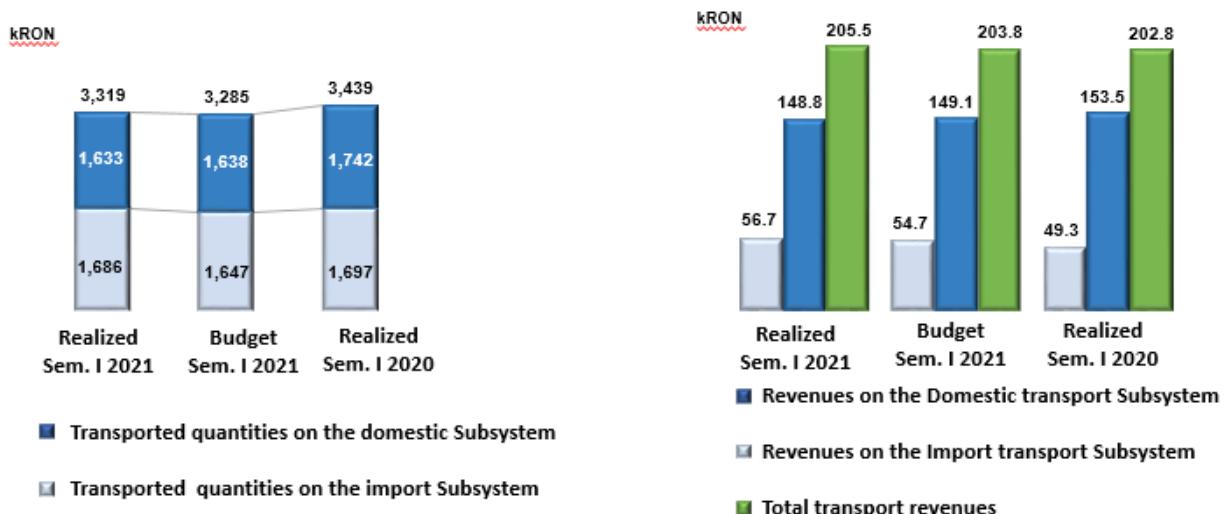


Chart 2 - Evolution of the quantities transported on the Domestic and Import subsystems

### 2.2. Economic-Financial Indicators

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

| Indicators   | Semester I 2021 |         |                                | Achieved Semester I 2020 | Variation% Achieved 2021/2020 |
|--|-----------------|---------|--------------------------------|--------------------------|-------------------------------|
|  | Achieved        | Budget  | Variation (%) Achieved/ Budget |                          |                               |
| Turnover (thousand RON)  | 206,667         | 204,951 | ▲ 0.8%                         | 204,036                  | ▲ 1.3%                        |
| Operating Revenues (thousand RON)  | 229,669         | 227,230 | ▲ 1.1%                         | 220,479                  | ▲ 4.2%                        |
| Operating Expenses (thousand RON)  | 198,954         | 203,368 | ▼2.2%                          | 187,094                  | ▲ 6.3%                        |
| Operating Profit (EBIT) (thousand RON)   | 30,715          | 23,862  | ▲ 28.7%                        | 33,385                   | ▼ 8.0%                        |
| Operating profit margin (% Operating Revenues)   | 13.4%           | 10.5%   | ▲2.9p.p.                       | 15.1%                    | ▼1.7p.p.                      |
| Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts | 25,627          | 24,650  | ▲4.0%                          | 23,674                   | ▲8.3%                         |
| EBITDA (thousand RON)  | 56,342          | 48,512  | ▲16.1%                         | 57,059                   | ▼ 1.3%                        |
| Operating Expenses/Turnover x 100 (%)  | 96.3%           | 99.2%   | ▼ 2.9p.p.                      | 91.7%                    | ▲4.6p.p.                      |
| Total Revenues (thousand RON)  | 231,239         | 229,020 | ▲ 1.0%                         | 224,197                  | ▲ 3.1%                        |
| Total Expenses (thousand RON)  | 199,135         | 203,731 | ▼ 2.3%                         | 187,357                  | ▲ 6.3%                        |
| Gross profit (thousand RON)  | 32,104          | 25,289  | ▲ 27.0%                        | 36,840                   | ▼ 12.9%                       |
| Net profit (thousand RON)  | 27,321          | 21,649  | ▲ 26.2%                        | 31,782                   | ▼ 14.0%                       |
| Average number of employees (pers.)  | 1,519           | 1,551   | ▼2.1%                          | 1,551                    | ▼ 2.1%                        |
| Productivity (thousand RON/employee)   | 151             | 147     | ▲ 2.7%                         | 142                      | ▲ 6.3%                        |

Table 2 - The main economic-financial Indicators achieved in 2021 H1 vs Budget 2021 and the ones achieved in the similar period in 2020

### 2.3. Investments

The investment projects within CONPET target, mainly, enhancing efficiency of the transport activity as well as the operation, under safe conditions, of the National Transport System.

During the six months period ended June 30, 2021, CONPET S.A. achieved investments in amount of 25.9 million RON.

The degree of achievement of the investments, as compared to program and YoY, by ownership of assets, is as follows:

| 2021 S1  |         |                       | Investment (mRON)       | Achieved Semester I 2021 | Achieved Semester I 2020 | Degree of achievement 2021/2020 |
|----------|---------|-----------------------|-------------------------|--------------------------|--------------------------|---------------------------------|
| Achieved | Program | Degree of achievement |                         |                          |                          |                                 |
| 25.86    | 36.78   | 70.3%                 | Total investments, o/w: | 25.86                    | 44.95                    | 57.5%                           |
| 18.06    | 28.48   | 63.4%                 | Public domain           | 18.06                    | 38.96                    | 46.4%                           |
| 7.80     | 8.30    | 94.0%                 | Operating domain        | 7.80                     | 5.99                     | 130.2%                          |

Table 3 - Evolution of the investments achieved in Sem I 2021 as compared to the program and YoY

## 2.4. Company's Stock Market Indicators

The company's market capitalization reached the level of 741.08 mRON (150.4 mEuro) at the end of the first 6 months, CONPET ranking position 23<sup>rd</sup> in "Top 25 issuers according to 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 Semester of 2021, 9,518 stock transactions have been recorded, with a traded volume of 627,494 shares, the total value of the transactions being 57,009,732 RON. In the reported period, the minimum trading price amounted to 77.20 RON/share and the maximum price amounted to 98.00 RON/share. On average, 5,060 shares/day have been traded, the average value of a trading day amounting to 459,756 RON/day (124 days).

During Semester 1, the price of CONPET shares has raised by 12.34%.

## 3. ANALYSIS OF THE COMPANY'S BUSINESS

### 3.1. Analysis of the operating activity

#### 3.1.1. Regulation Framework

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 (NAMR), the competent authority representing the State's interests in the oil resources sector, of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

The 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.

The transport service is being supplied under the natural monopoly regime based on the tariff set by NAMR

#### 3.1.2. The crude oil, condensate and rich gas transport activity

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

Given the natural distribution of the oil fields spread over the entire Romanian territory, the National Transport System was built as to meet the transport needs from all those fields to the refineries. The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The pipelines transport system is approximately 3,800 km in length, out of which, to date 3,161 km of pipelines are in use.

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 crude oil transport throughput 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 warehouses, pumping aggregates, major pipelines, crude oil and rich gas loading and unloading ramps, rail tank cars.

The transported volume by type of products - crude oil, rich gas and condensate, programmed and achieved in 2021 H1, as compared to the same period of 2020 and the degree of usage of the transport throughputs, is as follows:

| Transport Subsystems                                       | Indicators and products                        | Achieved Sem. I 2021 | Achieved Sem. I 2020 | Variation % 2021/2020 |
|--|--|----------------------|----------------------|-----------------------|
| <b>Domestic crude oil, condensate and light condensate</b> |  |                      |                      |                       |
| DOMESTIC   | - programmed quantities (thousand tons)        | 1,630                | 1,731                | ▼ 5.8%                |
|  | - achieved quantities (thousand tons)          | 1,623                | 1,733                | ▼ 6.4%                |
|  | - degree of achievement                        | 99.6%                | 100,1%               | -0.5 p.p.             |
|  | - degree of usage of the transport throughputs | 52.92%               | 57,08%               | -4.16 p.p.            |
| <b>Rich gas</b>  |  |                      |                      |                       |
|  | - programmed quantities (thousand tons)        | 7.6                  | 9.1                  | ▼ 16.5%               |
|  | - achieved quantities (thousand tons)          | 9.8                  | 9.2                  | ▲ 6.5%                |
|  | - degree of achievement                        | 128.9%               | 101.1%               | +27.8 p.p.            |
|  | - degree of usage of the transport throughputs | 27.10%               | 15.95%               | +11.15 p.p.           |
| <b>Total domestic subsystem</b>                            |  |                      |                      |                       |
|  | - programmed quantities (thousand tons)        | 1,638                | 1,740                | ▼ 5.9%                |
|  | - achieved quantities (thousand tons)          | 1,633                | 1,742                | ▼ 6.3%                |
|  | - degree of achievement                        | 99.7%                | 100.1%               | -0.4 p.p.             |
|  | - degree of usage of the transport throughputs | 52.62%               | 56.31%               | -3.69 p.p.            |
| <b>Crude oil</b>   |  |                      |                      |                       |
| IMPORT   | - programmed quantities (thousand tons)        | 1,647                | 1,556                | ▲ 5.9%                |
|  | - achieved quantities (thousand tons)          | 1,686                | 1,697                | ▼ 0.7%                |
|  | - degree of achievement                        | 102.4%               | 109.1%               | -6.7 p.p.             |
|  | - degree of usage of the transport throughputs | 28.82%               | 29.00%               | -0.18 p.p.            |
| <b>TOTAL</b>   |  |                      |                      |                       |
|  | - programmed quantities (thousand tons)        | 3,285                | 3,296                | ▼ 0.3%                |
|  | - achieved quantities (thousand tons)          | 3,319                | 3,439                | ▼ 3.5%                |
|  | - degree of achievement                        | 101.0%               | 104.3%               | -3.3 p.p.             |
|  | - degree of usage of the transport throughputs | 37.07%               | 38.45%               | -1.38 p.p.            |

Table 4 - Transported quantities by types of products and by transport subsystems in 2021 H1 vs. 2020 H1

Evolution of the volumes transported by transport subsystems is presented, as follows:

QUANTITIES TRANSPORTED TO THE REFINERIES ▼3.5%

3,319 kTons Sem. I, o/w:

- DOMESTIC SUBSYSTEM ▼6.3 %

1,633 kTons Sem. I 2021

- IMPORT SUBSYSTEM ▼0.6%

1,686 kTons Sem. I 2021

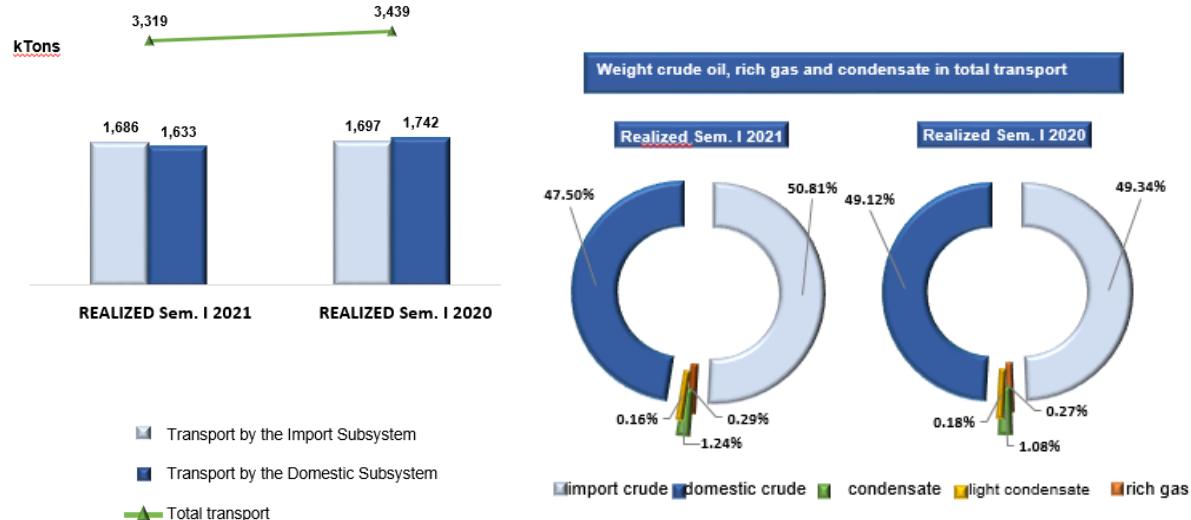


Chart 3 - Quantities transported by the transport subsystems

In the first 6 months of the year have been transported 3,319 thousand tons of products, 120 thousand tons less than the same period of 2020, the domestic subsystem recording the worst decrease, respectively 109 thousand tons (6.3%).  
 From the total of 1,633 tons of crude oil, rich gas and condensate obtained from domestic production, which have been transported and delivered to the refinery in 2021 H1, the amount of 566 thousand tons was transported by rail (34.6%).

The transport services of crude oil, rich gas and condensate have been provided under the contracts concluded with the traditional customers: OMV Petrom S.A., Petrotel LUKOIL S.A., Rompetrol Rafinare S.A. and with new clients: NIS Petrol S.R.L., Standard Logistic d.o.o and Serinius Energy România S.A.

The evolution of the technological consumption by products as compared to the values provided in the transport contracts (standardized consumption) is the following:

| Products  | 2021 S1      |          |            | 2020 S1      |          |            |
|---|--------------|----------|------------|--------------|----------|------------|
|   | Standardized | Achieved | Variation  | Standardized | Achieved | Variation  |
| Import crude oil:                                   | 0.2480%      | 0,1688%  | -0.08 p.p. | 0.2633%      | 0,1694%  | -0.09 p.p. |
| Domestic crude oil, condensate and light condensate | 0.3653%      | 0,3393%  | -0.03 p.p. | 0.3638%      | 0,3558%  | -0.01 p.p. |
| Rich gas  | 7.3830%      | 3,3460%  | -4.04 p.p. | 7.3830%      | 3,3240%  | -4.06 p.p. |

Table 5- The evolution of technological standardized consumption as compared to achieved 2021H1 and 2020H1

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

## Transport Tariffs

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 according to the hand-over site-refinery. Between January 2020 – June 2021, the following tariffs were applied:

- Tariffs from transport services on Domestic Subsystem

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

*Tabel 6– Transport tariffs for Domestic Subsystem*

- Tariffs for transport services on Import Subsystem

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

*Table 7 - Transport tariffs for Import subsystem*

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

The total value of the transport services, VAT excluded, invoiced to the beneficiaries between January - June 2021 amounts to 205,507 thousand RON.

The status of transport revenues, in detail, by every client, is as follows:

| CLIENTS<br>(kRON)   | Sem. I 2021    | Sem. I 2020    | Variation<br>2021/ 2020 |               |
|---|----------------|----------------|-------------------------|---------------|
|   |                |                | Abs.                    | %             |
| <br><b>PETROM</b><br>Member of OMV Group | 166,961        | 162,895        | 4.066                   | ▲ 2.5%        |
| <br><b>LUK</b><br>PETROTEL LUK OIL       | 37,904         | 37,977         | -73                     | ▼ 0.2%        |
| <br><b>ROMPETROL</b><br>energie.vie      | 396            | 1.562          | -1.166                  | ▼ 74.6%       |
| OTHER CLIENTS   | 246            | 349            | -103                    | ▼ 29.5%       |
| <b>Total transport revenues</b>   | <b>205,507</b> | <b>202,783</b> | <b>2,724</b>            | <b>▲ 1.3%</b> |

Chart 4 – The evolution of transport revenues, per clients, achieved in 2021H1 as compared to 2020H1

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 81.2% in the total transport revenues of the company.

### Other activities

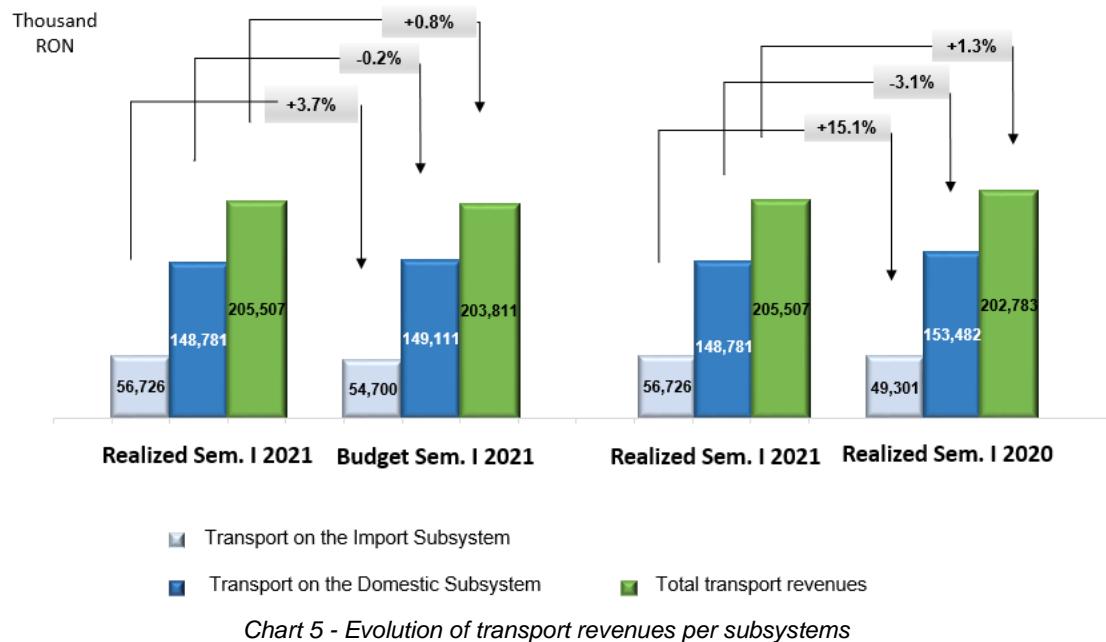
The revenues achieved from other activities have 0.6% contribution to the company's turnover and derive from leases of lands and telecommunication equipment and rail tank cars shunting services.

#### 3.1.3. Assessment of the Operating Activity

In the table below is being presented the evolution of the revenues related to transport services supply for Semester 1, 2021, as compared to Semester 1, 2020 and the budgeted amounts.

| Achieved<br>Sem. I<br>2021 | Budget<br>Semester<br>I 2021 | Variation<br>(%)<br>Achieved<br>2021/<br>Budget. | Indicators<br>(Thousand RON)                               | Achieved<br>Sem. I<br>2021 | Achieved<br>Sem. I<br>2020 | Variation<br>(%)<br>Achieved<br>2021/2020 |
|----------------------------|------------------------------|--|--|----------------------------|----------------------------|---|
| 148,781                    | 149,111                      | ▼ 0.2%   | Revenues from transport services on the domestic subsystem | 148,781                    | 153,482                    | ▼ 3.1%                                    |
| 56,726                     | 54,700                       | ▲ 3.7%   | Revenues from transport services on the domestic subsystem | 56,726                     | 49,301                     | ▲ 15.1%                                   |
| <b>205,507</b>             | <b>203,811</b>               | <b>▲ 0.8 %</b>                                   | <b>Total transport revenues</b>                            | <b>205,507</b>             | <b>202,783</b>             | <b>▲ 1.3%</b>                             |

Table 8 - Statement of the transport revenues



The transport revenues also include services supplies coming from the crude oil transport by road tankers and from the use of insulated rail tank cars at transport (0.8%).

## Procurement

### *The procurement activity*

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

Between January- June, 2021 have been initiated procedures to achieve a total of 72 procurements and have been completed 33 procurement procedures by conclusion of contracts in total amount of 26,375 thousand RON and 100.78 thousand EURO.

At the end of June 2021, a number of 53 procurement procedures were in progress, with a total estimated value of 202,074.31 thousand RON and 563.26 thousand Euro, respectively:

- 18 tender procedures in estimated amount of 133,477.10 thousand RON and 479 thousand Euro;
- 19 simplified procedures in total estimated amount of 68,215.10 thousand RON and 7.20 thousand Euro;
- 1 Negotiation procedure in amount of 9 thousand Euro;
- 15 direct procurement procedures in total amount of 382.10 thousand RON and 68 thousand Euro.

According to EGMS Resolution no.3/23.10.2014, in Annex no. 4 and 5 to this report are presented the works procurement contracts with values higher than 500,000 Euro and the service procurement contracts with values higher than 100,000 EURO, concluded between 01.01.2021 - 30.06.2021.

### 3.1.4. Legal Acts concluded in the Conditions of Art.52 Para (1) and (3) of EGO no.109/2011

During 2021 H1, the company Conpet S.A. did not sign legal acts under the conditions of Art. 52 para. (1) and (3) of EGO no.109/2011.

### 3.1.5. Company Mergers and Reorganizations, Procurements and Disposals of Assets

The company has no open subsidiaries in Romania or abroad and did not perform merger operations.

The procurements of tangible and intangible assets in 2021 H1 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for business deployment and modernization.

In 2021 H1, did not take place any procurement of land and/or buildings and no disposal of fixed tangible assets like buildings or land were performed.

### 3.1.6. Assessment of the Human Resources and Social Dialog Activity

The actual number of employees at June 30, 2021 was of 1,544 persons.

Following the adoption, in 2020 and 2021 H1, of certain measures meant to resize the human resource, as well as certain voluntary, or triggered to other causes personnel termination, the effective number of employees at 30.06.2021 decreased by 43 employees, as compared to 30.06.2020 and by 41 employees as compared to the number recorded at December 31, 2020.

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 June 30, 2021 is exposed in the table below:

| Studies                         | Total        | % in total employees | Women      | % in total employees | Men          | % in total employees |
|---------------------------------|--------------|----------------------|------------|----------------------|--------------|----------------------|
| General education (8-10 grades) | 107          | 6.93%                | 12         | 0.78%                | 95           | 6.15%                |
| Secondary education             | 878          | 56.87%               | 79         | 5.12%                | 799          | 51.75%               |
| Higher education                | 559          | 36.20%               | 209        | 13.54%               | 350          | 22.66%               |
| <b>Total</b>                    | <b>1,544</b> | <b>100.00%</b>       | <b>300</b> | <b>19.44%</b>        | <b>1,244</b> | <b>80.56%</b>        |

Table 9 - Personnel structure by level of education and gender

The number of personnel having graduated higher education accounts for 36.20% of the total number of employees, out of which, 13.54% represent women, and 22.66% men.

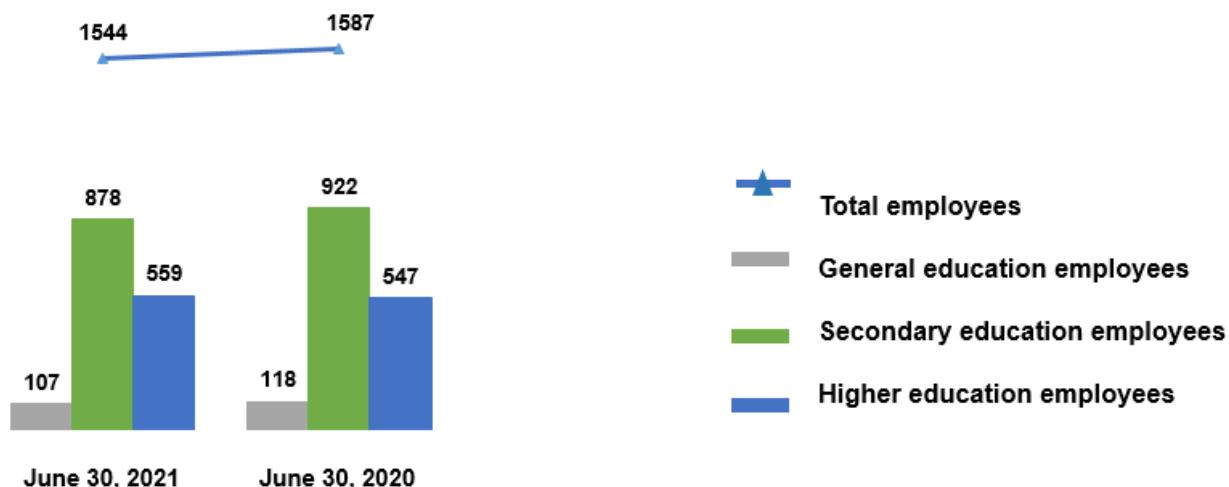


Chart 6- Employee structure at June 30, 2021 vs. YoY

The evolution of the personnel structure by education categories and gender reveals that the company promotes a non-discriminatory behavior by employing female specialists with higher education and professional skills that contributes to the growth of the company's activity results.

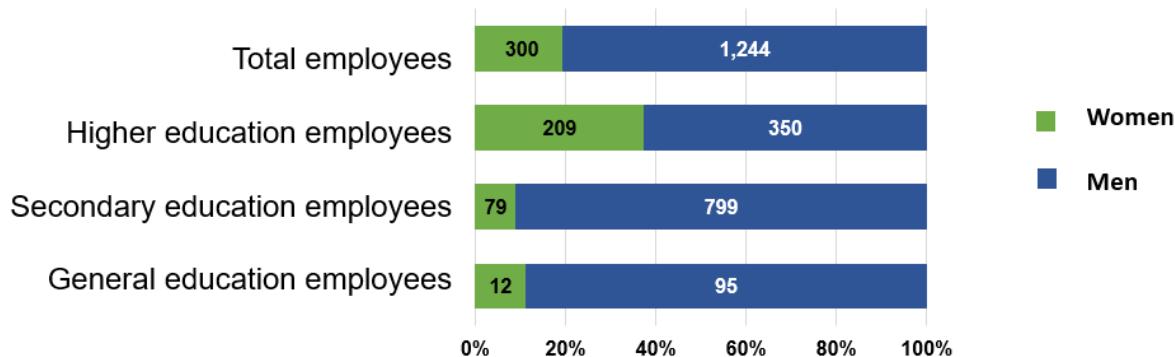


Chart 7 - Personnel structure according to gender and level of education at June 30, 2021

In 2021 H1, the structure of employees by categories of personnel was the following:

- ✓ Directly productive - 575 employees;
- ✓ Technically productive - 327 employees;
- ✓ Indirectly productive - 243 employees;
- ✓ Administrative - 270 employees;
- ✓ General service - 129 employees.

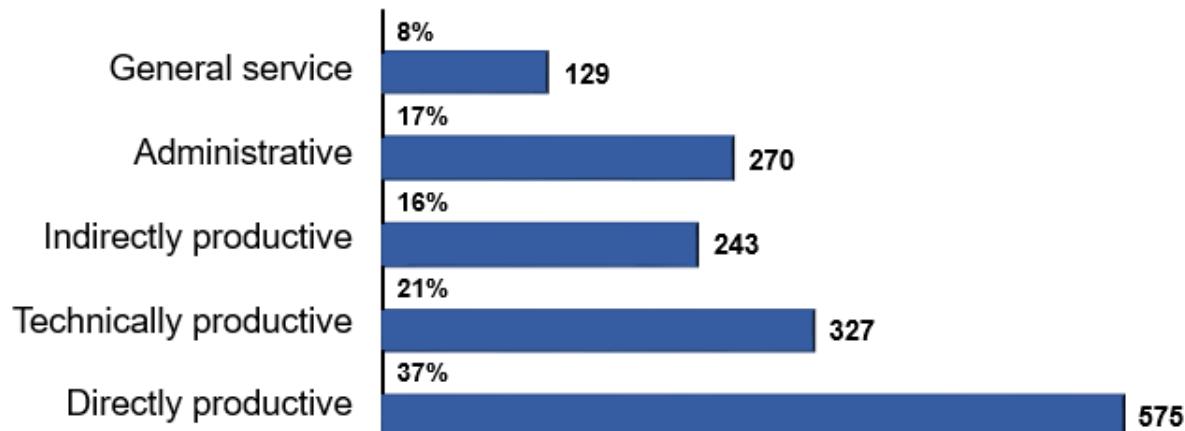


Chart 8 - The structure of employees by personnel category at June 30, 2021

The employees of the company, at a rate of 98.83%, are members of the Free Union of Conpet.

Between January– June 2021 there were no elements of confrontational nature between the employees and the company's management.

### The Personnel Risk and the Waging System

At June 30, 2021 the structure per age is not balanced, the age group ranging 51-60 years has the highest percentage (51.2%) and it is followed by the age group 41-50 years (28.5%) and the one ranging 31 - 40 (10.9%).

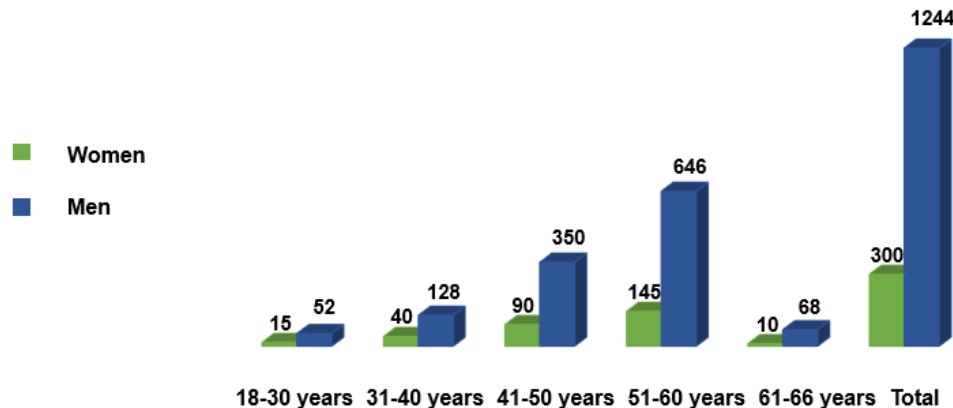


Chart 9 - Personnel structure by gender and age groups at June 30, 2021

The average age of CONPET personnel approximates 49 years old (54.08% of the personnel), most of the personnel having over 20 years of experience in the company, which stands for the stability and professionalism of the employees, but also accumulation of knowledge and skills, some taking many years of experience to be gained.

The average age of the personnel employed within the last two years is 41 years, with an average work experience of 15 years.

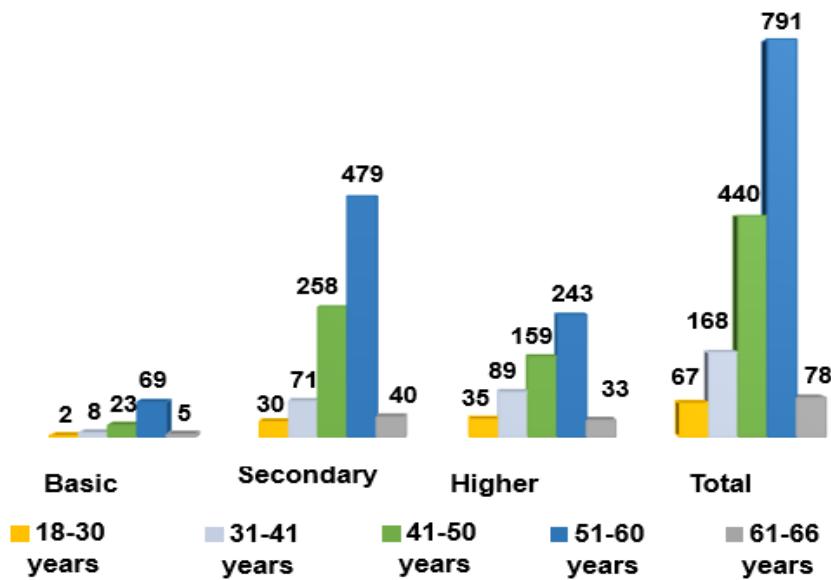


Chart 10 - Personnel structure by level of studies and age at June 30, 2021

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 personnel risk is represented by having to deal, in the future, with a lack of personnel due to the reach, to the retirement age, of the experienced employees.

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 ranging 41-50 years is well represented by the tier of employees who will meet the retirement conditions at the standard age in about 15 years, staff with a rich background of knowledge and professional experience, with a seniority in the company of over 10 years (73%).

### The Collective Labor Agreement

The Collective Labor Agreement is applicable within the company, document which was approved by the Board of Directors on 18.12.2018 and registered with the Inspectorate of Labor Prahova, valid for a period of two years, starting with 01.01.2019.

The validity of the Collective Labor Agreement was extended until December 31, 2021, as per Addendum no. 2 to the Collective Labor Agreement, the addendum being registered at Prahova Labor Territorial Inspectorate.

Following the amendment of the organizational chart starting with 15.06.2021, the Board of Directors empowered the Director General to negotiate and conclude, with Conpet Free Union, an addendum to the Collective Labor Agreement having as scope the update of the Job title Classification and the Wage Grid, in accordance with the new Organisational Chart.

The rights of the employees existing in the labor agreement have been negotiated so that a balance between the interests of the two Parties, the Management and the Union, be ensured, 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.

### **The Activity of Professional Training and Authorization**

In order to maintain and develop specific skills and basic abilities of the 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 personnel 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: training (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 management assures annually, by the Revenues and Expenditure Budget, sources for the provision of training sources. Special attention is paid to the training of technical staff (maintenance and operations), mainly for new skills necessary to carry out, under safe conditions, the activities related to the National Transport System.

The preparation of the annual training/professional authorization was made based on the requests received from the entities within the company and the preparation needs identified at every entity level. After the identification and prioritization of the needs for instruction and authorization, as the case may be, of the company personnel, in accordance with the attributions, competencies and duties provided in the employees' job descriptions.

In 2021 H1, based on the authorization and training programs, as well as the requests coming from the managers of the organizational entities or from the employees with responsibilities in specific business areas, regarding the need and substantiation of the employees' participation to professional trainings and authorization programs, the following activities have been deployed:

| Type of professional training and authorization<br>Semester. I 2021 | Participant employees |
|---|-----------------------|
| Various fields authorizations (specific of activity)                | 28                    |
| Railway authorizations  | 122                   |
| Training  | 81                    |
| Internal authorizations   | 240                   |
| <b>Total</b>  | <b>471</b>            |

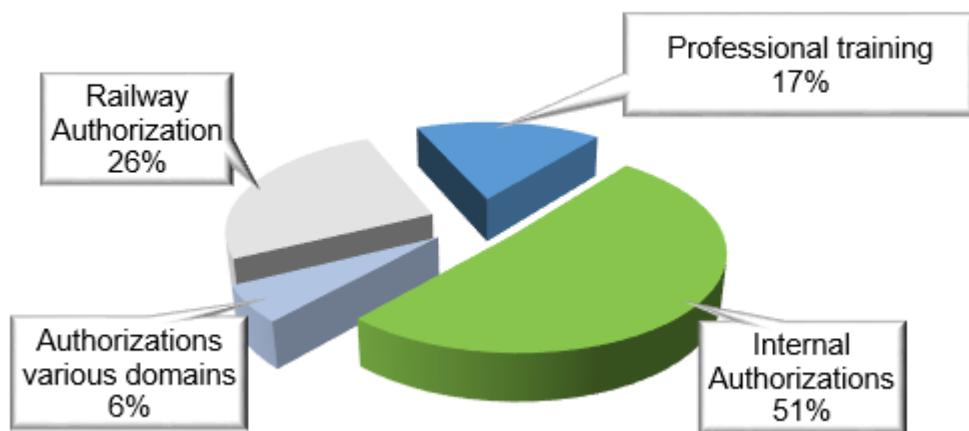


Chart 11 - Structure of Professional Training and Authorization

In the first six months of 2021 the training and authorization activities of the employees of the company were carried out according to the approved Budget.

## Training

At the professional training courses organized within the first 6 months of 2021 took part a total number of 81 employees, the training sessions being organized on different business areas for the acknowledgment, enrichment, extension and consolidation of the acquired knowledge and skills.

## Internal and External Professional Authorization

Given that the professional authorization of the employees is required, in case of activities regulated by normative acts, for the scope of maintaining a higher level of training in various professional domains to ensure the right of the employees to exercise certain tasks or specific works, compliant with the skills necessary for exercising their positions, in the first semester of 2021, the following professional authorization activities have been carried out: 150 external authorizations și 240 internal authorizations.

## 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 in the first Quarter of 2021, in accordance with the Regulation for evaluating the performance of employees - Annex 1 to the Internal Regulation, valid for the activity performed by employees during the evaluated period.

In accordance with the provisions of the same Regulation on the evaluation of employees' performance and the Decision of the Director General, 1,518 employees out of a total of 1,585 employees existing on 31.12.2020 were assessed.

In the assessment process were not included the employees with suspended individual employment contracts, including the ones who were temporarily unfit for work and did not have at

least six months of activity in 2020, as well as the employees to whom, during the period under assessment, ceased their individual employment by voluntary leave or other causes.

The results of the evaluation were included in *the Report on the assessment of the professional performance of the employees of CONPET S.A. for the activity carried out in 2020*. The assessment report approved by the company management includes the results obtained by the employees following the performance of their evaluation, inclusive of the degree of achievement of the SMART individual performance objectives of the employees occupying management positions.

The new Regulation on the assessment of the professional performance of CONPET S.A. employees is in line with Order SGG no. 600/20.04.2018 on the approval of the Internal Management Control Code, Law no.53/2003 - The Labor Code and focuses on the individual professional performance. The employees in management positions have been concluded addenda to the individual labor agreements, specifying the individual objectives, the performance indicators, the target values and the associated weights for the activity in 2021, in the form established at the level of every entity.

### 3.2. Investments achieved

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

CONPET finances from the modernization quota the investment objectives included in the rehabilitation, modernization and development programs agreed with the National Mineral Resources Agency under the concession Oil Agreement.

In the first Semester of 2021 were achieved investments amounting to 25,861 thousand RON as compared to 36.780 thousand RON programmed (70%).

As compared to the annual program of 96,000 thousand RON, the investments achieved in the first 6 months account for 27%.

The value of the investment objectives achieved in the first 6 months of 2021, on assets belonging, as compared to the approved program and the same period of 2020, is as follows:

| Investment<br>(Thousand<br>RON)                     | Budget<br>YEAR<br>2021 | Achieved<br>Sem. I<br>2021 | Programmed<br>Sem. I<br>2021 | Achieved<br>Sem. I<br>2020 | Degree of achievement (%) |                       |
|---|------------------------|----------------------------|------------------------------|----------------------------|---------------------------|-----------------------|
|   |                        |                            |                              |                            | Achieved/<br>programmed   | Achieved<br>2021/2020 |
| <b>Total<br/>investments,<br/>out of<br/>which:</b> | <b>96,000</b>          | <b>25,861</b>              | <b>36,780</b>                | <b>44,953</b>              | <b>70%</b>                | <b>57%</b>            |
| Public<br>domain                                    | 69,000                 | 18,061                     | 28,484                       | 38,962                     | 63%                       | 46%                   |
| Operating<br>domain                                 | 27,000                 | 7,800                      | 8,296                        | 5,991                      | 94%                       | 130%                  |

Table 10 - Investments achieved in 2021 H1 as compared to Budget 2021 and the similar period in 2020

The investments achieved in 2021 H1, as compared to the program and the same period of the previous year, per financing sources, are being presented in the chart below:

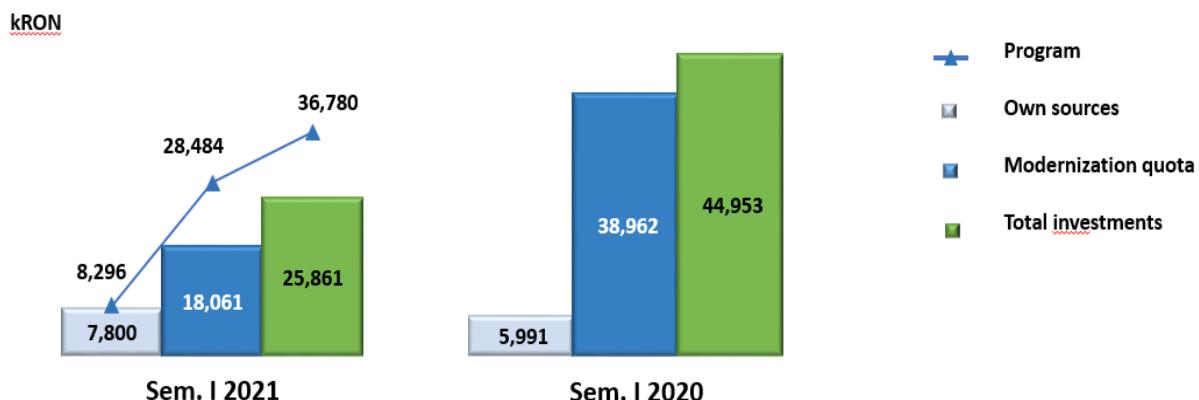


Chart 12 - Investments achieved by financing sources

The low level of achievement of the investments was mainly due to:

- Stay of execution of certain works due to poor atmospheric conditions in the first part of 2021;
- Stay of execution of certain works due to SARS-COV2 pandemic or the execution thereof with a reduced number of personnel;
- Delays in the works execution as per the execution schedules, due to delays in the supply with materials and equipment, situation also triggered by the coronavirus pandemics;
- Delays in the works execution as per the execution schedules due to the need to implement additional works in the technical project, to the need to perform additional works as compared to the initial scope of work;
- Contracts advanced for termination or terminated contracts

The main measures applied for the settlement of the problems occurred:

- Meetings with the contractors and settlement of the various issues encountered during the contracts performance process;
- Speeding up the redoing and submission of the documentation for obtaining permits and endorsements
- Redesigning the pipeline route in the areas where have been encountered difficulties in obtaining the right of way from the land owners;
- Identification and settlement of technical solutions for the continuation and completion of works.

*Main investment objectives finalized during January - June 2021:*

**Upgrade of Conpet SA headquarters building in Ploiești, 7 Independentei Avenue.** - in June 2021, with a total value of 5,126 thousand Ron;

**Execution works for construction of a new tank for crude oil storage, 2500 cubic meters throughput, in the precinct of Poiana lacului pumping station** - in May 2021, with a total value of 6,920.06 thousand RON

**Replacement of crude oil pipeline Ø 24" Călăreți – Pietroșani (7 sections ) in total length of 5.9 km and under crossing of Leaota river in length of about 0,1 km** - in May 2021, with a total value of 12,666 thousand RON

**Transformation of LDH 700 HP 139-2 in LDE - in May 2021, with a total value of 3,737 thousand RON**

**Works for the replacement of the crude oil pipeline  $\Phi 10\frac{3}{4}$ " Icoana – Cartojani, 4007 m in length, in Bucov forest area, Rîca locality, 1500 meters in length, in Plescara forest area, Mirosi locality, Arges county, on a total length of 5500 m - in April 2021, with a total value of 3,066.92 thousand RON**

**Replacement of a pipeline section, about 3,400 m in length  $\varnothing 10\frac{1}{4}$ " in diameter, from the pipeline  $\varnothing 10\frac{3}{4}$ " Icoana – Cartojani necessary to be replaced, which has as starting point the entry to the forest from park 4 Roata, ending to the exit part of forest park 4 Roata", - in April 2021, with a total value of 1,990.41 thousand RON;**

**Works for the rehabilitation of Berca crude oil loading ramp - in April 2021, with a value of 2,932.33 thousand RON**

**Execution of modernization works at Baicoi tank farm, cathodic protection and grounding of R1, R2, R3 and R4 crude oil tanks - in March 2021, with a total value of 341.3 thousand RON**

**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 in-line inspection - in February 2021, with a total value of 16,047.3 thousand Ron;**

Commissionings achieved within the first semester of 2021 amounted to 24,026 thousand RON, out of which, per financing sources:

- 17,041 thousand RON out of the modernization quota;
- 6,985 thousand RON out of other own sources;

**The status of the main investments ongoing at June 30, 2021:**

## **I. PUBLIC DOMAIN**

In 2021 H1 have been achieved investments in the public domain amounting to 18,061 thousand RON, representing 63% of the program for this period and 26.2% of the annual program, as follows:

**Replacement of the  $\varnothing 10\frac{3}{4}$ " Line 2 Siliste-Ploiesti crude oil pipeline in Brazi Stadium area-inside Petrobrazi Refinery, Prahova County, on a length of approximately 1170 m and replacement of cleaning installation**

Contract for design and execution of works, with a total value of 5,773 thousand RON

Level of Achievement: 68%

**„Replacement of a crude oil pipeline section  $f\varnothing 8\frac{5}{8}$ " Lucăcesti – Vermești along the section Lucăcesti Station- Măgura hill, about 2 km in length, + 6" connection to Moinești crude oil loading ramp, 700 linear meters in length**

Contract for execution of works, with a total value of 1,642 thousand RON

Level of Achievement: 90%

**Replacement of a pipeline section, 3500 m in length, with diameters  $\varnothing 12\frac{3}{4}$ " and  $\varnothing 14\frac{3}{4}$ " Cartojani - Ploiesti in the water tributary to Neajlov river and forest Sf. Gheorghe forest".**

Contract for execution of works, with a total value of 2,132 thousand RON

Level of Achievement: 98%

**Replacement of crude oil pipelines 10 "L1 and L2 Siliște-Ploiești, on a length of about 300m, located in Aricești Rahtivani, Prahova county (relocation of pipeline routes on the property of the company WOMA ECOSERV CONSTRUCT S.R.L., in total length of 747 m)**

Contract for design and execution of works, with a total value of 500 thousand RON

Level of Achievement: 10%

**Smart pigging, pipe condition detection 12" L1 and 12" L2 Călăreți - Petrotel**

Contract for execution of works, with a total value of 997 thousand RON

Level of Achievement: 90%

**Execution works for new tank construction for the crude oil storage, 2,500 cm, inside Orlesti pumping Station**

Contract for execution of works, with a total value of 6,680 thousand RON

Level of Achievement: 90%

**Execution works for new tank construction for the crude oil storage, 2,500 cm, inside Biled loading ramp**

Contract for execution of works, with a total value of 5,163 thousand RON

Level of Achievement: 32%

**Construction works of a new tank for condensate (V=500 c.m.) - Barbatesti Pumping Station**

Contract for execution of works, with a total value of 1,701 thousand RON

Level of Achievement: 60%

**Rehabilitation works at Ciresu loading ramp**

Contract for execution of works, with a total value of 6,704 thousand RON

Level of Achievement: 32%

**Rehabilitation works at Imeci loading ramp**

Contract for execution of works, with a total value of 4,315 thousand RON

Level of Achievement: 83%

**Rehabilitation works at Marghita loading ramp**

Contract for execution of works, with a total value of 4,703 thousand RON

Level of Achievement: 72%

**Thermal rehabilitation of locomotive parking shed inside Biled loading Ramp**

Contract for design and execution of works, with a total value of 435 thousand RON

Level of Achievement: 11%

**Rehabilitation of the access road to Bărbătești warehouse**

Contract for execution of works, with a total value of 342 thousand RON

Level of Achievement: 50%

## **Development projects**

The main investment projects started in the previous years which still continue in 2021 are the

followings:

### **Optimization of SCADA System and Upgrade of Hardware&Software of the Remote Transmission Units (RTU)**

The SCADA and Automation system initially implemented in 2002 has a life expectancy of 15 years. Close to the expiry of the life span, an analysis of the technical system was made which revealed that it is necessary to change both the data transmission, automation and optimization equipments, as well as SCADA system optimization by updating all their documents, review and implementation of a database of "Historian". Thus, the changes to be made to the SCADA system will lead to: increase safety in the operating system, providing analysis and automatic reporting and centralized, efficient tracking and archiving of process parameters for all locations unmonitored until now.

In September 2017, was signed a design and execution contract, with a value of 16.9 mRON and a fulfillment term: December 2021. The execution of the contract comprises the following stages: Stage I – Technical project and execution details – within 9 months as of the contract signing date, which consists of:

- drafting of the automation documentation and achievement of an analysis study and optimization of the automation;
- drafting of the technical documentation that has to comprise: specific documents on each location, design specification for Automation and SCADA System, Installation and Operation Manual.

Stage II – Personnel training, procurement, configuration/testing in the factories, site installation and testing of the first 2 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 - procurement, configuration/testing in the factory, installation and site testing 9 stations - within 8 months from the completion of stage IV

Stage VI – commissioning of the entire system – within 4 months as of the completion V

Stage VII – Operational acceptance – in 6 months from the date of completion without objections of the reception protocol upon commissioning

Stages I, II, III, IV and partially stage V are completed.

At the date of this report, the physical degree of achievement is 89%; all the equipments for the 29 locations have been delivered, out of which 27 have been installed in locations and commissioned.

### **Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage 2**

In order to ensure the service life of the crude oil transport pipes, it is necessary to protect the buried metal pipes from corrosion by high quality insulation and the application of an appropriate cathode ray protection system.

Protection against external corrosion of the buried pipe is necessary because: ensures safe operation without damage from corrosion for at least 20 years, which can be extended at minimum cost up to 40 years, and allows surveillance and maintenance operations of the condition of the tubular material with specific, less expensive technologies and methods.

The anti-corrosion protection system used for the import crude oil and domestic crude oil transport pipelines consists of: passive protection - anti-corrosion insulation, designed to separate the metal of the pipe from contact with the aggressive outdoor environment and active protection (cathode) - to complement passive protection - by using an electric current, which gives it the slow aging of the insulation.

The works and design services contract aimed at providing design services and carrying out modernization and monitoring works of the cathodic protection system at central and sector level related to the import and domestic crude oil pipelines - Stage II, for a number of 30 cathode protection stations, was signed in December 2019, with a value of lei 6.43 million RON and completion date July 2022.

The performance of the contract shall comprise the design services stage I and II, respectively the execution of stage III works, as follows:

Phase I, services design - establishment of the locations of the works and acquisition of the agreements in principle from the owners for the conclusion of the rental contracts, within 4 months from the signing of the contract. The completion of the phase is the date on which CONPET hands over the lease/concession contracts to the contractor.

Stage II, design services - authorization for the execution of works and preparation of technical-economic documentation, deadline 8 months after the end of stage I. The completion of the step is the date of the favorable endorsement of the documentation in CONPET Technical Economic Committee.

Stage III - execution of works, deadline 18 months after the handover of sites, subject to obtaining the building permits.

In April 2021, from stage I of design, it was accomplished: The handover of the site for the design of the 30 locations, obtaining the agreements from the owners, the agreement from the Filipesti City Hall, Ploiești City Hall and Gura Ocniței City Hall being pending for approval and the signing of 8 land lease agreements.

From stage II of design, it was achieved: the issue of 13 city planning certificates and building permits for 10 SPCs. Projects for 11 SPCs have also been endorsed in the Technical Economic Committee of CONPET.

From stage III, the execution of 4 SPC (Izvoru, Ochiuri, Moreni 1 and Leleasca Punct fix) has been carried out and 7 SPC-(SPC Punct Fix Argeș 2, SPC Cartojani, SPC Biled, SPC Marghita, SPC Pârvu Roșu 2, SPC Grindu and SPC Urlați ).

#### **Patrimonial Geographical Inventory System (GIS)Stage I and the supply of post - implementation services for a duration of 3 years**

In 2017, CONPET performed a feasibility study on the implementation of a Geographical inventory system (GIS). The need to implement an IT System for the Patrimonial geographical inventory was acknowledged and is being emphasized in the document "The Development Strategic Prospects of CONPET S.A. for the period 2017-2025".

The project implementation represents a continuation of the initiatives to improve CONPET informatization, started by the implementation of an Enterprise Resource Planning (ERP) system and addresses the need to streamline the company's technical activities, by means of a better management of the patrimonial, technical and operational information in order to: enhance safety of the system operation; be aware of the exact condition of the infrastructure; identify the risk areas and those bearing major impact in case of incident; understand the causes leading to integrity

incidents, effectively plan the investments in boosting the network's level of integrity, increase the level of training and reactivity in case of incident, by way of specific intervention plans in every area identified as hazardous and proactive approach; reduce the operation costs and the technological consumptions by a better understanding of the behavior of the infrastructure over time; generally increase the labor productivity by easing access to information and reducing the direct and formalized interaction between various functional entities; make online information available and lower the effort to search in printed historic archives; increase the individual value added of various IT subsystems by integrating them.

The implementation of GIS system will be a staged process, as to enable the users to effectively adopt the system.

During stage 1, was implemented the data model, has been uploaded the data from all available sources, have been acquired vector-borne and raster(digital) maps, the entire pipeline network on a pilot station was modeled (with the subsystems/equipment deemed relevant). Have been developed interfaces with ERP system, for the connection with the maintainable equipment and for easing access to the history of the work orders and with the management system of the Sharepoint documents for the management of all documents associated to the objects in GIS data base. Have been uploaded all the available data related to properties (buildings and land), has been electronically implemented the flow addressing the applications for building permits in the pipeline protection area, with the import and preservation in the GIS system, of all information received and permits issued (and the possibility to view the issued permits, geographically "tied" with the property for which they have been issued), a mobile application was developed for the Pipeline Route Operators (Ro:OTC - Operator Traseu Conducta) enabling both the monitoring of the patrol activity and the import and transmission of events (inclusive of description, positioning and pictures) along the patrol route. The mobile application is initially tested with 10 users to prove viability and reliability of the application and mobile equipment. In the first phase was procured the entire GIS application infrastructure necessary to build and initially operate the system, the date base software with the necessary equipment infrastructure related elements.

Stage I of the project implementation was concluded in December 2020 and this project is in currently in post-implementation phase, with a duration of 36 months, in which time it is continued the extension of the system towards the other network stations, based on the logging of the date related to the other stations, with own personnel and making use of the software instruments procured during the first stage. All along the post-implementation duration of the phase I , the support and technical assistance is made available by the supplier. The responsibility of the system's operation will be borne exclusively by CONPET personnel.

## II OPERATOR FIELD

In 2021 H1 have been achieved investments in the operator domain amounting to 7,800 thousand RON, representing 94% of the program for this period and 28.9% of the annual program, as follows:

**Replacement of Ø8<sup>5/8</sup>" crude oil pipeline NEW Vega-Brazi Refinery, in Petrobrazi Refinery area-SKIDs keyboard area, Prahova County, on a length of approximately 800 m and replacement of cleaning installation**

Contract for design and execution of works, with a total value of 1,890 thousand RON

Level of Achievement: 70%

### Transformation of LDH 1250 HP 860-2 in LEA

Contract for execution of works, with a total value of 2,736 thousand RON

Level of Achievement: 90%

### RG to LDH 700 HP RG with number 92530850158 -2

Contract for execution of works, with a total value of 414 thousand RON

Level of Achievement: 75%

During January - June 2021, 10 Technical Projects were approved in CTE CONPET, with a total investment value of 18,968 thousand RON.

### 3.3. Analysis of the financial business

The financial information presented in this report have been supplied based on the interim financial statements for the six months period ended June 30, 2021, prepared in compliance with the International Accounting Standard no. 34 - „Interim Financial Reporting”.

#### 3.3.1. Report grounds

The biannual report of the Board of Directors for the period January - June 2021 is prepared in compliance with the provisions of Article 65 of Law no. 24/2017 regarding financial instruments issuers and market operations and Annex no. 14 of ASF Regulation no.5/2018 regarding issuers and securities operations.

#### 3.3.2. Statement of the Financial Standing

In summary, the statement of the Financial Standing at June 30, 2021 is as follows:

| Name of the element (thousand RON)  | June 30, 2021<br>(revised) | December 31, 2020<br>(audited) | Variation (%)<br>2021/2020 |
|-------------------------------------|----------------------------|--------------------------------|----------------------------|
| Intangible assets                   | 515,245                    | 514,915                        | ▲ 0.1%                     |
| Current assets                      | 212,353                    | 245,032                        | ▼ 13.3%                    |
| <b>Total Assets</b>                 | <b>727,598</b>             | <b>759,947</b>                 | <b>▼ 4.3%</b>              |
| <hr/>                               |                            |                                |                            |
| Equities                            | 628,646                    | 657,011                        | ▼ 4.3%                     |
| Total liabilities                   | 98,952                     | 102,936                        | ▼ 3.9%                     |
| <b>Total equity and liabilities</b> | <b>727,598</b>             | <b>759,947</b>                 | <b>▼ 4.3%</b>              |

Table 11 – Summary of the company's financial standing at 30.06.2021 as compared to 31.12.2020

The extended variant of the financial standing statement at June 30, 2021 is presented in Annex no. 1.

**The total assets** decreased by 4.3% (32,349 thousand RON) as compared to the level recorded at December 31, 2020 following the decrease of the current assets.

**The tangible assets** recorded, at 30 June 2021 an increase by 0.1% as compared to December 31, 2020, generated by input of fixed assets in a value higher than the amortization registered in the first 6 months, by approximately 330 million RON.

**The current assets** lowered by 13.3% (32,679 thousand RON), from 245,032 thousand RON, level achieved at the end of 2020, to 212,353 thousand RON, value registered at June 30, 2021. The diminution of the current assets was mainly generated by the decrease of the cash by approximately 39 million RON, following the payment of dividends and fixed assets (investments), higher than the cash surplus from the operating activity.

At 30.06.2021, the cash availabilities from the modernization quota in bank accounts amounted to 119,461 thousand RON, lower by 3,057 thousand RON as compared to 31.12.2020. The cash representing the modernization quota has a special use regime, this being destined exclusively to the financing of the modernization works and development of the goods belonging to the public domain.

**Equities** lowered by 4.3% (28,365 thousand RON) as compared to December 31, 2020 reaching 628,646 thousand RON, the decrease being accounted at the capital element - result of the year, this one registering a lower value during the 6 months period, as compared to the profit reported at the end of 2020, related to a 12 months period.

**The current liabilities**, in amount of 76,100 thousand RON, decreased by 3,502 thousand RON as, mainly due to the diminution of the trade liabilities.

### Structure of Liabilities

At June 30, 2021 and December 31, 2020, the trade liabilities and other liabilities look as follows:

| Liabilities (thousand RON)  | December 31, 2020 | June 30, 2021 | Maturity date for the balance at June 30, 2021 |              |               |
|---|-------------------|---------------|--|--------------|---------------|
|   |                   |               | Under 1 year                                   | 1-5 years    | Over 5 years  |
| Trade liabilities   | 23,583            | 19,668        | 19,668   | -            | -             |
| Liabilities to the employees  | 33,992            | 32,957        | 13,434   | 3,760        | 15,763        |
| Other liabilities, here-included fiscal debts and social insurances related debts | 34,102            | 36,749        | 33,420   | 1,920        | 1,409         |
| <b>Total</b>  | <b>91,677</b>     | <b>89,374</b> | <b>66,522</b>                                  | <b>5,680</b> | <b>17,172</b> |

Table 12 Statement of liabilities at June 30, 2021 vs. December 31, 2020

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

| Debts (thousand RON)                     | December 31, 2020 | Wednesday, June 30, 2021 | Maturity date for the balance at June 30, 2021 |                   |              |
|--|-------------------|--------------------------|--|-------------------|--------------|
|  |                   |                          | Under 1 year                                   | Between 1-5 years | Over 5 years |
| Salaries contributions                   | 5,427             | 4,215                    | 4,215  | -                 | -            |
| Current income tax                       | 738               | 2,010                    | 2,010  | -                 | -            |
| Royalty due to the State Budget          | 7,865             | 8,005                    | 8,005  | -                 | -            |
| VAT payable                              | 3,022             | 4,966                    | 4,966  | -                 | -            |
| Other interests and debts - State Budget | 1,015             | 1,960                    | 1,960  | -                 | -            |
| Dividends Payable                        | 10,278            | 9,801                    | 9,801  | -                 | -            |
| Leasing related liabilities              | 4,277             | 4,293                    | 1,829  | 1,460             | 1,004        |
| Accrued revenues                         | 964               | 908                      | 93   | 410               | 405          |
| Other liabilities                        | 516               | 591                      | 541  | 50                | -            |
| <b>Total</b>                             | <b>34,102</b>     | <b>36,749</b>            | <b>33,420</b>                                  | <b>1,920</b>      | <b>1,409</b> |

Table 13 Statement of other liabilities, here-included the fiscal debts and social insurances related debts

The liabilities recorded in the balance at 30.06.2021 stand for current liabilities, within the maturity term.

### 3.3.3. Profit and Loss Account

Within the 6 months period ended June 30, 2021, CONPET S.A. obtained a net profit of 27,321 thousand RON, lower by 4,461 thousand RON as compared to 2020 H1 (31,782 thousand RON). The financial results achieved in 2021 H1, as compared to the Budget and YoY are the followings:

| Indicators (Thousand RON)  | Achieved 2021 H1 | Budget 2021 H1 | Achieved 2020 H1 | Variation%      |                    |
|--|------------------|----------------|------------------|-----------------|--------------------|
|  |                  |                |                  | Achieved/Budget | Achieved 2021/2020 |
| <b>Turnover</b>  | <b>206,667</b>   | <b>204,951</b> | <b>204,036</b>   | <b>▲ 0.8%</b>   | <b>▲ 1.3%</b>      |
| Operating Revenues   | 229,669          | 227,230        | 220,479          | ▲ 1.1%          | ▲ 4.2%             |
| Operating Expenses   | 198,954          | 203,368        | 187,094          | ▼ 2.2%          | ▲ 6.3%             |
| <b>Operating Profit (EBIT)</b>   | <b>30,715</b>    | <b>23,862</b>  | <b>33,385</b>    | <b>▲ 28.7%</b>  | <b>▼ 8.0%</b>      |
| Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts | 25,627           | 24,650         | 23,674           | ▲ 4.0%          | ▲ 8.3%             |
| <b>EBITDA</b>  | <b>56,342</b>    | <b>48,512</b>  | <b>57,059</b>    | <b>▲ 16.1 %</b> | <b>▼ 1.3 %</b>     |
| Financial Revenues   | 1,570            | 1,790          | 3,718            | ▼ 12.3%         | ▼ 57.8%            |
| Financial Expenses   | 181              | 363            | 263              | ▼ 50.1%         | ▼ 31.2%            |
| <b>Financial profit</b>  | <b>1,389</b>     | <b>1,427</b>   | <b>3,455</b>     | <b>▼ 2.7%</b>   | <b>▼ 59.8%</b>     |
| Total revenues   | 231,239          | 229,020        | 224,197          | ▲ 1.0%          | ▲ 3.1%             |
| Total expenses   | 199,135          | 203,731        | 187,357          | ▼ 2.3%          | ▲ 6.3%             |
| <b>Gross Profit</b>  | <b>32,104</b>    | <b>25,289</b>  | <b>36,840</b>    | <b>▲ 27.0%</b>  | <b>▼ 12.9%</b>     |
| <b>Net Profit</b>  | <b>27,321</b>    | <b>21,649</b>  | <b>31,782</b>    | <b>▲ 26.2%</b>  | <b>▼ 14.0%</b>     |

Table 14 - The main economic indicators achieved in 2021 H1 as compared to 2021 Budget and the similar period in 2020

The evolution of the financial results during January-June 2021, as compared to the same period of the year 2020 is being represented in the chart below:

mRON

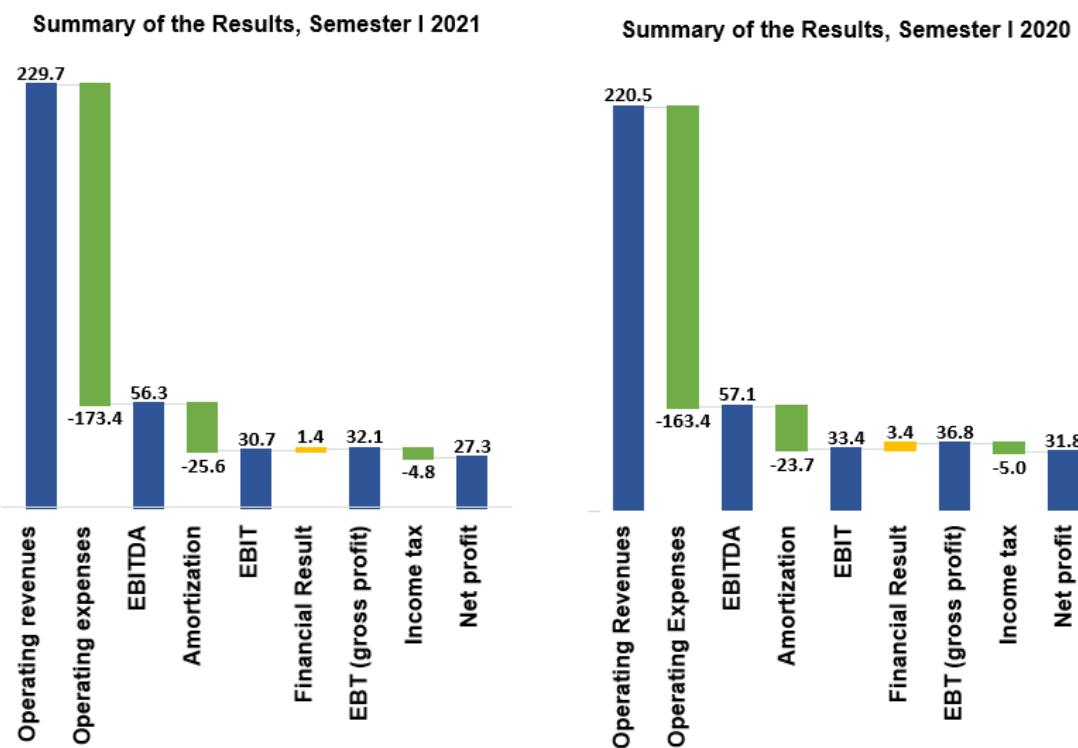


Chart 13 - Summary of the financial results in Semester I 2021 as compared to Semester I 2020

## Operating Revenues

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

| Achieved 2021 H1 | Budget 2021 H1 | Variation (%) Achieved/Budget | Indicators (thousand RON)  | Achieved 2021 H1 | Achieved 2020 H1 | Variation (%) 2021/2020 |
|------------------|----------------|-------------------------------|--|------------------|------------------|-------------------------|
| 205,507          | 203,811        | ▲ 0.8 %                       | Total revenues from transport services   | 205,507          | 202,783          | ▲ 1.3%                  |
| 1,160            | 1,140          | ▲ 1.8%                        | Other Turnover Revenues  | 1,160            | 1,253            | ▼ 7.4%                  |
| <b>206,667</b>   | <b>204,951</b> | <b>▲ 0.8%</b>                 | <b>Turnover</b>  | <b>206,667</b>   | <b>204,036</b>   | <b>▲ 1.3%</b>           |
| 18,439           | 17,993         | ▲ 2.5%                        | Write-back to revenues of reserve constituted based on the expenses with the modernization quota | 18,439           | 16,194           | ▲ 13.9%                 |
| 4,563            | 4,286          | ▲ 6.5%                        | Other operating revenues   | 4,563            | 249              | ▲ 1.733%                |
| <b>229,669</b>   | <b>227,230</b> | <b>▲ 1.1%</b>                 | <b>Total Operating Expenses</b>  | <b>229,669</b>   | <b>220,479</b>   | <b>▲ 4.2%</b>           |

Table 15 - Statement of the operating revenues

The turnover of the company is 99% achieved from the transport revenues; the remaining percentage represents revenues from lease of land and telecommunications equipment, rail shunting, etc.

The Operating revenues also include reserves representing the modernization quota transferred to revenues at the level of monthly depreciation of tangible assets financed from this source. Within the first 6 months of 2021, the value of these revenues was of 18,439 thousand RON.

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

| Achieved Sem. I 2021 | Budget Semester I 2021 | Variation (%) Achieved/Budget | Indicators (thousand RON)                                    | Achieved Sem. I 2021 | Achieved Sem. I 2020 | Variation (%) 2021/2020 |
|----------------------|------------------------|-------------------------------|--|----------------------|----------------------|-------------------------|
| 2,432                | 3,482                  | ▼ 30.2%                       | <b>Material expenses, out of which:</b>                      | 2,432                | 2,304                | ▲ 5.6%                  |
| 1,385                | 2,011                  | ▼ 31.1%                       | -expenses with consumables                                   | 1,385                | 1,262                | ▲ 9.7%                  |
| 757                  | 836                    | ▼ 9.5%                        | - fuel expenses  | 757                  | 703                  | ▲ 7.7%                  |
| 6,935                | 6,440                  | ▲ 7.7%                        | <b>Other external expenses (with energy and water)</b>       | 6,935                | 6,935                | -                       |
| 87,138               | 89,057                 | ▼ 2.2%                        | <b>Personnel Expenses</b>                                    | 87,138               | 79,705               | ▲ 9.3%                  |
| 25,627               | 24,650                 | ▲ 4.0%                        | <b>Value adjustments on fixed assets, less rights of use</b> | 25,627               | 23,674               | ▲ 8.2%                  |
| 882                  | 1,077                  | ▼ 18.1%                       | <b>Value adjustments on rights of use</b>                    | 882                  | 833                  | ▲ 5.9%                  |
| 54,579               | 54,782                 | ▼ 0.4%                        | <b>Expenses with outside services, out of which:</b>         | 54,579               | 53,399               | ▲ 2.2%                  |
| 1,329                | 1,661                  | ▼ 20.0%                       | Maintenance (maintenance, current repairs)                   | 1,329                | 850                  | ▲ 56.4%                 |
| 32,021               | 30,773                 | ▲ 4.1%                        | - expenses with crude oil transport by rail                  | 32,021               | 31,487               | ▲ 1.7%                  |
| 250                  | 544                    | ▼ 54.0%                       | - expenses with decontamination works                        | 250                  | 281                  | ▼ 11.0%                 |
| 15,734               | 15,723                 | ▲ 0.1%                        | - oil royalty  | 15,734               | 15,517               | ▲ 1.4%                  |
| 5,245                | 6,081                  | ▼ 13.8%                       | -other services performed by third parties                   | 5,245                | 5,264                | ▼ 0.4%                  |
| (2,617)              | (1,416)                | -                             | <b>Provisions and value adjustments on current assets</b>    | (2,617)              | 259                  | -                       |
| 23,978               | 25,296                 | ▼ 5.2%                        | <b>Other operating expenses, out of which:</b>               | 23,978               | 19,985               | ▲ 20.0%                 |
| 22,485               | 23,208                 | ▼ 3.1%                        | - modernization quota expenses                               | 22,485               | 18,278               | ▲ 23.0%                 |
| <b>198,954</b>       | <b>203,368</b>         | <b>▼ 2.2%</b>                 | <b>Total operating expenses</b>                              | <b>198,954</b>       | <b>187,094</b>       | <b>▲ 6.3%</b>           |

Table 16 - Statement of the operating expenses

Within the first 6 months of 2021, the operating expenses amounted to 198,954 thousand RON, registering a 6.3% increase (11,860 thousand RON) as compared to the ones registered in the same period of 2020, mainly due to the increase in personnel expenses, of the expenses related

to the modernization quota, of the impairment on fixed assets and the railway transport related expenses.

As compared to the budgetary provisions for the first half of 2021, the operating expenses incurred at 6 months 2021 were lower by 4,414 thousand RON (2.2%).

There were recorded values below the budgeted level for the following categories of expenses:

- Personnel expenses: 1,919 thousand RON (2.2%);
- Provisions and value adjustments on the current assets: 1,201 thousand RON (84.8%);
- Material expenses: 1,050 thousand RON (30.2%);
- Other services performed by third parties: 836 thousand RON (13.8%);
- Expenses on modernization quota: 723 thousand RON (3.1%);
- Maintenance (maintenance, current repairs): 332 thousand RON (20%);
- Expenses with decontamination works: 294 thousand RON (54%).

**The operating** profit achieved at 30.06.2021, as compared to the same period of 2020, has recorded a decrease by 2.7 million RON (8%).

As compared to the budgetary provisions, the operating profit is increasing by 6.8 mRON (28.7%) and the degree of achievement of EBITDA is of 116.1%.

EBITDA records a value by 0.7 mRON (1.3%) lower than the one achieved in 2020 H1.

The **financial revenues** decreased by 57.8% within the first six months of 2021, as compared to the same period of the previous year due to lower interest rates offered by banks for maturity deposits.

The **financial expenses** have decreased by 31.2% in the analyzed period YoY, but maintained at a low level as compared to the revenues.

Due to this evolution, the **financial result** is lower by 2.1 million RON (59.8%) as compared to the same period of 2020 and lower by 0.04 million RON as compared to the one provided in the Budget.

The **gross profit** recorded a decrease by 4.7 million RON (12.9%) and the **net profit** decreased by 4.5 million RON (14%) as compared to 2020 H1. As compared to budget, the gross profit is higher by 6.8 million RON and the net profit exceeds the value planned by 5.7 million RON.

The statement of the profit and loss account for the six months period ended June 30, 2021 is presented in detail in Annex no. 2.

### 3.3.4. Profitability of the Transport Subsystems

The evolution of the profitability in 2021 H1, as compared to 2020 H1, is exposed in the chart below.

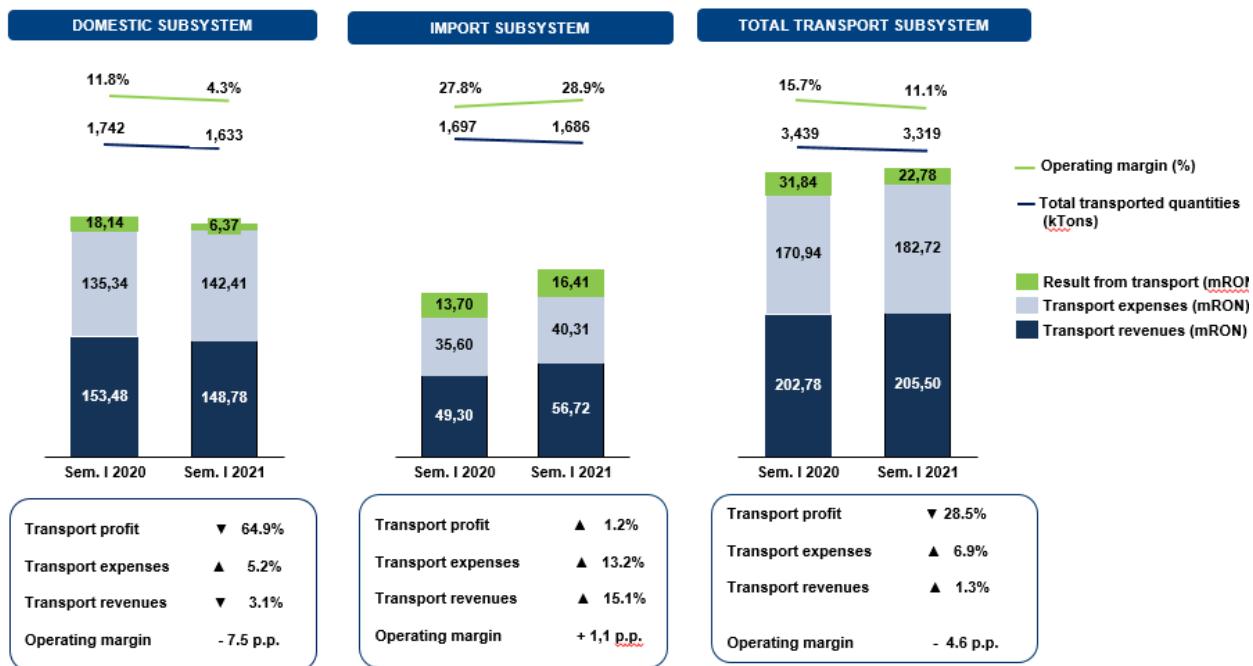


Chart 14 - Profitability of the transport subsystems

During the analyzed period, the profit obtained from the transport activity on the two subsystems (Domestic and import) lowered, as compared to the same period of the preceding year, by 9.06 million RON, from 31.84 million RON to 22.78 million RON. On the entire transport network (Domestic and import) in 2021 H1 was achieved an average profit/ton of 6.86 RON, as compared to 9.26 RON recorded in the similar period of 2020.

The profit margin per Domestic subsystem reached 4.3% down by 7.5 p.p. as compared to the first 6 months of 2020, driven by the decrease in the transported quantities by 6.3% and the augmentation of the modernization quota expenses and personnel expenses.

For the import subsystem, the profit margin was of 28.9%, higher by 1.1 p.p. YoY, mainly due to the increase in the transport tariffs.

### 3.3.5. The main Economic-Financial Indicators

| Name of the indicators          | Calculation formula   | Achieved Sem. I 2021 | Achieved Sem. I 2020 | Variation Achieved 2021/2020 |
|---------------------------------|---|----------------------|----------------------|------------------------------|
| <b>Profitability indicators</b> |   |                      |                      |                              |
| Gross sales margin              | EBIT (operating profit)<br>Turnover   | 14.9%                | 16.4%                | ▼ 1.5 p.p.                   |
| Operating profit margin         | EBIT (operating profit)<br>Operating Revenues   | 13.4%                | 15.1%                | ▼ 1.7 p.p.                   |
| EBITDA in total sales           | EBIDTA (operating profit + value adjustments on tangible and intangible assets)<br>Turnover | 27.3%                | 28.0%                | ▼ 0.7 p.p.                   |
| EBITDA adjusted in total sales  | Adjusted EBITDA<br>Turnover   | 29.2%                | 29.0%                | ▲ 0.2 p.p.                   |

| Name of the indicators                          | Calculation formula                              | Achieved Sem. I 2021 | Achieved Sem. I 2020 | Variation Achieved 2021/2020 |
|---|--|----------------------|----------------------|------------------------------|
| EBITDA in equity                                | EBITDA   | 9.0%                 | 9.1%                 | ▼0.1 p.p.                    |
|   | Total Equities                                   |                      |                      |                              |
| EBIDTA adjusted in equity                       | Adjusted EBITDA                                  | 9.6%                 | 9.4%                 | ▲0.2 p.p.                    |
|   | Total Equities                                   |                      |                      |                              |
| Gross Profit Rate                               | Gross result                                     | 15.5%                | 18.1%                | ▼2.6 p.p.                    |
|   | Turnover   |                      |                      |                              |
| <b>Liquidity indicators</b>                     |  |                      |                      |                              |
| Current liquidity indicator (times)             | Current assets                                   | 2.8                  | 2.5                  | ▲12.0%                       |
|   | Current liabilities                              |                      |                      |                              |
| The quick ratio indicator (acid test)           | Current assets - Stocks                          | 2.7                  | 2.5                  | ▲ 8.0%                       |
|   | Current liabilities                              |                      |                      |                              |
| <b>Profitability ratios</b>                     |  |                      |                      |                              |
| Return on Assets (ROA)                          | Net result                                       | 3.8%                 | 4.3%                 | ▼0.5 p.p.                    |
|   | Total assets                                     |                      |                      |                              |
| Return on Equity (ROE)                          | Net result                                       | 4.3%                 | 5.1%                 | ▼0.8 p.p.                    |
|   | Total Equities                                   |                      |                      |                              |
| Return on Sales (ROS)                           | Net result                                       | 13.2%                | 15.6%                | ▼2.4 p.p.                    |
|   | Turnover   |                      |                      |                              |
| Inventories turnover speed (days)               | Medium stock X180                                | 432                  | 672                  | ▼ 35.7%                      |
|   | Sales costs                                      |                      |                      |                              |
| Duration of inventory turnover (times)          | Sales costs                                      | 0.42                 | 0.27                 | ▲ 55.6%                      |
|   | Average stock                                    |                      |                      |                              |
| Rotation speed of the clients debits (days)     | Average stock clients X1800                      | 28                   | 28                   | -                            |
|   | Turnover   |                      |                      |                              |
| Rotation duration of the clients debits (times) | Turnover   | 6.4                  | 6.5                  | ▼ 1.5%                       |
|   | Average stock clients                            |                      |                      |                              |
| Rotation speed of supplier credits (days)       | Average balance suppliers X180                   | 27                   | 29                   | ▼ 6.9%                       |
|   | Procurement from suppliers of goods and services |                      |                      |                              |
| Rotation speed of the suppliers credits (times) | Procurement from suppliers of goods and services | 6.8                  | 6.1                  | ▲11.5%                       |
|   | Average balance suppliers                        |                      |                      |                              |
| Leverage degree indicator                       | Borrowed capital                                 | 0.53%                | 0.46%                | ▲0.1 p.p.                    |
|   | Total shareholders' equities                     |                      |                      |                              |

Table 17 - Main economic-financial indicators

### 3.3.6. Execution of the Revenues and Expenditure Budget

2021 H1 Budget execution is presented in the format and structure of MPFO no. 3818/2019

| INDICATORS (thousand RON)  | Achieved<br>Sem. I<br>2021 | Budget<br>Semester I<br>2021 | Degree of<br>achievement<br>% |
|--|----------------------------|------------------------------|-------------------------------|
| <b>I. TOTAL REVENUES</b>   | <b>231,239</b>             | <b>229,020</b>               | <b>101.0%</b>                 |
| 1.1 Total Operating Revenues   | 229,669                    | 227,230                      | 101.1%                        |
| 1.2 Financial revenues   | 1,570                      | 1,790                        | 87.7%                         |
| <b>II TOTAL EXPENSES</b>   | <b>199,135</b>             | <b>203,731</b>               | <b>97.7%</b>                  |
| 2.1. Operating expenses  | 198,954                    | 203,368                      | 97.8%                         |
| Goods and Services Expenses  | 48,385                     | 49,461                       | 97.8%                         |
| Taxes, fees and similar levies related expenses                          | 16,885                     | 16,923                       | 99.8%                         |
| Personnel expenses, out of which:  | 87,138                     | 89,057                       | 97.8%                         |
| Salary related expenses:   | 79,206                     | 81,036                       | 97.7%                         |
| - salaries expenses  | 66,275                     | 67,482                       | 98.2%                         |
| - Bonuses  | 12,931                     | 13,554                       | 95.4%                         |
| Other personnel expenses, out of which:                                  | 1,798                      | 1,835                        | 98.0%                         |
| - Severance payment expenses related to personnel layoffs                | 1,798                      | 1,835                        | 98.0%                         |
| Expenses related to management and audit bodies, BoD and GMS             | 3,613                      | 3,617                        | 99.9%                         |
| Expenses with contributions due by the Employer                          | 2,521                      | 2,569                        | 98.1%                         |
| Other operating expenses   | 46,546                     | 47,927                       | 97.1%                         |
| 2.2 Financial expenses   | 181                        | 363                          | 49.9%                         |
| <b>iii) GROSS RESULT (profit/loss)</b>                                   | <b>32,104</b>              | <b>25,289</b>                | <b>127.0%</b>                 |
| <b>INCOME TAX</b>  | <b>4,783</b>               | <b>3,640</b>                 | <b>131.4%</b>                 |
| <b>ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX</b> | <b>27,321</b>              | <b>21,649</b>                | <b>126.2%</b>                 |
| <b>INVESTMENT FINANCING SOURCES</b>                                      | <b>25,861</b>              | <b>36,780</b>                | <b>70.3%</b>                  |
| <b>EXPENSES FOR INVESTMENTS</b>  | <b>25,861</b>              | <b>36,780</b>                | <b>70.3%</b>                  |
| <b>SUBSTANTIATION DATA</b>   |                            |                              |                               |
| No. of personnel   | 1,544                      | 1,556                        | 99.2%                         |
| Total Average number of employees  | 1,519                      | 1,551                        | 97.9%                         |
| Outstanding payments   | 0                          | 0                            | -                             |
| Overdue receivables  | 16                         | 285                          | 5.6%                          |

Table 18– Implementation of the Revenues and Expenditure budget for 2021 H1

### 3.3.7. Cash-Flow

Cash-flow Statement for the six months period ended June 30, 2021 is as follows:

| (DIRECT METHOD) |  | thousand RON      |                   |
|-----------------|--|-------------------|-------------------|
|                 | Name of the Item   | January-June 2021 | January-June 2020 |
| A               | Net cash from operating activity                                 | 30,245            | 48,242            |
| B               | Net cash from investing activity                                 | (10,700)          | (32,222)          |
| C               | Net cash from financing activities                               | (58,468)          | (59,889)          |
|                 | <b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b> | <b>(38,923)</b>   | <b>(43,869)</b>   |
| 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               | 159,334           | 194,708           |

*Table 19 - Summary of the cash-flows for the six months period ended June 30, 2021, as compared to June 30, 2020*

The extended version of the Interim Statement of Cash Flows for the 6 months period ended June 30, 2021 is presented in Annex no.3.

The value of net cash flows from operating activity decreases by approximately 18 million RON due to cash outflows for the payment of suppliers of goods and services and to the employees, as compared to the same period of the preceding year.

Cash outflows for payment of assets generated a net negative cash flow from investing activities in amount of 11 million RON. As compared to the same period of the preceding year, the net cash records a negative value, lower by 22 million RON, mainly generated by the decrease in the amount of payments towards the investment suppliers by 17 million RON (June 30, 2021: 33 mRON; June 30, 2020: 50 mRON) and increase in collections from modernization quota by 4 million RON (June 30, 2021: 22 mRON; June 30, 2020: 18 mRON).

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

Of the total of approximately 159 million RON cash accounted in balance at 30.06.2021, the share related to the modernization quota is in amount of 119 million RON.

### 3.3.8. Related Party Transactions

In the first Half of 2021, the Company carried out the following procurement from related parties:

| Partner              | Unsettled amounts at December, 31 <sup>st</sup> 2020 | Procurement Period    | Settlements Period    | Unsettled amounts at 30.06.2021 |
|----------------------|--|-----------------------|-----------------------|---------------------------------|
| SNTFM CFR Marfă S.A. | 6,709  | 01.01.2021-30.06.2021 | 01.01.2021-30.06.2021 | 6,842                           |

*\*The amounts are in RON and VAT inclusive.*

*Table 20 - Procurement from related parties*

### 3.4. Other Aspects

#### 3.4.1. State of the Lands not included in the Share Capital

At 30.06.2020 CONPET SA has registered in the company's patrimony land plots in surface of 733,637 Sq.m, with a book value of 22,858,900 RON, held based on the land ownership Certificates (709,949.07 sq.m) and sale - purchase contracts (23.831 Sq.m).

The company augmented the share capital by only one part of the land plots held based on the land ownership certificates (Ro. CADP), not being included in the share capital land plots with a surface of 554,537.62 Sq.m, being comprised in 48 CADP. The certificates for these land plots have been obtained during 2001-2005. The evaluated value of the lands at the time of issuing the certificates, established according to GD no.834/1991 is of 26,708,233 RON. These land plots have been accounted in the company patrimony on the expense of other equity reserves.

The Board of Directors has undertaken all steps in view of augmentation of the share capital by the value of the land plots 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 ulterior completions and amendments, drafted by expert valuers, the Board of Directors has summoned several Extraordinary General Meetings of Shareholders, having on the Agenda the augmentation of the share capital.

The first EGMS sessions were held on the 19<sup>th</sup> and 20<sup>th</sup> of May 2016; as regards both EGMS meetings, the quorum necessary to hold the meetings was not met.

At 05.07.2016, the Board of Directors convened another EGMS, with the same item on the Agenda- the augmentation of the share capital by the value of the lands. Following the exercise of the vote by the shareholders present and represented at the meeting, the proposal to augment the share capital has not been approved, due to the lack of necessary voting quorum for approval .

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 Prahova Trade Register Office, of an authorized appraiser to assess the lands plots brought as contribution to the share capital.

Based on the new appraisal report was called the EGMS, on 04.07.2019, in first call and 05.07.2019, in second call, including on the Agenda - the approval of the augmentation of the share capital by the maximum value of 101.763.954,60 lei, representing contribution in kind (land plots) with a value of 59,751,935.10 RON and in cash in a maximum value of 42,012,019.50 RON. In both EGMS meetings has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital with contribution in kind.

Pursuant to Decision no. 3026/651/2013 dated 02.09.2019, Prahova Chamber of Accounts extended the deadline for the achievement of the measure until 31.03.2020.

In this context, for the achievement of the ordered measure, all necessary arrangements have been made regarding the augmentation of the share capital (approval, by the EGMS, of the initiation of the operation for the augmentation of the share capital by the value of the land plots

and preparation of a new land property appraisal report by a property appraiser). After the issue of the appraisal report the EGMS was convened for the date of 10.03.2021, in first call and 11.03.2021 in second call, having on the Agenda the augmentation of the share capital by the value of the 48 lands. During both EGMS meetings has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital with contribution in kind.

### 3.4.2. Litigations

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

**a) The disputes concerning the ownership of the tangible assets of the company**

CONPET S.A. is involved in a single process for claiming a right of ownership over Real Estate properties, namely:

**File no. 2782/229/2018 - Fetești Court - pending**

**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.

**Mentions:** By Sentence no. 828/29.07.2021, the Fetești Courthouse rejects as unfounded the request for summons filed by the claimant S.C. CONPET S.A. in contradiction with the defendant ZACON TRANDAFIR, having as subject matter the annulment of the deed (affirmation of absolute nullity). It admits the counterclaim filed by the defendant-claimant ZACON TRANDAFIR, in contradiction with the claimant-defendant S.C. CONPET S.A. having as subject matter the finding of a valid conclusion of the contract concluded between the parties. It obliges the claimant to pay to the defendant the amount of RON 7,471, as legal expenses (RON 3,000 - lawyer's fee, RON 4,471 - judicial stamp duty). The decision may be appealed after communication.

**b) Litigation in connection with the claims of the owners of the lands crossed by the National Crude Oil Transport System.**

At 30.06.2021, CONPET S.A. had a number of 16 active trial files in various stages of trial, having as object the claims of the owners of the land plots related to the lack of use of the owned lands crossed by the main pipelines forming 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 by 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.

**Mentions:** 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 urban land plots 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 it ruled the obligation of the respondent Conpet S.A. as to adjust every 3 years the amount of compensations to the circulation value at that time of similar plots of land and to the provisions of the future orders of NAMR.

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 Code of Civil Procedure. 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 23<sup>rd</sup>, 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.

By **Decision no. 306 / 07.06.2021** Timișoara Court of Appeal rejects the appeal declared by the appellant-claimant, the Territorial Administrative Unit of the City of Pecica against the civil sentence no. 336 dated May 18, 2017. The decision can be appealed after communication.

## 2. File no. 1372/212/2017 - Constanța Court - pending

### 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 this 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 counterclaim 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.

**Mentions:** By **Sentence No. 8561/07.07.2020** the Constanța county Court rejects, as unfounded, the exception of the lack of passive procedural quality invoked by the Romanian State through the Ministry of Public Finance, the NAMR and the Ministry of Energy. Dismisses as unfounded the plea of lack of quality of the Romanian state through the Ministry of PublicFinance, NAMR. It admits the request formulated by the claimant Cruceanu Alin Florinel, against the defendants CONPET SA, the ROMANIAN STATE THROUGH THE MINISTRY OF PUBLIC FINANCE, THE NATIONAL AGENCY FOR MINERAL RESOURCES and the MINISTRY OF ENERGY. It obliges the defendants, jointly and severally, to pay to the claimant the amount of RON 184,700 representing the market value of the land building with an area of 460 sq m located in Lazu Commune, 29 Luceafărul Street, Constanța County and the market value of the land building with an area of 460 sq m located in Lazu Commune, 31 Luceafărul Street, Constanța county. It obliges the defendants, jointly and severally, to pay to the claimant the amount of RON 22,164 representing the value of the lack of land use between 12/10/2015 -12/10/2018. It rejects, as unfounded, the request for impleader formulated by CONPET SA against the Ministry of Public Finances. It rejects, as unfounded, the the request for impleader formulated by CONPET SA against NAMR. It rejects, as unfounded, the counterclaim formulated by CONPET SA against Cruceanu Alin Florinel, It obliges the defendants jointly and severally to pay to the claimant the legal expenses in the amount of 8414.28 RON represented by the stamp duty and the expert's fee. The decision may be appealed after communication.

### 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 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 formulated request for impleader against the THE MINISTRY OF PUBLIC FINANCE and the THE NATIONAL AGENCY FOR MINERAL RESOURCES (A.N.R.M.) so that, if Conpet S.A. Ploiești falls form 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.

**Court hearing:** 15.09.2021

#### 4. Case File no. 14960/280/2015 – Arges County Tribunal – 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.

**Mentions:** 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 Mineral 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 Steliana. 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.

**Court hearing:** 27.09.2021

#### 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 Ocnita 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.

**Mentions:** By the decision no.1000/05.11.2019 the Moreni Courthouse partially admits the main request.

The court partially admits the counterclaim. The decision was appealed by Conpet SA and Chivu Ion. By the **Decision no. 223/02.06.2020**, the Dâmbovița Court admits the appeals and remits the case for retrial to the first instance.

**Court hearing:** 09.09.2021

#### 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 **Decision 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.

**Mentions:** By the **decision no. 2804/11.11.2019** Ploiești Court of Appeal rejects the appeal filed by the appellant Dobrogeanu Dumitru as unfounded. It admits the plea of inadmissibility of the cross-appeal. It dismisses as unfounded the cross-appeal declared by the appellant Dobrogeanu Păun Ioan. The court rejects as inadmissible the appeal declared by the appellant Dobrogeanu Păun Ioan. The decision was appealed by Dobrogeanu Dumitru and Dobrogeanu Păun Ioan.

By the Conclusion dated 22.10.2020 the ICCJ accepts in principle the appeals declared by the applicants Dobrogeanu Dumitru and Dobrogeanu Păun Ioan 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 Ioan against the civil decision no.2804 of November 11, 2019, pronounced by the Court of Appeal Ploiești, Civil Section I. Admits the appeal declared by the applicant Dobrogeanu Dumitru against the same decision. It quashes the appealed decision and the civil sentence no. 2446 of August 28, 2018 of the Prahova Court and sends the case for retrial to the Prahova Court.

**Court hearing:** 30.09.2021

## 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 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 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.

**Court hearing:** 07.09.2021

## 8. Case File no. 4395/270/2020 - Onești Court - pending

**Trial stage: First court**

**Object:** Onești Municipality and the Local Council of Onești 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.”

**Court hearing:** 05.10.2021

## 9. Case File no. 5022/270/2020 - Onești Court - pending

**Trial stage: First court on merits**

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

Radu Marian - Counterclaimant defendant

S.C. E.On Energie Romania - 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, 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 oil concession agreement 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" Vermesti – Tg. Ocna, with inventory number 120036/P.I.F. 1952 located on the arable land, outside the town, 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

**Court hearing:** 08.09.2021

#### 10. Case File no. 1657/91/2020 \*– Vrancea 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 Ploieşti - 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 rent 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, 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 Focşani city, Vrancea County. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the crude oil transport pipeline Ø 20" Băräganu - Borzeşti / Rafo Oneşti, for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and the execution of accidental and planned repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimants' land but not later than the date of termination of the oil concession agreement concluded by us, the undersigned CONPET S.A., with the Romanian State.

2. To determine the amount of the annual rent 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 servitude, consisting in the consideration for the annual use of the land affected by the practice of legal servitude.

**Court hearing:** 21.09.2021

## 11. Case File no. 32294/299/2020 - Bucharest District 1 Courthouse - pending

### 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 S.A. 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 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 Mihăiță 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 - Băräganu 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.

**Court hearing:** 12.10.2021

### 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 the deprivation of use, starting from 30.03.2016 and until the moment of concluding a contractual form with the respondent, amount that will be updated by the inflation index communicated by the National Institute of Statistics;
- the obligation of Conpet to pay the RON equivalent 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 Civil Sentence 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 – 1<sup>st</sup> Civil Section.

**Mentions:** By **Sentence no. 1205/13.07.2020** the Prahova Tribunal rejects the request for the completion of the appraisal report on specialty real estate valuations as unfounded. It dismisses the exception of 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 on the plaintiff being ordered to pay the costs as unfounded. The judgment was attacked with appeal by Conpet SA and Ploiești Municipality.

As per the Court clerk certificate obtained from Prahova Tribunal ( which reproduces the operative part of the judgement) the Decision no. 1632/17.06.2021, whereupon the appeals have been rejected, is immutable.

***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 – Ploiești Court – pending**

**Trial stage: Appeal**

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 AGOA 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. Oblige Conpet to pay the legal expenses of the present litigation

**Mentions:** Conpet S.A. filed an impleader of the Romanian State through the Ministry of Finance and A.A.A.S. (The Authority for the Administration of State Assets).

By the Conclusion of 06/25/2019, the Prahova Court rejected as unfounded the impleader of the Authority for the Administration of State Assets, formulated by the defendant Conpet S.A. Conpet and the Romanian State through the Ministry of Public Finance filed an appeal against this decision of the court. By the same Conclusion of 06/25/2019, the court admitted in principle the impleader of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the plea of the lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered with the Ploiești Court of Appeal 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.

Ploiești Court of Appeal 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.

By **Sentence no. 633 / 20.05.2021** The Prahova Court rejects as ungrounded the exception of the prescription of the right to action. It admits the action. It obliges the defendant Conpet SA to pay to the claimant the amounts of RON 734,747.04 representing the value of dividends, of RON 579,015.97, representing dividends for the period 26.10.2007-09.11.2018, and the legal interest related to the net value of the dividends from 09.11.2018 and until the actual payment of the main debit. It admits in part the impleader request. It obliges the impleaded Romanian State to pay to the defendant SC CONPET SA, the amount of 734,747.04 RON , representing the value of dividends, and the legal interest related to this amount starting with 17.12.2018 and until the date of restitution to the defendant of the amount of 734,747.04 RON . The decision may be appealed after communication.

By Decision no. 814 / 01.07.2021 The Prahova Court admits the request for correction of the material error made by the claimant. It corrects the material error crept into the content of paragraph 3 of the operative part of sentence no. 633 / 02.06.2021 pronounced by the Prahova Court, in the sense that it is written: "It obliges the defendant S.C. Conpet S.A. to pay to the claimant the amounts of 734,747.04 RON representing the main debit, of 579,015.97 RON, representing dividends for the period 26.10.2007-09.11.2018, and the legal interest related to the net value of the dividends as of 09.11.2018 until the actual payment of the main debit." It admits the request for completion of the decision made by the claimant. It orders the completion of the civil sentence no. 633 / 02.06.2021 in the sense that it also provides: It reduces to RON 70,000 the fee of the claimant's lawyer. It obliges the defendant S.C. Conpet S.A. to pay the claimant the following legal expenses: 20,347.63 RON representing judicial stamp duty, 4,300 RON expert fee, 8,481.87 RON expert fee, 70 RON lawyer's fee and 1,125 RON other expenses. It obliges the summoned in guarantee the Romanian State to pay to the defendant Conpet S.A. legal expenses in the amount of 16,943 RON. The decision was appealed by Conpet and Romanian State by the Ministry of Public Finance.

### 3.5. Analysis of the Corporate Activity

#### 3.5.1. Capital Market Activity

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

At the end of the 1<sup>st</sup> Half of 2021, the trading price of CONPET shares recorded an increase by 12.33% compared to the closing price of the last trading day of the previous year.

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

- ✓ 9,518 trades have been made, higher by 4.7% YoY (9,088 transactions). The total volume of shares traded amounted to 627,494 shares, 49.26% higher than the volume recorded during January-June 2020 (420,391 shares);
- ✓ The total value of the trades amounted to 57,009,732 RON, 79.5% higher than the value recorded in the same period of 2020 (31,767,071 RON);

- ✓ the average trading price was of 89.32 RON/share, higher by 12.59 RON/share versus the average price of the shares registered during the same period of 2020 (76.73 RON/share);
- ✓ the maximum limit registered by the trading price was 98.00 RON/share and was reached at the beginning of February 2021;
- ✓ On 29.04.2021 was registered a trading peak, when it was traded a total volume of 77,353 shares, amounting to 7,194,371 RON representing 12.6% of the total volume of COTE shares traded during January - June 2021;
- ✓ the market capitalization at the end of 2021 H1 was of 741,084,396.80 RON, higher by 10.03% as compared to the value recorded at the end of the similar period of 2020 (673,555,678.40 RON). At 30.06.2021, as per TOP 100 issuers according to capitalization, CONPET ranked 23<sup>rd</sup>.

The main trading indices of the period January - June 2021 for the shares issued by CONPET S.A. are presented in the table below:

| Indices<br>Month | Average price<br>(RON/share) | No. of trades | No. of traded shares | Value of trades<br>(RON) |
|------------------|------------------------------|---------------|----------------------|--------------------------|
| January          | 81.36                        | 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                |
| April            | 92.45                        | 861           | 133,527              | 12,387,218               |
| May              | 93.19                        | 1,378         | 74,337               | 6,925,971                |
| June             | 86.04                        | 1,222         | 55,268               | 4,848,605                |
| <b>Cumulated</b> | <b>89.32</b>                 | <b>9,518</b>  | <b>627,494</b>       | <b>57,009,732</b>        |

Table 21 - Main trading indices

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

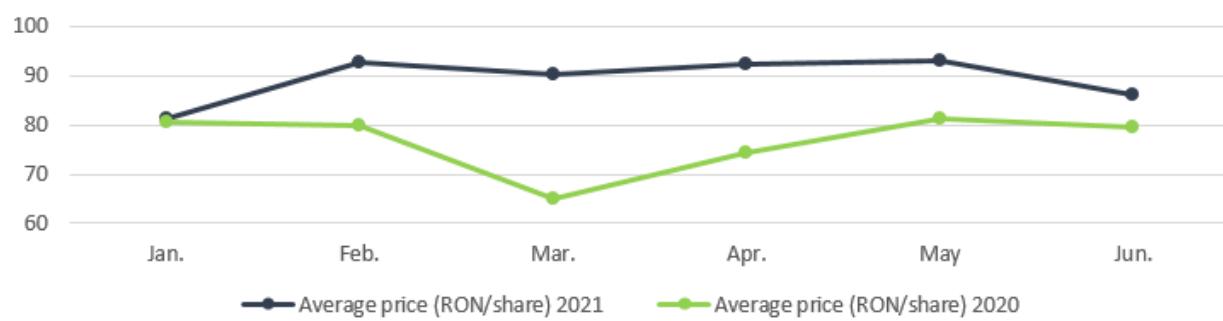
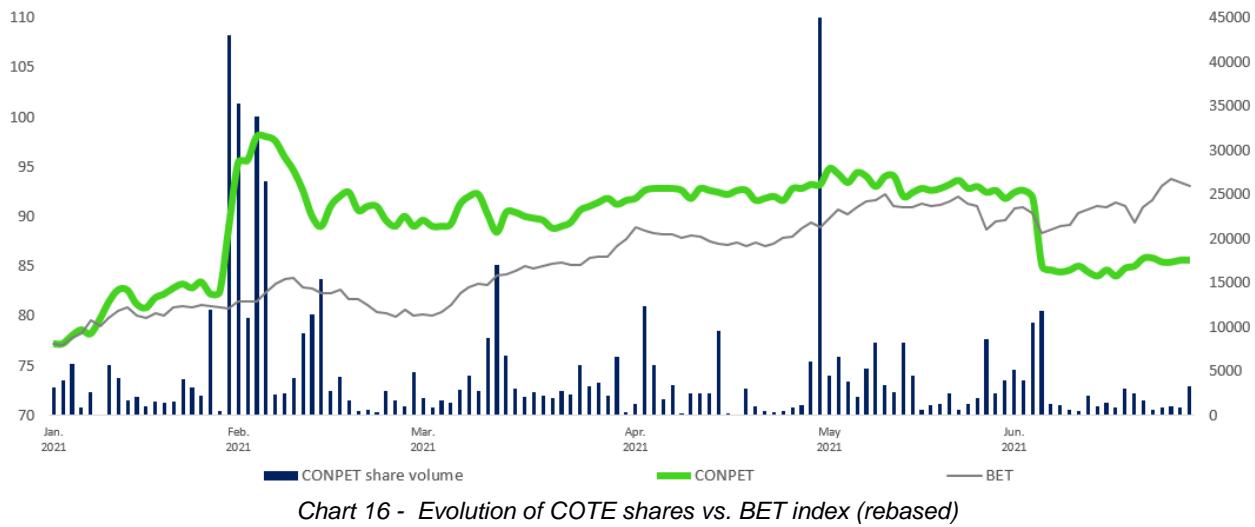


Chart 15 - Evolution of the average trading price of the shares

Within the first 6 months of 2021, the average trading price of CONPET shares was over the values recorded within the same period of the previous year.

The Company CONPET S.A. is being included in 7 indices out of 9 of the Bucharest Stock Exchange, namely BET,BET-TR,BET-XT, *BET-XT-TR*, *BET-BK*, *BET-NG* și *BET Plus*.

Share performance 6 months 2021 :  
 CONPET: 12.34 %  
 BET index: 18.36 %



### Own shares, issuance of bonds or other debt instruments

CONPET S.A. did not perform transactions having as scope the purchase of own shares and does not hold own shares at the end of 2021 H1.

CONPET S.A. has not issued bonds or other debt instruments

### Dividends

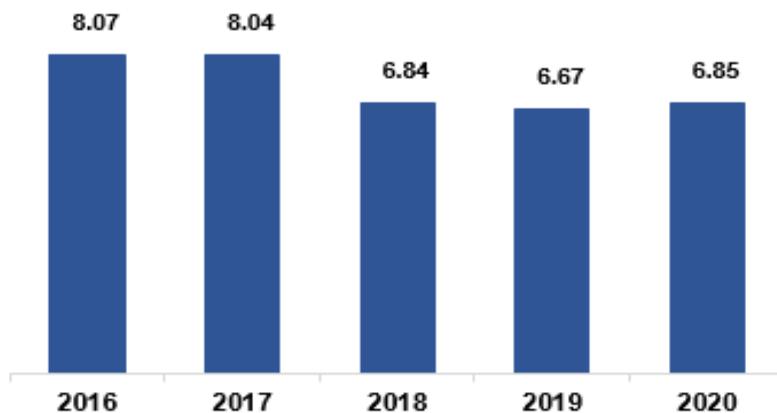
CONPET S.A. continued the dividend policy applied within the last years, the rate for the distribution of the net accounting profit for 2020 financial year amounted to 97%.

The gross dividend per share amounted to 6.89 RON and the dividend yield, at the date of approval by the GMS of the distributed dividends, 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 earnings representing surplus achieved from revaluation reserves. The date of payment set by the OGMS was 24.06.2021.

The evolution of the gross dividend per share, distributed on the account of the net profit achieved within the last 5 years is the following:



*Chart 18 - Evolution of the dividend per share paid*

During 2016-2020, the company Conpet S.A. also distributed, apart from the dividends distributed from the profit, additional amounts represented retained earnings and other reserves - own financing sources.

### 3.5.2. Corporate Governance

Corporate governance continues to be in a process of adapting to the demands of a modern economy, to the obvious globalization of social life as well as to the information needs of investors and third parties interested in the activity of the companies.

The corporate governance at the level of CONPET is organized and conducted in accordance with the Romanian legislative framework, namely the Companies Law no. 31/1990 and the Government Emergency Ordinance no. 109/2011 on corporate governance of the public enterprises.

CONPET shares are traded, starting with September 5<sup>th</sup>, 2013 ,on the regulated market managed by the Bucharest Stock Exchange (BSE), at category I, under the COTE symbol.

Starting January 5<sup>th</sup>, 2015, CONPET SA is included in PREMIUM category of the regulated market managed by Bucharest Stock Exchange.

The Corporate governance system is constantly improved, as to be compliant with the rules and recommendations applicable to a company listed at the BSE.

### **The Corporate Governance Rules**

As an issuer listed on the Bucharest Stock Exchange, CONPET promoted the Corporate Governance Regulation of the company, which was updated in 2021 Q2 and approved on 30.06.2021.

This document accounts for the voluntary assumption by the Company of the corporate governance principles, given the characteristics and its specific activity in accordance with the principles set out in the Corporate Governance Code of Bucharest Stock Exchange. The regulation is a public document and can be read on the company's website by accessing the following link: <https://www.conpet.ro/wp-content/uploads/2015/11/Pct.-3-Regulament-de-Guvernanta-Corporativa-SEMNAT-CA-RO.pdf>.

### Other applicable documentation

For the application of the general regulatory framework, CONPET has adopted documents by which corporate governance is transposed into practice:

- ✓ The Articles of Incorporation of CONPET, comprising provisions relating to the management bodies (General Meeting, Board of Directors, Executive Management) as well as their powers and operating procedures;
- ✓ The Rules for the organization and functioning of the Board of Directors, detailing and operationalizing how this body meets, how it analyzes, discusses and makes decisions, how it interacts with the executive management and with other parts.
- ✓ The Rules for the organization and functioning of CONPET, the Code of Ethics, the Internal Regulation, which incorporate, detail and operationalize.

### Transparency, Information and Communication

As a company listed at the Bucharest Stock Bucharest, CONPET fully complies with the obligations of reporting to the investors and the market in general, drafting and submitting the periodic and current reports required by the regulations of the Stock Exchange.

In accordance with the corporate governance principles, CONPET has announced the timetable for meetings with analysts and investors. In 2021 H1, telephone conferences and meetings with financial analysts from the capital market have been organized, for the analysis of the periodic reports of the company. The presentation materials prepared on the occasion of the events mentioned above have been published on the company's website.

Furthermore, particular importance has been given to the relationship with shareholders and investors, by showing increased transparency. The company's representatives answered positive to all the requests of the participants to the capital market. During the time subject to analysis, CONPET took part in events organized in the capital market sector, showing openness towards both institutional and individual investors.

The company has also provided a contact number and an email address (infoinvestitori@conpet.ro), through which investors can ask various questions, thus getting in direct contact with the investor' relation team of the company.

The evolution of CONPET S.A. share is monitored by the research departments of the major financial investment services companies from the Romanian capital market. Furthermore, the entity that manages the relationship with the investors maintains a permanent connection with all financial analysts in the capital market.

## Corporate Governance Structures

At CONPET level, the corporate governance structures are:

- ✓ The General Meeting of Shareholders;
- ✓ The Board of Directors and the Consultative Committees;
- ✓ The Director General.

### The General Meeting of Shareholders

The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders at 30.06.2021, was the following:

The Romanian State by the Ministry of Energy

|  |              |
|--|--------------|
| Number of shares                                     | 5,083,372    |
| Value of the contribution to the share capital (RON) | 16,775,127.6 |
| Share on profit and loss (%):                        | 58.7162      |

Legal persons (91 shareholders)

|  |             |
|--|-------------|
| Number of shares                                     | 2,363,321   |
| Value of the contribution to the share capital (RON) | 7,798,959.3 |
| Share on profit and loss (%):                        | 27.2979     |

Natural persons (13,489 shareholders)

|  |             |
|--|-------------|
| Number of shares                                     | 1,210,835   |
| Value of the contribution to the share capital (RON) | 3,995,755.5 |
| Share on profit and loss (%):                        | 13.9859     |

The majority shareholder of CONPET S.A. is the Romanian State. The rights and duties of the Romanian State, as majority shareholder, shall be exercised in the General Meetings of Shareholders, by the Ministry of Energy, the higher authority of the company, through specifically designated representatives.

The shareholders exercise their rights at the General Meeting of Shareholders ("GMS"), which is the highest decision-making body of the company. The powers of approval of the General Meeting of Shareholders, the organization and validity conditions of these meetings are set out in the Articles of Incorporation of the company, in accordance with the applicable regulations, and are supplemented with the incident legal provisions. Both the Articles of Incorporation of the company and the shareholders' rights are posted on the company's website at the following addresses:

<https://www.conpet.ro/wp-content/uploads/2015/11/Articles-of-Incorporation-18.12.2018.pdf>

<http://www.CONPET.ro/relatia-cu-investitorii/info-actionari/>

According to the law, each subscribed and paid share gives the holder the right to one vote in the General Meeting of Shareholders, the right to elect and be elected in the governing bodies, the

right to participate to the distribution of dividends according to the provisions of the Articles of Incorporation and of the legal dispositions, as well as other rights provided herein.

Shareholders are entitled to a fair and complete information in the General Meeting of Shareholders on the company's situation.

In order to provide equal treatment and full and fair exercise of all shareholders' rights, CONPET S.A. makes available to them all relevant information regarding the GMS and adopted decisions, according to the law, both by media and in the special section, created on the company's website. CONPET pays all due diligence, in compliance with the requirements of the relevant legislation, to ease the participation of the shareholders to the sessions of the General Meetings, as well as for the full exercise of the rights thereof. The shareholders may take part and vote, in person, in the General Meeting of Shareholders, but also have the possibility to exercise the vote by representation or by correspondence.

The General Meeting of Shareholders is opened and presided by the Chairman of the Board of Directors or, in his absence, by another administrator appointed by the Chairman of the Board of Directors.

During the General Meetings of Shareholders, the dialog between the shareholders and the members of the Board of Directors and/or the Director General is allowed and encouraged. Each shareholder may address questions to the administrators regarding the company activity, according to the legal provisions.

The Resolutions made by the General Meetings of Shareholders within the limits of the law and of the Articles of Incorporation are mandatory even for the shareholders who did not take part in the meeting or voted against.

The Resolutions of the General Meeting of Shareholders which are contrary to the law or the Articles of Incorporation can be challenged in court, according to the law.

## **The Board of Directors**

The company is administered by a Board of Directors consisting of 7 administrators, elected by the Ordinary General Meeting of Shareholders for a period of 4 years, with the possibility of re-election for further periods of four years. The administrators can act as shareholders.

The members of the Board of Directors were elected by the Ordinary General Meeting of Shareholders during the meeting dated 22.08.2018, in compliance with the provisions applicable to the companies admitted to trading, being selected following the process of recruitment and selection according to the legal provisions stipulated in EGO no. 109/2011 on Corporate Governance of Public Enterprises.

The Chairman of the Board of Directors was elected by the members of the Board of Directors, according to the provisions of art. 140 ^ 1 paragraph (1) of the Companies' Law no. 31/1990 , republished, subsequently amended and supplemented and the provisions of art. 19 para.(3) of the Articles of Incorporation of the company.

The current constituency of the Board of Directors is the following:

- Gheorghe Cristian- Florin, Romanian citizen;
- Albulescu Mihai- Adrian, Romanian citizen;
- Iacob Constantin - Ciprian, Romanian citizen;
- Popa Claudiu - Aurelian, Romanian citizen;

- Gavrilă Florin - Daniel, Romanian citizen;
- Buică Nicușor- Marian, Romanian citizen;
- Mrs. Kohalmi-Szabo Luminița - Doina, Romanian citizen, (appointed provisional administrator on 23.03.2021, with a term of office starting 08.04.2021, until the meeting of the General Ordinary Meeting of Shareholders, but no later than 07.08.2021, on the vacancy after Mr. Meșca Darius-Dumitru has withdrawn from his mandate as administrator of the company. The appointment of the provisional administrator is carried out in accordance with Art. 137<sup>2</sup> Para (1 of Law no. 31/1990 on companies, republished, with subsequent amendments and completions and Art. 19 Para. (4) of the Articles of Incorporation of CONPET SA.. Mr. Meșca Darius - Dumitru was elected member of the Board of Directors, by the application of the cumulative voting method, as per the OGMS Resolution no. 5/ 22.08.2018).

The structure of the Board of Directors is diverse, the administrators having different professions (engineers, lawyers and economists) with professional experience in energy, banking, investment, consulting fields,).

The CV's of the members of the Board of Directors of CONPET SA are available on the company's website at the address <https://www.conpet.ro/guvernanta-corporativa/consiliul-de-administratie/>.

The shareholders do not own shares at CONPET S.A..

The Articles of Incorporation of CONPET S.A., sets out the attributions, responsibilities and competencies of the Board of Directors.

The Board of Directors performs its business based on the Rules of the Organization and Functioning set under the provisions of Law no.31/1990, republished, subsequent amendments and completions and in compliance with the Articles of Incorporation of CONPET S.A.

The terms of reference of the Board of Directors may be consulted at the web page:  
<https://www.conpet.ro/wp-content/uploads/2015/10/Regulament-de-Organizare-si-Functionare-al-Consiliului-de-Administratie1.pdf>

### **Consultative Committees**

For the observance of the legal provisions specific to the capital market, the Board of Administration has established Consultative Committees in the following structure:

- ✓ The Audit Committee;
- ✓ The Nomination and Remuneration Committee;
- ✓ The Committee for Development and Relation with the Investors and Authorities.

The Consultative Committees have attributions set by the Internal Regulation for the Organization and Functioning of the Consultative Committees established at the Board of Directors' level and shall be responsible for carrying out analyses and drawing up recommendations for the Board of Directors in specific fields, reporting on the activities deployed.

The consultative committees meet whenever necessary, at the Chairman's call, and the proposals/recommendations formulated by the Board of Directors (for the substantiation of his resolutions made) adopt by majority of expressed votes. The attributions and responsibilities of the consultative committees are being established by the Board of Directors.

The Board of Directors may set up as well, by resolution, other consultative committees, in different areas of activity, pursuant to the company's necessities and the management strategy thereof. At least one member of each consultative committee should be non-executive independent administrator.

The audit and remuneration committees are made up exclusively of non-executive administrators.

The internal regulation regarding the organization and functioning of the Consultative Committees can be consulted at: <https://www.conpet.ro/wp-content/uploads/2015/10/Regulament-intern-privind-organizarea-si-functionarea-Comitetelor-Consultative.pdf>

During January - June 2021, the Board of Directors organized 13 meetings, and the Consultative Committees had 23 meetings held - some of them being joint meetings.

The meetings of the Board of Directors took place according to the agenda transmitted to the administrators, the main decisions made having as object the followings:

- ✓ endorsement of 2021 Income and Expenditure Budget;
- ✓ endorsement of Investments Program for 2021 by the OGMS. (also comprising the estimates of the investment expenses in 2022 and 2023 ) and approval of 2021 Investments Program, the structure being broken down by objectives;
- ✓ analysis of the company's business presented by the executive management in the monthly reports;
- ✓ periodical analysis of the physical and value- related implementation of the 2021 Investment Program;
- ✓ analysis and endorsement/approval of the Consultative Committees Reports, as appropriate;
- ✓ approval of the Convening Notices of the General Meeting of Shareholders and of the materials related to their Agenda;
- ✓ Approval of sponsorship requests and periodical monitoring of sponsorship contracts concluded by the company;
- ✓ approval of a new organizational structure of CONPET and of the Rules on the Organization and Functioning of CONPET and of the Staff Establishment, amended in correlation with the new organizational structure; (on 27.05.2021, amended on 30.06.2021 and applicable in the final form as of 01.07.2021);
- ✓ approval of continuing to delegate to the Director General the authority to approve the resulting new Staff Establishment and its subsequent amendments by the observance of the organizational structure and with the framing in the staff number approved by the Board of Directors;
- ✓ monitoring the means to carry-out/status of implementation of the measures ordered by the BoA Decisions;
- ✓ approval of the preliminary report for the period January-December 2020, accompanied by the non-audited preliminary financial statements at the date and for the financial year ended December 31<sup>st</sup>, 2020;
- ✓ approval of the results of the annual inventory of the elements similar to assets, liabilities and equities held by the company;
- ✓ approval of 2021 annual Procurement Program;
- ✓ regular monitoring of the state of implementation of the 2021 Procurement Program;

- ✓ approval of the Activity Report of the Directors with mandate contracts for the period ended 31.12.2020;
- ✓ endorsement of the annual financial statements at the date and for the financial year ended 31.12.2020;
- ✓ approval of the Annual Report of the company's administrators for the financial year ended 31.12.2020, report presented in the OGMS;
- ✓ Endorsement of the proposals advanced by the executive management to the OGMS on the distribution of the net profit related to the financial year 2020 and the distribution of the retained earnings, establishment of the gross dividend per share (from the amounts allocated from the profit for 2020 and from the amounts allocated from the retained earnings), setting the date of registration and the date of payment of dividends to the shareholders;
- ✓ approval of the Annual Report of the Nomination and Remuneration Committee (Ro. CNR) to the OGMS related to the remunerations and other benefits awarded to the administrators and the directors with mandate contract during 2020 financial year;
- ✓ Submission for approval of the OGMS of the Board of Directors on the management activity in 2020, prepared in compliance with the provisions of Article 55 of EGO 109/ 2011 on corporate governance of public enterprises and the provisions of the mandate contract;
- ✓ approval of the Report of the Board of Directors regarding the monitoring of 2020 Key Performance Indicators (KPIs) of Administrators falling within the limits approved by the OGMS and submission, to the OGMS, of the proposals related to the approval of the total degree of fulfillment (102.6%) of financial and non-financial performance indicators (KPIs) for 2020, approved for administrators by OGMS Resolution no. 7 of 18.12.2018 and to granting of the variable component due to the administrators for the term of office in 2020, in accordance with the provisions of the mandate contracts;
- ✓ approval of the Report of Directors with mandate contract to monitor the framing of key financial and non-financial performance indicators (KPIs) for 2020 within the limits approved by the Board of Directors, i.e. approval of the total degree of compliance (104.8%) of the financial and non-financial performance key indicators (KPIs) of the Director General, the Deputy Director General and the Economic Director for 2020 and the approval of the granting of the variable component due to directors for the term of office in 2020, in accordance with the provisions of the mandate contracts and within the limits approved by the OGMS;
- ✓ approval of the Report of the Nomination and Remuneration Committee on the evaluation of the activity of directors with a mandate contract for 2020, which can be found posted on the website of the Ministry of Energy;
- ✓ Approval of the report of the Nomination and Remuneration Committee on the evaluation of the company's administrators activity in 2020;
- ✓ Approval of the decommissioning/downgrade of the goods (fixed assets and inventory goods in use) belonging to the company patrimony, whose operation is no longer justified and the approval of the proposed means to capitalize these goods;
- ✓ Endorsement of the proposals to decommission/downgrade the goods (fixed assets and inventory goods in use) belonging to the company patrimony, whose operation is no longer justified and the endorsement of the proposed means to capitalize these goods;
- ✓ approval of the quarterly report of the Directors with mandate contract on the activity ended March 31, 2021 prepared in accordance with Art. 54 of the EGO 109/2011 on corporate governance of public enterprises and the provisions of the contract of mandate;

- ✓ approval of the quarterly report on the economic and financial activity of CONPET S.A. at 31.03.2021 (period 01.01.2021 - 31.03.2021), accompanied by the financial statements on the date and for the period of 3 months ended on 31.03.2021, prepared in compliance with the Ministry Of Public Finance Order no. 2844/2019 and IAS 34;
- ✓ endorsement of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement in relation to the administrators and Directors with a mandate contract, for the period 01.01.2021 – 31.03.2021;
- ✓ approval of Current Repairs Program for 2021;
- ✓ Endorsement of the augmentation of the share capital of the company CONPET S.A.;
- ✓ Approval of initiation of the procedure for recruitment and selection of the Director General of the Company (following the notification received from Mr. Chiș Timur - Vasile regarding his withdrawal from the Director General mandate), in compliance with the provisions of the GEO no. 109/2011 on the corporate governance of public enterprises, approved with amendments and additions by Law no. 111/2016 and granting mandate to the Nomination and Remuneration Committee to perform this procedure;
- ✓ Appointment of a provisional Director General as of 05.02.2021, until the completion of the recruitment and selection procedure for the Director General, in accordance with the provisions of GEO no. 109/ 2011 on corporate governance of public enterprises, but not more than 4 months, respectively from 05.02.2021 to 04.06.2021 (inclusive of);
- ✓ approval of the Contract of Mandate of the provisional Director General;
- ✓ settlement of the timeline of the procedure for recruitment and selection of the Director General, with deadlines, approval of the criteria regarding the recruitment and selection of the Director General, approval of the notice on recruitment and selection, settlement of the duration of the mandate contract of the Director General at 4 years, as of the date of his appointment;
- ✓ approval of the report of the Nomination and Remuneration Committee on the settlement of the matrix of candidates and weights in the final grade during the process for recruitment and selection of the Director General;
- ✓ appointment of the Director General, following the performance of the process for recruitment and selection of the Director General, with a term of office of 4 years, respectively starting with 21.04.2021 until 20.04.2025 (inclusive of);
- ✓ approval of the Contract of Mandate of the Director General and granting mandate to the Chairman of the BoD to sign it;
- ✓ appointment of a provisional administrator following the waiver of the mandate of one of the BoD members, the approval of conclusion of a contract of mandate with the provisional administrator and granting mandate to the Chairman of the BoD to execute the contract.
- ✓ approval of the dissolution of a number of 29 posts within certain organizational entities of the company;
- ✓ endorsement of the Policy relating to the remuneration of administrators and directors with a mandate contract, applicable at company level, published on CONPET S.A. website, following the approval thereof by the OGMS;
- ✓ approval of the accounting policies Manual of the company CONPET S.A., updated;
- ✓ approval of the reconfiguration of the Consultative Committees established at the Board of Directors' level and approval of the Rules on the Organization and Functioning of the Consultative Committees established at the Board of Directors' level;
- ✓ approval of the Internal Regulation on the Organization and Functioning of the Consultative Committees set up at the level of the BoD;

- ✓ approval of certain Addenda to the Contract of Mandate of the Director General, Deputy Director General and Economic Director and granting mandate to the Chairman of the BoD for the execution thereof;
- ✓ approval of 2021 annual Procurement Program - recurrent revisions;
- ✓ approval of 2021 Investments Program and estimates for 2022-2023, rectified in June 2021;
- ✓ approval of the Code of Ethics and Integrity of CONPET S.A.;
- ✓ approval of the management component of 2018 – 2022 Administration Plan of the company CONPET S.A. Prepared by the Director General;
- ✓ approval of the financial and non- financial Key Performance Indicators (KPIs) for the period 2021 – 2025 (estimates for 2023 – 2025), Annex 1 to the Contract of Mandate of the Director General;
- ✓ approval of Addendum no. 2 to the Contract of Mandate of the Director General, having as scope the financial and non- financial Key Performance Indicators (KPIs) for the period 2021 – 2025 (estimates for 2023 – 2025) and some mentions regarding the variable component of the remuneration thereof and granting mandate to the Chairman of the BoD for the execution thereof;
- ✓ approval of the supplementation of 2021 Annual Procurement Program having as scope the conclusion, as a matter of urgency, through direct negotiation procedure, of one/several electricity supply contracts (per batches), for a period of 5 months, to secure the continuity in electricity supply, necessary to perform the company's business, the financing source being the 2021 Revenues and Expenditure Budget; 2021;
- ✓ approval of the Corporate Governance Regulation of the company CONPET S.A , updated'
- ✓ Endorsement of the Information Note to the Ordinary General Meeting of Shareholder with regards to the prescription of the shareholders' rights to additional dividends, unclaimed until 31.01.2021;
- ✓ Endorsement of the Contract of Mandate of the provisional administrator recommended for the approval of the OGMS, its remuneration being composed of a fixed gross monthly allowance in the same amount as that approved by OGMS Resolution no. 5/ 22.08.2021 for the other administrators.

### **Implementation of the Obligations stipulated in the Mandate Contracts of the Directors**

The directors with a mandate contract (Director General, Deputy Director General and the Economic Director) were selected following the recruitment and selection procedure carried out in accordance with the provisions of GEO no. 109/2011 regarding the corporate governance of public enterprises.

The Directors with contract of mandate in capacity at 30.06.2021 are:

- Mr. Tudora Dorin - Director General;
- Mrs. Dumitrache Mihaela - Anamaria - Deputy Director General;
- Mrs. Toader Sanda - Economic Director.

The Directors with contract of mandate have been appointed by the Board of Directors, as follows:

- ✓ Mr. CHIS Timur - Vasile was appointed, on 06.11.2018, Director General of CONPET S.A, starting 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating to him the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate. Following his withdrawal from the mandate, during the meeting held on 12.01.2021, the Board of Directors empowered Mrs. Mihaela Anamaria Dumitracă - Deputy Director General, to carry-on the attributions and responsibilities related to the Director General position (here-included the delegations awarded to him by the GMS), as of 19.01.2021, being delegated to her the company management in compliance with the legal provisions in force and the Contract of Mandate;
- ✓ Mr. Dorin Tudora was appointed by the BoD in the capacity of Provisional Director General starting 05.02.2021, until the completion of the recruitment and selection procedure for the Director General, in accordance with the provisions of GEO no. 109/ 2011 on corporate governance of public enterprises, but not more than 4 months, respectively from 05.02.2021 to 04.06.2021 (inclusive of);
- ✓ On 20.04.2021, following the unrolling of the recruitment and selection procedure of the Deputy Director General carried out in accordance EGO no.109/2011 on corporate governance in public enterprises, the BOA appointed Mr. Dorin Tudora in the capacity of Director General, with a term of office of 4 years, respectively starting with 21.04.2021 until 20.04.2025 (inclusive of);
- ✓ Mrs. Sanda Toader, pursuant to the BoD Resolution dated 6.11.2018 was appointed Economic Director of CONPET S.A., starting 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating to her the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate;
- ✓ Mrs. DUMITRACHE Mihaela - Anamaria was appointed, pursuant to the BoD Resolution dated 18.02.2019 , in the capacity of Deputy Director General, starting 18.02.2019, for a 4 years' mandate, respectively until 17.02.2023 (inclusive of), delegating to her the management of the company in accordance with the legal provisions in force and the Mandate Contract.

The Directors with mandate contracts have the powers laid down in the Articles of Incorporation and in the contracts of mandate, supplemented by the applicable legal provisions.

Directors with mandate contracts submit to the Board of Directors, regularly and comprehensively, detailed information regarding all outstanding aspects for the company business. Additionally, any outstanding event is immediately communicated to the Board of Directors.

Moreover, any member of the Board of Directors may request the Director General and the other directors with mandate contracts, information regarding the operative company management.

The management bodies and the administration bodies are active, have the freedom to adopt the decisions they consider right, acknowledge their role and are permanently capable of supporting their decisions against the administration structures or other interested parties that have the right to obtain such information.

Directors with contracts of mandate have exercised their duties in accordance with the legal provisions and within the limits of the contracts of mandate, as follows:

- ✓ The Director General presented on a monthly basis to the BoD the Report on the state of completion of the measures ordered by decision of the BoD;
- ✓ The directors have drawn up and submitted to the Board of Directors, on a monthly basis, a report on the activity carried out during the reported and cumulative period, containing information on the company's operational and investment activity, data on the economic and financial situation, implementation of the revenue and expenditure budget etc.;
- ✓ In compliance with the provisions of Art. 54 of the GEO 109/ 2011, the Director General, together with the Directors with contract of mandate, have presented the following reports: Report on the activity related to the period ended at 31.12.2020 (during the BoD meeting held on 23.03.2021); Report on the activity related to 2021Q1 (during the meeting held on 13.05.2021);
- ✓ During the BoD meeting dated 23.03.2021 were presented the Financial statements concluded at the date and for the financial year ended December 31, 2020 and the report of the financial auditor for 2020;
- ✓ During the BoD meeting dated 23.03.2021 it was presented the Revenues and Expenditure Budget for the year 2021 (also comprising estimates for the period 2022-2023), together with the substantiation Annexes no. 2-5, which was approved in the OGMS meeting dated 28.04.2021;
- ✓ During the BoD meeting dated 23.03.2021, was presented the Report of the directors with contract of mandate, for monitoring the compliance of the financial and non-financial key performance indicators (KPIs) for the year 2020 within the limits approved by the BoD and their total degree of fulfillment in relation to the administrators and directors with a mandate contract for the year 2020;
- ✓ During the BoD meeting dated 13.05.2021, it was presented the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of fulfillment for administrators and directors with a mandate contract for the period 01.01.2021 - 31.03.2021;
- ✓ The activities specific to financial preventive audit shall be carried out by the persons appointed pursuant to decision of the Director General. They operate under the agreement issued by the Ministry of Energy. The preventive Financial audit is being exercised in compliance with GO no. 119/ 1999, Order of the Minister of Public Finances no. 923/ 2014 and in compliance with the Decision of the Director General. In semester I 2021 no refusal of a preventive financial control visa has been recorded;
- ✓ On May 31st, 2019 have been drafted and approved the individual objectives and performance indicators for the management positions, the target values and the weights associated thereof;
- ✓ During the first semester of 2021, actions have been taken so that to ensure that the tasks specified in the Rules of organization and functioning of the subordinated entities are carried out;

The directors with contract of mandate are not allowed to disclose the data and information to which they have access regarding the company and its activity. This liability is also binding after the termination of the mandate, for a period of 5 years. They must also comply with the inside information regime provided in the incidental regulations.

## **Actions carried out in view of achieving the strategic objectives contained in the Administration Plan**

The strategic objectives included in the company's Administration Plan for the period 2018-2022 are derived from the Letter of Expectations, which was issued by the majority shareholder, the Romanian State, by the Ministry of Energy and target the increase of business efficiency and the improvement of business performance, optimization of the operating expenses, the development of new activities related and non-related to the core business, definition of the company as regional player, efficient management of human resources and the implementation and development of the corporate governance principles.

### ***The actions undergone in 2021 for the achievement of the objectives in the Administration Plan***

#### **Objective 1 INCREASING THE EFFICIENCY AND IMPROVEMENT OF BUSINESS PERFORMANCE**

##### ***Redefining the necessary of the transport infrastructure***

In the first semester of 2021 have been taken steps, such as:

- It has been analyzed, together with Romgaz representatives, the possibility to perform transport of condensate from Ciresu sector, a protocol being signed in this respect;
- CONPET held discussions with the main clients (OMV PETROM, Petrotel Lukoil, NIS Petrol, Dacian Petroleum, Brent Oil, Serinus Energy) regarding the short to medium strategy regarding the development/extension of the company's core business.

As regards the Import transport system, during the first semester of 2021 continued the activities to reactivate the transport route Pietroşani-Brazi by a new 14" pipeline. The project is now waiting for the issue of the building permit. The reactivation of this pipeline route defines a new pumping scenario in the context of the rehabilitation of the 24" Calăreşti-Pietroşani pipeline as well as the project to rehabilitate the Pietroşani fixed point – the 24" and 14" smart pigging stations.

In March was finalized and presented to the Board of Directors of the company, a Report of the Commission for analysis and endorsement of the proposals to decommission the damaged or impaired goods resulted following the carry-on of the annual inventory. Following the approval/endorsement of the report, all due diligence will be paid to NAMR Bucharest to approve the decommission of the endorsed goods, by the issue of a Government Decision to translate the goods from the State public domain into the State's private domain, for the recovery/scrapping thereof, as the case may be.

##### ***Multi annual investment program***

The multi-annual investment program of the company consists mainly of investment objectives to increase efficiency of the National Transport System and its operational safety.

When establishing the multi-annual investment program is intended first, to respect the commitment assumed by the company through the minimum investment program communicated to NAMR annex to the concession agreement.

The 2021-2023 investment program was approved in the meeting of the Ordinary General meeting of Shareholders dated 28.04.2021.

##### ***The main investment projects carried out in 2021 to achieve the strategic objective***

*Continuation of the project "System for location and detection of the Pipeline leaks"*

In 2021H1 was monitored the post-implementation of the pilot project "System for location and detection of the Pipeline leaks" along the route Poiana Lacului - Siliște - Ploiești. At the same time, is being considered the possibility of implementing the project on other transport relations scheduled for 2021Q4.

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

In 2020 there have been completed and received the SCADA system optimization works and Hardware and Software upgrade of the Remote Transmission Units (RTU) for a number of 27 locations out of a total of 29; in 2021, allthe locations are to be fully completed. The term for completion of the work is Q4 2021.

*The Modernization and monitoring of the Cathodic Protection System related to the National Transport System via Pipelines (SPC)*

Modernization and monitoring of the cathodic protection system for the crude oil transport system via pipelines aims at slowing down or even stopping the corrosion process occurring at the surface of the underground metal pipes. Starting 2013, CONPET has initiated a comprehensive project to modernize and monitor the cathodic protection system of the crude oil pipeline transport system. The project was divided into two stages. Stage I, during 2017-2019, 109 locations and stage II, during 2019-2021, 30 locations.

By the end of semester I 2021, have been executed SPCs in 121 locations and the works will be ongoing for the other 18 locations.

*Implementation of a GIS System*

The feasibility study for the implementation of a patrimonial geographic information system was completed in 2017. In august 2019, was signed the contract for the execution of the system's implementation management, which provides for the completion of the 5-phase project for a duration of 12 months and the 36-months post-implementation technical assistance.

Phase 1 - analysis of the requirements and functional solution design, GIS Desktop Installation, GIS Server Installation, completed at the end of 2019;

Phase 2 - data acquisition from existing sources for the pipeline network and a pilot station, and digitizing properties completed In July 2020;

Phase 3 - tests, completed in September 2020;

Phase 4 - Training, ingestion of Production Databases, completed in September 2020;

Phase 5 - The use in Pilot regime, completed in December 2020.

At the end of 2021 H1 were finalized 6 months of the 36 months of post-implementation technical assistance.

*ERP Upgrade*

During 2020, the scope of work for the analysis phase was developed and approved in view of reconfiguring the current ERP system. By purchasing these services during 2021, CONPET S.A. will identify the technical requirements that will form the basis of the scope of work for the implementation of a new ERP system. The implementation of the solution is scheduled for the end of 2021. In June were opened the tender offers for evaluation and award of the ERP upgrade contract.

*Rehabilitation of the pipelines under crossing the Danube river and Borcea Arm*

In order to rehabilitate the pipelines under crossing the Danube river and Borcea the feasibility

study was completed. The initiation of the execution of the pipelines to over cross Dunărea/Borcea, in the configuration resulting from the completion of the solution study, is scheduled for the period 2020-2025.

In September 2020, was approved the Scope of Work in the Technical-Economic Council for procurement of design and execution services in view of achieving the objective: "Replacement of connection lines Danube crossing C1-C2 and C3-C4 Borcea arm".

At the end of 2021 H1, was in progress the procurement procedure to contract design and execution works for "Replacement of connection lines Danube crossing C1-C2 and C3-C4 Borcea arm"

*The implementation of a system for the tele-transmission and telemetering of the power consumptions in CONPET locations.*

In 2020 was prepared the scope of work for the implementation of the system related to the telemetering of the power consumptions; the project is to be performed in 19 locations (Poiana Lacului, Cartojani, Videle, Lucăcesti, Imeci, Moreni, Siliștea, Cireșu, Băicoi, Bărbătești, Ticleni, Orlești, Ghercești, Otești, Biled, Pecica, Marghita; Constanța Sud, Călăreții).

The technical project regarding the implementation will be deployed, the review thereof by CONPET specialists being in progress

## Objective 2 Development of new activities, related and non related to the core business

### ***The development of storage activities/crude oil and oil products handling for third parties***

In the context of defining and updating the legal framework on the procedure for delegating the storage obligation in order to ensure the storage of strategic stocks on the territory of Romania, CONPET analyses the conditions necessary for the development of this type of activity. In this respect, addresses for information letters were sent to NAMR on the intention of CONPET SA to develop the activity of storage of crude oil/petroleum products, including the updated situation of the company's storage capacities as well as an estimation of the tariff for the provision of storage services.

The draft GD for the amendment of Law 85/2018 for the establishment of the Storage Central Unit which is currently under consultation.

### ***Assessment of the opportunity/feasibility of the scenarios related to streamlining the Rail transport activities***

From the point of view of the efficiency of the railway transport, the re-commissioning of the railway ramp from the Astra Refinery was taken into account, a decision justified by the delays in unloading and the maneuver in the railway ramp from the Brazi refinery, declared depleted infrastructure.

In 2020, the feasibility study was completed, approved by the Technical-Economic Council and the Certificate of Urban Planning was obtained. In the first semester of 2021, CONPET held discussions with OMV PETROM regarding the need and opportunity to modernize this ramp.

Another project to streamline the railway transport activity which is being implemented and aimed at reducing fuel consumption and reducing maintenance and repair costs on existing locomotives is the conversion of diesel-operated locomotives (LDHs) into electric-operated locomotives (LEA or LDE).

### ***Assessment of the feasibility of the development of transport for atypical products***

During the first semester of 2021, the executive management initiated a series of meetings and

discussions with representatives of companies active in the oil, chemical and petrochemical industries. Preliminary discussions were launched subsequently, on the possibility of providing services for the transport, storage and loading of agricultural and chemical products in areas where CONPET ramps are adjacent to areas with intensive agricultural activity.

#### ***Electricity production from renewable resources (pilot project);***

In 2020 and subsequently in May 2021, was reanalyzed the possibility of implementing a photo voltaic system for local electricity production (photo voltaic power plant) with an installed power of 10 kw on-grid located in Tămădău Mare, Călărași County - Călăreți Pumping Station. The analysis includes both technical and economic elements and cost-benefit analysis elements, with costs updated at May 2021 level, as per the data obtained from open sources.

#### **Objective 3 Defining the Company as a Regional Player**

In order to support collaboration opportunities by providing information or participation in actions coordinated by the ministry, for the works of the Joint Intergovernmental Commissions for Bilateral Energy Cooperation, was submitted to the Ministry of Energy the proposal regarding topics of interest for discussions within the Energy Working Group Romania.

#### **Objective 4 High performance Management of the Human Resources**

*Reshaping and ongoing adaptation of the human resources in correlation with the technical economic requirements and realities of the company.*

To achieve this objective, the human resources necessary has been continuously monitored and adapted, given the specific activity of CONPET, respectively the workload fluctuations at the level of workstations, which triggers the deployment of numerous redistribution of employees from one worksite to another, by way of:

- 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.

In this context, at the level of directorates and departments, a new analysis was started in February 2021 to resize the human resources needs in correlation with the needs of the company, with the aim of reorganizing the activity and streamlining work, leading to increased profitability by maximizing effectiveness in the use of human and financial resources and enhancing employees' time management at the workplace. As a result of this analysis process, 29 positions were identified and terminated and the staff establishment was reduced with the consequence of individual dismissals. The process of individual dismissal of the employees was deployed in compliance with the legal regulations in force and by the observance of the provisions of the Collective Labor Agreement.

The Board of Directors approved in May 2021 a new organizational structure of the company applicable starting with 15.06.2021, considering:

- The company's current developments, the obtained results and performance, its visibility on the capital market;

- The development of the corporate government principles at company level in order to improve business efficiency, the processes within the company and boost confidence of the investors;
- Improvement of the coordination of the duties of the company's entities in accordance with the needs and complexity of the activity deployed;
- Optimization of the decision-making framework and streamlining the internal communication flows (by way of the new organizational structure, the number of the management positions reduced from 95 to 81 positions);
- Necessity to enhance flexibility of the organizational structure, per components and as a whole, as to correspond to the current and future development needs of the company;
- The need to strengthen the commercial capacity.

In June 2021, the Board of Directors of CONPET SA approved a new organizational structure of the company applicable starting with 01.07.2021, as a result of having reanalyzed the functional flows.

*The development of the specific competencies and basic skills of the human capital*

The training and professional authorization programs of the company's employees were drafted and approved in this respect for the year 2021, following the identification of professional training needs and personnel authorization necessities, in correlation with the duties in the job description, in view of maintaining/developing the skills, specialized knowledge and the necessary competencies related to the position held. The professional authorization of the employees is periodically required, in case of activities regulated by normative acts, for maintaining a higher level of training in various professional domains (Rail and non-rail) to ensure the right of the employees to exercise certain tasks or specific works, compliant with the skills necessary for exercising their positions.

The training sessions in the first semester of 2021 were organized in different fields of activity in order to acquire, enrich, expand and consolidate the knowledge and skills acquired.

The training program or the professional authorization program for 2021 were reviewed by legal charges and other needs arising during the year.

Training is provided through collaboration with external partners, authorized training company, but also internally within the company.

Internal Training is organized by internal trainers and/or experts from the company with a good knowledge of the field and/or relevant experience in the field of technical activity, supporting qualifying session Internship/training/maintenance knowledge in various industries and audit/verification of employees participating in those sessions. There is a permanent concern for the extension of the trainers body in other domain as well, (such as ethics and integrity counseling, GDPR).

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.

*Development of the employees' results assessment system*

The new evaluation criteria, individual objectives, performance indicators, target values and weights associated thereof, for the activity carried out in 2021 of the employees in management positions, were subject to conclusion, in this respect, at the end of 2020, of addenda to the

individual employment contracts of the employees, as laid down in each entity.

In January 2021 was initiated the evaluation of the employees' individual performance for the activity deployed in 2020, by the analysis of the results of the evaluation of the employees' performance as per the new evaluation system and the Report on the evaluation of the employees' performance prepared by and centralized at the level of the Human Resources Department was advanced for Management approval.

In April 2021 the Company Management approved the Report on the evaluation of the employees' performance in 2020, which includes the results obtained by the employees following the assessment of their performance as well as the degree of achievement of the SMART individual performance objectives of the employees in management positions.

#### *Negotiation of the Collective Labor Agreement*

In May 2021, following the amendment of the organizational chart, the Board of Directors empowered the Director General to negotiate and conclude, with CONPET Free Union, an addendum to the Collective Labor Agreement having as scope the update of the Job title Classification and the Wage Grid, in accordance with the new Organizational Chart.

### **Objective 5 Implementation and Development of the Corporate Governance Principles**

#### *Issue of a Code of Ethics and Integrity*

According to EGO no. 109/30.11.2011 on the corporate governance of public enterprises and within the Development Program of the Internal Control Management System elaborated in accordance with OSGG 600/2018, considering the need to build an integrity culture within CONPET, a new Code of Ethics and Integrity was drafted and an ethics counselor within the Integrity Office was appointed.

#### *Active involvement in corporate social responsibility*

In quarter I of 2021 a sponsorship contract was approved in total value of 10 thousand RON - category "other actions and activities", awarded to "Grigore Alexandru Ghica" Association of the Romanian Gendarmerie.

In quarter 2 of 2021 have been concluded 12 sponsorship contracts (241.6 thousand RON).

The total value of the sponsorship contracts within the first 6 months of 2021, in amount of 251.6 thousand RON, has been approved by the BoD in July 2021.

In 2021H1, there have been carried out social activities, namely projects, competitions, exhibitions and internal manifestations specific to the organizational culture. On January 22<sup>nd</sup> 2021 took place the award of 28 employees with a seniority of 30 years, respectively 35 years in CONPET.

Also, CONPET carried on with the informing actions, the daily distribution, to the company employees, of Official information on COVID-19 developments drafted by the Strategic Communication Group - Ministry of Internal Affairs, as well as of the articles published in the national and international press in connection with the evolution of the pandemics - included in the Press Review/Revista Presei and the posting on CONPET webpage, of the official COVID-19 Information Bulletins issued by the Strategic Communication Group - Ministry of Internal Affairs, in view of an accurate information, based on official sources, of the persons following CONPET social media channel.

#### *Development of reporting, control and risk management capabilities*

The project of the development program of the internal control management system at CONPET S.A. for 2021 was elaborated in February 2021, and its analysis and completion was made in the

first decade of March 2021.

The development program of the internal control management system of CONPET S.A. for 2021 was approved by the Director General and disseminated to all relevant functions.

### ***Implementation of SR ISO 37001:2017 requirements Anti-bribery management systems***

The action is included in the Program for the implementation of the requirements of SR ISO 37001: 2017 anti-bribery management systems.

The program for implementation of the requirements of SR ISO 37001: 2017 anti-bribery management systems has been developed, approved and disseminated to all functions that have responsibilities in implementation. The program was initiated in 2020 Q4; in January 2021 took place the training by way of the course "Implementer of anti-bribery management systems", the trained target group being formed of members of the working group established for the implementation of SR ISO 37001.

The members of the working group related to the management of the hazards specific to corruption being internal auditors from the Management Systems and Internal/Management Control department and the Internal Public Audit Bureau.

In March 2021, the anti-bribery policy set was approved and disseminated by the Management System and Internal/Management Control Departments

In June 2021 was approved the update of the constituency of the working group in line with the changes in the organizational structure, was revised CONPET S.A. Registry of the interested parties by including the requirements of the anti-bribery management system and was set the domain of application of the anti-bribery management system, by the inclusion of the SMI Manual.

### **Key Financial and Non-Financial Performance Indicators**

The financial and non-financial performance indicators of the administrators for the period 2018-2022 have been approved in the OGMS meeting dated December 18, 2018.

The structure of the performance indicators and performance objectives are defined and set as follows:

| Crt .no .   | Performance indicator   | Performance objective   | M.U.          | Target values |       |      |       |       | KPI weights for the settleme nt of the remune ration |
|---|---|---|---------------|---------------|-------|------|-------|-------|--|
|   |   |   |               | 2018          | 2019  | 2020 | 2021  | 2022  |  |
| <b>A. Financial Key Performance Indicators: 25%</b> |   |   |               |               |       |      |       |       |  |
| 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 provision adjustments)/ Turnover | The maintenance of the weight of the operating expenses in the turnover at the level assumed by the Administration Plan | %             | 80.8%         | 82,6% | 82%  | 81.5% | 81.3% | 8%   |

| Crt<br>.no<br>. | Performance indicator  | Performance objective  | M.U.               | Target values                   |                                 |                                 |                                 |                                 | KPI<br>weights<br>for the<br>settleme<br>nt of the<br>remune<br>ration |
|-----------------|--|--|--------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
|                 |  |  |                    | 2018                            | 2019                            | 2020                            | 2021                            | 2022                            |  |
| 3.              | Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + modernization quota expenses + 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 | 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%<br>Import crude Lukoil ≤ 0,29%<br>Import crude oil Petrom ≤ 0,143%<br>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% |

| Crt.<br>no<br>. | Performance indicators  | Performance objective                                   | M.U. | Target values |      |      |      |      | KPI<br>weights<br>for the<br>settleme<br>nt of the<br>remune<br>ration |
|-----------------|---|---|------|---------------|------|------|------|------|--|
|                 |   |   |      | 2018          | 2019 | 2020 | 2021 | 2022 |  |
| 8.              | Implementation/development of the internal management/control 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 22 - Performance indicators and objectives

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

For the first six months of 2021, the total degree of achievement of the performance indicators for administrators is 82.2% and in structure (financial and non-financial) figures are as follows:

| Key Performance Indicators                                       | Degree of achievement of financial and non-financial key performance indicators |                      |                   |
|--|---|----------------------|-------------------|
|  | According to MANDATE CONTRACT   | Achieved Sem. I 2021 | Variation         |
| <b>A. Financial key performance indicators</b>                   | <b>25.0%</b>  | <b>26.7%</b>         | <b>+1.7 p.p.</b>  |
| <b>B. Non-financial key performance indicators</b>               | <b>75.0%</b>  | <b>55.5%</b>         | <b>-19.5 p.p.</b> |
| B1. Operational  | 25.0%   | 5.5%                 | -19.5 p.p.        |
| B2 of Corporate Governance                                       | 50.0%   | 50.0%                | 0.0 p.p.          |
| <b>Total degree of achievement of the performance indicators</b> | <b>100.0%</b>   | <b>82.2%</b>         | <b>-17.8 p.p.</b> |

Table 23 - Degree of achievement KPIs administrators - 2021 H1

The total degree of fulfillment of the key performance indicators was lower by 17.8. mainly due to the unfavorable influence of the level of achievement of the non-financial performance indicators (19.5 pp).

#### The achieved level of each indicator and evolution as compared to the approved target

##### A) Non-financial Performance Key Indicators (+1.7p.p.):

The achieved level of key financial performance indicators (**outstanding payments, lower operating expenses, adjusted EBITDA and labor productivity**) is determined on the basis of data from the interim financial statements prepared for the first semester of 2021, and the degree of fulfillment of the financial indicators was calculated according to the planned quarterly level, established for each indicator based on budget data.

The achievement of the Key Financial Performance Indicators (KPIs) for the period January 01 - June 30, 2021 is as follows:

##### ✓ **Outstanding Payments Indicator**

At 30.06.2021, the company did not register any overdue payments, the degree of achievement being 100%.

##### ✓ **The Indicator Decrease of Operating Expenses**

The indicator Decrease in operating expenses contributed favorably by **0.3 pp**. The objective of this performance indicator is to decrease the operating expenses share in the turnover. The turnover increase by 0.8% and decrease of operating expenses adjusted by 2.3% have favorably influenced the achieved level of the indicator, the achievement degree in the first 6 months of 2021 being of **103.1%**.

✓ **The ADJUSTED EBITDA Indicator**

The adjusted EBITDA indicator favorably influenced the total degree of fulfillment of the financial indicators, the increase by 12.4% of this indicator brought an increase of 1.2 pp over the level of 100% of the total degree. The increase in EBITDA was mainly due to operating profit, which increased by 28.7%. The degree of achievement of this indicator in the period January-June 2021 is of **112.4%**..

✓ **Labor Productivity Indicator**

*The degree of achievement of this indicator in the first 6 months of 2021 is of **103.2%**, having a favourable contribution of **0.2 p.p.**. The increase of labor productivity by 3.2% as compared to the scheduled- achieved at the expense of the increase of operating revenues by 1.1% and the decrease of the personnel average number by 32 persons.*

**B) Non-financial performance key indicators (-19.5 p.p.)**

**B1) Operational**

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

The contribution of 0.5 pp in exceeding the level of 100% of the total degree of fulfillment was brought by the **operational indicator - Framing within the specific consumptions for the crude oil transport**, being registered a specific consumption to transport by 18.1% lower than the quarterly target.

The achieved level of the operational indicator **“Framing within the specific consumptions for crude oil transport”** has been determined based on the quarterly data reported by the Transport Operations Unit.

In structure, the achievement of specific consumption for the crude oil transport, per crude oil types and per refineries for the period January 01, 2021 - June 30, 2021, as well as the average consumption, reveal the followings:

| Targets 2021 H1                  | Achieved 2021 H1 |                                  | Indicator's Degree of Achievement |
|----------------------------------|------------------|----------------------------------|-----------------------------------|
| Domestic crude oil ≤ 0,361%      | 0,302%*)         | Domestic crude oil = 0.334%      | 0.247%*)                          |
| Import crude oil Lukoil ≤ 0.29%  |                  | Lukoil import crude oil = 0,180% |                                   |
| Import crude oil Petrom ≤ 0.143% |                  | Import crude oil Petrom = 0.140% |                                   |

|                                 |  |                                 |  |  |
|---------------------------------|--|---------------------------------|--|--|
| Import crude oil Midia ≤ 0.108% |  | Import crude oil Midia = 0.100% |  |  |
|---------------------------------|--|---------------------------------|--|--|

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

*Table 24 - Degree of achievement of administrators' KPI Framing within the specific consumption at the crude oil transport*

For each type of product there is a specific technological consumption (target value), different from the others. The average target value of the performance indicator in the first 6 months, of **0.302%**, represents the weighted average calculated by summing the results obtained from multiplying the specific technological consumption from the transport contracts by the quantity taken over for transport in the reported period.

The weighted average realized value of the technological consumption was calculated as the average of the realized technological consumptions as reference to the quantity taken over for transport, its value being of **0.247%**.

The degree of achievement of this indicator in the period January 01 - June 30, 2021 is of **118.1%**.

✓ ***The operational indicator “Monitoring of 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 value lower or equal to 3.3 KWh/to.

If the level of achievement of this indicator registers values over 100%, the value taken into account in the calculation of the total degree of fulfillment of the indicators is limited to 100%.

The average specific consumption of electric power for technological purposes achieved in January- June 2021 was of 2.83 Kwh/to, below the target level of 3.3 kwh/to, consequently, the indicator is 100% achieved.

✓ ***The 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 modernization quota achieved in the reporting year (modernization quota recognized in the expenses) X 100

This indicator is deemed achieved if the level achieved by the indicator is higher or equal to 95%. In case the achieved indicator is under 95%, then the degree of achievement of the indicator is 0. For the calculation of the total degree of fulfillment of the indicators, the level of the degree of achievement of this indicator is limited to 100% if it registers a value higher than 100%.

The achieved level of this indicator in the period January - June 2021 is of 80.3% (18,061 thousand RON representing investments financed from the modernization quota/22,485 thousand RON modernization quota constituted in the 6 months period of 2021) and for determining the total

degree of achievement of indicators at 6 months 2021 it was taken into account 0 value.

## 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 the actions provided in the development program for the internal management control system.

In the period January - June 2021, all the activities in the development program of the internal control management system of CONPET S.A., with a permanent deadline and all the actions due in the first semester of 2021 have been completed and, consequently, the degree of achievement is 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 achieve in proportion of at least 90% the measures assumed by the approved Integrity Plan.

In the first 6 months of 2021, the level of this indicator was **100%** (26 scheduled actions and measures/ 26 achieved measures and actions).

- ✓ *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.

The degree of achievement of this indicator is being determined based on the formula: number of timely reportings/total number of duly reportings x 100.

The degree of achievement of the indicator assumed by the Administration Plan is being determined as follows:

- If the achieved indicator is equal to 100%, then the indicator's achievement degree is 100%.
- If the achieved indicator is lower than 100%, then the indicator's achievement degree is 0%.

As per OMPF no.1952/2019 on the regulation of the monitoring procedure related to the implementation of the EGO no.109/2011 on corporate Governance of the Public Enterprises, the state of achievement of the key-performance indicators in the mandate contracts are being communicated by reporting S1100 containing the following annexes:

- Annex no1. "Monitoring the application of the provisions of GEO no.109/2011",
- Annex no.2 "Auditing the annual financial statements . The state of achievement of the key performance indicators to the mandate contract "

- Annex no.3 "The List of the administrators of the public enterprises"

Annexes of the S1100 reporting are being submitted at different due dates, as follows:

- a) up to July 20, Annexes no.1 and 3 for the first quarter of the reporting year and Annex no.2 for the previous reporting year;
- b) up to January 20 of the year following the completion of the reporting period, Annexes no.1 and 3 for semester II of the previous reporting year.

Consequently, Annexes 1 and 3 for 2020H2 have been submitted to the Ministry of Economy, Energy and Business Environment on 14.01.2021, by way of CONPET letter no.1498, registered at the Ministry with no. 360192/15.01.2021.

Moreover, we hereby mention that Annexes 1 and 3 for 2021H I , namely Annex 2 for the year 2020 have been submitted to the Ministry of Energy on 07.07.2021, by Conpet SA letter no.22055, registered at the Ministry with no. 210536/07.07.2021.

In 2021H1, the degree of achievement of this indicator was 100%.

### **Directors with contract of mandate**

The financial and non-financial performance indicators for the directors with a contract of mandate, in office at June 30, 2021, have been approved pursuant to decision of the BoD, as follows:

| Directors in office                        | Director General                    | Deputy Director General             | Economic Director                   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| The BoD Decision on the appointment        | 8/20.04.2021                        | 5/18.02.2019                        | 27/06.11.2018                       |
| Mandate duration                           | 21.04.2021-20.04.2025               | 18.02.2019-17.02.2023               | 07.11.2018-06.11.2022               |
| KPIs approved pursuant to the BoD decision | 11/27.05.2021                       | 8/19.02.2019                        | 33/18.12.2018                       |
| Targets and weights provided in            | Addendum to the contract of mandate | Addendum to the contract of mandate | Addendum to the contract of mandate |

For the first six months of 2021, the total degree of fulfillment of the performance indicators for directors with contract of mandate is of **84.2%**.

In structure, the biannual degree of achievement (Semester 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 Mandate Contract   | Achieved 2021 H1 | Variation         |
| <b>A. Financial key performance indicators</b>     | <b>50.0%</b>  | <b>53.3%</b>     | <b>+3.3 p.p.</b>  |
| <b>B. Non-financial key performance indicators</b> | <b>50.0%</b>  | <b>30.9%</b>     | <b>-19.1 p.p.</b> |
| B1. Operational                                    | 30.0%   | 10.9%            | -19.1 p.p.        |
| B2 of Corporate Governance                         | 20,0%   | 20.0%            | 0.0 p.p.          |

|  |        |       |            |
|--|--------|-------|------------|
| <b>Total degree of achievement of the performance indicators</b> | 100.0% | 84.2% | -15.8 p.p. |
|--|--------|-------|------------|

Table 25 Degree of achievement KPIs directors with contract of mandate - 2021H1

### **The remuneration policy of the members of the Board of Directors and the directors with mandate contracts**

#### **The Board of Directors**

In accordance with the provisions of art. 37 para. (1) and (2) and respectively art.38 par. (2) of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions, the administrators and directors receive for the activity carried out a fixed monthly allowance and a variable component.

The monthly gross fix allowance granted to the members of the Board of Directors, equal twice the average on the last 12 months of the monthly gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, has been recalculated as per the provisions of GEO no.79/2018 for the amendment and supplementation of Law 227/2015 on the Fiscal Code. The monthly gross fixed allowance in quantum of 13,022 RON, has been approved by the GMS at 22.08.2018.

The total gross fixed remuneration due to the members of the BoD for the period 01.01.2021-30.06.2021 was of 546,924 RON.

The variable component of the remuneration of the members of the Board of Directors is being granted annually, according to the level of achievement of the objectives contained in the administration plan and the achievement degree of the financial and non-financial performance indicators approved by the general meeting of shareholders, annex to the mandate contract.

At the meeting dated 28.04.2021, the OGMS has approved the total degree of achievement (102.6%) of the financial and non-financial key performance indicators for the year 2020, based on the monitoring report on the framing of the performance indicators within the limits approved by OGMS for the year 2020 and granting the variable component due to administrators for the term of office in 2020, as per the provisions of the mandate contract. The total gross variable component related to 2020, payed in April 2021 was in amount of 1,093,848 RON.

#### **The Directors with mandate contracts**

The remunerations of the directors with mandate contracts are set out in compliance with the provisions of EGO no.109/2011, within the general limits approved by the General Meeting of Shareholders. The remuneration is made up of a fix monthly allowance set out within the limits provided at Art.37- (3) and of a variable component consisting of a stake share to the net profit of the company based on the level of achievement of the performance indicators.

The Director General has the gross monthly fix allowance in quantum of 53.160 RON, representing 6 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the

classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.

The Deputy Director General has the gross monthly fix allowance in quantum of 35,290 RON, representing 5 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.

The Economic Director has the gross monthly fix allowance in quantum of 33,680 RON, representing 5 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.

The total gross fix remuneration due to the directors with mandate contract for the period 01.01.2021 - 30.06.2021 was of 659,782 RON.

The general limits of the variable component have been approved by the OGMS at the meeting dated April 23, 2019. The variable component is being paid following the approval of the annual financial statements, according to the degree of achievement of the key performance indicators.

At the meeting dated 23.03.2021, the Board of Directors has approved the total degree of achievement of the financial and non-financial key performance indicators for the year 2020, of 104.8%, based on the report of Directors with mandate contracts on monitoring the framing of the key performance indicators for the year 2020 within the limits approved by the BoD and granting of the variable component due to directors for the mandate period carried out in 2020 pursuant to the provisions of the mandate contract and the general limits of the variable component approved by the OGMS in the meeting dated 28.04.2019.

The total gross variable component related to 2020, payed in April 2021 was in amount of 1,312,632 RON.

### **The management of Conflicts of Interest**

In the first semester of 2021, at CONPET S.A. Level, have not been recorded conflicts of interest, fines from the National Agency for Integrity or other incidents, as results form the statements of interests submitted by the management personnel and the members of the Board of Directors.

In application of Law no. 176/2010 on integrity in the exercise of public functions and dignities, for amending and supplementing Law no. 144/2007 on the establishment, organization and functioning of the National Integrity Agency, as well as for amending and supplementing other normative acts, respectively, in the first semester of 2021, a number of 182 persons submitted declarations of interests, out of which 174 employees with management positions and 8 members of the Board of Directors. There haven't been recorded any delays in submission of the declarations of interest and, at the same time, no integrity warnings have been recorded.

In order to implement the National Anti-corruption Strategy (SNA) 2016– 2020, whereto CONPET joined, in 2017 was revised the Integrity Plan for the continuation of 2018-2020 Integrity Plan. During the revision, each of the 27 measures was analyzed 26 measures being already implemented at December 31, 2020, 1 measure is in progress with term of completion 2022Q2.

The members of the Board of Directors keep the confidentiality of any facts, data or information they have acquired in the course of exercising their responsibilities and understand that they have no right to use or disclose them during or after termination of the activity.

In order to avoid the occurrence of the conflict of interest, the company has set-out a series of deontological rules that need to be observed both by the members of the Board of Directors as well as by the directors and employees of the company, in correlation with the applicable legal provisions. Both in the Rules of Organization and functioning of the Board of Directors of CONPET S.A., as well as in the Corporate Governance Rules there are dispositions with regards to the management of the conflicts of interests and transactions with involved persons. In practice, the members of the Board of Directors shall inform the Board of any conflict of interests that have arisen or may arise and shall refrain from attending the discussion and voting for the adoption of a ruling on the matter giving rise to the conflict of interest concerned.

As per EGO no.109 from November 30, 2011 on the corporate governance of public enterprises, further amendments and additions and within the Program for the development of the management internal control/management system, elaborated in compliance with the O.S.G.G. no. 600/2018, considering the necessity of building an integrity culture inside CONPET S.A., has been revised and approved by the Board of Directors (in the meeting dated 27.05.2021), the Code of Ethics and Integrity (prepared and approved in the meeting dated 13.11.2018). The entire personnel of CONPET S.A. has been trained with regards to the company's institutional strategy, the expectations in conduct matters by reference to the Code of Ethics and Integrity, as well as related to the rights and obligations of the personnel in ethics and compliance matters. The organization of the training program assumes that, if a company provides the effective functioning of promoting an ethical behavior, causing a change in attitudes among its staff, then this system may limit the internal conflicts, theft of company assets and fraud, use of the company resources in purposes other than those for which they are provided, using its image in the personal benefit of employees or sabotaging the interests of the company by misconduct of employees in relation to customers or business partners, respectively corruption etc. The functioning of such a system contributes to the strengthening of the internal integrity system and the employee's sense of security, to the identification thereof with the company's values, and by way of consequence, to a higher performance of the company.

## The Executive Management

Between 01.01.2021-30.06.2021 the executive management had the following constituency:

### Directors:

| Position         | Name and Surname     | Observations  |
|------------------|----------------------|---|
| Director General | Sr.Eng. TUDORA Dorin | - contract of mandate of 4 years period<br>21.04.2021 – 20.04.2025 (inclusive of);<br>- provisional appointment starting with<br>05.02.2021 (as per Art.2 of the BoD) |

|                           |   |  |
|---------------------------|---|--|
|                           |   | Decision no.3/05.02.2021 until 20.04.2021, inclusive- of)  |
|                           | Legal expert<br>DUMITRACHE Mihaela - Anamaria | - empowered during 19.01 2021 – 04.02.2021 as per Art. 2 of the BoA Decision no.1/12.01.2021 to also carry out the attributions and responsibilities connected with the Director Geenral position  |
|                           | PhD Sr.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 waiver the mandate of Director General |
| Deputy Director General   | Legal expert<br>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 | Legal expert LUPEA Ioana Mădălina             | - starting with15.06.2021 (as per the Director General Decision no. 338/04.06.2021) until 17.02.2024 (inclusive of)  |
|                           | Sr.Eng. NECŞULESCU Radu Florentin             | - starting with 05.02.2021 (as per the Director General Decision no. 59/05.02.2021) until 14.06.2021(inclusive of) as per the Director General's decision no.232/21.04.2021.   |
|                           | Sr.Eng. TUDORA Dorin                          | starting 03.02.2020 as per Decision of the Director General no. 41/31.01.2020 up to 04.02.2021 (inclusive of).   |

#### Heads of Units

| Position  | Name and Surname   |
|---|--|
| Head of Transport Operations Unit                           | Sr.Eng. STOICA Narcis Florin                                     |
| Head of Maintenance Development Unit                        | Sr.Eng. BUZATU Dan   |
| Head of Critical Infrastructures Unit                       | Sr.Eng. NECŞULESCU Radu Florentin                                |
| Head of the Commercial Unit*)                               | Legal expert MANOLACHE Dan (as of 15.06.2021 inclusive of)       |
| Head of the HSE Unit*)                                      | Sr.Eng. MARUSSI Mădălina Mihaela (as of 15.06.2021 inclusive of) |
| Head of Communication and Corporate Governance Department*) | PATRICHİ Bianca Maria (starting with 15.06.2021 inclusive of)    |

\*) organizational structures set up starting with June 15, 2021

#### Head Engineer:

| Position                               | Name and Surname  |
|--|---|
| Development-Maintenance Chief Engineer | Sr.Eng. CÎRLAN Florentina – Anca                        |
| Production Chief Engineer              | Sr.Eng.BACIU Dan-Silviu (up to 14.06.2021 inclusive of) |

### 3.5.3. Sponsorship activities performed

The sponsorship actions were performed in compliance with the annual Revenues and Expenditure Budget, 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.

In the first semester of 2021, CONPET S.A. continued to support the equipment of the education units in rural and urban areas with computers, targeting to improve the students' access to modern educational resources as well as the performance of the sports activities in certain prestigious clubs for the benefit of the children and youngsters in Prahova county.

Moreover, the company sponsored Ploiești Municipal Hospital for the procurement of medical equipment necessary for the Cardiology section.

At the level of 2021, in the Revenues and Expenditure Budget of CONPET S.A. Were provided sponsorship expenses amounting 700 thousand RON.

At June 30, 2021, during the BoD meetings of the company have been approved sponsorship in total amount of 251,560 RON, out of which 173,350 RON paid, as follows:

- 89,350 RON - "Education, schooling and sports";
- 46,000 RON - "Medical care and health"
- 38,000 RON - "Other actions and activities"

### 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 10, 2021

Took place the Extraordinary General Meeting of Shareholders with the agenda: Approval of the augmentation of the share capital of CONPET SA by the maximum value of 108,798,558 RON representing contributions in kind (land plots) amounting to 63,882,386.70 RON and cash amounting to 44,916,171.30 RON, from the current value of 28,569,842.40 RON to a maximum of 137,368,400.40 RON.

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

**March 11, 2021**

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

The Extraordinary General Meeting of Shareholders has ascertained that nor in this second call has been met the attendance quorum provided by law, necessary to decide upon the proposal to augment the share capital by the value of the land plots held based on the land ownership certificates.

**April 28, 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 30.06.2021 and for the 6 months period ended 30.06.2021 were prepared in compliance with 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 at December 31, 2020.

The simplified interim financial statements at the date and for the six months period ended June 30, 2021, included in this report have been revised by the external auditor BDO Audit SRL.

## **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 for the year ended December 31, 2020.

## **Annexes**

Annex no. 1 Interim Statement of the Financial Standing at June 30, 2021;;

Annex no. 2 Interim Statement of the profit or loss and other global result elements for the 6 months period ended at June 30, 2021;

Annex no. 3 Interim cash-flow statement for the 6 months period ended June 30, 2021

Annex no. 4 Statement of the work and products procurement contracts with values higher than 500,000 EURO, concluded during 01.01.2021-30.06.2021;

Annex no. 5 Statement of services procurement contracts with values higher than 100.000 Euro, concluded between 01.01.2021-30.06.2021.

Annex no. 7 Situation of litigations at 30.06.2021.

**Chairman of the Board of Directors  
CONPET S.A.**

**Gheorghe Cristian - Florin**

## Annex no. 1

## INTERIM STATEMENT OF THE FINANCIAL STANDING AT JUNE 30, 2021

|   | June, 30<br>2021<br>(revised) | December, 31 <sup>st</sup><br>2020<br>(audited) | -RON- |
|---|-------------------------------|---|-------|
| <b>ASSETS</b>                                     |                               |   |       |
| <b>Intangible assets</b>                          |                               |   |       |
| Tangible assets                                   | 505,392,848                   | 504,534,005                                     |       |
| Intangible assets                                 | 3,942,952                     | 4,313,253                                       |       |
| Financial Assets                                  | 912,473                       | 1,111,921                                       |       |
| Receivables related to the deferred corporate tax | 4,996,746                     | 4,955,676                                       |       |
| <b>Total Non-current assets</b>                   | <b>515,245,019</b>            | <b>514,914,855</b>                              |       |
| <b>Current assets</b>                             |                               |   |       |
| Inventories                                       | 5,763,884                     | 5,912,006                                       |       |
| Trade receivables and other receivables           | 45,445,247                    | 40,260,134                                      |       |
| Cash and cash equivalents                         | 159,333,748                   | 198,257,333                                     |       |
| Prepaid expenses                                  | 1,810,246                     | 602,808   |       |
| <b>Total current assets</b>                       | <b>212,353,125</b>            | <b>245,032,281</b>                              |       |
| <b>TOTAL ASSETS</b>                               | <b>727,598,144</b>            | <b>759,947,136</b>                              |       |
| <b>Equities and liabilities</b>                   |                               |   |       |
| <b>Equities</b>                                   |                               |   |       |
| Subscribed and paid-up share capital              | 28,569,842                    | 28,569,842                                      |       |
| Legal reserves                                    | 5,713,968                     | 5,713,968                                       |       |
| Revaluation reserves                              | 19,582,337                    | 20,931,765                                      |       |
| Other reserves                                    | 504,316,034                   | 500,269,257                                     |       |
| Retained earnings                                 | 43,142,643                    | 40,678,977                                      |       |
| Year's Result                                     | 27,320,803                    | 60,846,759                                      |       |
| <b>Total shareholders' equities</b>               | <b>628,645,627</b>            | <b>657,010,568</b>                              |       |
| <b>Long-term liabilities</b>                      |                               |   |       |
| Long-term liabilities to employees long-term      | 19,523,131                    | 19,864,043                                      |       |
| Other long-term liabilities                       | 3,329,457                     | 3,470,722                                       |       |
| <b>Total long-term liabilities</b>                | <b>22,852,588</b>             | <b>23,334,765</b>                               |       |
| <b>Current liabilities</b>                        |                               |   |       |
| Trade liabilities                                 | 19,667,566                    | 23,583,540                                      |       |
| Current Income Tax                                | 2,010,028                     | 738,139   |       |
| Other liabilities                                 | 31,410,213                    | 29,892,967                                      |       |
| Short-term liabilities to employees short-term    | 13,433,848                    | 14,127,500                                      |       |
| Short-term provisions                             | 9,578,274                     | 11,259,657                                      |       |
| <b>Total current liabilities</b>                  | <b>76,099,929</b>             | <b>79,601,803</b>                               |       |
| <b>Total liabilities</b>                          | <b>98,952,517</b>             | <b>102,936,568</b>                              |       |
| <b>TOTAL EQUITIES AND LIABILITIES</b>             | <b>727,598,144</b>            | <b>759,947,136</b>                              |       |

## Annex no. 2

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL  
RESULT FOR THE SIX MONTHS PERIOD ENDED**  
**June 30, 2021**

|   | -RON-  | -RON-  |
|---|--|--|
|   | 6 months ended<br>June 30, 2021<br>(revised) | 6 months ended<br>June 30, 2020<br>(revised) |
| <b>Operating Revenues</b>   |  |  |
| Revenues from contracts   | 206,666,786                                  | 204,035,889                                  |
| Earnings from disposal of assets  | 181,196                                      | -  |
| Other revenues  | 22,821,078                                   | 16,442,961                                   |
| <b>Total Operating Expenses</b>   | <b>229,669,060</b>                           | <b>220,478,850</b>                           |
| <b>Operating Expenses</b>   |  |  |
| Inventory related expenses  | 2,431,965                                    | 2,303,677                                    |
| Expenses with energy and water  | 6,935,348                                    | 6,935,393                                    |
| Personnel expenses  | 87,138,453                                   | 79,705,004                                   |
| Impairments related to property,<br>less impairments related to rights<br>of use resulting from leasing contracts | 25,626,967                                   | 23,673,522                                   |
| Value adjustments on rights<br>of use resulting from leasing contracts  | 882,211                                      | 832,680                                      |
| Impairments of current assets   | (29,737)                                     | (21,953)                                     |
| Expenses with external services   | 54,578,933                                   | 53,398,911                                   |
| Provision adjustments   | (2,587,378)                                  | 281,342                                      |
| Other expenses  | 23,977,510                                   | 19,985,436                                   |
| <b>Total Operating Expenses</b>   | <b>198,954,272</b>                           | <b>187,094,012</b>                           |
| <b>Operating Profit</b>   | <b>30,714,788</b>                            | <b>33,384,838</b>                            |
| <b>Financial Revenues</b>   | <b>1,570,122</b>                             | <b>3,718,092</b>                             |
| Interest expenses related to leasing contracts  | 116,602                                      | 215,901                                      |
| Other financial revenues  | 64,079                                       | 46,649                                       |
| <b>Financial Expenses</b>   | <b>180,681</b>                               | <b>262,550</b>                               |
| <b>Financial profit</b>   | <b>1,389,441</b>                             | <b>3,455,542</b>                             |
| <b>Profit before income tax</b>   | <b>32,104,229</b>                            | <b>36,840,380</b>                            |
| Expenses with current income tax  | 4,824,496                                    | 5,427,560                                    |
| Expenses with (revenues coming from) deferred<br>income tax   | (41,070)                                     | (369,095)                                    |
| <b>Profit of the period</b>   | <b>27,320,803</b>                            | <b>31,781,915</b>                            |
| <b>TOTAL GLOBAL RESULT</b>  | <b>27,320,803</b>                            | <b>31,781,915</b>                            |
| <b>Earnings per share</b>   | <b>3.16</b>                                  | <b>3.67</b>                                  |

**Annex no. 3**
**INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**
**-RON-**

|           | <b>Name of the Element</b>  | <b>6 months, 2021<br/>(revised)</b> | <b>6 months 2020<br/>(revised)</b> |
|-----------|---|-------------------------------------|------------------------------------|
|           | <b>Cash flows from operating activities:</b>                          |                                     |                                    |
| +         | Proceeds from services supply   | 221,395,523                         | 226,164,953                        |
| +         | Proceeds from interests related to banking placements                 | 1,716,873                           | 4,353,576                          |
| +         | Other proceeds  | 3,103,789                           | 2,432,857                          |
| -         | Payments to the suppliers of goods and services                       | 60,372,465                          | 55,530,187                         |
| -         | Payments to and on behalf of the employees                            | 88,144,100                          | 80,808,524                         |
| -         | VAT Payments  | 24,176,690                          | 22,459,285                         |
| -         | Expenses with income tax and specific tax                             | 3,577,689                           | 6,511,085                          |
| -         | Other payments regarding operating activities                         | 19,700,304                          | 19,400,635                         |
| <b>A</b>  | <b>Net cash from operating activity</b>                               | <b>30,244,937</b>                   | <b>48,241,670</b>                  |
|           | <b>Cash flows from investment activities:</b>                         |                                     |                                    |
| +         | Proceeds from sale of tangible assets                                 | 189,590                             | -                                  |
| +         | Proceeds from modernization quota                                     | 22,485,399                          | 18,278,152                         |
| -         | Payments for purchase of tangible assets                              | 33,374,918                          | 50,500,027                         |
| <b>B</b>  | <b>Net cash from investing activity</b>                               | <b>(10,699,929)</b>                 | <b>(32,221,875)</b>                |
|           | <b>Cash-flows from financing activities</b>                           |                                     |                                    |
| -         | Paid Dividends  | 57,171,156                          | 58,474,434                         |
| -         | Payments on the account of the lease debt                             | 1,180,723                           | 1,250,115                          |
| -         | Interest payments   | 116,714                             | 163,881                            |
| <b>C</b>  | <b>Net cash from financing activities</b>                             | <b>(58,468,593)</b>                 | <b>(59,888,430)</b>                |
|           | <b>Net increase of the cash and cash equivalents<br/>=A+B+C=D2-D1</b> | <b>(38,923,585)</b>                 | <b>(43,868,635)</b>                |
| <b>D1</b> | <b>Cash and cash equivalents at the beginning of the period</b>       | <b>198,257,333</b>                  | <b>238,576,951</b>                 |
| <b>D2</b> | <b>Cash and cash equivalents at end of the period</b>                 | <b>159,333,748</b>                  | <b>194,708,316</b>                 |

## Annex no. 4

**STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO,  
CONCLUDED BETWEEN 01.01.2021 - 30.06.2021**

RON-

| Crt. no.   | Name of the Contractor | Scope of Contract  | Title of the Contract | The applied procurement procedure | Name of the beneficiary (if different from the contracting authority) | Contract notice number | Initial contract value (RON) | Value of the contract after potential addenda | 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 crude oil 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                                  |
| <b>TOTAL QUARTER I - 1 CONTRACT<br/>VALUE QUARTER I = 5,163,085.52 RON</b>     |                        |  |                       |                                   |   |                        |                              |   |                       |   |                                     |
| 2  | TALPAC SRL             | Design and execution works for replacement of a section of 24" Constanta-Midia pipeline, Navodari area, approx. 1100 m (BATCH 2) | L-CA 210/10.06.2021   | Tender                            | -   | 13173/16.04.2021       | 2,849,697.20                 | 2,849,697.20                                  | 24.06.2021            | 6   | 6                                   |
| 3  | OMV PETROM MARKETING   | Fuel supply based on credit cards  | P-CA 191/28.05.2021   | Tender                            | -   | 11814/05.04.2021       | 5,203,800.00                 | 5,203,800.00                                  | 01.06.2021            | 36  | 36                                  |
| 4  | CEZ VÂNZARE            | Electricity Supply Batch 1   | P-CA 221/28.06.2021   | Tender                            | -   | 15844/20.05.2021       | 3,526,655.76                 | 3,526,655.76                                  | 01.07.2021            | 12  | 12                                  |
| <b>TOTAL QUARTER II - 3 CONTRACTS<br/>VALUE QUARTER II = 11,580,152.96 RON</b> |                        |  |                       |                                   |   |                        |                              |   |                       |   |                                     |
| <b>CUMULATIVE TOTAL - 4 CONTRACTS<br/>CUMULATIVE VALUE = 16,743,238.48 RON</b> |                        |  |                       |                                   |   |                        |                              |   |                       |   |                                     |

## Annex no.5

**STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100.000 EURO,  
CONCLUDED BETWEEN 01.01.2021 - 30.06.2021**

RON-

| Crt. no.  | Name of the Contractor             | Scope of Contract  | Title of the Contract  | The applied procurement procedure | Name of the beneficiary (if different from the contracting authority) | Contract notice number | Initial contract value | Contract value after potential addenda | Start of the contract | Initially set contract duration (in months) | Final contract duration (in months) |
|---|------------------------------------|--|------------------------|-----------------------------------|---|------------------------|------------------------|--|-----------------------|---|-------------------------------------|
| <b>Total QUARTER I - 0<br/>VALUE QUARTER I = 0 RON</b>                      |                                    |  |                        |                                   |   |                        |                        |  |                       |   |                                     |
| 1.  | WMC GUARD SECURITY S.R.L.<br>Buzău | Providing security, protection, intervention services in relation to CONPET S.A. objectives and assets | S-CA<br>208/07.06.2021 | Tender                            | -   | 13690/<br>21.04.2021   | 1,916,861.76           | 1,916,861.76                           | 08.06.2021            | 24  | 24                                  |
| <b>Total QUARTER II- 1 CONTRACT<br/>VALUE QUARTER II = 1,916,861.76 RON</b> |                                    |  |                        |                                   |   |                        |                        |  |                       |   |                                     |
| <b>CUMULATED TOTAL - 1 CONTRACT<br/>CUMULATIVE VALUE =1,916,861.76 RON</b>  |                                    |  |                        |                                   |   |                        |                        |  |                       |   |                                     |

**Annex no. 6**

**SITUATION  
of litigations on 06/30/2021**

**The list of files pending before Courts on 06/30/2021 in which the company CONPET S.A. has the status of claimant**

**1. File no. 19024/281/2009 - Ploiești Courthouse**

**Parties:** Conpet S.A. - claimant

Compania de Transport Feroviar S.A. - Defendant

**Subject matter:** Conpet filed a lawsuit requesting the defendant to pay the amount of RON 50,511.6 representing the difference in payment from the value of the repair of the engine of the LDH 70-675 locomotive in the amount of RON 60,381.60, as well as the legal expenses.

**Clarifications:** By the Conclusion of 09/02/2011, the court suspended the case pursuant to art. 36 of Law 85/2006.

Procedural status of the case: Merits - **Suspended**

The file no. 31627/3/2011 having as subject matter the insolvency procedure of the debtor Compania de Transport Feroviar S.A. by Judicial Administrator Pro Management Insolv I.P.U.R.L. Bucharest is also pending before the Bucharest Court. As a creditor, Conpet is registered on the consolidated list of creditors with the requested unsecured debt in the amount of RON 52,769.02, which broken down consists of: RON 50,511.6 in damages and RON 2,257.42 representing the judicial stamp duty paid by Conpet in the file in claims no. 19024/281/2009 of the Ploiești Courthouse. The case has the trial date on 06/04/2021.

According to the Activity Report no. 28 regarding the attributions of the judicial liquidator of the company Compania de Transport Feroviar Bucharest SA in the period 10/09/2020 – 02/12/2021 published in the Bulletin of Insolvency Procedures no. 2091 of 02/04/2021, by civil sentence no. 6076 / 14.06.2013 pronounced by the Bucharest Court in file no. 31627/3/2011, it was ordered the opening of the bankruptcy by the general procedure provided by Law no. 85/2006 against the debtor Compania de Transport Feroviar SA Bucharest. At the same time, by the same Decision, TANASE SI ASOCIATII SPRL Bucharest was appointed judicial liquidator in the case. In accordance with the Decision of the Creditors' Meeting of 10/11/2019 the judicial liquidator continued the promotion activity in order to capitalize the real estate belonging to the debtor company. No person offered the price set by the credit publications approved by the creditors. The activity of distributing the amounts due to the creditors of the former employees is continued and the activity of promoting the real estate belonging to the debtor company is continued. Note: The Conpet debt is an unsecured one, therefore the distribution order is to the secured creditors.

**Deadline:** -

**2. File no. 6179/105/2009 - Prahova Court**

**Parties:** Conpet S.A. - creditor

Petroconduct S.A. - debtor

**Subject matter: Bankruptcy.** Conpet S.A. by the Debt Declaration no. 5949/23.02.2010 requested the registration at the list of creditors with the amount of RON 202,890.47 representing penalties for non-execution on time of the obligations assumed by contract no. L45/18.03.2004 and MST9 / 09.06.2004, equivalent value of tubular material,

transport costs, loading, unloading of tubular material, court costs. Conpet SA was registered on the creditors' list of the debtor S.C. Petroconduct S.A. with the amount of RON 62,739.06.

**Clarifications:** The debtor's judicial liquidator registered the company on the debtor's preliminary list with only a part of the claim claimed by Conpet, respectively RON 62,739.06, from the total claim in the amount of RON 216,412.56, although our company filed all appeals which were at his disposal.

**Deadline:** 09/08/2021

### 3. File no. 3033/105/2012 - Prahova Court

**Parties:** Conpet SA - creditor

Vasrep Petro Construct SRL - debtor

**Subject matter: Bankruptcy.** By the Sentence no. 238/03.03.2014 the Prahova Court ordered the entry in the bankruptcy procedure of the debtor Vasrep Petro Construct SRL, the sealing of the assets from the debtor's fortune and the fulfillment of the other liquidation operations.

Conpet SA formulates a request for admission of the claim requesting the registration on the list of creditors Vasrep Petro Construct SRL with the amount of RON 126,877, including VAT, representing the value of material costs, costs for workmanship and equipment necessary for bringing the pipeline to the state before the unlawful act was committed by the debtor, deed consisting in the unlawful destruction and theft of two sections of 4,120 ml in length from the pipeline Ø 10¾" Iancu Jianu - Ghercești. Conpet appeals against the measure of non-registration of Conpet SA on the Preliminary List with this claim, which is the subject matter of file no. 3033/105/2012/a1. By the Sentence no. 1958/19.11.2012, the Prahova Court dismissed Conpet's appeal, Conpet appealed again; the Ploiești Court of Appeal allowed the appeal, quashed the sentence on the merits and sent it for retrial.

By the **sentence no. 1008/17.09.2014** (file no. 3033/105/2012/a1 \*) the Prahova Court admits the appeal to the preliminary title. It orders the registration of the appellant creditor Conpet S.A. in the consolidated list of creditors of the debtor with the amount of RON 1,473,628 for materials, workmanship and equipment as well as RON 120 judicial stamp duty appeal and RON 2500 expert fee. Vasrep appealed.

By **decision no. 141 / 15.01.2015** The Ploiești Court of Appeal rejects the appeal as unfounded.

Conpet was registered in the definitively consolidated list of the debtor Vasrep Petro Construct SRL with an unsecured debt in the amount of RON 1,476,308. The amount recovered so far: 0 RON

**Procedural status of the case:** Merits

**Deadline:** 10/21/2021

### 4. File no. 2803/120/2013 - Dambovita Court

**Parties:** Conpet SA - creditor

Ecpod SRL - debtor

**Subject matter: Insolvency. General procedure**

**Request for admission of claim.** Conpet SA filed a request for admission of a claim on the property of the debtor Ecpod in the amount of RON 25,728.89. Conpet is registered on the List of creditors with the amount of RON 25,728.89.

The percentage of the Conpet receivable is 0.16% of the total receivables entered in the list.

**Procedural status of the case:** Merits

**Deadline:** 10/18/2021

## 5. File no. 7932/118/2013 \* - Constanța Court

**Parties:** Conpet SA - civil party

Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan - defendants

Romeo International Service Company SRL Năvodari - defendant

Romeo International Service Company SRL Năvodari represented by Nicolaidis Constantin - defendant

Ministry of Public Finance - ANAF - civil party

DGFP - civil party

**Subject matter:** Tax evasion offenses (Law 87/1994, Law 241/2005), art. 323 C.pen., Grand larceny (art. 208-209 C.pen.). Conpet SA became a civil party for the amount of RON 928,785.94 representing the value of the amount of stolen crude oil (277 tons), pipeline remediation works and laboratory analyzes.

**Clarifications:** By the sentence no. 472/17.12.2015 the Constanța Court admits the civil action filed by the civil party Conpet SA. Ploiești. It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of RON 90,814.50 (the equivalent of 30 tons of crude oil stolen on 05/27/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of RON 93,841.65 (the equivalent of 31 tons of crude oil stolen on 05/31/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of RON 111,027.27 (the equivalent of 36 tons of crude oil stolen on 06/03/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of RON 585,977.25 (the equivalent of 190 tons of crude oil stolen on 06/04/2013 and 06/05/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of RON 17,289.32 representing the value of the decommissioning works of the artisanal installation and for bringing the pipeline to its initial state. It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of RON 9,576.84 representing the equivalent of laboratory analyzes, for 17 samples of petroleum product. Note that the civil party Conpet SA. waived the civil claims in the amount of RON 20,268.11 for the deed of 08/03/2013 because the damage was fully recovered. The decision was appealed by the defendants.

By decision no. 675/10.06.2016 the Constanța Court of Appeal admits the appeals made by the Prosecutor's Office attached to the Constanta Court and by the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan and SC Romeo International Service Company SRL Năvodari. It abolishes in full the criminal sentence no. 472/17.12.2015 pronounced by the Constanța Court in file no. 7932/118/2013 and orders the case to be sent for retrial to the Constanța Court. Here it receives \* and orders the case to be sent to the judge of the preliminary chamber (7932/118/2013\*/a1).

By the **Conclusion no. 93/28.02.2017** the Constanța Court rejects as unfounded the requests and exceptions formulated by the defendants Bivolaru Gabriel, Chihai Marin, Merdicos Romeo Ovidiu, Arhire Adrian and Mangalea Gheorghe. It finds the legality of notifying the court with Indictment no. 569/P/2013 of 08/30/2013 issued by the Prosecutor's Office attached to the Constanța Court of Appeal, which ordered the prosecution of the defendants. It ascertains the legality of the administration of the evidence and of the execution of the criminal investigation acts. It orders the commencement of the trial of the case. The conclusion was contested, rejected by CA Constanța.

Also, by the **Conclusion of 02/28/2017**, the Constanța Court finds the plea of non-compliance with the constitution admissible. It notifies the Constitutional Court with the settlement of the plea of non-compliance with the constitution invoked by the defendant Bivolaru Gabriel, in the file no. 7932/118/2013 \* of the Constanța Court, regarding the constitutional challenge of art. 280 para.1, art. 281 paragraph 1 and art. 282 paragraphs 1 and 2 of the Code of Criminal Procedure - file no. 812D/2017. The plea was rejected as unfounded.

The Constanța Court ordered the administration of the technical expertise specialized in oil and gas. The expertise report was prepared by experts. Conpet objected. The court admitted the objections raised by Conpet.

The court ordered the performance of a judicial technical expertise in accounting, and so far the expertise has not been performed.

**Procedural status of the case:** Merits- retrial

**Deadline:** 09/08/2021

## 6. File no. 1862/114/2014 - Buzău Court

**Parties:** Conpet SA - creditor

Geluval Stor SRL - debtor

**Subject matter:** By the **Sentence no. 621/26.10.2016**, the Buzău Court orders the entry into the general bankruptcy procedure of the debtor, the sealing of all the assets from the debtor's property, their inventory and the fulfillment of the other liquidation operations. Conpet SA formulates a request for admission of the claim requesting the registration on the list of creditors of Geluval Stor SRL with the amount of RON 1,440.90, representing delay penalties due for payment over the term provided in the contract for a value of 7 invoices issued by Conpet for services provided in under Contract no. STA 101/20.03.2012 concluded with the defendant, amount to which the debtor was obliged by the sentence no. 8867 / 16.06.2014 given by the Ploiești Court in the file no. 109/281/21014, remained final by non-appeal.

Conpet was registered on the consolidated list of creditors in the bankruptcy procedure for the debtor Geluval Stor SRL with an unsecured debt in the amount of RON 1,440.90. The amount recovered so far: 0 RON

**Procedural status of the case:** Merits

**Deadline:** 09/23/2021

## 7. File no. 1510/262/2014 - Moreni Court

**Parties:** Conpet SA - claimant

Pîrvu Gheorghe - defendant

Pîrvu Nicolae - defendant

Grigorescu Gabriel - defendant

Zlăteanu Dragoș Marian - defendant

Dărmănești Commune, legally represented by the Mayor of Dărmănești Commune - defendant

SC Nimb Dâmbovița SA - defendant

**Subject matter:** Conpet filed a lawsuit requesting the court to order the defendants, jointly and severally, to pay to

Conpet the amount of RON 34,944.18 as civil damages - representing the equivalent of remedial works of the Link 14 fiber optic pipeline and cable, destroyed on 06/03/2011, within the commune of Dărmănești, Dâmbovița county, works necessary to bring them to the initial state before committing the deed, i.e. in working order, amount to which is added the interest from the date on which the sentence in the present case becomes final and until the date of actual payment; payment of the legal expenses.

**Clarifications:** By the **Conclusion of 01/08/2015**, the Moreni Court suspends the trial of the case in relation to the defendant SC Nimb Dâmbovița SA. It dismisses the case regarding the other defendants and the formation of a new file (184/262/2015 - finalized by obliging the defendants Pârvu Gheorghe, Pârvu Nicolae, Grigorescu Gabriel and Zlăteanu Dragoș Marian to pay to Conpet the amount of RON 34,944.18 and the related interests of this amount, starting with the date of finality of the Sentence no. 97 / 04.02.2016 and until the date of actual payment. The decision was executed and is the subject of the file No. 30/2018 – Bailiff's Office Petrov Sergiu Alexandru).

**Note:** By the Conclusion of 12/14/2012 - file no. 9446/120/2012 - the Dâmbovița Court ordered the opening of the general insolvency procedure against the debtor Nimb Dâmbovița SA. By the Sentence no. 611 / 09.10.2014 The Dâmbovița Court orders the opening of the general procedure of judicial reorganization and the confirmation of the reorganization plan. The reorganization procedure is ongoing.

By the **Conclusion of 06/22/2017** pronounced in the file no. 1510/262/2014 the Moreni Court, finding that the law applicable to the insolvency proceedings of the defendant SC Nimb Dâmbovița SA is Law no. 85/2006 and that the suspension will last until the closing of the insolvency procedure pronounced by the syndic judge based on art. 11 para. 1 lit. n of Law no. 85/2006, maintains the suspension of the trial of the case ordered by the Conclusion of 01/08/2015.

**Procedural status of the case:** Merits - **Suspended**

**Deadline:** -

## 8. File no. 6819/118/2013 - Constanța Court

**Parties:** Conpet SA - creditor

Tobias SRL - debtor

**Subject matter: Bankruptcy.** Conpet S.A. requested the registration on the list of creditors of the debtor with the amount of RON 663 representing the equivalent value of 230 kg of aluminum (RON 575) and 110 kg of scrap metal (RON 88), handed over to Tobias SRL on 06/04/2013, based on the contract of sale - purchase of waste no. 2013 / ADM / 15.02.2013 concluded between Conpet and Tobias.

The request formulated by Conpet was admitted in part by the judicial administrator, in the sense that our company was registered on the list of creditors with the amount of RON 643.11, the difference of RON 19.89 representing the 3% environmental fund and due to the Environmental Fund Administration.

The percentage of the Conpet receivable is 0.014% of the total of receivables entered in the list.

**Procedural status of the case:** Merits

**Deadline:** 09/09/2021

## 9. File no. 717/105/2015 - Prahova Court

**Parties:** Conpet SA - creditor

Footbal Club Petrolul Ploiești SA - debtor

**Subject matter: Bankruptcy.** Conpet filed a request for admission of the claim by which it requested the registration on the list of creditors of the debtor Fotbal Club Petrolul Ploiești SA with a claim in the amount of RON 14,465.33. Conpet was entered on the list of receivables of the debtor's creditors with the requested amount.

**Clarifications:** By the sentence no. 821 / 22.06.2016 The Prahova Court admits the request of the judicial administrator. It approves the conclusions of the judicial administrator's report. It orders the beginning of the general procedure of the debtor's bankruptcy. It orders the dissolution of the debtor company and the lifting of the debtor's right of administration. It orders the sealing of the debtor's assets and the fulfillment of the other liquidation operations.

**Procedural status of the case:** Merits

**Deadline:** 10/06/2021

#### 10. File no. 13386/3/2015 - Bucharest Court

**Parties:** Conpet SA - creditor

Perfect Metal SRL - debtor

**Subject matter: Bankruptcy.** Conpet S.A. requested the registration on the list of creditors of the debtor with the amount of RON 221,189.85 representing penalties for delay, compensations, interest and legal expenses.

The request was accepted but Conpet was entered on the list in the category of unsecured creditors and not in the category of secured creditors as would have been the case considering the content of our request for registration in the preliminary list of creditors. Conpet filed an appeal against the preliminary list of creditors, which was the subject matter of the file no. 13386/3/201 / a1 with a deadline on 09/18/2015. By **Decision no. 7106 / 18.09.2015** The Bucharest Court rejects the appeal as unfounded. The percentage of the Conpet receivable is **0.42625 of the total receivables entered on the list.**

According to the Insolvency Proceedings Bulletin no. 2290 of 02/08/2021, the procedure is continued, in the file no. 13386/3/2015 pending before the Bucharest Court according to the Activity Report of the Judicial Administrator (Prime Insolv Practice SPRL) no. 54/11.01.2021 in order to capitalize both hazardous and non-hazardous waste from the debtor, but there are no funds at the judicial administrator's disposal in order to be able to successfully capitalize and therefore requested the court to request an advance of the amounts from the liquidation fund of UNPIR in order to fulfill the environmental obligations, following that after capitalizing the goods, the advanced amounts will be returned. According to the conclusion of 01/28/2021, the Bucharest Court rejected the request of the judicial administrator. Continue the procedure. Deadline 03/26/2021.

Note: The Conpet receivable is an unsecured one, therefore the distribution order is to the secured creditors.

**Procedural status of the case:** Merits

**Deadline:** 10/15/2021

#### 11. File no. 19602/3/2015 - Bucharest Court

**Parties:** Conpet SA - creditor

Top Birotica SRL - debtor

**Subject matter: Bankruptcy.** Conpet S.A. requested the registration on the list of creditors of the debtor with the amount of RON 2,258.72 representing delay penalties due for the delayed delivery of the equipment that was the object of the contract P-CA 438 / 17.11.2014.

Conpet was registered at the debtor's list of creditors with the amount of RON 2,258.72.

The percentage of the Conpet receivable is 0.010% of the total receivables entered on the list.

**Procedural status of the case:** Merits

**Deadline:** 11/10/2021

#### 12. File no. 2899/62/2015 - Brașov Court

**Parties:** Conpet SA - creditor

Condmag SA - debtor

**Subject matter: Bankruptcy.** Request for admission of the Conpet claim against the property of the debtor Condmag SA – RON 42,950.85 representing penalties.

Conpet was registered on the list of creditors with the amount of RON 42,2950.85 representing an unsecured debt.

The percentage of the Conpet receivable is 0.02% of the total receivables entered on the list.

**Procedural status of the case:** Merits

**Deadline:** 09/07/2021

### 13. File no. 8156/281/2014 \* - Ploiești Court

**On appeal: file no. 447/42/2020**

**Parties:** Conpet SA - civil party

Matei Marinel - claimant for judicial review

**Subject matter: Grand larceny.** Revision. Matei Marinel formulates a request for revision of the criminal decision no. 1383 / 14.10.2013 pronounced by the Ploiești Court of Appeal in the file no. 19230/281/2011.

**Note:** By the Criminal Decision no. 1383 / 14.10.2013 Ioniță Ion, Marin Matei Georgian and Matei Marinel were obliged to pay to Conpet an amount of RON 13,259.79. The decision was enforced and is the subject of file no. 200/2016 located at the Bailiff's Office Petrov Sergiu Alexandru.

**Clarifications: By Sentence no. 1162 / 03.08.2020** The Ploiești Court admits the request for review formulated by the claimant for judicial review Matei Marinel, against the criminal sentence no. 1286 / 07.06.2013 of the Ploiești Court, abolished and finalized by the criminal decision no. 1383 / 14.10.2013 of the Ploiești Court of Appeal. It cancels the criminal sentence no. 1286 / 07.06.2013 of the Ploiești Courthouse, as well as MEPI no. 1538/2013 of 10/15/2013 issued by the Ploiești Courthouse. It orders the acquittal of the defendant Matei Marinel, under the aspect of committing the crime of grand larceny, provided by art. 208 para. (1) - art. 209 para. (1) lit. a) and g) para. (3) lit. a) Previous Criminal Code, with the application of art. 41 para. (2) Criminal Code. It finds that the defendant Matei Marinel was detained from 11/22/2013 to 11/12/2014, inclusive. The decision was appealed by the Prosecutor's Office attached to the Ploiești Courthouse.

By **Decision no. 954 / 26.10.2020** The Ploiești Court of Appeal admits the appeal declared by the Prosecutor's Office attached to the Ploiești Courthouse against the criminal sentence no. 1162 of August 3, 2020 pronounced by the Ploiești Courthouse, which it annuls in its entirety and sends the case for retrial to the first instance according to the considerations of the present decision. Final.

**Procedural status of the case:** Review

**Deadline:** 08/18/2021

### 14. File no. 310/120/2016 - Ploiești Court of Appeal

**Parties:** Conpet SA - civil party

OMV Petrom SA - civil party

SNTGN Transgaz SA - civil party

Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudas Pavel, Tudorache Marius, Parvu Valentin, Georgescu Anda, Manda Marin - defendants

**Subject matter: Establishment of an organized criminal group (art. 367 NCP).** Conpet became a civil party for the amount of RON 405,536.24, representing the equivalent value of the stolen pipelines.

**Clarifications:** By the Conclusion of 05/31/2016, the Dâmbovița Court sends to the Prosecutor's Office the case started by the indictment given in the criminal prosecution file no. 124 / D / P / 2013 of the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT – Dâmbovița FO regarding the defendants GG, VV, CV, DP, TM, PV, GA, MM injured people being OMV Petrom SA, Conpet SA , National Company for Natural Gas Transport „Transgaz” SA. The Prosecutor's Office filed an appeal against the decision, pending before the Ploiești Court of Appeal. By the Conclusion of 10/13/2016, the Ploiești Court of Appeal admits the appeal filed by the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - Dâmbovița Field Office, annuls the contested decision and, re-judging, finds the legality of the referral of the Dâmbovița Court by the indictment no.124/D/P / 2013 of the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - Dâmbovița Field Office, administration of evidence and execution of criminal investigation acts. It orders the commencement of the trial.

By the **Sentence no. 366 / 09.05.2019** The Dâmbovița Court admits the civil actions filed in the case by the civil parties of the National Company for Natural Gas Transport “TRANSGAZ” S.A., S.C. CONPET S.A., and S.C. OMV PETROM SA, specified during the judicial investigation and obliges the defendants to compensate, as follows: a) For the deeds committed to the detriment of the civil party, the National Company for Natural Gas Transport „TRANSGAZ” SA, it jointly obliges the defendants: Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudaș Pavel, to pay the amount of RON 51,588; b) For the deeds committed to the detriment of the civil party S.C. CONPET S.A., it jointly and severally obliges the defendants: Gruia Gheorghe, Vasile Valentin, Georgescu Anda to pay the amount of RON 869,084, 26; c) For the deeds committed to the detriment of the civil party S.C. OMV PETROM S.A., it jointly and severally obliges the defendants: Gruia Gheorghe, Vasile Valentin, to pay the amount of RON 28,134.11; It dismisses the civil action brought by Amuza Daniel as unfounded. The decision was appealed by the defendants.

**Procedural status of the case:** Appeal

**Deadline:** 09/09/2021

## 15. File no. 8529/281/2016 - Ploiești Courthouse

**Parties:** Conpet SA - civil party

Constantin Costel, Matei Marian, Stan Mihai Catalin, Matei Valentin Dumitru - defendant

**Subject matter: Grand larceny.** Conpet became a civil party for the amount of RON 158,780.39 composed of:

- RON 24,691.2 (including VAT) representing the equivalent value of the quantity of 30,000 liters stolen during September-October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru
- RON 128,394.0 (including VAT) representing the equivalent value of the quantity of 156,000 liters stolen during September-October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- RON 5,695.19 (including VAT) representing the equivalent value of the pipeline remediation works, necessary to bring it to its initial state before the commission of the crime, i.e. in working order.

Conpet filed a request to increase the amount of the application for civil party to the amount of RON 243,127.77 representing the damage suffered by Conpet as a result of the theft of petroleum products that took place between September and October 2015 from the pipeline 14 "Brazi inside the skid 24" administered by Conpet. The damage suffered by Conpet is of RON 248,822.96 composed of:

- RON 39,218.96 (including VAT) representing the equivalent value of the quantity of 30,000 liters stolen during September-October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru
- RON 203,914.72 (including VAT) representing the equivalent value of the quantity of 156,000 liters stolen during September-October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- RON 5,695.19 (including VAT) representing the equivalent value of the pipeline remediation works, necessary to

bring it to its initial state before the commission of the crime, i.e. in working order.

**Clarifications:** By the **sentence no. 2366 / 13.12.2019** The Ploiești Courthouse partially admits the civil action filed by the civil party Conpet SA and jointly obliges the defendants Constantin Costel, Matei Marian, Stan Mihai Cătălin and Matei Valentin Dumitru to pay to it the amount of RON 243,127.77 representing material damages. The decision was appealed by Conpet, as well as by Constantin Costel and Matei Marian.

By **Decision no. 538 / 27.04.2021** The Ploiești Court of Appeal admits the appeals made by the defendants Constantin Costel, Matei Marian, partially annuls the appealed sentence and orders the retrial of the civil side by the Ploiești Courthouse. It rejects the appeal filed by Conpet SA as belatedly formulated. It maintains the rest of the provisions of the sentence, which are not contrary to this decision. It obliges the civil party Conpet SA to RON 200, legal expenses advanced by the state. Final.

**Procedural status of the case:** Merits - retrial of the civil side.

**Deadline:** 10/05/2021

## 16. File no. 8262/281/2016 - Ploiești Courthouse

**Parties:** Conpet SA - creditor

Conpet Club Football Association - debtor

**Subject matter:** **Dissolution of a legal entity.** Request for admission of the claim. Conpet SA formulates a request for admission of the claim on the property of the debtor Conpet Club Football Association, against which the dissolution was ordered by the Civil Sentence no. 8683 / 04.10.2016 pronounced by the Ploiești Courthouse in the file no. 8262/281/2016, by which it requests the court to admit the application for registration on the list of creditors of the debtor Conpet Club Football Association with the amount of RON 424.94, as a certain, liquid and due receivable, born before the admission of the dissolution application, representing the penalties payment rest, according to the invoice no. 1653 / 31.05.2015, calculated for the late payment of the obligations arising from the Lease Agreement no. ADM 366 / 23.10.2012, concluded by Conpet SA with the Conpet Club Football Association. By the address 39101 / 28.09.2017 Conpet requested the completion of the value of the debt registered by the Conpet Club Football Association and with the amount of RON 1,358.84 representing delay penalties born prior to the dissolution request (total RON 1,783.78).

Procedural status of the case: Merits

## 17. File no. 789/105/2017 - Prahova Court

**Parties:** ICIM SA by CITR Bucharest administrator - debtor

Conpet SA- creditor

**Subject matter:** Insolvency proceedings. Conpet requests the registration on the list of creditors of the company ICIM SA represented by judicial administrator CITR BUCHAREST SUBSIDIARY SPRL, with the total receivable in the amount of RON 393,934.37 representing delay penalties, legal expenses, execution costs.

A) RON 50,094, 8 representing the equivalent value of the works for repairing the damage to the pipeline Ø 6 RA Moreni-Ploiești and the lost crude oil, legal interest, legal expenses and execution costs established by the enforceable title - civil sentence no. 1014 / 28.01.2015 pronounced in the file no. 113/281/2014 remained final and corrected by the Conclusion of correction of the material error on 06/06/2016, by which the Ploiești Courthouse admitted the request for summons filed by the claimant Conpet S.A.

B) RON 343,839.57 composed of the amount of RON 331,271.57 representing penalties for delay in accordance with the provisions of art. 8.1. from the contract 0135/1995 (modified by art. 5 of the additional act 9/2005 and the additional act no. 10/2006), as well as the amount of RON 12,568 representing judicial stamp duty, judicial stamp and expertise

fee.

Conpet was entered on the list with the requested amount.

The percentage of the Conpet receivable is 0.75 & of the total receivables entered on the list.

ICIM filed an appeal which is the subject of the file no. 789/105/2017 / a1 and requested:

- mainly a partial amendment of the preliminary list of creditors in connection with the rejection of the application for entry of the claim in the amount made by Conpet
- in the alternative, a partial amendment of the preliminary list of creditors for the purpose of entering the conditional Conpet claim.

The ICIM appeal was the subject matter of the file 789/105/2017 / a1. By Decision 776/2018, the Prahova Court rejects the appeal regarding the preliminary list formulated by the debtor INTreprinderea Construcții Instalații Montaje SA regarding the claim of the creditor CONPET SA

By the Conclusion of 11.09.2020, the Prahova Court ordered the entry into the bankruptcy procedure of the debtor.

**Procedural status of the case:** Merits

**Deadline:** 09/30/2021

#### 18. File no. 2782/229/2018 - Fetești Courthouse

**Parties:** Conpet SA - claimant

Zacon Trandafir - defendant

**Subject matter:** Conpet SA filed a summons for the named Zacon Trandafir so that based on the evidence that will be administered, the court will issue a court decision by which:

- found the absolute nullity of the sale-purchase contract no. 1047 / 03.02.1999, concluded between Conpet SA, as seller and Zacon Trandafir as buyer;
- orders to the defendant to pay the legal expenses.

In the alternative, the defendant Zacon Trandafir is required to pay the equivalent value of the property at the fair market value established following the administration of a forensic technical expertise.

**Clarifications:** By the **Conclusion of 04/22/2021**, the Fetești Courthouse disjoins the second end of the request and orders the formation of a new file, having as object an application for damages (1270/229/2021).

By **Sentence no. 828/29.07.2021**, the Fetești Courthouse rejects as unfounded the request for summons filed by the claimant S.C. CONPET S.A. in contradiction with the defendant ZACON TRANDAFIR, having as subject matter the annulment of the deed (affirmance of absolute nullity). It admits the counterclaim filed by the defendant-claimant ZACON TRANDAFIR, in contradiction with the claimant-defendant S.C. CONPET S.A. having as subject matter the finding of a valid conclusion of the contract concluded between the parties. It obliges the claimant to pay to the defendant the amount of RON 7,471, as legal expenses (RON 3,000 - lawyer's fee, RON 4,471 - judicial stamp duty). The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

#### 19. File no. 27022/3/2018 - Bucharest Court

**Parties:** Conpet - creditor

PETROCONSTRUCT GROUP S.R.L - debtor

**Subject matter:** Bankruptcy - general insolvency proceedings.

By the application for admission of the initial claim, Conpet requested the registration on the list of creditors with the

claim in the amount of RON 17,176.14 representing unpaid debt and penalties resulting from the ADM 803 / 05.12.2017 contract (space rental). From this debt, the amount of RON 2,867.90 was recovered through compensation, being a receivable that was born after the opening of the procedure.

Conpet is registered on the list of creditors (BPI 21250 / 08.11.2018) **with the amount of RON 14,308.24**

**Clarifications:** --

**Procedural status of the case:** Merits

**Deadline:** 09/07/2021

#### 20. File no. 13717/281/2019 - Prahova Court

**Parties:** Conpet SA - creditor

Dobrogeanu Dumitru - debtor

**Subject matter:** Conpet formulates a request for the return of the foreclosure by which it requests the court, as by the decision that will pronounce it, to order the return of the foreclosure carried out on the basis of the enforceable title represented by the decision no. 669 of 12/20/2011 of the Prahova Court in the execution file no. 20/2016 to the Bailiff's Office Divoiu Maria, by partially restoring the situation prior to the execution, in the sense of obliging the defendant DOBROGEANU DUMITRU (pursuant to art. 723 of the Civil Procedure Code) to pay the following amounts to the undersigned:

- RON 5,930 amount which represents the difference between the amount actually enforced and the debt we owed;
- RON 576 as legal expenses consisting of stamp duty and equivalent value of photocopies of the execution file.

Also, it requests the updating with the penalizing legal interest of the amount of RON 5,930 starting with the date of 04/11/2016 and up to the date of the effective payment.

**Clarifications:** By the **Conclusion of 11/27/2020**, the Ploiești Courthouse reopens the case in order to summon the appellant with the mention of paying a remaining judicial stamp duty in the amount of RON 250, with the right of re-examination within 3 days from communication and with the possibility to apply for the granting of facilities for the payment of the stamp duty within 5 days from the communication.

By **Sentence no. 4382 / 28.05.2021**, the Ploiești Courthouse dismisses based on the plea of claimant's lack of interest regarding the amount of RON 576, invoked ex officio, as unfounded. It admits the action brought by Conpet S.A. It orders the return of the enforcement in the enforcement file no. 20/2016 of the Bailiff's Office Divoiu Maria for the amount of RON 5,930 and it obliges the defendant to pay the claimant this amount. It obliges the defendant to pay the claimant the amount of RON 576 as legal expenses in file no. 8872/281/2016. It obliges the defendant to pay the claimant the amount of RON 460.65 as legal expenses incurred in this case. The decision was appealed after a communication by Dobrogeanu Dumitru.

**Procedural status of the case:** Appeal

**Deadline:** --

#### 21. File no. 8727/105/2017 - Prahova Court

**Parties:** Conpet SA - claimant

PAULUS S.R.L. - Defendant

Subject: Bankruptcy - general procedure

**Subject matter:** On 10/14/2019, Conpet filed a payment request with the judicial administrator CITR BUCHAREST SUBSIDIARY SPRL (art. 75 \* paragraph 3 of Law no. 85/2014) for the payment of the amount of RON 32,493.44, amount due on 07/04/2019 by PAULUS SRL (CF 4000500), for not fulfilling the obligations established by the contract

no. S-CA 1191 / 05.07.2017 (air conditioning maintenance). The request was granted.

**Clarifications:** Paulus filed an appeal against the measure of the judicial administrator file 8727/105/2017 / a13 - Appeal term 09/09/2020 (Ploiești Court of Appeal). By Decision 213/2020, the appeal was rejected.

Conpet addressed the judicial administrator for the recovery of the amount of RON 2,891.95 from the guarantee of good execution and to pay the difference of RON 29,601.49 with priority according to the law. The judicial administrator did not respond to our request. Currently, an appeal has been filed against the administrator's measure. - deadline 03/09/2021

**Procedural status of the case:** Merits

**Deadline:** 09/28/2021

## **22. File no. 2036/83/2019 - Satu Mare Court**

**Parties:** Conpet SA - claimant

PRODREP MG S.R.L. - Defendant

**Subject:** bankruptcy

**Subject matter:** On 11/18/2019, Conpet filed an application for registration on the list of creditors of the debtor PRODREP MG S.R.L. with the amount of RON 284,496.11 representing:

- damages in the amount of RON 148,926.49 provided in art. 18.2 of the works contract L-CA 699 of 09/28/2017 (20% of the contract value provided in art. 3 of the contract);
- penalties of 0.5% / day of delay provided by art. 17.1 of the works contract L-CA 699 of 09/28/2017 applied to the value of the unexecuted works in the amount of RON 46,575 for a number of 162 days of delay calculated from 04/10/2019 to 09/19/2019 the date of termination of the contract;
- equivalent value for electricity supply in the amount of RON 16.54 for the period 08/01/2019-08/31/2019, resulting from the execution of the works contract L-CA 699 of 09/28/2017;
- penalties of 0.5% / day of delay in the amount of RON 78,644.16 provided by art. 17.1 of the works contract L-CA 537 of 07/27/2017 applied to the value of unexecuted works for a number of 168 days of delay calculated from 05/01/2019 to 10/15/2019 the date of opening the insolvency procedure;
- penalties of 0.5% / day of delay in the amount of RON 10,333.92 provided by art. 17.1 of the works contract L-CA 380 of 10/05/2016 applied to the value of the unexecuted works for a number of 114 days of delay calculated from the date set for the completion of the works until their actual completion.

Conpet filed an application for registration on the supplementary list and for the amount of RON 18,724.8 (address 38994 / 04.12.2020) representing the current receivable born after the date of opening the insolvency and appeal procedure to the extent of the administrator to recover the amounts of RON 5,105.26 (address 30649 / 29.09.2020) and RON 49,295.45 (address 38987 / 04.12.2020) representing aggregate repairs, performed during the warranty period.

Currently, **CONPET is registered on the final consolidated list of creditors with the amounts: RON 284,496.11 and RON 18,724.80** (item 8 table). At position 16 in the list we were provisionally registered with the amount of RON 54,400.71 (5,105.26 + 49,295.45 RON) until the communication of the sentence pronounced in the file 2036/83/2019 / a7- in this case the court admitted **our recovery in the amount of RON 54,400.71 from the performance guarantee.**

**Clarifications:** at the deadline on 10/20/2020, the court admitted the request of the judicial administrator and pursuant to art. 145 paragraph 1 point A letter c and point B of Law no. 85/2014 ordered the beginning of the bankruptcy procedure in the general form of the debtor PRODREP MG S.R.L. - SC 339 / F / 20.10.2020 BPI 18101 / 28.10.2020

**Procedural status of the case:** Merits

**Deadline:** 09/07/2021

### 23. File no. 8330/204/2019 - Prahova Court

**Parties:** Conpet S.A. - petitioner

NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A by the REGIONAL DIRECTORATE OF ROADS AND BRIDGES BUCHAREST - NATIONAL ROADS SECTION PLOIEȘTI - respondent

**Subject matter:** Conpet S.A. files a complaint against the Minutes of finding a contravention (PVCC) Series BU No. 002501 concluded on 09/20/2019 by the National Company for Road Infrastructure Management S.A. - D.R.D.P. Bucharest / National Roads / Highways Section - Ploiești National Roads Section, requesting its cancellation (fine: RON 6,000)

**Clarifications:** By the **Sentence no. 2705 / 21.10.2020** The Câmpina Courthouse admits the complaint of violation filed by the petitioner CONPET S.A. in contradiction with CNAIR SA-DRDP Bucharest National Roads / Highways Section-Ploiești National Roads Section. It annuls the report of contravention series BU no. 002501 concluded on 09/20/2019 and exonerates the petitioner from paying the contravention fine. The decision was appealed by the NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A by the REGIONAL DIRECTORATE OF ROADS AND BRIDGES BUCHAREST - NATIONAL ROADS SECTION PLOIEȘTI.

**Procedural status of the case:** Appeal

**Deadline:** 09/22/2021

### 24. File no. 4532/281/2020 \* - Ploiești Courthouse

**Parties:** Conpet SA - claimant

Dobrogeanu Dumitru - defendant

**Subject matter:** Conpet filed an appeal against the documents issued in the enforcement file no. 1/2020 pending before the Office of the Bailiff Divoiu Maria and requested:

1. Cancellation of the summons from 02/12/2020 issued by the Office of the Bailiff Divoiu Maria for the payment of a **debt in the amount of RON 19,342.63 (RON 16,321.30** representing the difference resulting from the calculation of inflation related to the amount of RON 53,116 for the years 2018 and 2019 starting with 12/20/2011 until 12/31/2018 for the amount due in 2018 and starting with 12/20/2011 until 12/31/2019 for the amount due in 2019, **RON 1,079.1** representing execution expenses and RON 1,942.23 representing the executor's fee)
2. Cancellation of the Conclusion establishing the execution expenses in the amount of **RON 3,021.33** from 02/12/2020 issued by the Office of the Bailiff Divoiu Maria in the execution file no. 1/2020
3. Cancellation of the notice of establishment of the attachment issued on 02/12/2020 issued by the Office of the Bailiff Divoiu Maria in the execution file no. 1/2020
4. Return of the execution for the amount of **RON 131.55** representing the difference resulting from the calculation of the inflation index calculated by the bailiff Divoiu Maria (16,321.30 RON) according to the conclusion of 02/12/2020 and the calculation made by CONPET S.A. according to INS (16,189.75 RON).
5. Return of the execution for the amount of **RON 1,311.97** paid as a debit update with the inflation index for the period 01/01/2018-12/31/2018 within the real payment offer no. 5/2018 – the Bailiff's Office Petcu Alexandru
6. Return of the execution for the amount of **RON 1,333.21** paid as a debit update with the inflation index for the period 01/01/2019-12/31/2019 within the real payment offer no. 2/2019 made by the Professional Civil Society of Bailiffs Goslan and Stanga
7. Return of the execution for the difference in fee paid in addition to Bailiff's Office Divoiu Maria within the execution file no. 1/2020, respectively the amount of **RON 587.78** (16,189.75 CONPET calculation as debit - 1,311.97-1,333.21

= 13,544.57; the debit is 13,544.57X10% = 1,354.45; 1,942.23 RON fee paid - 1,354.45 RON fee due = 587.78 RON)

8. Return of the execution for the amount of RON 850 representing unjustified execution expenses

**Clarifications:** By **Conclusion no. 1136 / 16.07.2020** The Ploiești Courthouse admits the plea of the territorial incompetence of the Ploiești Courthouse, a plea invoked ex officio by the court. It declines the competence to settle the case having as object a contestation to execution formulated by the claimant CONPET S.A., in contradiction with the defendant Dobrogeanu Dumitru in favor of the Câmpina Courthouse.

By **Conclusion no. 51 / 13.01.2021** The Câmpina Courthouse admits the plea of the territorial incompetence of the Câmpina Courthouse, invoked by the appellant CONPET SA. It declines the competence to settle the case regarding the appellant CONPET SA and the respondents DOBROGEANU DUMITRU and Bailiff's Office DIVOIU MARIA in favor of the Ploiești Courthouse. It notes the negative conflict of jurisdiction between the Ploiești Courthouse and the Câmpina Courthouse. It suspends the settlement of the case until the negative conflict of competence is resolved. It sends the case to the Prahova Court for a ruling by the competent regulator. At the deadline of 02/25/2021, the Prahova Court sent for settlement to the Ploiești Courthouse - the Ploiești courthouse file 4532/281/2020 \*

**Procedural status of the case:** Merits

**Deadline:** 08/11/2021

## 25. File no. 1186/223/2020 - Drăgășani Courthouse

**Parties:** Conpet SA - petitioner

ITM Vâlcea - respondent

**Subject matter:** Appeal against contravention minutes no. 009540 / 07.05.2020 prepared by ITM Vâlcea by which Conpet S.A. was sanctioned with a fine of RON 8,000 for the documents in the periodic training files of Mr. Hotei Stefan.

**Clarifications:** By **Sentence no. 582/25.05.2021** Drăgășani Courthouse partially admits the complaint of violation and, consequently, replaces the sanction of the violation fine in the amount of RON 8,000 applied based on art. 39 para. 4 of Law no. 319/2006 with the sanction "Warning". It draws the petitioner's attention to the provisions of art. 7 of G.O. no.2 / 2001 amended. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

## 26. File no. 5499/192/2019 - Giurgiu Court

**Parties:** Conpet S.A. - petitioner

Romanian Administration Romanian Waters SGA Giurgiu - defendant

**Subject matter:** Conpet files a complaint of violation **against the record of finding and sanctioning the violation, ANAR series, no. 0007326, concluded on 11/27/2019**, by the National Administration "Romanian Waters" -SGA Giurgiu, headquartered in Mihăilești, Mihăilești Dam, Giurgiu County.

**Clarifications:** By the **Sentence no. 867 / 29.07.2020** The Bolintin Vale Courthouse admits the complaint of violation. It annuls the contravention report series ANAR no. 0007326 concluded on 11/27/2019. The decision was appealed by Romanian Waters.

**Procedural status of the case:** --

**Deadline:** 11/04/2021

## 27. File no. 17469/281/2020 - Ploiești Courthouse

**Parties:** Conpet SA - claimant

Drăghici Adrian Marian - defendant

Drăghici Mariana - defendant

**Subject matter:** Conpet has filed a request for a summons requesting the court to order:

1. The sharing of the common good, hereinafter referred to as "building" identified as follows:

Building located in Brazi commune, Bătești village, Anton Pann street no. 12, Prahova county, composed of land with an area of 456 sq. m. and the construction on it, respectively the building with an area of 96 sq. m., held in joint ownership by the spouses Drăghici Adrian Marian and Drăghici Mariana;

2. The sharing by attributing the building in kind to Mr. Drăghici Adrian Marian, our debtor, following to retain in his task the obligation to pay the corresponding amount to Mrs. Drăghici Mariana;

3. Orders the defendants to pay the legal expenses.

**Note:** By the criminal sentence no. 1991 / P / 12.10.2010 pronounced by the Medgidia Courthouse in the file no. 3588/256/2010, remained final by the Criminal Decision no. 356 / P / 15.04.2011 of the Court of Appeal Constanța Drăghici Adrian Marian was obliged to pay the undersigned the amount of RON 4,698.79 representing material damages. As our debtor did not voluntarily fulfill his obligation, the enforcement procedure was started on 08/02/2013 by registering the execution file no. 180/2013 on the role of the Office of the Bailiff Divoiu Maria from Ploiești. By the Request formulated on 09/26/2013, the debtor Drăghici Adrian Marian requested that the payment of the debt be made in instalments, a request with which Conpet SA agreed. Thus, during the foreclosure, small amounts were paid, as a result of which, so far, the amount recovered is RON 2,974.82 representing execution expenses and bailiff fees advanced by Conpet SA and part of the debt due.

**Clarifications:** In this case, Conpet SA filed a request for re-examination of the judicial stamp duty, which is the subject matter of the file no. 17469/281/2020 / a1. By Conclusion no. 2206 / 13.11.2020 the request for re-examination was rejected. The judicial stamp duty paid by Conpet is RON 3,765.30.

Subsequent to the formulation of the summons, it was submitted in the foreclosure file no. 180/2013 assessment receipt no. 13200033/2021 dated 05/13/2021 in the amount of RON 3,735.41.

By the Conclusion of May 13, 2021 ordered in the execution file no. 180/2013 the Bailiff's Office Divoiu Maria found "*the fact that the debt was fully paid, as well as the enforcement expenses*" and ordered the release of the amount of RON 3,735.41 resulting from the foreclosure. By the same Conclusion the Bailiff's Office Divoiu Maria ordered "*the cessation of the foreclosure, finding that the debt for which the enforcement was started was paid in full, as well as the enforcement expenses and the closing of the file no. 180/2013 of the Bailiff's Office Divoiu Maria*".

Following the receipt from the Bailiff's Office Divoiu Maria of the above-mentioned conclusions, verifications were performed in the records of our company and it was found that the defendant Drăghici Adrian Marian paid in full the debt for the recovery of which the enforcement file no. 180/2013 has been opened, as well as the enforcement expenses incurred by Conpet SA.

The debtor also paid the costs incurred by Conpet SA in the present case. Thus, on 05/11/2021 the debtor presented himself at the cashier of our company and paid, with receipt no. 2021/1037, the amount of RON 4,265.30 representing the equivalent value of the judicial stamp duty (RON 3,765.30) and the fee for obtaining a land book extract from ANCPI (RON 500), paid by Conpet SA for formulating the summons which is the subject matter of file no. 17469/281/2021.

By the **Sentence of 07/27/2021**, the Ploiești Courthouse rejects the request as having become devoid of purpose. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

## 28. File no. 16445/281/2020 - Ploiești Courthouse

**Parties:** Conpet SA - civil party

Drăghici Adrian Marian - defendant  
 Tocu Petrică - defendant  
 Constantin Dan - defendant  
 Atanasiu Ion - defendant

**Subject matter:** Grand larceny. Conpet was a civil party for the amount of RON 87,184.57, representing the equivalent value of 40 liters of stolen and unrecovered gasoline (84.26 RON), the equivalent value of 17,615 kg of gasoline lost after the discharge of the pipeline (in order to intervene to remedy the pipeline at the point where it was damaged) (53,930.69 RON) and the equivalent value of the remediation works for the pipeline Ø 6<sup>5/8</sup>" Ticleni - Ploiești, consisting in the decommissioning of the artisanal installation, works necessary to restore the pipeline in working order (RON 28,956.81).

**Clarifications:** By **Conclusion no. 690 / 09.12.2020** pronounced in the file no. 16445/281/2020 / a1 rejects the requests and pleas invoked by the defendants DRĂGHICI ADRIAN MARIAN, TONCU PETRICĂ, CONSTANTIN DAN and ATANASIU ION, finds the material and territorial competence of the court, the legality of the referral with the indictment no. 3569 / P / 2014 of 06/30/2020 of the Prosecutor's Office attached to the Ploiești Courthouse, of the legality of the administration of evidence and of the execution of criminal investigation acts. It orders the beginning of the trial in the case registered in the Ploiești Courthouse under number 16445/281/2020. The Conclusion was contested by the defendants. By **Conclusion no. 138 / 26.03.2021** The Prahova Court admits the appeals. It annuls the contested decision and sends the case for retrial to the same court, the Ploiești Courthouse, according to the provisions of the present decision.

By **Conclusion no. 379/12.07.2021** pronounced in the file no. 16445/281/2020 / a1 \* The Ploiești Courthouse rejects as unfounded the requests and pleas invoked by the defendants DRĂGHICI ADRIAN MARIAN, CONSTANTIN DAN and ATANASIU ION, it finds the material and territorial competence of the court, the legality of the notification with the indictment no. 3569/P/2014 of 06/30/2020 of the Prosecutor's Office attached to the Ploiești Courthouse, the legality of the administration of evidence and of the execution of criminal prosecution acts, regarding the defendants: DRĂGHICI ADRIAN MARIAN, TONCU PETRICĂ, CONSTANTIN DAN. It orders the beginning of the trial in the case pending before the Ploiești Courthouse under number 16445/281/2020 regarding the defendants DRĂGHICI ADRIAN MARIAN, TONCU PETRICĂ CONSTANTIN DAN and ATANASIU ION. The conclusion was appealed by the defendants.

**Procedural status of the case:** Pre-Trial Chamber (16445/281/2020 / a1)

**Deadline:** --

## 29. File no. 6143/2/2020 - Bucharest Court of Appeal

**Parties:** Conpet SA - claimant

The Insured Guarantee Fund – defendant

**Subject matter:** Conpet appealed against **Decision no. 24238 / 25.09.2020** issued by the Insured Guarantee Fund by which the payment requests no. 79167, 79166, 79163, 81691, 81687, 81698, 82691, 82690, 88271, 88728 and 89684 were rejected.

**Clarifications:** CONPET S.A. formulated payment requests for the refund of amounts related to policies concluded

with the Insurance-Reinsurance Company ASTRA S.A. during the years 2009-2015, but by decision no. 24238 / 25.09.2020 which is the subject matter of the appeal, the Insured Guarantee Fund did not refer to the requests made by CONPET S.A. for the refund of the amounts due. The payment requests no. 79167, 79166, 79163, 81691, 81687, 81698, 82691, 82690, 88271, 88728 and 89684 specified in the decision are not related to any documents issued by our company.

By **Sentence no. 1051/30.06.2021** The Bucharest Court of Appeal admits the request. It annuls the decision no. 24238/25.09.2020 issued by the Insured Guarantee Fund. It obliges the defendant to issue an administrative act admitting the request for payment made by the claimant for the amount of RON 36,430.13. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

### 30. File no. 25520/212/2020 - Constanța Courthouse

**Parties:** Conpet SA - claimant

Safir Gabriela - defendant

**Subject matter:** Conpet formulates a request for summons of the defendant SAFIR GABRIELA domiciled in Ovidiu locality, 101 Poporului street (or 82 A), Constanța county so that by the decision you will pronounce to order the **establishment of the share due to each co-owner on the building located in Ovidiu locality, Poporului street no. 82 A, Constanța county, building located in the joint property (joint ownership)** of our debtor SAFIR MARIUS (execution file 51 / 2019- Bailiff's Office Menaef Cristian) and of the defendant SAFIR GABRIELA.

**Clarifications:** By the **Conclusion of 01/13/2021**, the Constanța Courthouse annuls the request for summons invoking that it did not submit within 10 days the land book extract regarding the building.

Against the conclusion, Conpet filed a request for re-examination, by which we showed that the building under joint ownership of the defendant Safir Gabriela and our debtor Safir Marius is not tabulated, the right of joint property not being registered in the land book, Conpet being aware of the existence of the property right in the patrimony of the defendant and of the debtor from the relations received from the Ovidiu City Hall. At the same time, we demonstrated to the court that only the exclusive property right of the debtor on the land building is written in the land book and we attached the land book extract for the land, as well as all the steps taken by Conpet and Bailiff Menaef Cristian.

By Conclusion no. 5783 / 21.04.2021 The Constanța Courthouse admits the request for re-examination. It returns to the measure of annulment of the request and orders the resubmission of the file of the compiled C31 for the continuation of the procedure. Final.

**Procedural status of the case:** Merits

**Deadline:** 10/19/2021

### 31. File no. 704/249/2021 - Lehliu Gară Courthouse

**Parties:** Conpet SA - claimant

NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A. – R.D.R.B. Bucharest / National Roads / Highways Section Bucharest - Section 1 Bucharest - defendant

**Subject matter:** Conpet complains against the Traffic Violation Report (PVCC) Series BU 19 No. 000112 concluded on 02/11/2021 requesting:

1. Cancellation of the Traffic Violation Report (PVCC) Series BU 19 No. 000112 concluded on 02/11/2021 by the NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A. – R.D.R.B. Bucharest / National

Roads / Highways Section Bucharest - Section 1 Bucharest;

2. Exemption of CONPET S.A. the payment of the civil penalty;
3. Ordering the defendant to pay the legal expenses incurred by this trial.

**Clarifications:** By Sentence no. 636/04.06.2021 The Lehliu-Gară Courthouse admits the complaint of violation. It obliges the respondent to pay to the petitioner the amount of RON 20 as legal expenses. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

### **32. File no. 1362/317/2021 - Târgu Cărbunești Courthouse**

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Târgu Cărbunești Courthouse - respondent

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 02/23/2021 by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in file no. 2668 / P / 2011, regarding the criminal offence of attempted grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi ordered on 02/23/2021 by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in file no. 2668/P/2011, continuation of the criminal prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for the damage, on the night of 20 / 21.09.2011, of the crude oil transport pipeline Ø 8% " Rădinești - Ticleni, in Hurezani locality, Gorj county, as well as in order to recover the damage caused to our company (RON 3,004.84).

**Clarifications:** By Conclusion no. 177 / 26.04.2021, the Târgu Cărbunești Courthouse admits the plea of the illegal composition of the court panel invoked ex officio and sends the case for random distribution.

**Deadline:** 09/09/2021

### **33. File no. 238/42/2021 - Ploiești Court of Appeal**

**Parties:** Conpet SA - claimant

Ministry of Agriculture and Rural Development defendant

Ialomița County Directorate for Agriculture defendant

National Agency for Cadastre and Real Estate Advertising defendant

**Subject matter:** Obligation of the defendants to pay CONPET S.A. of the amount of RON 238,300 representing the amount paid by CONPET S.A. and undue. The amount was paid in April 2017 for the removal from the agricultural circuit of a land area of 74,712 sq m, which was subsequently reduced by the restoration of the documentation to an area of 56,462 sq m. The investment objective was "Oil pipeline replacement Ø 14 " C2 - C3 on 8 sections in Balta Ialomiței area, Ialomița County on a length of approx. 4,037 m"- Project no. 160/4993/2016 PETROSTAR.

**Clarifications:** --

**Procedural status of the case:** Merits

**Deadline:** 09/08/2021

### **34. File no. 1907/105/2021 - Prahova Court**

**Parties:** Conpet SA - claimant

Tiab SA - defendant

**Subject matter:** Conpet files a lawsuit against TIAB SA Bucharest, requesting:

1. Obligation of the defendant TIAB S.A. upon payment to CONPET S.A. of the amount of RON 179,800 representing

damages in the amount of 20% due according to art. 19.2 of the supply contract no. P-CA 731/20.10.2017;

2. Obligation of the defendant TIAB S.A. upon payment to CONPET S.A. of penalties in the amount of RON 2,777,910 , due by the defendant in accordance with the provisions of art. 18.1 of the contract no. P-CA 731/20.10.2017, for the non-execution in time of the obligations of supply, installation and commissioning of some technical Security systems at Independența Platform, Independența Warehouse and at Băicoi Station;
3. Obligation of the defendant upon payment of the legal expenses.

**Clarifications:** --

**Procedural status of the case:** Merits

**Deadline:** 09/29/2021

### 35. File no. 6776/200/2021 - Buzău Courthouse

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Buzău Courthouse - respondent

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 04/07/2021 by the Prosecutor's Office attached to the Buzău Courthouse in file no. 906/P/2017, regarding the criminal offence of grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi dated 04/07/2021 and of the Ordinance no. 80 / II / 2/2021 dated 05/10/2021, ordered by the Prosecutor's Office attached to the Buzău Courthouse in file no. 906/P/2017, continuation of the criminal prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for stealing the metal pipe and fiber optic cable from Balaia commune, Buzău county, deed found on 01/18/2012, as well as in order to recover the damage caused to our company (RON 50,114.02).

**Clarifications:** --

**Deadline:** 09/21/2021

### 36. File no. 1270/229/2021 - Fetești Courthouse

**Parties:** Conpet SA- Claimant

Zacon Trandafir - Defendant

**Subject matter:** Claims - File disjointed from file no. 2782/229/2018.

**Clarifications:** By the **Conclusion of 04/22/2021**, the Fetești Courthouse ordered the suspension of the trial until the resolution of the merits case, from which the second end of the request was disjointed.

**Procedural status of the case:** Merits – Suspended

### 37. File no. 4479/256/2021 - Medgidia Courthouse

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Medgidia Courthouse - respondent

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 04/05/2021 by the Prosecutor's Office attached to the Medgidia Courthouse in file no. 223/P/2013, regarding the criminal offence of grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi ordered on 04/05/2021 by the Prosecutor's Office attached to the Medgidia Courthouse in file no. 223/P/2013, the continuation of the criminal prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for stealing the air crossing of the imported crude oil pipeline Ø 14 "(25 m.l. of pipe), committed between 11 and 14.01.2013, in the area of terminal 53, Castelu locality, Constanța county, as well as in order to recover the damage caused to our company (RON 20,853.36).

**Clarifications:** -

**Deadline:** 08/05/2021

### 38. File no. 16533/212/2021 - Constanța Courthouse

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Constanța Courthouse - respondent

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 03/22/2021 by the Prosecutor's Office attached to the Constanța Courthouse in file no. 21465/P/2012, regarding the criminal offence of theft requesting the admission of the complaint, the annulment of the Nolle Prosequi dated 03/22/2021 and of the Ordinance no. 218/II/2/2021 of 05/25/2021, ordered by the Prosecutor's Office attached to the Constanța Courthouse in file no. 21465/P/2012, the continuation of the criminal prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for stealing a cathodic protection cabin located in the Navodari Nursery area, Constanța county, deed identified on 11/20/2012, as well as in order to recover the damage caused to our company (RON 8,713.86).

**Clarifications:** -

**Deadline:** 09/29/2021

### 39. File no. 12877/281/2021 - Ploiești Courthouse

**Parties:** Conpet SA - claimant

Termodinamic SRL - defendant

**Subject matter:** Conpet SA formulates a request for a lawsuit requesting the court that by the decision it will pronounce to order the obligation of TERMODINAMIC SRL to pay to our company:

- the amount of RON 4,040.10 representing delay penalties due pursuant to art. 20.1 of the Contract no. P-CA CD 440 / 16.12.2019;
- the legal expenses incurred in the present case.

**Clarifications:** --

**Deadline:** --

### 40. File no. 3011/105/2021 - Prahova Court

**Parties:** Conpet S.A. - claimant

Tiab S.A. - Defendant

**Subject matter:** Conpet is suing TIAB S.A. Bucharest requesting:

1. Finding the unilateral termination of the Supply Contract no. P-CA 559 / 08.08.2017 in accordance with the provisions of art. 19.4 lit. b) of the contract;
2. Obligation of the defendant TIAB S.A. upon payment to CONPET S.A. of the amount of RON 109,841.24 representing damages in the amount of 20% due by the defendant according to art. 19.5 paragraph (1) of the supply contract no. P-CA 559 / 08.08.2017, as a result of the unilateral termination of the contract in accordance with the provisions of art. 19.4 letter b) of the contract;
3. Obligation of the defendant TIAB S.A. upon payment to CONPET S.A. of penalties in the amount of RON 1,081,936.25, due by the defendant in accordance with the provisions of art. 18.1 of the contract no. P-CA 559 / 08.08.2017, for non-execution in time of the obligations of supply, installation and commissioning of a technical system of Security at Marghita Platform, penalties calculated until the date of the unilateral termination of the contract

(06/24/2021);

4. Obligation of the defendant to pay the legal expenses.

Subsidiarily, in so far as the court dismisses the main heads of claim, Conpet requested:

1. Termination of the Supply Contract no. P-CA 559/08.08.2017 through the fault of the defendant TIAB S.A. in accordance with Art. 19.1 of the contract, for the non-execution of the obligations consisting in the supply, installation and commissioning of a technical safety system at Marghita Platform.

2. Obligation of the defendant TIAB S.A. upon payment to CONPET S.A. of penalties in the amount of RON 917,174.39, due by the defendant in accordance with the provisions of art. 18.1 of the contract no. P-CA 559/08.08.2017, for non-execution in time of the obligations of supply, installation and commissioning of a Technical Security System at Marghita Platform, penalties calculated until the date of the unilateral termination of the contract (06/24/2021) as well as in continued until the date of the final decision of the court.

3. Obligation of the defendant to pay the legal expenses.

**Clarifications:** --

**Deadline:** 10/04/2021

#### **41. File no. 13466/281/2021 - Ploiesti Courthouse**

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Ploiesti Courthouse

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 02/23/2020 by the Prosecutor's Office attached to the Ploiești Courthouse, in file no. 6587/P/2016 regarding the commission to the named Peștișor Marius Sever of the crime of grand larceny, deed provided and punished by art. 228 par. 1- art. 229 paragraph 3 letter a of the Criminal Code.

**Procedural status of the case:** Merits

**Clarifications:** --

**Deadline:** 10/21/2021

#### **42. File 2269/317/2021 - Tg. Cărbunești Courthouse**

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Tg Cărbunești Courthouse

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 03/31/2021 by the Prosecutor's Office attached to the Tg Cărbunești Courthouse, in file no. 1733/P/2011 regarding the criminal offence of theft, deed provided and punished by art. 228 par. 1 of the Criminal Code.

**Procedural status of the case:** Merits

**Clarifications:** --

**Deadline:** 10/21/2021

#### **43. File no. 13833/281/2021 - Ploiesti Courthouse**

**Parties:** Conpet SA - appellant

Toncu Stefan - respondent

**Subject matter:** Conpet files an enforcement appeal against the decision ordered by the Bailiff's Office Petrov in the enforcement file 139/2019.

**Procedural status of the case:** Merits

**Clarifications:** --

**Deadline:** --

#### **44. File no. 1810/259/2021 - Mizil Courthouse**

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Mizil Courthouse - respondent

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 05/25/2021 by the Prosecutor's Office attached to the Mizil Courthouse in the file no. 1258/P/2011, regarding the criminal offence of grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi dated 05/25/2021 and of the Ordinance no. 37 / II / 2/2021 dated 06/18/2021, ordered by the Prosecutor's Office attached to the Mizil Courthouse in the file no. 1258/P/2011, the continuation of the criminal prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for uncovering and stealing, on the night of 03 / 04.03. 2021, 30 m.l. of pipe Ø 4½ " and 30 m.l. of pipe Ø 10¾", as well as in order to recover the damage caused to our company (RON 33,021.19 representing the value of the stolen tubular material and the remediation and commissioning of the fiber optic cable).

**Clarifications:** --

**Deadline:** 08/05/2021

#### **45. File no. 1813/262/2021 - Moreni Courthouse**

**Parties:** Conpet SA - petitioner

The Prosecutor's Office attached to the Moreni Courthouse - respondent

**Subject matter:** Conpet files a complaint against the Nolle Prosequi ordered on 05/26/2021 by the Prosecutor's Office attached to the Moreni Courthouse in the file no. 310/ P /2013, regarding the criminal offence of attempted grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi dated 05/26/2021 and of the Ordinance no. 12 / II-2/2021 dated 06/28/2021, ordered by the Prosecutor's Office attached to the Moreni Courthouse in the file no. 310 / P / 2013, continuation of the criminal prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for attempting to steal a portion of the crude oil pipeline Ø 6 " RA Moreni - Ploiești, in the area of Seaca brook, Moreni locality, Dâmbovița county, deed committed on 06 / 07.03.2013, as well as in order to recover the damage caused to our company (RON 136,984.36).

**Clarifications:** --

**Deadline:** 10/07/2021

**The list of files pending before Courts on 06/30/2021 in which the company CONPET S.A. has the status of defendant**

#### **1. File no. 8296/281/2007 - Ploiești Courthouse**

**Parties:** Cornea Rodica Aurora - claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz Bucharest, Ministry of Finance - defendants

**Subject matter:** Cornea Rodica Aurora claims jointly and severally that the defendants are required to pay civil damages in the amount of EUR 74,000 representing the damage caused by the presence of pipes belonging to the defendants in the basement, the property of the claimant and the payment of civil damages provisionally assessed at RON 10,000 for the period of February 2004 - February 2006 as a result of the use of pipes that crossed the property of the claimant.

**Clarifications:** The case is suspended based on art. 36 of Law no. 85/2006.

**Procedural status of the case:** Merits

## 2. File no. 8297/281/2007 - Ploiești Courthouse

**Parties:** Rusu Mihaela - claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz Bucharest, Ministry of Finance - defendants

**Subject matter:** Rusu Mihaela claims that the defendants should be jointly and severally liable for civil damages in the amount of EUR 74,000, representing the damage caused by the presence of pipes belonging to the defendants in the basement, the property of the claimant.

**Clarifications:** The case is suspended based on art. 36 of Law no. 85/2006.

**Procedural status of the case:** Merits

## 3. File no. 14960/280/2015 - Argeș Court

**Parties:** Conpet - defendant

Cîrstea Stelian - claimant

Cîrstea Gherghina - claimant

**Subject matter:** Obligation to make + Claims. The claimants filed a request for a summons, requesting the court to order Conpet SA to:

1. Pay the lack of use from the date of acquiring ownership of the land – 10/06/2014, lack of use which it provisionally assesses at the amount of RON 1000.
2. Erect the pipelines and installations on the land owned by the claimants, and in so far as this is not possible, Conpet is obliged to pay a monthly amount equivalent to a rent for the land affected by the pipelines and installations on it - at the level of rents practiced on the free market.
3. Pay the legal expenses.

The conclusion of the Expert Report in the topography field drawn up in the case by the expert Căplan Petre was that the area affected by the oil objectives is: 244 sqm (215.44 sqm - pipelines, 9 sqm - tank, 5.56 sqm - tank, 14 sqm - concrete bridge)

The conclusions of the Expert Report in the agriculture field drawn up in the case by the expert Matei Viorica (the third report of this specialty drawn up in the case) were the following:

1. the value of the lack of use of the land occupied by oil objectives with an area of 230 sqm (pipes + 2 tanks), calculated for the category of hay use, during October 2014 - October 2019 = RON 350
2. The value of the lack of use of the land occupied by oil objectives with an area of 230 sqm (pipes + tanks), calculated for the conventional maize crop, during October 2014 - October 2019 = RON 176
3. The value of the lack of use of the land occupied by oil objectives with an area of 230 sqm (pipelines + tanks), calculated for a rent of 5 RON / sqm / year, during October 2014 - October 2019 = RON 5,750
4. Lack of use regarding the installations and equipment located on the ground surface that prevents its use according to the methodology established by the report of the State Domains Agency no. 675/2001, during October 2014 - October 2019 = RON 3.

Following this Expert Report, the claimants increased their claims to the amount of RON 6,276 representing the lack of use from 10/06/2014 until October 2019 (RON 350 + RON 176 + RON 5,750).

**Clarifications:** By the Sentence no. 2797 / 07.07.2020 The Pitești Courthouse partially admits the request. It dismisses as unfounded the plea of the lack of passive procedural quality invoked by the Romanian State through the Ministry of

Public Finance. It dismisses as unfounded the claim made by the claimants in contradiction with the defendants the Romanian State through the Ministry of Public Finance and the National Agency for Mineral Resources. It admits in part the claim made by the claimants in contradiction with the defendant Conpet SA. It obliges the defendant Conpet SA to pay to the claimants the amount of RON 350 representing the equivalent value of the lack of use for the period October 2014 - October 2019 and further the amount of RON 70 / year as rent during the concession. It admits the request of the defendant Conpet SA regarding the restitution of the judicial fee paid additionally for solving the motion of disqualification of the expert Ionescu Steliana. It orders the return to the defendant SC Conpet SA of the judicial stamp duty in the amount of 100 RON paid by the defendant with payment order no. 7178 / 24.10.2016. It obliges the defendant Conpet SA to pay to the claimants the amount of RON 95 as legal expenses. The decision was appealed by Cîrstea Stelian and Cîrstea Gherghina, who considered that the land area for which the rent was calculated was too small and that the rent should have been calculated at the level of the rent on the free market. They requested the performance of a technical expertise specializing in property assessment with the aim of: *"assessment of rent due by law taking into account the free market price of rents and leases for land with positional and geomorphic characteristics similar to those of the land in question, in the absence of any pollution and in the absence of any legal installations and easements"*.

By the **Decision no. 943 / 04.12.2020** The Argeș Commercial Court admits the exception of material procedural incompetence. It declines in favor of the Argeș Court the jurisdiction to settle the appeal. By **Conclusion no. 1801 / 26.04.2021** The Argeș Court admits the plea of material procedural incompetence of the Argeș Court - Civil Section, a plea invoked ex officio. It declines the jurisdiction to settle the appeal in favor of the Argeș Specialized Court. It notes the negative conflict of jurisdiction. It orders the ex officio suspension of the appeal trial. It sends the case to the Pitești Court of Appeal to resolve the conflict of jurisdiction. No appeal. By Decision no. 92 / A-CC / 03.06.2021 pronounced in the file no. 731/46/2021 The Pitești Court of Appeal establishes the jurisdiction to settle the case in favor of the Argeș Court.

**Procedural status of the case:** Appeal

**Deadline:** 09/27/2021

#### 4. File no. 3451/108/2016 \*\* - Timișoara Court of Appeal

**Parties:** Conpet SA - defendant

ATU Pecica Town - claimant

**Subject matter:** ATU of Pecica town filed a request for a summons requesting:

Mainly:

- the obligation of the defendant Conpet S.A. to divert the crude oil pipeline that crosses a number of 22 plots of urban land, intended for the construction of houses, located in our property, in a total area of 20,287 sq. m.
- order the defendant Conpet S.A. to pay the amount of EUR 65,000 representing the equivalent value of the house located in plot no. A141.7760 / 5/174, entered in L.B. no. 306869 because it can no longer be capitalized by the subscriber.

In subsidiary:

- order the defendant Conpet S.A. upon payment of an annual rent, during the existence of the pipeline, as a result of the encumbrance of the areas shown above by the right of legal servitude exercised by Conpet SA; **NOTE:** The annual rent has not been quantified.
- order the defendant Conpet S.A. to the granting of compensations for the period 10/31/2014 – 05/31/2016 as a result of the limitation of the attributes of the property right of the 22 urban land plots and of the decrease of the circulation

value of the land on the real estate market due to the restrictions imposed by Order 196/2006 of NAMR on construction;

- order the defendant Conpet S.A. that every 3 years to adapt the amount of compensation to the value of circulation at that time of similar lands and the provisions of future orders of the NAMR;
- the setting by the court of the due date on which the compensations will be paid annually, following the non-payment at the due term to attract the payment of the legal interest related to the amount received as compensation for the delay period;
- award the legal expenses incurred in the event of opposition.

**Clarifications:** By the Conclusion of 12/07/2016, the Arad Court finds the functional incompetence of the Civil Section I of the Arad Court and declines in favor of the Civil Section II of the Arad Court, the judgment of the action filed by the claimant Territorial Administrative Unit of Pecica Town.

By the Conclusion no. 40 / 26.01.2017 The Arad Court rejects the request to show the right holder formulated by the defendant Conpet SA in contradiction with the claimant ATU of Pecica Town and with the respondents the Romanian State through the Ministry of Public Finance and the National Agency for Mineral Resources. The decision was appealed by Conpet (File no. 3451/108/2016 \* / a1 - Timisoara Court of Appeal, deadline: 14.03.2017). By the Decision no. 211 / 20.03.2017 The Timișoara Court of Appeal rejects the appeal.

By the **sentence no. 336 / 18.05.2017**, the Arad Court rejects the civil action filed by the claimant ATU of Pecica Town in contradiction with the defendant SC Conpet SA having as subject the obligation to act and claims. No legal expenses. The decision was appealed by the ATU Pecica Town.

By the **Decision no. 761 / 23.11.2017** The Timișoara Court of Appeal admits the appeal. It annuls the appealed sentence and sends the case for retrial to the Arad Court. Conpet filed an appeal.

Through the Report of 06/07/2018, the High Court of Cassation and Justice found the inadmissibility of the Conpet appeal, it being promoted against a final decision, which does not fall within the hypothesis regulated by art. 483 para. 1 Code of Civil Procedure. The parties may submit a written opinion on the report within 10 days of its communication. By the Conclusion of 10/10/2018, the HCCJ admits in principle the appeal declared by the appellant-defendant Conpet S.A. against the civil decision no. 761 / A of November 23, 2017 pronounced by the Timișoara Court of Appeal - Civil Section II. It sets a deadline for resolving the appeal on January 30, 2019. By the **Decision no. 615 / 22.03.2019** The HCCJ admits the appeal declared by the appellant-defendant Conpet S.A., quashes the appealed decision and sends the case to a new court of the same court of appeal.

According to the report of forensic expertise in the assessment performed in question at the request of the claimant ATU Pecica and submitted by the deadline of 01/11/2021, conclusions: The overall value of compensation for affecting the right of construction proposed by the expert is EUR 137,045.69, which at the exchange rate from 09/25/2020 of EUR 4.8750 has the value of RON 668,097.74. As regards the amount of the annual rent, the claimant did not formulate an objective of expertise. To date, the claimant TAU Pecica has not made any request to specify its claims with the value of the assessment expertise.

By **Decision no. 306 / 07.06.2021** The Timișoara Court of Appeal rejects the appeal declared by the appellant-claimant, the Territorial Administrative Unit of the City of Pecica. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

## 5. File no. 5413/204/2017\* - Prahova Court

**Parties:** Conpet SA - defendant

NAMR - defendant

Dobrogeanu Dumitru - claimant

Dobrogeanu Păun Ioan - claimant

**Subject matter:** Claims. Dobrogeanu Dumitru and Dobrogeanu Păun Ioan filed a summons requesting the court that by the decision it will pronounce to order the obligation of the defendants to:

1. Payment of an annual rent for the land areas occupied by the two pipelines transporting petroleum products (crude oil) starting with 07/01/2014 and in the future, throughout the existence of the pipelines;
2. Obligation of the defendants to pay the losses suffered by not achieving economic objectives on the area left between the two pipelines after their restriction and the area along DN1 (E60);
3. Payment of legal expenses.

The first end of the application was estimated by the claimants at the amount of EUR 48,000 / year (RON 220,000), and the second end at the amount of RON 25,000 / year.

**Clarifications:** By the Decision no. 594 / 28.02.2018 the Câmpina Courthouse admits the plea of the material incompetence of solving the case of the Câmpina Courthouse, invoked by the court ex officio. It declines jurisdiction to settle the request in favor of the Prahova Court. No appeal.

By the **sentence no. 2446 / 28.08.2018** the Prahova Court admits the exception of the lack of passive procedural quality, invoked by the defendant National Agency for Mineral Resources Bucharest. It dismisses the action, in contradiction with that defendant, as being brought against a person without procedural capacity. It admits the exception of the res judicata. It dismisses the claim filed against the defendant SC Conpet SA, as there is res judicata. It finds that the defendants have not applied for legal expenses. The decision was appealed by Dobrogeanu Dumitru.

By the **decision no. 2804 / 11.11.2019** the Ploiești Court of Appeal rejects the appeal filed by the appellant Dobrogeanu Dumitru as unfounded. It admits the plea of inadmissibility of the cross-appeal. It dismisses as unfounded the cross-appeal declared by the appellant Dobrogeanu Păun Ioan. The decision was appealed by Dobrogeanu Dumitru and Dobrogeanu Păun Ioan.

By **Decision no. 206 / 04.02.2021**, the High Court of Cassation and Justice rejects the appeal filed by the claimant Dobrogeanu Păun Ioan against the civil decision no. 2804 of November 11, 2019, pronounced by the Ploiești Court of Appeal, Civil Section I. It admits the appeal filed by the claimant Dobrogeanu Dumitru against the same decision. It quashes the appealed decision and the civil sentence no. 2446 of August 28, 2018 of the Prahova Court and sends the case for retrial to the Prahova Court. Final.

**Procedural status of the case:** Merits - retrial

**Deadline:** 09/30/2021

## 6. File no. 5212/105/2018 - Ploiești Court of Appeal

**Parties:** Conpet SA - defendant

Fondul Proprietatea SA - claimant

**Subject matter:** Fondul Proprietatea SA files an appeal requesting the court to:

1. Oblige Conpet to pay the amount of RON 734,747.04, representing the net value of the dividends related to a share of 6% of the share capital of Conpet, respectively for a number of 524,366 shares held by the claimant on the registration date of AGOA Conpet from 04/25/2007 (i.e. 05/14/2007), for the financial year of 2006,
2. Oblige Conpet to pay damages, respectively the legal interest related to the dividends from the due date of the amount requested in point 1 and until the date of filing the summons (i.e. 11/09/2018), in the amount of RON 579,015.97.
3. Oblige Conpet to pay thereafter the legal interest related to the net value of the dividends, from the date of filing the summons and until the actual payment of the requested amounts,

4. Oblige Conpet to pay the legal expenses of the present litigation

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

**Clarifications:** By the **Conclusion of 06/25/2019**, the Prahova Court rejected as unfounded the impleader of the Authority for the Administration of State Assets, formulated by the defendant Conpet S.A. Conpet and the Romanian State through the Ministry of Public Finance filed an appeal against this decision of the court. By the same Conclusion of 06/25/2019, the court admitted in principle the impleader of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the plea of the lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered with the Ploiești Court of Appeal with no. 5212/105/2018 / a2. By the **decision no. 515 / 05.11.2019** the Ploiești Court of Appeal admits the plea of the inadmissibility of the appeal declared by the Ministry of Public Finance. It dismisses this appeal as inadmissible. It rejects the plea of lack of interest and the exception of inadmissibility of the appeal declared by Conpet SA. It dismisses this appeal as unfounded. Final.

By the **Conclusion of 09/20/2019**, the Ploiești Court of Appeal suspended the trial of the case until the settlement of the appeals made against the decision pronounced on 06/25/2019. This conclusion remained final by non-appeal.

At the request of both parties, an accounting forensic expertise was performed. According to the conclusions of the expertise, the following values resulted:

Objective 1 of F.P.: The legal interest related to the amount of RON 734,747.04 representing the net value of dividends from the due date of the amount (10/26/2007) and until the date of filing the summons (11/09/2018) has the value of RON 579,015.97.

Objective 2 of F.P.: In the subsidiary variant, respectively from the date on which the action in claim was irrevocably resolved (10/03/2017) and until 11/09/2018, the legal interest related to the amount of RON 734,747.04 representing the net value of the dividends has the value of RON 50,583.83. And in the subsidiary version from the date of final settlement of the claimant's action regarding the annulment of the AGOA decision no. 2 in the file no. 3715/105/2007, respectively the date of 04/27/2018 and until the date of filing the summons 11/09/2018, the legal interest related to the amount of RON 724,747.04 representing the net value of the dividends has the value of RON 25,756.41.

Objective 3 of F.P.: In the version between 11/09/2018, the date of filing the summons and until the date of drawing up the forensic accounting expertise, the legal interest related to the amount of RON 734,747.04 representing the net value of dividends has the value of RON 84,264.41.

Conpet Objective: The legal interest related to the amount of RON 734,747.04 representing the net value of dividends starting with the date of finality of the court decision by which the AGOA Decision no. 2 / 25.04.2007, respectively the date of 04/27/2018 (the date of Decision no. 210 / 27.04.2018 of the Ploiești Court of Appeal pronounced in the file no. 3715/105/2007) on October 31, 2020, has the value of RON 116,774.45.

By **Sentence no. 633 / 20.05.2021** The Prahova Court unfoundedly rejects the exception of the prescription of the right to action. It admits the action. It obliges the defendant Conpet SA to pay to the claimant the amounts of RON 734,747.04 representing the value of dividends, of RON 579,015.97, representing dividends for the period 10/26/2007-11/09/2018, and the legal interest related to the net value of the dividends from 11/09/2018 and until the actual payment of the main debit. It admits in part the request for bail. It obliges the summoned in guarantee The Romanian State to pay to the defendant SC CONPET SA, the amount of RON 734,747.04, representing the value of dividends, and the legal interest related to this amount starting with 12/17/2018 and until the date of restitution to the defendant of the amount of RON 734,747.04. The decision can be appealed after communication.

By **Decision no. 814 / 01.07.2021** The Prahova Court admits the request for correction of the material error made by the claimant. It corrects the material error crept into the content of paragraph 3 of the operative part of sentence no. 633

/ 02.06.2021 pronounced by the Prahova Court, in the sense that it is written: "It obliges the defendant S.C. Conpet S.A. to pay to the claimant the amounts of RON 734,747.04 representing the main debit, of RON 579,015.97, representing dividends for the period 10/26/2007-11/09/2018, and the legal interest related to the net value of the dividends from 11/09/2018 until the actual payment of the main debit.". It admits the request for completion of the decision made by the claimant. It orders the completion of the civil sentence no. 633 / 02.06.2021 in the sense that it also provides: It reduces to RON 70,000 the fee of the claimant's lawyer. It obliges the defendant S.C. Conpet S.A. to pay the claimant the following legal expenses: RON 20,347.63 representing judicial stamp duty, RON 4,300 expert fee, RON 8,481.87 expert fee, RON 70 lawyer's fee and RON 1,125 other expenses. It obliges the summoned in guarantee The Romanian State to pay to the defendant S.C. Conpet S.A. legal expenses in the amount of RON 16,943. The decision was appealed by Conpet and State by the Ministry of Public Finance.

**Procedural status of the case:** Appeal

**Deadline:** --

## 7. File no. 198/241/2020 - Horezu Courthouse

**Parties:** Podureanu Iordachi - claimant

Conpet S.A. - defendant

**Subject matter:** Podureanu Iordachi made an appeal requesting the court, by the decision it will issue, to order:

- the obligation of the defendant Conpet SA to pay the amount of RON 150,000 representing moral damages
- the obligation of the defendant Conpet SA to pay the legal expenses

**Clarifications:** By **Sentence no. 1246 / 14.07.2021** the Horezu Courthouse admits the plea of the prescription of the material right to action, invoked by the defendant. It rejects the request for a lawsuit filed by the claimant Podureanu Iordachi in contradiction with the defendant Conpet S.A., as the material right to action is prescribed. It dismisses as unfounded the defendant's claim for legal expenses. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

## 8. File no. 4395/270/2020 - Onești Court

**Parties:** Municipality of Onești - claimant

Local Council of Onești - claimant

Conpet SA - defendant

Subject: Onești Municipality and the Local Council of Onești Municipality, Bacău County, have sued Conpet S.A. asking the court:

"1. The obligation of the defendant at the conclusion of the agreement for the exercise of the right of legal servitude over the lands with an area of 11,474.5 sq. m., crossed and affected by crude oil transport pipelines within the municipality of Onești, equivalent to the payment of an annual rent, during the existence of the pipelines, to the local budget of Onești municipality, determined according to the principle of the least violation of the property right and calculated taking into account the circulation value of the affected real estate, established under the law, at the time of the damage.

2. The obligation of the defendant to pay material damages, representing the equivalent value of the lack of use for the land in the area of 11,474.5 sq. m. crossed and affected by the crude oil pipelines within the municipality of Onești, established according to the Market Study approved by the Decision of the Local Council no. 199 of 11/29/2018, respectively according to the Updated Market Study approved by the Decision of the Local Council no. 122 of

06/29/2020, calculated starting with 2017 and until the date of concluding the agreement for exercising the right of legal servitude over these lands, to which are added late fees, interest and late payment penalties in the amount provided by the Fiscal Procedures Code applicable in this period.

3. The obligation of the defendant to pay the legal expenses of the present proceedings. '

**Details:** ---

**Procedural status of the case:** Merits

**Deadline:** 10/05/2021

#### **9. File no. 17042/303/2020 - Bucharest Court**

**Parties:** Conpet SA - respondent

Dobrogeanu Păun Ioan - appellant

**Subject matter:** Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 61/2018 – the Bailiff's Office Petcu Alexandru respectively the conclusion of 09/28/2020 regarding the distribution of the amounts collected. In the file 61/2018, the bailiff ordered the cessation of the foreclosure.

**Clarifications:** By Sentence no. 2235 / 15.03.2021, the Bucharest District 6 Courthouse rejects the enforcement appeal, as unfounded. The decision was appealed by Dobrogeanu Păun Ioan.

**Procedural status of the case:** Appeal

**Deadline:** --

#### **10. File no. 17433/303/2020 - Bucharest District 6 Courthouse**

**Parties:** Conpet SA - respondent

Dobrogeanu Păun Ioan - appellant

**Subject matter:** Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 16/2017 – the Bailiff's Office Raduta Nicoleta respectively the address for setting up the seizure of 10/05/2020, the conclusion of 10/05/2020 regarding the establishment of the additional execution expenses, notification of seizure of 10/05/2020.

**Clarifications:** By Sentence no. 5837 / 15.07.2021, the Bucharest District 6 Courthouse admits the enforcement appeal filed by the appellant DOBROGEANU PAUN IOAN in contradiction with the respondents CONPET SA and the Bailiff's Office RADUȚĂ NICOLETA. It annuls the conclusion establishing some additional expenses of 10/05/2021, as well as all the other enforcement documents drawn up on 10/05/2021 in the enforcement file no. 16/2017 on the role of the Bailiff's Office Raduta Nicoleta. It finds that the foreclosure started against the appellant in the enforcement file no. 16/2017. Pursuant to art. 45 para. 1 letter f) GEO 80/2013, it orders the refund to the appellant of the amount of RON 193, representing the stamp duty paid through the receipts submitted to the file, f 382 - 387. Enforceable. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

#### **11. File no. 19819/303/2020 - Bucharest Court**

**Parties:** Conpet SA - respondent

Dobrogeanu Păun Ioan - appellant

**Subject matter:** Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 16/2017 – the Bailiff's Office Raduta Nicoleta respectively the address for setting up the seizure

of 11/06/2020, the conclusion of 11/06/2020 regarding the establishment of the additional execution expenses, notification of the seizure reduction of 11/06/2020.

**Clarifications:** By **Sentence no. 2725 / 29.03.2021**, the Bucharest District 6 Courthouse rejects the exception of connection, invoked by the appellant, as unfounded. It rejects the exception of the belatedly formulation of the appeal against the enforcement acts of 11/06/2020, as inadmissible. It admits the exception of the belatedly completing the request with new grounds of appeal, invoked by the response to the response. It dismisses the application as inadmissible. It obliges the appellant to pay the Bailiff's Office RADUTA NICOLETA the amount of RON 402.22 expenses for the communication of the copy of the foreclosure file. The decision was appealed by Dobrogeanu Păun Ioan.

**Procedural status of the case:** Appeal

**Deadline:** 09/23/2021

## 12. File 1621/105 / 2021- Prahova Court

**Parties:** Conpet SA - defendant

HABAU PPS PIPELINE SYSTEM SRL, INSPET S.A., REVICOND CANALTECH S.R.L., IAT ENGINEERING & DESIGN S.R.L., Association of HABAU PPS PIPELINE SYSTEM SRL - INSPET S.A. - REVICOND CANALTECH SRL - IAT ENGINEERING & DESING SRL - claimants

**Subject matter: The claimants claim:**

1. Urgent suspension of the Procurement Procedure until the case is solved;
2. Annulment of decision no. 1 / 24.03.2021 issued by the CONPET settlement commission regarding the appeal filed by the claimants within the procurement procedure;
3. Annulment of the CONPET Communication no. 5691 / 16.02.2021, annulment of all previous and / or subsequent acts, incidents or related issues issued by CONPET regarding the declaration of the tender of the CIS GAZ - HORIZONTAL Association as admissible and winning (including the relevant sections of the Procurement Procedure report, of the evaluation minutes, as well as any other communications sent for this purpose to the Subscribers and / or the CIS HORIZONTAL Association);
4. Obligation of CONPET to re-evaluate the tender of the CIS GAZ - HORIZONTAL Association;
5. Obligation of CONPET to pay the legal expenses.

The applicants' claims relate to the procurement procedure carried out by CONPET S.A. for the award of the contract having as subject "*Replacement of Danube crossing wires C1-C2 and Borcea Arm C3-C4*", by which the tender submitted by the Association of the CIS - HORIZONTAL was designated the winner.

**Clarifications:** By **Sentence no. 785 / 29.06.2021**, the Prahova Court admits the exception of the inadmissibility of chapters 3-6 of the modified summons, by reference to the provisions of Law no. 554/2004 and rejects the heads of claim, as inadmissible, rejects the exception of the lack of purpose of chapter 4 of the amended request for summons, as unfounded. It rejects the exception of the belatedly end of point 5 point 1 of the modified summons, as unfounded. It dismisses the exception of prematurity of the end of point 5 point 2 of the request for summons as unfounded. It admits the exception of the belatedly modification of the summons invoked by the intervener SC CIS GAZ SA and finds that the claimants are deprived of the right to modify the summons by the hearing notes submitted at the trial dates of 05/21/2021 and 05/27/2021. It dismisses the amended summons, based on the provisions of the Civil Code, as unfounded. It admits the intervener's request upon the payment of the legal expenses by the claimants. It ordered the claimants to pay the intervener the sum of 59,199.64 as legal expenses. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

**13. File no. 8482/215/2021 – Craiova Courthouse**

**Parties:** Conpet SA - respondent

Florescu Maria - appellant

**Subject matter:** Florescu Maria files an enforcement appeal against the foreclosure which is the subject of the foreclosure file no. 180 / E / 2007 – the Bailiff's Office Budică Iacob Maria Irina respectively the garnishment notice at the Dolj County Pension House.

The appellant Florescu Maria requests the suspension of the foreclosure until the settlement of the enforcement appeal.

**Clarifications:** By Sentence no. 6257 / 02.07.2021, the Craiova Courthouse admits the exception of non-stamping, invoked ex officio. It cancels the enforcement appeal as unstamped. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

**14. File no. 8494/215/2021 - Craiova Courthouse**

**Parties:** Conpet SA - respondent

Florescu Eugen - appellant

**Subject matter:** Florescu Eugen files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 180 / E / 2007 – the Bailiff's Office Budică Iacob Maria Irina respectively the garnishment notice at Raiffeisen Bank.

The appellant Florescu Eugen requests the suspension of the foreclosure until the settlement of the enforcement appeal.

**Clarifications:** By Sentence no. 6156 / 30.06.2021, the Craiova Courthouse annuls as unstamped the request for suspension of the foreclosure and the appeal for enforcement. The decision can be appealed after communication.

**Procedural status of the case:** Merits

**Deadline:** --

**15. File no. 1347/90 / 2021- Vâlcea Court**

**Parties:** Conpet SA - respondent

Stan Ionel - appellant

**Subject matter:** Stan Ionel files an appeal for annulment against Decision no. 281 / 18.03.2021 pronounced by the Vâlcea Court in the file 804/241/2020 (having as subject matter an enforcement appeal)

The appellant requests the annulment of Decision no. 281 / 18.03.2021, the retrial of the appeal and the annulment of the Conclusion no. 47/2020 by which the Horezu Courthouse annulled the enforcement appeal as unstamped.

**Clarifications:** --

**Procedural status of the case:** Merits

**Deadline:** 09/09/2021

**16. File no. 447/204/2021 - Câmpina Courthouse**

**Parties:** Conpet SA - respondent

Dobrogeanu Dumitru-appellant

**Subject matter:** Enforcement appeal against the foreclosure initiated at the request of Conpet based on Conclusion no.

2912 / 05.11.2020 ordered by the Câmpina Courthouse in file no. 6655/204/2020 by which the foreclosure was approved, respectively against the enforcement acts drawn up by the Bailiff's Office Petcu Alexandru in the enforcement file no. 1149/2020. It is required:

1. Cancellation of the summons issued by the Bailiff's Office Petcu Alexandru for payment of a debt in the amount of RON 20,105.55 representing the concurrent amount composed of: RON 17,740.60 representing outstanding debt according to the enforcement request (the amount of RON 2,062.30 plus the current penalty interest in the amount of RON 857.84, the amount of RON 8,202.82 plus the current penalty legal interest in the amount of RON 3,952.60, the amount of RON 298.99 plus the current penalty legal interest in the amount of RON 144.07, the amount of RON 1,000 plus the current penalty legal interest in the amount of RON 481.86, the amount of RON 550.89 and the amount of RON 189.23) and the amount of RON 2,364.95 of foreclosure costs.
2. Cancellation of the conclusion establishing the penalizing legal interest established without the communication of the calculation method.
3. Cancellation of the conclusion establishing the enforcement expenses in the amount of RON 2,364.95.
4. Cancellation of the conclusion of the garnishment notice dated 12/29/2020 issued by the Bailiff's Office Petcu Alexandru in the enforcement file no. 1149/2020.
5. Provisional suspension of the foreclosure for the amounts due as legal interest, penalizing in the amount of RON 5,625.60.
6. Invalidation of the foreclosure for the amounts resulted from the calculation with the penalizing legal interest through an accounting expertise.
7. Invalidation of the enforcement for the amounts representing unjustified enforcement expenses.
8. Legal expenses.

**Clarifications: --**

**Procedural status of the case:** Merits

**Deadline:** 09/22/2021

**17. File no. 1474/105/2019 \* - Ploiești Court of Appeal**

**Parties:** Conpet SA - defendant

The municipality of Ploiești - claimant

**Subject matter:** The municipality of Ploiești filed a summons and requested the court to order:

- the obligation of Conpet to pay the amount of RON 17,748 / month, representing the equivalent value of non-use, starting from 03/30/2016 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 EUR 72,110.17 (excluding VAT), at the official RON / EUR exchange rate, communicated by NRB, valid on the date of payment, representing non-use equivalent value for the period 03/29/2013 – 03/29/2016;
- the obligation of Conpet to pay the legal expenses incurred by these proceedings

**Clarifications:** By decision no. 908 / 20.06.2019, the Prahova Court admitted the plea of the functional incompetence of the Prahova Court - Second Civil Section of Administrative and Fiscal Litigation and declined the case having as subject matter a criminal liability action, in favor of the Prahova Court - Civil Section I.

By **Sentence no. 1205 / 13.07.2020** The Prahova Court resolved the case by rejecting the request of Conpet regarding the completion of the expertise report specializing in real estate appraisals as unfounded. It rejected the claimant's lack of active procedural capacity as unfounded. It admitted the plea of the prescription of the material right to action,

invoked by Conpet. It rejected the request regarding the obligation of Conpet to pay the amount of RON 847,692 (amount according to the expert report Mustătea Dragoș and for which the claimant increased its claims) representing the equivalent value of non-use for the period 03/29/2013 – 03/29/2016 as prescribed. It accepted the aforementioned request. It obliged Conpet to pay to the Municipality of Ploiești **the amount of RON 1,025,081 representing the equivalent value of non-use related to the period 03/30/2016 – 11/15/2019**, amount updated with the inflation rate at the date of actual payment. It dismissed the defendant's claim that the claimant should be ordered to pay the legal expenses as unfounded.

The decision was appealed by Conpet and the Municipality of Ploiești. By its appeal, Conpet requested that in the event that the plea of the lack of active procedural capacity of the claimant the Municipality of Ploiești be rejected, the partial change of the contested decision in order to reduce the amount of the payment obligation to which we were sentenced as the equivalent value for the non-use related to the period 03/30/2016 – 11/15/2019 from the amount of RON 1,025,081 to the amount of RON 598,625. The appeal made by the Municipality of Ploiești was not communicated to us.

According to the Court Clerk Certificate obtained from the Prahova Court (which reproduces the content of the operative part of the decision) **Decision no. 1632 / 17.06.2021**, by which the appeals were rejected, is final.

**Procedural status of the case: --**

**Clarifications: --**

**Deadline: --**

#### **18. File no. 447/204/2021 - Câmpina Courthouse**

**Parties:** Conpet SA - respondent

Dobrogeanu Dumitru-appellant

**Subject matter:** Appeal against enforcement against the enforcement initiated at the request of Conpet based on the conclusion no. 2912 / 05.11.2020 ordered by the Câmpina Courthouse in the file no. 6655/204/2020 by which the foreclosure was approved, respectively, against the enforcement acts drawn up by the Bailiff's Office Petcu Alexandru in the enforcement file no. 1149/2020. It is required:

1. Cancellation of the summons issued by the Bailiff's Office Petcu Alexandru for payment of a debt in the amount of RON 20,105.55 representing the concurrent amount composed of: RON 17,740.60 representing outstanding debt according to the execution request (the amount of RON 2,062.30 plus the current penalty interest in the amount of RON 857.84, the amount of RON 8,202.82 plus the current penalty legal interest in the amount of RON 3,952.60, the amount of RON 298.99 plus the current penalty legal interest in the amount of RON 144.07, the amount of RON 1,000 plus the current penalty legal interest in the amount of RON 481.86, the amount of RON 550.89 and the amount of RON 189.23) and the amount of RON 2,364.95 for the foreclosure expenses.
2. Cancellation of the conclusion establishing the penalizing legal interest established without the communication of the calculation method.
3. Cancellation of the conclusion establishing the enforcement expenses in the amount of RON 2,364.95.
4. Cancellation of the conclusion of the garnishment notice dated 12/29/2020 issued by the Bailiff's Office Petcu Alexandru in the enforcement file no. 1149/2020.
5. Provisional suspension of the foreclosure for the amounts due as legal interest, penalizing in the amount of RON 5,625.60.
6. Invalidation of the foreclosure for the amounts resulted from the calculation with the penalizing legal interest through an accounting expertise.

7. Invalidation of the enforcement for the amounts representing unjustified enforcement expenses.
8. Legal expenses.

**Clarifications:** -

**Procedural status of the case:** Merits

**Deadline:** 09/22/2021.

#### **19. File 2836/105 / 2021- Prahova Court**

**Parties:** Conpet SA - defendant

DIRECTOR SPECIAL TROOPS - D.S.T. S.R.L. applicant

**Subject matter:** DIRECTOR SPECIAL TROOPS - D.S.T. S.R.L. filed a summons requesting the court:

1. cancellation of the communication of the result of procedure no. 17739 / 27.05.2021 and all documents issued by the contracting authority in connection with the award procedure;
2. obligation of the contracting authority to take remedial action to restore legality in the award procedure and to proceed with a thorough and legal reassessment of the financial proposal;
3. approving the access to the documents of the file that will be constituted for solving the case
4. cancellation of the contract concluded between the purchaser CONPET S.A. and the successful tenderer S.C. WMC GUARD SECURITY S.R.L. Buzau.

The applicant's claims relate to the procurement procedure carried out by CONPET S.A. for the award of the contract having as subject matter the provision of security, protection and intervention services to five objectives of CONPET S.A. (Headquarters of the Central Dispatch Office, Administrative Headquarters 2, Voința Sports Base, Inotești Materials Warehouse and the headquarters located in Ploiești, 7 Independence Blvd., Prahova County) by which the tender submitted by WMC GUARD SECURITY S.R.L. Buzau was designated the winner.

**Clarifications:** -

**Procedural status of the case:** Merits

**Deadline:** 08/05/2021

**The list of files pending before Courts on 06/30/2021 in which the company CONPET S.A. has double status**

#### **1. File no. 378/105/2007 - Prahova Court**

**Parties:** Conpet S.A. - claimant-defendant

Petroconduct S.A. – defendant - counterclaimant

**Subject matter:** Conpet S.A. requests the obligation of the defendant Petroconduct S.A. Ploiești at:

- payment of the amount of RON 80,548.49 representing penalties for non-execution on time of the obligations assumed by contract no. L 45/18.03.2004 and the contract no. M 59/9.06.2004
- delivery of the tubular material composed of China steel pipe in the quantity of 504 in the amount of EUR 21,344.4 and China steel pipe in the quantity of 96 m in the amount of EUR 4,366.08 or upon payment to our company of its equivalent value, i.e. the amount of RON 89,291 .50.
- payment of the amount of RON 20,626 representing transport, loading, unloading expenses for the tubular material
- payment of the legal expenses in the amount of RON 5,062.24, of which RON 5,057.24 judicial stamp duty and RON 5.00 judicial stamp as well as other legal expenses that we will incur in this proceedings.

Petroconduct S.A. filed a counterclaim requesting the obligation of Conpet SA to pay the amount of RON 46,214.01, representing the value of the works executed by it based on the works execution contracts no. L 45/18.03.2004 and no.

MST 09/09.06.2004, in favor of the beneficiary Conpet SA.

**Clarifications:** On 02/22/2010, based on art. 36 of Law no. 85/2006, the court ordered the suspension of the case.

**Procedural status of the case:** Merits

**Deadline:** Suspended

## 2. File no. 1372/212/2017 - Constanța Courthouse

**Parties:** Conpet SA – defendant - counterclaimant

Cruceanu Alin Florinel - claimant-defendant

**Subject matter:** Cruceanu Alin Florinel filed a request for a summons requesting the court to order:

- the obligation of Conpet SA to pay compensations equal to the market value of the land building with an area of 460 sq. m. located in Lazu commune, Luceafărului street no. 29, Constanța county and of the land building with an area of 460 sq. m. located in Lazu commune, Luceafărului street no. 31, Constanța county, the equivalent value estimated at EUR 30,000, the equivalent in RON 134,700;
- the obligation of Conpet SA to pay the equivalent value of the lack of land use in the form of an annual rent for the last three years;
- the obligation of Conpet SA to pay the legal expenses of settling the present request.

The claimant subsequently set out his action on the second head of claim, claiming that the court should:

- order Conpet SA to pay the amount representing the non-use of the two land buildings for the period between 12/10/2015 and the date of finality of the decision by which the first end of the claim was admitted.

The lack of use was provisionally assessed for stamping in the amount of RON 5,000.

Conpet filed a counterclaim requesting:

- The obligation on 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 two lands owned by the claimant Cruceanu Alin Florinel, located in Agigea commune, Lazu village, Luceafărului street no. 29 and 31, respectively, Constanța County. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the main crude oil transport pipeline Ø 20 " Constanța-Bărăganu for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and execution of any repair works.
- Establishing the amount of the annual rent provided by law owed by us to the claimant in exchange for exercising the right of legal servitude.

Conpet also filed an impleader request with the Ministry of Public Finance and the National Agency for Mineral Resources (N.A.M.R.) that if Conpet S.A. Ploiești will fall into claims regarding the claimants' claims made in the summons to compensate us with the amounts we will be obliged to pay to the claimants.

According to the conclusions of the forensic report on the assessment carried out in question at the request of the applicant, the following resulted:

- the circulation value of the two plots of land as compensation was estimated at RON 184,700.
- the equivalent value of the lack of use in the period 12/10/2015 – 12/10/2018 was calculated at the amount of RON 22,164.

NOTE: The claimant orally applied for an increase in claims against the findings of the expert and stamped accordingly. According to the conclusions of the forensic report in the specialty of agriculture carried out in the case (the land has an arable-extra-urban scope) at the request of Conpet, the amount of the annual rent for the area of 81 sq.m. (2.4 mx 33.78 m) is RON 17.06 / year.

**Clarifications:** By Sentence no. 8561 / 14.07.2021 the Constanța Courthouse rejects, as unfounded, the pleas of the

lack of passive procedural quality regarding the defendants CONPET SA, the ROMANIAN STATE THROUGH THE MINISTRY OF PUBLIC FINANCE, THE NATIONAL AGENCY FOR MINERAL RESOURCES and the MINISTRY OF ENERGY. It rejects as unfounded the pleas of the lack of passive procedural quality regarding the impleaders MINISTRY OF PUBLIC FINANCE, NATIONAL AGENCY FOR MINERAL RESOURCES. It admits the request formulated by the claimant CRUCEANU ALIN FLORINEL, against the defendants CONPET SA, the ROMANIAN STATE THROUGH THE MINISTRY OF PUBLIC FINANCE, THE NATIONAL AGENCY FOR MINERAL RESOURCES and the MINISTRY OF ENERGY. It obliges the defendants, jointly and severally, to pay to the claimant the amount of RON 184,700 representing the market value of the land building with an area of 460 sq m located in Lazu Commune, 29 Luceafărul Street, Constanța County and the market value of the land building with an area of 460 sq m located in Lazu Commune, 31 Luceafărul Street, Constanța county. It obliges the defendants, jointly and severally, to pay to the claimant the amount of RON 22,164 representing the value of the lack of land use between 12/10/2015 -12/10/2018. It rejects, as unfounded, the request for impleader formulated by CONPET SA against the MINISTRY OF PUBLIC FINANCE. It rejects, as unfounded, the request for impleader made by CONPET SA against the NATIONAL AGENCY FOR MINERAL RESOURCES. It rejects, as unfounded, the counterclaim formulated by CONPET SA against CRUCEANU ALIN FLORINEL. It obliges the defendants jointly and severally to pay to the claimant the legal expenses in the amount of RON 8414.28 represented by the stamp duty and the expert's fee. The decision can be appealed after communication.

**Procedural status of the case:** --

**Deadline:** --

### 3. File no. 18344/212/2017 - Constanța Courthouse

**Parties:** Conpet SA – defendant - counterclaimant

Mitu Dumitru – claimant - defendant

Mitu Rodica – claimant - defendant

**Subject matter:** Obligation to do. Mitu Dumitru and Mitu Rodica file a summons requesting Conpet's obligation to pay compensations for the two plots of land with an area of 4,972 sq. m. and 4,977 sq. m. respectively located in Lazu village, Agigea commune, Constanța county affected by the route of some pipelines transporting petroleum products, as well as obliging the defendant to pay an annual rent for the lack of use on the land affected by the exercise of the right of legal servitude, starting with 06/20/2014 and compensations in the form of an annual payment for affecting the use of part of the land on which the pipeline is not located, with the obligation to pay the legal expenses.

The claimants assessed the claims brought before the court in the amount of RON 10,000 in order to stamp the request, showing that after establishing the values by the expertise that they will administer in the case, to pay the difference of judicial fee.

Conpet filed a counterclaim requesting the court:

1. To order the claimants 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 two plots of land owned by the claimants. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the main crude oil transport pipeline F2 Ø 20 " Constanța-Bărăganu for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and execution of possible repair works.

2. To establish the amount of the annual rent provided by law due by Conpet to the claimants in exchange for exercising the right of legal servitude.

Conpet also filed an impleader request with the Ministry of Public Finance and the National Agency for Mineral

Resources (N.A.M.R.) that if Conpet S.A. Ploiești will fall into claims regarding the claimants' claims made in the summons to compensate us with the amounts we will be obliged to pay to the claimants.

According to the conclusions of the forensic report in the specialty of assessment carried out in question at the request of the claimant, the following resulted:

-compensations according to the circulation value of the land as a result of the existence of the pipelines were estimated at the amount of EUR 260,438.

-the value of the annual rent for the lack of use of the land affected by the exercise of the right of legal servitude is EUR 17,313 / year or EUR 1,443 / month.

- the value of the compensations in the form of an annual payment for affecting the use of the part of the land on which the pipeline is not located is EUR 24,000 / year.

- the value of the compensations in the form of an annual payment for the part on which the pipeline is located is EUR 10,600 / year.

NOTE: to date, the claimant has not applied for an increase in claims against the findings of the expert, nor has it stamped accordingly.

According to the conclusions of the forensic report in the specialty of agriculture carried out in the case (the land has an arable-extra-urban scope) at the request of Conpet, the amount of the annual rent for the area of 435 sq. m. (corridor of 2.4 m for access) is RON 81 / year.

**Procedural status of the case:** Merits

**Deadline:** 09/15/2021

#### 4. File no. 2323/120/2018 - Dâmbovița Court

**Parties:** Conpet SA - defendant - counterclaimant

Buzatu Florin - claimant - defendant

**Subject matter:** Buzatu Florin files a request for a summons requesting the court:

1. To oblige the defendant Conpet SA to pay the claimant the amount of EUR 150,000, payable at the NBR exchange rate on the day of payment (amount to be revalued on completion of the real estate assessment expertise report to be carried out in the probation case, to be resized and specified the value of the claims, corroborated with the appropriate adjustment of stamp duties), representing fair and equitable compensation for the damage suffered by restricting the possibility of exercising its property right over the land area of 5980 sq. m. located in the built-up area of Slobozia Moară locality, Dâmbovița county, with cadastral number 70618, registered in the land book 70618 / ATU Slobozia Moară Dâmbovița county, on which are the underground gas pipelines and above-ground devices owned by the defendant, a land which cannot be used for building;

2. To oblige the defendant Conpet SA to pay a monthly indemnity of EUR 1,000 payable at the NBR exchange rate on the day of payment, starting with the date of the sentence, throughout the existence of underground pipelines and above-ground devices, buildings on the land owned by the claimant and to bear all the costs incurred by the claimant for the stages prior to the construction permit;

3. In the alternative, claims that the defendant should erect all the buildings built on the claimant's property, namely the gas pipelines and the above-ground devices, to restore the land to its original condition or to enable the claimant to carry out the obligation to do so, at the defendant's sole expense;

4. To order the defendant Conpet SA to pay the legal expenses incurred in the present legal proceedings.

Conpet filed a counterclaim requesting the obligation of the claimants to allow our company to exercise the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 and the establishment of the amount

of the annual rent provided by law due by Conpet to the claimants in exchange for exercising the right of legal servitude. In this case, the court ordered the administration of 3 expertises, namely: the topographic expertise, the assessment expertise and the agriculture expertise.

So far, only the topographic expertise has been administered, which has established the land areas related to the protection and safety zone of the 3 petroleum products transport pipelines under the administration of Conpet and of the gas transport pipeline belonging to Tranzgaz.

Regarding the forensic technical expertise, the assessment specialty, it is not completed, only the field visit was carried out.

**Clarifications:** -

**Procedural status of the case:** Merits

**Deadline:** 09/22/2021

**5. File no. 1122/284/2019 - Răcari Courthouse**

**Parties:** Sotir Mădălina Rebeca - claimant

Conpet SA - defendant

**Subject matter:** Sotir Mădălina Rebeca filed a summons requesting the court to oblige Conpet SA to compensate her with the amount of RON 25,000 for the land area of 523 sq. m., construction yard category, land surface of the claimant located in Cojasca commune, Dâmbovița county having the cadastral no. 72587, undercrossed by the Conpet pipeline. Conpet SA filed a counterclaim requesting:

1. Obligation on the claimant Sotir Mădălina Rebeca 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 it, located in Cojasca commune, Cojasca village, Dâmbovița County. The exercise of the right of legal servitude is to be carried out on a 2.4 meter wide corridor located along the main crude oil transport pipeline Ø 14 3 / 4" Cartojani-Teleajen Refinery (Lukoil) for the purpose of permanent access to the pipeline in order to daily checking of the condition of the pipeline and execution of any repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimant's land but not later than the date of termination of the oil concession agreement concluded by us, signed by CONPET S.A., with the Romanian State.

2. Establishing the amount of the annual rent provided by law due by us, the subscribed CONPET SA, to the claimant Sotir Mădălina Rebeca in exchange for exercising the right of legal servitude starting with the date of finality of the decision pronounced in the present case, rent consisting in the equivalent value of the annual use of the land under the exercise of servitude.

**Clarifications:** By the **Conclusion of 09/25/2019**, the Răcari Courthouse rejects the plea of the lack of passive procedural capacity of Conpet SA. It admits the plea of the lack of passive procedural capacity of the National Agency for Mineral Resources.

In this case, the court ordered the administration of two expertise reports - topographic expertise and assessment expertise. So far, only the topographic expertise has been administered. The expert determined the surface occupied by the 2.4 meter wide corridor and the collecting manifold as the surface S1 = 23sqm, having the dimensions on the sides, according to the representation on the situation plan. The expert established the value of the S1 surface of 23 sq. m. at the amount of RON 202 according to the values from the Market Study - minimum values / grid of public notaries Dâmbovița. Regarding the technical judicial expertise, the specialty of assessment (objective - establishing the annual rent due by Conpet in exchange for the exercise of the right of legal servitude), the expert appointed by the court did not summon us until this term.

**Procedural status of the case:** Merits

**Deadline:** 09/07/2021

#### **6. File no. 18792/281/2019 - Prahova Court**

**Parties:** Conpet S.A. - claimant

Andex Import - Export S.R.L. - Defendant

**Subject matter:** Conpet is suing Andex Import - Export S.R.L. so that by the decision that the court will pronounce, it will order:

1. The obligation of the defendant Andex Import - Export S.R.L. upon payment to Conpet S.A. of the amount of RON 46,176.27 representing damages in the amount of 20% due according to art. 16 of the service contract no. S-CA 97/15.03.2018, following the unilateral termination of the contract due to the fault of the defendant;
2. The obligation of the defendant Andex Import - Export S.R.L. upon payment to Conpet S.A. of the penalties in the amount of RON 2,123.62, due by the defendant in accordance with the provisions of art. 15.1 (1) and art. 15.2 of the contract for the non-execution in whole or in part of the collection, transport and temporary storage services from the locations of Conpet S.A. sent through orders between August 2018 and December 2019, according to Annex 2;
3. The obligation of the defendant to pay the legal expenses.

Andex Import - Export S.R.L. filed a counterclaim requesting the obligation of Conpet S.A. to:

1. the refund of the amount of RON 22,704.89, representing a guarantee of good execution constituted by SGB and executed abusively by Conpet on the date of notification of the unilateral termination;
2. the payment of the amount of RON 10,000 (plus VAT) representing the value of the services provided under the contract and not paid by Conpet S.A.;
3. the payment of the amount of RON 25,000 as damages, representing the damage caused by Andex Import-Export S.R.L. (unrealized benefit) as a result of the abusive termination of contract no. S-CA 97/15.03.2018.

**Clarifications:** By the **Sentence no. 7008/06.11.2020** the Ploiești Courthouse admits the main request, obliges the defendant to pay to the claimant the amount of RON 46,176.27, representing damages and to pay the amount of RON 2,123.62, representing delay penalties. It dismisses the counterclaim as unfounded. It obliges the defendant to pay to the claimant the amount of RON 2,143.29 representing legal expenses, respectively equivalent to the judicial stamp duty. The decision was appealed by Andex Import - Export S.R.L..

By **Decision no. 1863 / 30.06.2021** The Prahova Court rejects the appeal, as unfounded. The decision can be appealed after the communication.

**Procedural status of the case:** --

**Deadline:** --

#### **7. File no. 5022/270/2020 - Onești Courthouse**

**Parties:** Bacău Regional Water Company S.A. - Claimant

Radu Marian - Defendant counterclaimant

SC E.On Energie România S.A.-Counterclaimant

SC Delgazgrid S.A. - Counterclaimant

SC Transgaz S.A. - Counterclaimant

SC Conpet S.A. - Defendant and counterclaimant

General Secretariat of the Government of Romania - Counterclaimant

Romanian State by the Ministry of Public Finance - Counterclaimant

**Subject matter:** We render the subject of the counterclaim filed by the defendant Radu Marian. By counterclaim, the defendant Radu Marian requested the obligation of the claimant and the other counterclaimants, including our undersigned Conpet S.A., to:

1. *"the prior purchase of the free right of way, because we had no advantage, no favor, but only suffered, caused us only inconvenience and damage, although all were obliged not to aggravate the situation of the servient tenement, not to cause damage to the owner of the servient tenement by the exercise of the servitude, but on the contrary to contribute to its preservation and even to improve it, they were obliged to conclude an agreement or expropriation for all the real estate mentioned, taking into account that all the property mentioned is in the aisle of construction which is of public utility established in accordance with the laws mentioned, the constructions were carried out with their consent, but after a fair and prior compensation inclusive with the payment of claims, compensations invoked until the moment of effective expropriation or real estate exchange of value equal to the claimed amount, if it suits us, or even other options if they are convenient for us... we formulate a counterclaim against the claimant and we sue the claimant and the following defendants in tort proceedings. "*
2. *"The obligation of the defendants to move the transport networks located on its property, to another location, at a distance of min. 20m from the limits of our property, at their expense and until the network is moved, demand the immediate cessation of transport on these infrastructures until they agree to pay the damages and will guarantee that in case of damage resulting in material or human damage, they will accept our claims and will compensate us immediately without further comments."*
3. *"The obligation of the defendants to bring the land in the state it was in before, the dismantling of the manifold illegally placed by Transgaz".*
4. *"The obligation of the parties jointly and severally to pay compensation of EUR 1,000,000 (one million) in this case for infringement of fundamental rights and freedoms, for all criminal activity carried out to date and for all material and non-material damage caused, plus a monthly fee of EUR 5,000 (five thousand) and the tax to be paid to the state for this fee for each defendant, injured party, respectively for me and my wife, in the amount valid at the time of filing this counterclaim, summons in tort proceedings, at the Onești Courthouse, at the Bacău Court, for every month since 1990 when we became owners of the first plot of land and the claimant and the other defendants transport on these transport networks, illegally located on our property until present, a value that in the future requires to have a periodic indexation ex officio, equal to the coefficient of the minimum wage, as a reference index and to be transmitted to our descendants who will own these goods (buildings, land, everything on them, etc.) after our death, as long as these transport networks exist."*
5. *"The obligation of the defendants that in case of damages resulting in material, moral or human damages to compensate us in advance for the repair of damages, both for damages caused by failures and for damages caused during the repair of failures. We also claim compensation for damages caused by previous damages and their repair, as well as prior compensation for damages caused by current damages and those caused by their repair."*
6. *"The obligation of the claimant and the defendants to pay the legal expenses or, in the absence of such legal possibility, pursuant to Article 90 (1) and (2) (a) (b) and (c) and paragraph 3 of the Code of Civil Procedure, I request legal assistance under the conditions of the special law on public legal aid, namely the granting of exemptions both for the payment of this stamp duty and any fees during the entire case until the payment of damages, because we have no material possibilities to support this civil case without endangering our own livelihood and that of our family."*

Conpet filed a counterclaim in this case, requesting the court:

1. *To order the claimants Radu Marian and Radu Elena 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 arable land outside the town, their*

property, located in the city of Tg. Ocna, Progresului street, no. 6, Bacău County. The exercise of the right of legal servitude is to be done on a corridor 2.4 meters wide located along the crude oil transport pipeline Ø 10 3 / 4" Vermeşti - Tg. Ocna, for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and the execution of any repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimants' land but not later than the date of termination of the oil concession agreement concluded by us, signed by CONPET S.A., with the Romanian State.

2. To establish the amount of the annual rent provided by law due by us, subscribed by CONPET SA, to the claimants Radu Marian and Radu Elena in exchange for exercising the right of legal servitude starting with the date of finality of the sentence in this case, rent consisting of the annual use for the land affected by the exercise of the servitude.

At the same time, Conpet also formulated in the case a Request to show the holder of the right by which I indicated as holder of the property right over the crude oil transport pipeline Ø 10 3 / 4" Vermeşti - Tg. Ocna with inventory number 120036/P.I.F. 1952 located on the arable land outside the town of the claimants Radu Marian and Radu Elena located in the city of Tg. Ocna, Progresului street, no. 6, Bacău County, Romanian State represented by: Ministry of Public Finance, headquartered in Bucharest, Apolodor Str., no.17, District 5, and the National Agency for Mineral Resources, headquartered in Bucharest, Dacia Boulevard, no. 59, district 1.

**Clarifications:** -

**Procedural status of the case:** Merits

**Deadline:** 09/08/2021

**8. File no. 1657/91/2020\* - Vrancea Court**

**Parties:** Vasile Maria Ilaria - at S.C.P.A. Buruian, Caracaş and Associates - Claimant

Dragu Georgeta - the S.C.P.A. Buruian, Caracaş and Associates - Claimant

The company Conpet SA Ploieşti - Defendant

Romanian State - through the Ministry of Public Finance - Defendant

National Agency for Mineral Resources - Defendant

**Subject matter:** By their summons, the claimants Vasile Maria-Ilaria and Dragu Georgeta requested to the court (we return the petition for the summons) to:

A. In particular, order the defendant to pay an annual rent of EUR 496.64 for the protection area of the pipeline belonging to the defendant and which crosses the building privately owned by the undersigned, as of the date of registration of this summons;

B. In particular, order the defendant to pay a lump sum of EUR 508,080 in respect of the attribution of the use of the property according to its intended purpose, namely that the undersigned may not build buildings on the privately owned building;

C. In particular, order the defendant to pay legal interest on the annual rent provided for in point A, from the date of registration of the present summons;

D. In particular, order the defendant to pay legal interest for the lump sum compensation provided for in point B, from the date of registration of the present summons;

E. *In the alternative, we request you to order the other two defendants to pay the amounts indicated in the preceding paragraphs. '*

Conpet filed a counterclaim in this case, requesting the court:

1. *To order the applicants Vasile Maria - Ilaria, Dragu Georgeta and Dragu Maria 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*

them, located in Focșani city, Vrancea County. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the crude oil transport pipeline Ø 20" Bărăganu - Borzești / Rafo Onești, for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and the execution of accidental and planned repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimants' land but not later than the date of termination of the oil concession agreement concluded by us, the undersigned CONPET S.A., with the Romanian State.

2. To establish the amount of the annual rent provided by law due by us, the undersigned CONPET SA, to the claimants Vasile Maria - Ilaria, Dragu Georgeta and Dragu Maria in exchange for exercising the right of legal servitude, rent consisting in the equivalent value of the annual land use affected by the exercise of the legal servitude.

**Clarifications:** By Conclusion no. 71 / 09.03.2021 the competence to settle the case is declined in favor of the Second Civil Section of the Vrancea Court. No appeal.

**Procedural status of the case:** Merits

**Deadline:** 21/09/2021

#### 9. File no. 220/262/2017 \* - Moreni Courthouse

**Parties:** Conpet SA - defendant

Chivu Ion - claimant

**Subject matter:** Chivu Ion filed a request for a summons requesting the court to order:

- obliging Conpet SA to move the oil pipeline that crosses the land owned by him, with an area of 1,753 sq. m. located in the commune of Ocnița T14, P114;
- establishing the access location with the obligation of Conpet SA to pay an afferent annual rent both for the access road and for the pipeline that causes damage to the land;
- compensations for the land affected by the pipeline.

The claimant assessed his claims provisionally at the amount of RON 45,540 / year x 3 years (RON 136,620).

Conpet filed a counterclaim requesting the court to:

- Order the claimant CHIVU ION to completely dismantle the existing construction (concrete foundation) located on the crude oil pipeline Ø 6 5/8 "Ochiuri - Moreni, which under-crosses the land owned by him, located in Ocnița, T 14, p114, cadastral no. 159 Land book no. 70441 Dâmbovița county. This construction was carried out without authorization, and Ocnița City Hall ordered the works to be stopped.

- To oblige the claimant to allow the company CONPET SA to exercise 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 CHIVU ION located in Ocnița commune, T 14, p114, cadastral no. 159 Land book no. 70441 Dâmbovița county. The exercise of the right of legal servitude is to be carried out on a 2.4 meter wide corridor located along the crude oil transport pipeline Ø 6 5/8 "Ochiuri - Moreni that under-crosses the claimant's land, in order to have permanent access to the pipeline in order to daily check the condition of the pipe and perform any repair works.

- To establish the amount of the annual rent provided by law due by us to the claimant in exchange for exercising the right of legal servitude, starting with the date of finality of the decision by which the claimant is obliged to allow CONPET SA to exercise the right of legal servitude.

Conpet filed a request to show the owner of the property right over the transport pipeline that under-crosses the land owned by the claimant Chivu, introducing the Romanian state in question through the Ministry of Finance and NAMR. Conpet filed a request to increase the amount, requesting the court to oblige the claimants to demolish the constructions (concrete platforms) built in the protection and safety area of the pipeline.

**Clarifications:** By the **sentence no. 1000/05.11.2019** the Moreni Courthouse partially admits the main request. It admits in part the counterclaim. The decision was appealed by Conpet SA and Chivu Ion.

By the **Decision no. 223/02.06.2020**, the Dâmbovița Court rejects the appeal filed by the Romanian State through the Ministry of Public Finance-General Regional Directorate of Public Finance Ploiești against the Conclusion of 04/5/2019. It admits the appeals exercised against the civil sentence no. 1000/5.11.2019 pronounced by the Moreni Courthouse in the file no. 1220/262/2017. It annuls the sentence under appeal and remits the case for retrial to the first instance.

In this case, the evidence with the forensic technical expertise specialized in agriculture was re-administered. According to the conclusions of the expert Conpet owes an annual rent of RON 2784 per year, as well as the amount of RON 18462 for the period 2014-2020.

Conpet filed a request for recusal of the expert, exceeding his competencies and being clearly biased in formulating the conclusions of the expert report. Deadline for resolving the request for recusal 03/11/2020

Conpet will object to the expert report drawn up in the present case.

**Procedural status of the case:** Merits- retrial

**Deadline:** 09/09/2021

## 10. File no. 32294/299/2020 - Bucharest District 1 Courthouse

**Parties:** Conpet SA - defendant - counterclaimant

Bob Mihăiță - claimant-defendant

NAMR - defendant

**Subject matter:** 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 establishing the equivalent value of the lack of use, for a period of three years, prior to the formulation of the summons, amounting to RON 150,000;
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 EUR 5/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. The payment of legal expenses.

By the request for clarification of the summons, the claimant stated the following:

.....

*3. For the method of calculating the amount of RON 150,000, I indicated the value of a rent, estimated at RON 4,166 /month, for a period of three years prior to the formulation of the summons, which the defendants in the present case should pay as compensation for the damage suffered as a result of the impossibility of capitalizing the land crossed by their pipelines*

*4. We request, in the alternative, that the defendant SC Conpet SA be obliged to pay an annual rent for the use of the land personally owned by the undersigned, from the date of filing the summons, during the existence of the legal servitude, until the lifting of the pipelines on the land of the undersigned.*

*5. The value of the 3rd end of the claim is RON 10,000, estimated value, following that, after performing the report of forensic technical expertise, the real estate assessment specialty, performed in question to stamp according to the value of the land related to the protection and safety area of the construction.*

*6. I request that the court oblige the defendant Conpet SA to pay all the compensations requested in the summons, and*

*the defendant the National Agency for Mineral Resources to be obliged to move / decommission the oil pipelines on the land owned by the undersigned.*

..... “  
Conpet filed a counterclaim seeking the following from 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 Mihăiță 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.

**Clarifications: -**

**Procedural status of the case:** Merits

**Deadline: 10/12/2021**



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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

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**FINANCIAL STATEMENTS  
at the date and for the period of six months ended  
June 30th, 2021**

**As per Order of the Ministry of Public Finances no.2844/2016 and the International  
Accounting Standard 34 “Interim Financial Reporting”**



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**The Company CONPET S.A.**

Interim Statement of the Financial Standing at June 30, 2021  
 (All amounts are expressed in RON, if not otherwise indicated)

**INTERIM STATEMENT OF THE FINANCIAL STANDING AT JUNE 30, 2021**

| Note:   | June 30           | December, 31       |
|---|-------------------|--------------------|
|   | 2021<br>(revised) | 2020<br>(audited)  |
| <b>ASSETS</b>                                     |                   |                    |
| <b>Intangible assets</b>                          |                   |                    |
| Tangible assets                                   | 4                 | 505,392,848        |
| Intangible assets                                 | 5                 | 3,942,952          |
| Financial Assets                                  | 6                 | 912,473            |
| Receivables related to the deferred corporate tax | 13                | 4,996,746          |
| <b>Non-current assets</b>                         |                   | <b>515,245,019</b> |
|   |                   | <b>514,914,855</b> |
| <b>Current assets</b>                             |                   |                    |
| Stocks  | 7                 | 5,763,884          |
| Trade liabilities and other liabilities           | 8                 | 45,445,247         |
| Cash and cash equivalents                         | 9                 | 159,333,748        |
| Prepaid expenses                                  |                   | 1,810,246          |
| <b>Total current assets</b>                       |                   | <b>212,353,125</b> |
| <b>TOTAL ASSETS</b>                               |                   | <b>727,598,144</b> |
|   |                   | <b>759,947,136</b> |
| <b>Equities and liabilities</b>                   |                   |                    |
| <b>Equities</b>                                   |                   |                    |
| Subscribed and paid-up share capital              | 10                | 28,569,842         |
| Legal reserves                                    | 10                | 5,713,968          |
| Revaluation reserves                              | 10                | 19,582,337         |
| Other reserves                                    | 10                | 504,316,034        |
| Retained earnings                                 | 10                | 43,142,643         |
| Year's Result                                     | 10                | 27,320,803         |
| <b>Total Equities</b>                             |                   | <b>628,645,627</b> |
|   |                   | <b>657,010,568</b> |
| <b>Long-term liabilities</b>                      |                   |                    |
| Liabilities to employees long-term                | 11                | 19,523,131         |
| Other long-term liabilities                       | 11                | 3,329,457          |
| <b>Total long-term liabilities</b>                |                   | <b>22,852,588</b>  |
|   |                   | <b>23,334,765</b>  |
| <b>Current liabilities</b>                        |                   |                    |
| Trade liabilities                                 | 11                | 19,667,566         |
| Ordinary Corporate Tax                            | 11                | 2,010,028          |
| Other liabilities                                 | 11                | 31,410,213         |
| Debts to employees on short-term                  | 11                | 13,433,848         |
| Short-term provisions                             | 12                | 9,578,274          |
| <b>Total current liabilities</b>                  |                   | <b>76,099,929</b>  |
|   |                   | <b>79,601,803</b>  |

**The Company CONPET S.A.**

Interim Statement of the Financial Standing at June 30, 2021  
(All amounts are expressed in RON, if not otherwise indicated)

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|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| <b>Total liabilities</b>              | <b>98,952,517</b>  | <b>102,936,568</b> |
| <b>TOTAL EQUITIES AND LIABILITIES</b> | <b>727,598,144</b> | <b>759,947,136</b> |

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These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue and signed by the company's management at August 12, 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 six months ended June 30, 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 SIX MONTHS PERIOD ENDED JUNE 30, 2021**

|   |    | <b>6 months ended<br/>June 30, 2021<br/>(revised)</b> | <b>6 months ended<br/>June 30, 2020<br/>(revised)</b> |
|---|----|---|---|
| <b>Operating Revenues</b>   | 15 |   |   |
| Revenues from contracts   |    | 206,666,786   | 204,035,889   |
| Earnings from disposal of assets  |    | 181,196   | -   |
| Other revenues  |    | 22,821,078  | 16,442,961  |
| <b>Total Operating Expenses</b>   |    | <b>229,669,060</b>                                    | <b>220,478,850</b>                                    |
| <b>Operating Expenses</b>   | 16 |   |   |
| Expenditure on stocks   |    | 2,431,965   | 2,303,677   |
| Expenses with energy and water  |    | 6,935,348   | 6,935,393   |
| Personnel expenses  |    | 87,138,453  | 79,705,004  |
| Impairments related to property,<br>less impairments related to rights<br>of use resulting from leasing contracts |    | 25,626,967  | 23,673,522  |
| Impairments related to the rights<br>of use resulting from leasing contracts                                      |    | 882,211   | 832,680   |
| Impairments of current assets   |    | (29,737)  | (21,953)  |
| Expenses related to external services   |    | 54,578,933  | 53,398,911  |
| Impairments related to provisions   |    | (2,587,378)   | 281,342   |
| Other expenses  |    | 23,977,510  | 19,985,436  |
| <b>Total Operating Expenses</b>   |    | <b>198,954,272</b>                                    | <b>187,094,012</b>                                    |
| <b>Operating Profit</b>   |    | <b>30,714,788</b>                                     | <b>33,384,838</b>                                     |
| <b>Financial Revenues</b>   |    | <b>1,570,122</b>                                      | <b>3,718,092</b>                                      |
| Interest expenses related to leasing contracts  |    | 116,602   | 215,901   |
| Other financial revenues  |    | 64,079  | 46,649  |
| <b>Financial Expenses</b>   |    | <b>180,681</b>  | <b>262,550</b>  |
| <b>Financial profit</b>   | 17 | <b>1,389,441</b>                                      | <b>3,455,542</b>                                      |
| <b>Profit before corporate tax</b>  |    | <b>32,104,229</b>                                     | <b>36,840,380</b>                                     |
| Expenses with current corporate tax   | 13 | 4,824,496   | 5,427,560   |
| Expenses with (revenues coming from)<br>deferred corporate tax  |    | (41,070)  | (369,095)   |
| <b>Profit of the period</b>   |    | <b>27,320,803</b>                                     | <b>31,781,915</b>                                     |
| <b>TOTAL GLOBAL RESULT</b>  |    | <b>27,320,803</b>                                     | <b>31,781,915</b>                                     |
| <b>Result per share</b>   | 14 | <b>3.16</b>   | <b>3.67</b>   |

These interim financial statements and the related notes, from page 1 to page 27 have been authorized for issue and signed by the company's management at August 12, 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 STATEMENT OF CHANGES IN EQUITIES AT JUNE 30, 2021 (revised)**

|  | Share capital     | Legal reserves   | Revaluation reserves | Other reserves     | Retained Earnings | Year's profit or loss | Total Equities     |
|--|-------------------|------------------|----------------------|--------------------|-------------------|-----------------------|--------------------|
| <b>Balance at January 1, 2021</b>  | <b>28,569,842</b> | <b>5,713,968</b> | <b>20,931,765</b>    | <b>500,269,257</b> | <b>40,678,977</b> | <b>60,846,759</b>     | <b>657,010,568</b> |
| Net result of the period   | -                 | -                | -                    | -                  | -                 | 27,320,803            | 27,320,803         |
| Surplus from revaluation   | -                 | -                | (1,349,428)          | -                  | 1,349,428         | -                     | -                  |
| <b>Total other global result elements</b>  | <b>-</b>          | <b>-</b>         | <b>(1,349,428)</b>   | <b>-</b>           | <b>1,349,428</b>  | <b>27,320,803</b>     | <b>27,320,803</b>  |
| Net increase of the modernization quota reserve  | -                 | -                | -                    | 4,046,777          | -                 | -                     | 4,046,777          |
| Retained earnings from the correction of various elements that have affected the profit of the previous year | -                 | -                | -                    | -                  | (25,082)          | -                     | (25,082)           |
| Dividends due to shareholders  |                   |                  |                      |                    | (392,498)         | (59,314,941)          | (59,707,439)       |
| Allocation of profit provided by law - exemption of reinvested profits                                       | -                 | -                | -                    | -                  | 1,531,818         | (1,531,818)           | -                  |
| <b>Balance at June 30, 2021</b>  | <b>28,569,842</b> | <b>5,713,968</b> | <b>19,582,337</b>    | <b>504,316,034</b> | <b>43,142,643</b> | <b>27,320,803</b>     | <b>628,645,627</b> |

**INTERIM STATEMENT OF CHANGES IN EQUITIES AT JUNE 30, 2020 (revised)**

|  | Share capital     | Legal reserves   | Revaluation reserves | Other reserves     | Retained Earnings | Year's profit or loss | Total Equities     |
|--|-------------------|------------------|----------------------|--------------------|-------------------|-----------------------|--------------------|
| <b>Balance at January 1, 2020</b>                                      | <b>28,569,842</b> | <b>5,713,968</b> | <b>21,111,893</b>    | <b>495,540,772</b> | <b>43,997,162</b> | <b>58,876,719</b>     | <b>653,810,356</b> |
| Net result of the year   |                   |                  |                      |                    |                   | <b>31,781,915</b>     | 31,781,915         |
| Surplus from revaluation   | -                 | -                | (1,422,507)          | -                  | 1,422,507         | -                     | -                  |
| <b>Total other global result elements</b>                              | <b>-</b>          | <b>-</b>         | <b>(1,422,507)</b>   | <b>-</b>           | <b>1,422,507</b>  | <b>31,781,915</b>     | <b>31,781,915</b>  |
| Net increase of the modernization quota reserve                        | -                 | -                | -                    | 2,084,351          | -                 | -                     | 2,084,351          |
| Dividends due to shareholders  | -                 | -                | -                    | -                  | (3,298,140)       | (57,757,444)          | (61,055,584)       |
| Allocation of profit provided by law - exemption of reinvested profits |                   |                  |                      |                    | 1,119,275         | (1,119,275)           | -                  |
| <b>Balance at June 30, 2020</b>  | <b>28,569,842</b> | <b>5,713,968</b> | <b>19,689,386</b>    | <b>497,625,123</b> | <b>43,240,804</b> | <b>31,781,915</b>     | <b>626,621,038</b> |

Note: The position „Other reserves” includes also the reserve from the modernization quota in amount of 465,167,913 RON at 30.06.2021, namely 461,121,136 RON at 01.01.2021. This reserve has a special regime, provided in GD no. 168/1998, being destined exclusively to the financing of the modernization and development works related to the goods belonging to the public domain. The modernization quota is being collected according to the proceeds of the transport services through the National Transport System and is reflected in the reserve accounts, on account 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 and the related notes, from page 1 to page 27, have been authorized for issue and signed by the company's management at August 11, 2021.

Director General,  
Eng. Dorin Tudora

Economic Director,  
Econ. Sanda Toader

**INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30,  
 2021**

- RON-

|           | Name of the Item  | 6 months,<br>2021<br>revised | 6 months<br>2020<br>(revised) |
|-----------|---|------------------------------|-------------------------------|
|           | <b>Cash flows from operating activities:</b>  |                              |                               |
| +         | Proceeds from services supply   | 221,395,523                  | 226,164,953                   |
| +         | Proceeds from interests related to banking placements                                   | 1,716,873                    | 4,353,576                     |
| +         | Other proceeds  | 3,103,789                    | 2,432,857                     |
| -         | Payments to the suppliers of goods and services   | 60,372,465                   | 55,530,187                    |
| -         | Payments to and on behalf of the employees  | 88,144,100                   | 80,808,524                    |
| -         | VAT Payments  | 24,176,690                   | 22,459,285                    |
| -         | Expenses with corporate tax and specific tax  | 3,577,689                    | 6,511,085                     |
| -         | Other payments regarding operating activities   | 19,700,304                   | 19,400,635                    |
| <b>A</b>  | <b>Net cash from operating activity</b>   | <b>30,244,937</b>            | <b>48,241,670</b>             |
|           | <b>Cash flows from investment activities</b>  |                              |                               |
| +         | Proceeds from sale of tangible assets   | 189,590                      | -                             |
| +         | Proceeds from modernization quota   | 22,485,399                   | 18,278,152                    |
| -         | Payments for purchase of tangible assets  | 33,374,918                   | 50,500,027                    |
| <b>B</b>  | <b>Net cash from investment activity</b>  | <b>(10,699,929)</b>          | <b>(32,221,875)</b>           |
|           | <b>Cash-flows from financing activities</b>   |                              |                               |
| -         | Paid Dividends  | 57,171,156                   | 58,474,434                    |
| -         | Payments on the debt related to the leasing   | 1,180,723                    | 1,250,115                     |
| -         | Interest payments   | 116,714                      | 163,881                       |
| <b>C</b>  | <b>Net cash from financing activities</b>   | <b>(58,468,593)</b>          | <b>(59,888,430)</b>           |
|           | <i>Net increase of the cash and cash equivalents<br/> <math>cash=A+B+C=D2-D1</math></i> | <i>(38,923,585)</i>          | <i>(43,868,635)</i>           |
| <b>D1</b> | <b>Cash and cash equivalents at beginning of the period</b>                             | <b>198,257,333</b>           | <b>238,576,951</b>            |
| <b>D2</b> | <b>Cash and cash equivalents at end of the period</b>                                   | <b>159,333,748</b>           | <b>194,708,316</b>            |

The cash and cash equivalents existing at 30.06.2021 have decreased by 18.17% compared to 31 December, 2020 (159.3 mRON compared to 198.3 mRON). The decrease has been determined by the payments of dividends and the assets procurements (investments), higher than the cash exceeds obtained from the operating activity.

Out of the total of 159.3 mRON availabilities in balance at 30.06.2021, the part related to the modernization quota is in amount of 119.5 mRON.

The effects of the three activity areas (operation, investment and financing) over the cash in the 6 months period of 2021 reveal the followings:

- the operating activity triggered a cash-flow in amount of 30 mRON;
- the investment activity ended with a negative cash flow in amount of 11 mRON;
- the financing activity has lowered the total cash flow by 58 mRON, due to the cash outputs mainly for the payment of dividends in amount of 57 mRON.

The operating activity registers a decrease of the cash by approximately 18 mRON, compared to the same period of the previous year, generated by the increase of the payments to the employees and suppliers (higher payments to the operator of the crude oil transport by railway due to the augmentation of the transport tariff).

The Company CONPET S.A.  
Interim cash-flow statement for the 6 months period ended June 30, 2021  
(All amounts are expressed in RON, if not otherwise indicated)

The net cash from investment activities registers a negative value, lower by approximately 22mRON compared to the level registered in 2020, due to the decrease of the investment volume, on the one hand, and also to the cash related to the modernization quota, on the other hand.

These financial statements and the related notes, from page 1 to page 27 have been authorized for issue and signed by the company management at August 12, 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 the Prahova Trade Registry under no. J29/6/1991, and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

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

CONPET S.A. is the concessionaire of the operating activity of the National Transport System of crude oil, rich gas, condensate and ethane, quality acquired in 2002, by conclusion, with the National Agency for Mineral Resources (NAMR), the competent authority representing the State interests in the oil resources domain, of the Oil Concession Agreement, approved by GD no. 793/25.07.2002.

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

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

At 30.06.2020, CONPET S.A. had a market capitalization of 741.1 million . RON (150.4 million . Euro), ranking 23 in "Top 25 issuers according to capitalization".

### *Company Establishment*

CONPET is set up based on GD no. 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 synthetic structure of the shareholders and the rights of vote held, at the date of 30.06.2021, reveal the followings:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, , with 2,363,321 shares representing 27.30% and
- natural persons, with 1,210,835 shares representing 13.98% Share capital.

### *Company's Mission*

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.

### *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.

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

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

#### *The Legal Environment*

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

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

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

The transport tariff stands for the exchange value of the transport service supplied by the holder of the oil concession, 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 rates are 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 tariffs for the transport via the National Transport System are being prepared by NAMR, acting 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 crude oil, condensate, rich gas and ethane from the internal production and the subsystem for the transport of the imported crude oil. The tariffs practiced for the transport on the import subsystem are being established on refineries, according to the transported quantities, and on the bracket tariff model.

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

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, 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, expenses due to the landowners, 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 Thursday, 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 preliminary financial statements have been authorized for issue and signed by the company management at Thursday, August 12, 2021.

### **(b) Accounting Estimates and Professional Reasoning**

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

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2020.

## **3. Accounting Policies**

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company at the date and for the financial year ended December 31st, 2020, except for the amendments brought to the accounting policies in the first Half of th year 2021, applicable as from January 1, 2021 and the adoption of new standards, in force starting January 1, 2021.

The amendments brought to the accounting policies refer to the accounting treatment of the operations determined by the connection of the users to the electric network, as per the amendments brought to the Order no.2844/2016, as of 2021 and to the accounting policy used for evaluation based on the initial intangible assets, namely, the passage from the revaluation

model to the cost-based model. The passage to the cost-based model has not involved the restatement of the financial standing.

The following amendments of the existing standards issued by the Committee for International Accounting Standards (IASB) and adopted by the European Union (EU) entered into force as of January 1, 2021;

- Amendments to IFRS 4 “ Insurance Contracts” (in force for the annual periods starting January 1, 2021 or ulterior to this date). Amendments to IFRS 4 extend the expiry term of the temporary change of a rule from the application of IFRS 9, up to 2023, in order to align the enforcement date of IFRS 9 to the new IFRS 17. The adoption of the amendments to IFRS 4 had no impact on the individual financial statements, as this standard is not applicable at the date of preparation of these financial statements.
- The amendments to IAS 39 “financial Instruments: recognition and evaluation”, IFRS 4 “Insurance Contracts”, IFRS 7, “Financial Instruments: information to be supplied”, IFRS 9 “Financial Instruments” and IFRS 16 “Leasing contracts” (in force for the annual periods starting January , 2021 or ulterior to this date). The amendments provide a specific accounting treatment for timely scheduling the value of the financial instruments or the lease contracts occurring due to the replacement of the reference index of the interest rate, which impedes a sudden impact on the profit or loss and impedes the useless interruptions of the coverage relations against risks, due to the replacement of the reference index of the interest rate. The adoption of the amendments had no impact on the financial statements.

#### 4. Tangible assets

In the first six months of the year 2021, the tangible 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 |
|---|-------------------|-------------------------------------|------------------------|-------------------------|-------------------------------|--------------------|-----------------------|-----------------------------|-----------------------|
| <b>Gross accounting value at January 1, 2021</b>          | <b>26,456,788</b> | <b>257,455,571</b>                  | <b>42,072,846</b>      | <b>124,057,805</b>      | <b>95,122,213</b>             | <b>40,004,324</b>  | <b>8,721,520</b>      | <b>75,166,282</b>           | <b>669,057,349</b>    |
| Aggregate depreciation at January 1, 2021                 | (1,602,902)       | (213,520)                           | -                      | (62,090,196)            | (68,373,232)                  | (26,465,285)       | (5,549,916)           | -                           | (164,295,051)         |
| Impairment Adjustments of assets                          | -                 | -                                   | -                      | -                       | -                             | -                  | -                     | (228,293)                   | (228,293)             |
| <b>Net accounting value at January 1, 2021</b>            | <b>24,853,886</b> | <b>257,242,051</b>                  | <b>42,072,846</b>      | <b>61,967,609</b>       | <b>26,748,981</b>             | <b>13,539,039</b>  | <b>3,171,604</b>      | <b>74,937,989</b>           | <b>504,534,005</b>    |
| Tangible inputs   | 758,204           | 16,843,267                          | -                      | 653,699                 | 483,782                       | 5,984,112          | 454,218               | 1,348,214                   | <b>26,525,496</b>     |
| Outputs of tangible assets to the gross value             | (342,274)         | (13,220)                            | -                      | -                       | (80,100)                      | (1,196,825)        | -                     | -                           | (1,632,419)           |
| Cumulated depreciation related to outputs                 | 339,874           | 4,826                               | -                      | -                       | 74,750                        | 1,196,825          | -                     | -                           | 1,616,275             |
| Depreciation registered during the period                 | (515,156)         | (13,892,031)                        | -                      | (4,837,146)             | (3,777,371)                   | (2,064,254)        | (564,551)             | -                           | (25,650,509)          |
| <b>Gross accounting value at Wednesday, June 30, 2021</b> | <b>26,872,718</b> | <b>274,285,618</b>                  | <b>42,072,846</b>      | <b>124,711,504</b>      | <b>95,525,895</b>             | <b>44,791,611</b>  | <b>9,175,738</b>      | <b>76,514,496</b>           | <b>693,950,426</b>    |
| Aggregate depreciation at June 30, 2021                   | (1,778,184)       | (14,100,725)                        | -                      | (66,927,342)            | (72,075,853)                  | (27,332,714)       | (6,114,467)           | -                           | (188,329,285)         |
| Impairment Adjustments of assets at June 30, 2021         | -                 | -                                   | -                      | -                       | -                             | -                  | -                     | (228,293)                   | (228,293)             |
| <b>Net accounting value at Wednesday, June 30, 2021</b>   | <b>25,094,534</b> | <b>260,184,893</b>                  | <b>42,072,846</b>      | <b>57,784,162</b>       | <b>23,450,042</b>             | <b>17,458,897</b>  | <b>3,061,271</b>      | <b>76,286,203</b>           | <b>505,392,848</b>    |

At 30.06.2021, the net value of the tangible assets has increased as compared to the end of 2020, by the amount of 858,843 RON.

During the first Semester of the year 2021, there have been recorded movements of tangible assets made up of inputs amounting to 26,525,496 RON and outputs of net value of 16,144 RON. Depreciation of tangible assets for the first Semester of 2021 amounts to 25,650,509 RON.

The tangible assets put into use in the first six months of the year 2021 were of 24,019,162 RON. In the first Semester of 2021 there have been registered also increases to the assets related to the rights of use resulting from leasing contracts, in amount of 1,152,464 RON.

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" it is being included the value of the rights of use resulting from the lease contracts 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 30.06.2021, the gross value of these assets amounts for 4,013,818 RON, depreciation cumulated with 1,778,184 RON, resulting a net value of the rights of use related to these lands of 2,235,634 RON.

➤ At element-row "Buildings and special installations" is being included the values of the rights of use within the lease and concession contracts concluded with various owners for buildings that are leased in order to be made available for Gendarmerie, as per GD no.1486/2005 on the security and protection of the assets, goods and values, with gendarmes, and for the carry out of administrative activities. At 30.06.2021, the gross value of these assets is of 998,239 RON, depreciated cumulated is of 492,173 RON, resulting a net value

➤ At element-row "Means of transport" is being included the value of the rights of use of various assets purchased in a leasing system, in December 2019, consisting of 30 vehicles necessary for the performance of the company's specific activities. At 30.06.2021, the gross value of these assets is of 2,228,610 RON, the cumulated depreciation of 835,730 RON, resulting a net value of the rights of use related to the means of transport of 1,392,880 RON.

At 30.06.2021, CONPET registers in the company's patrimony lands in area of 733,637 Sq.m., with an accounting value of 22,858,900 RON, made of:

- 554,373 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.
- 155,433 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;
- 23,831 Sqm represent lands with an accounting value of 7,080,200 RON, acquired by the Company based several sale-purchase contracts, on which there are being placed administrative buildings and a telecommunications tower.

The lands held by the Company are located in Ploiești, 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, evaluated in the statement of the financial standing at the cost determined from revaluation, retreated by the application of IAS 29 "The financial reporting in Hyper inflationary Economies". Along the six months of the year 2021 there were not registered outputs of oil product, the value thereof at the date of 30.06.2021 being of 42,072,846 RON.

*Tangible Assets in Progress*

At, June 30, 2021 the value of the assets in progress is of 76,286,203 RON and includes investment project provided in "2021 Investment Program", 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 |
|--|-----------------------|-------------------------|-------------------------|
| <b>Gross accounting value at January 1, 2021</b> | <b>6,361,295</b>      | <b>2,454,804</b>        | <b>8,816,099</b>        |
| Aggregate depreciation at January 1, 2021        | (3,591,863)           | (910,983)               | (4,502,846)             |
| <b>Net accounting value January 1, 2021</b>      | <b>2,769,432</b>      | <b>1,543,821</b>        | <b>4,313,253</b>        |
| Input of intangible assets                       | 493,718               | -                       | 493,718                 |
| Depreciation registered during the period        | (606,715)             | (257,304)               | (864,019)               |
| <b>Gross accounting value at June 30, 2021</b>   | <b>6,855,013</b>      | <b>2,454,804</b>        | <b>9,309,817</b>        |
| Aggregate depreciation at June 30, 2021          | (4,198,578)           | (1,168,287)             | (5,366,865)             |
| <b>Net accounting value at June 30, 2021</b>     | <b>2,656,435</b>      | <b>1,286,517</b>        | <b>3,942,952</b>        |

At 30.06.2021 the net value of the intangible assets has decreased compared to the end of 2020, by the amount of 370, 301 RON.

In the first six months of 2021 there have been registered inputs of intangible assets in amount of 493,718 RON and depreciation in amount of 864,019 RON. The depreciation method used is the linear one.

The intangible assets comprise, mainly: 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 before January 01, 2021.

The intangible assets do not include development research expenses.

## 6. Financial Assets

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

| Name   | Other long-term investments | Long-term receivables | Total intangible assets |
|--|-----------------------------|-----------------------|-------------------------|
| <b>Gross accounting value at January 1, 2021</b> | <b>5,100</b>                | <b>1,427,010</b>      | <b>1,432,110</b>        |
| Impairments for depreciation                     | -                           | (320,189)             | (320,189)               |
| <b>Net accounting value at January 1, 2021</b>   | <b>5,100</b>                | <b>1,106,821</b>      | <b>1,111,921</b>        |
| Inputs   | -                           | 36,600                | 36,600                  |
| Outputs  | -                           | (236,048)             | (236,048)               |
| <b>Gross accounting value at June 30, 2021</b>   | <b>5,100</b>                | <b>1,227,562</b>      | <b>1,232,662</b>        |
| Impairments for depreciation                     | -                           | (320,189)             | (320,189)               |
| <b>Net accounting value at June 30, 2021</b>     | <b>5,100</b>                | <b>907,373</b>        | <b>912,473</b>          |

At 30.06.2021, the value of the financial assets has decreased compared to January 1, 2021, by 199,448 RON due to the reduction, during the year, of the intangible assets.

The company holds contributions at the share capital of Independent Register Monitor in amount of 5,000 RON and is associate member, along with other companies, in the Romanian National Committee for the Oil International Council (CNR-CMP), participating at the establishment of the patrimony, CNR-CMP, with contribution in amount of 100 RON.

The non-current receivables, in net amount of 907,373 RON are made up, mainly, of refundable guarantees paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters, Forests in view of temporary removal of the lands from agricultural use and forest fund for the fulfillment of various investment objectives, as well as from guarantees related to the lease contracts of lands and spaces in view of carry out of the production and administrative activities in different locations in the country, guarantees for telecommunication equipment, electric power guarantees related to certain cathodic protection stations.

## 7. Stocks

| Name   | Consumables      | Services in progress | Waste products | Total stocks     |
|--|------------------|----------------------|----------------|------------------|
| <b>Gross accounting value at January 1, 2021</b>                 | <b>6,135,908</b> | <b>769,477</b>       | <b>11,163</b>  | <b>6,916,548</b> |
| Impairments for depreciation of inventories                      | (1,004,542)      | -                    | -              | (1,004,542)      |
| <b>Net accounting value at January 1, 2021</b>                   | <b>5,131,366</b> | <b>769,477</b>       | <b>11,163</b>  | <b>5,912,006</b> |
| Stocks inputs during the period                                  | 2,336,549        | 4,838,821            | 33,384         | 7,208,754        |
| Consumption/outputs of stocks during the period                  | (2,441,789)      | (4,891,072)          | (42,233)       | (7,375,094)      |
| Income from (Expense with) impairment for depreciation of stocks | 18,218           | -                    | -              | 18,218           |
| <b>Gross accounting value at June 30, 2021</b>                   | <b>6,030,668</b> | <b>717,226</b>       | <b>2,314</b>   | <b>6,750,208</b> |
| Impairments for depreciation of inventories                      | (986,324)        | -                    | -              | (986,324)        |
| <b>Net accounting value at June 30, 2021</b>                     | <b>5,044,344</b> | <b>717,226</b>       | <b>2,314</b>   | <b>5,763,884</b> |

The stocks are mainly made up of: materials, spare parts and other materials that are to be used within the performance of the activity, here included those composing the security and intervention stocks destined to the potential technical and caused 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 Receivables and other Receivables**

At June 30, 2021 and December 31, 2020, the trade receivables and other receivables reveal the followings:

|  | <b>June, 30<br/>2021</b> | <b>December 31<sup>st</sup><br/>2020</b> |
|--|--------------------------|--|
| Clients  | 39,760,904               | 35,115,718                               |
| Impairments for depreciation of receivables                                  | (339,307)                | (339,307)                                |
| Other trade receivables  | 284,926                  | 284,042                                  |
| Impairments for the loss of value of other short-term intangible receivables | (282,466)                | (282,466)                                |
| <b>Subtotal trade receivables (net value)</b>                                | <b>39,424,057</b>        | <b>34,777,987</b>                        |
| Other receivables  | 8,335,119                | 7,807,594                                |
| Impairments for the depreciation of other receivables                        | (2,313,929)              | (2,325,447)                              |
| <b>Subtotal other receivables (net value)</b>                                | <b>6,021,190</b>         | <b>5,482,147</b>                         |
| <b>Total receivables</b>   | <b>45,445,247</b>        | <b>40,260,134</b>                        |

**Clients' structure per activities**, is as follows:

|                                      | <b>June, 30<br/>2021</b> | <b>December 31<sup>st</sup><br/>2020</b> |
|--------------------------------------|--------------------------|--|
| Clients- transport activity          | 39,227,386               | 34,562,999                               |
| Other clients - auxiliary activities | 533,518                  | 552,718                                  |
| <b>Total</b>                         | <b>39,760,904</b>        | <b>35,115,718</b>                        |

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

The main trade receivables in balance at June 30, 2021 are to due by: OMV PETROM S.A.– 33,830,788 RON ( December 31, 2020: 29,623,308 RON) and Petrotel Lukoil S.A.– 5,371,960 RON ( December 31, 2020: 4,904,580 RON).

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

The Company's client, OMV PETROM SA, holds approximately 75% of the total short-term receivables registered at June 30, 2021.

Other receivables in amount of 8,335,119 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 32.6%), amounts recoverable from various natural and legal persons, the majority in dispute before the courts (1,792,403 RON, namely 21.5%), non-exigible VAT related to unarrived invoices up to the date of 30.06.2021 (1,112,226 RON, namely 13.3%), as well as amounts receivable from the budget representing allowances for medical leaves (1,044,898 RON, namely 12.5%).

*Impairments for the depreciation of trade receivables* are recorded for the doubtful clients, involved in litigation or insolvency, presenting default of collection thereof. At June 30, 2021 the value of these impairments amounts to 339,307 RON, similar with that at the end of the previous year.

*Impairments for the depreciation of other receivables* are recorded for debits related to the legal

files pending before the Law, paid fines and facing dispute. At June 30, 2021 the value of the impairments amounts to 2,313,929 RON, decreasing by 11,518 RON as compared to December 31, 2020.

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

### **Seniority Statement of Accounts Receivable**

#### **Trade receivables**

|   | <b>June, 30<br/>2021</b> | <b>December 31<sup>st</sup><br/>2020</b> |
|---|--------------------------|--|
| <b>Clients, o/w:</b>                          | <b>39,760,904</b>        | <b>35,115,718</b>                        |
| <i>Depreciated receivables</i>                | 339,307                  | 339,307                                  |
| <i>Non-depreciated receivables, o/w:</i>      | 39,421,597               | 34,776,411                               |
| - seniority less than 30 days                 | 39,405,222               | 34,766,616                               |
| - seniority between 30 days and 60 days       | 10,762                   | 3,439                                    |
| - seniority between 60 days and 90 days       | 3,380                    | 530                                      |
| - seniority between 90 days and 270 days      | 2,165                    | 5,154                                    |
| - seniority between 270 days and 1 year       | 68                       | 672                                      |
| <b>Other trade receivables, out of which:</b> | <b>284,926</b>           | <b>284,042</b>                           |
| <i>Depreciated receivables</i>                | 282,466                  | 282,466                                  |
| <i>Non-depreciated receivables</i>            | 2,460                    | 1,576                                    |

#### **Other receivables**

|  | <b>June, 30<br/>2021</b> | <b>December 31<sup>st</sup><br/>2020</b> |
|--|--------------------------|--|
| <i>Depreciated receivables</i>           | 2,313,929                | 2,325,447                                |
| <i>Non-depreciated receivables, o/w:</i> | 6,021,190                | 5,482,147                                |
| - seniority less than 30 days            | 5,665,649                | 5,344,437                                |
| - seniority between 30 days and 60 days  | 146,364                  | 137,710                                  |
| - seniority between 60 days and 90 days  | 208,760                  | -  |
| - seniority between 90 days and 270 days | -                        | -  |
| - seniority between 270 days and 1 year  | 417                      | -  |
| <b>Total</b>                             | <b>8,335,119</b>         | <b>7,807,594</b>                         |

### **9. Cash and Cash Equivalents**

At June 30, 2021 and December 31, 2020 the cash and cash equivalents look as follows:

|  | <b>June, 30<br/>2021</b> | <b>December 31<sup>st</sup><br/>2020</b> |
|--|--------------------------|--|
| Current bank accounts                  | 3,452,045                | 5,796,960                                |
| Bank deposits with maturity ≤ 3 months | 155,862,552              | 192,447,249                              |
| Cash on hand                           | 18,001                   | 11,974                                   |
| Other cash equivalents                 | 1,150                    | 1,150                                    |
| <b>Total</b>                           | <b>159,333,748</b>       | <b>198,257,333</b>                       |

The cash and cash equivalents existing at 30.06.2021 have decreased by 19.6% compared to December 31, 2020 (159.3 mRON compared to 198.3 mRON). The decrease has been determined by the payments of dividends and the procurement of assets (investments), higher than the cash surplus from the operating activity.

The cash accounts at 30.06.2021 also include the cash representing the modernization quota, with special use regime, provided by GD no. 168/1998, in amount of 119,460,814 RON. This is intended exclusively for funding the modernization and development works of public property.

The company has not restricted number.

## **10. Equities**

### *The Share capital*

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

The structure of CONPET S.A. share capital and shareholding at June 30, 2021 reveals the followings:

| Shareholders                                 | June 30, 2021    |                   |             | December 31, 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                                | 2,363,321        | 7,798,959         | 27.2979     | 2,368,002         | 7,814,406         | 27.3519     |
| Natural Persons                              | 1,210,835        | 3,995,755         | 13.9859     | 1,206,154         | 3,980,308         | 13.9319     |
| <b>Total</b>                                 | <b>8,657,528</b> | <b>28,569,842</b> | <b>100%</b> | <b>8,657,528</b>  | <b>28,569,842</b> | <b>100%</b> |

### *Legal reserves*

At June 30, 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 June 30, 2021 "Other reserves" are in amount of 504,316,034 RON, 4,046.777 RON higher compared to December 31, 2020, determined by a net increase of the reserve representing the modernization quota.

The reserve related to the modernization quota is in amount of 465,167,913 RON and holds the highest share in total other reserves (92.24%).

### *Revaluation reserves*

Based on the provisions of the Ministry of Public Finances Order no. 2,844/2016 for the approval of accounting Regulations compliant with IFRS in conjunction with the art. 210, paragraph (3) of Law no. 31/1990 on companies, republished, the company recognizes in the revaluation reserves favorable differences from revaluation of tangible assets.

At June 30, 2021, in the financial standing, the revaluation reserves are being presented at the net value of 19,582,337 RON, resulting after the diminution of the gross value by the related deferred tax recognized directly in the equities, as per IAS 12.

*Retained earnings*

At June 30, 2021 the retained earnings amounts to 43,142,643 RON and contains mainly the difference in value of fixed assets, operating oil product resulting from the application of IAS 29 for the first time, amounting to 41,818,297 RON.

*Year's Profit*

The year's profit realized in the first six months of the year 2021 is of 27,320,803 RON, decreasing by 14.04% compared to the profit registered in the first six months of the year 2020 (31,781,915 RON).

## **11. Trade Liabilities and Other Liabilities**

At June 30, 2021 and December 31, 2020 the trade liabilities and other liabilities are the followings:

| Liabilities   | December, 31<br>2020 | June 30th,<br>2021 | Maturity date for the balance at June<br>30,2021 |                  |                   |
|---|----------------------|--------------------|--|------------------|-------------------|
|   |                      |                    | Under 1<br>year                                  | 1-5 years        | Over<br>5 years   |
| Trade liabilities   | 23,583,540           | 19,667,566         | 19,667,566                                       | -                | -                 |
| Liabilities to the<br>employees   | 33,991,543           | 32,956,979         | 13,433,848                                       | 3,760,018        | 15,763,113        |
| Other liabilities, here-<br>included fiscal debts and<br>social insurances related<br>debts | 34,101,828           | 36,749,698         | 33,420,241                                       | 1,920,186        | 1,409,271         |
| <b>Total</b>  | <b>91,676,911</b>    | <b>89,374,243</b>  | <b>66,521,655</b>                                | <b>5,680,204</b> | <b>17,172,384</b> |

The goods and services suppliers for the operating activity are mainly represented by: NTFM CFR Marfă, CEZ Vânzare, Edenred Romania SRL, OMV Petrom S.A., Tinmar Energy SA, Signal Iduna Asigurare Reasigurare S.A., OMV Petrom Marketing, Director Special TROOPS-DST SRL, Prodial Tour SRL, Con Metal CF SRL, Envirotech SRL, Orange Romania, Afer Bucureşti, Oil Depol Service SRL, Mol Romania Petroleum Products SRL, Termoklima SRL, Invest General Construct SRL, Autogas Impex SRL, Asigurarea Românească-Asirom S.A., CNAIR S.A.

The value of the assets destined to the operating activities, in the first Semester of 2021 holds a share of 70.47% in total procurements, the difference of 29.53% representing assets procurement.

The debts to employees, in amount of 33,991,543 RON include the current debts, as well as the future debts for the benefits granted to the employees on retirement and the employees share of profit, recognized as provisions.

The statement of other liabilities, the fiscal liabilities and social insurances debts, on maturity terms debts, look as follows:

| Liabilities            | December, 31<br>2020 | June, 30<br>2021 | Maturity date for the balance at<br>June 30, 2021 |                |                 |
|------------------------|----------------------|------------------|---|----------------|-----------------|
|                        |                      |                  | Under 1<br>year                                   | Over 1<br>year | Over 5<br>years |
| Salaries contributions | 5,427,408            | 4,215,522        | 4,215,522   | -              | -               |

|  |                   |                   |                   |                  |                  |
|--|-------------------|-------------------|-------------------|------------------|------------------|
| Current corporate tax                    | 738,139           | 2,010,028         | 2,010,028         | -                | -                |
| Royalty due to the State Budget          | 7,864,678         | 8,005,071         | 8,005,071         | -                | -                |
| VAT payable                              | 3,022,250         | 4,966,433         | 4,966,433         | -                | -                |
| Other interests and debts - State Budget | 1,014,565         | 1,959,717         | 1,959,717         | -                | -                |
| Dividends Payable                        | 10,277,535        | 9,801,377         | 9,801,377         | -                | -                |
| Leasing related liabilities              | 4,277,338         | 4,293,318         | 1,829,995         | 1,459,539        | 1,003,784        |
| Accrued revenues                         | 963,552           | 908,221           | 92,976            | 409,758          | 405,487          |
| Other liabilities                        | 516,363           | 590,011           | 539,122           | 50,889           | -                |
| <b>Total</b>                             | <b>34,101,828</b> | <b>36,749,698</b> | <b>33,420,241</b> | <b>1,920,186</b> | <b>1,409,271</b> |

At 30.06.2021, the leasing related liabilities comprise the future payment obligations related to the leasing contract for 30 vehicles and liabilities related to the rights of use resulting from the lease and concession contracts of lands and buildings (Note 4).

The liabilities related to the rights of use recognized for the lease and concession contracts of some lands and buildings have been assessed at the value of rent fees/royalties along the remaining contractual period, discounted with the borrowing rate for real estate loans.

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

| Liabilities                                    | December, 31<br>2020 | June, 30<br>2021  | Maturity date for the balance at<br>June 30, 2021 |                  |                   |
|--|----------------------|-------------------|---|------------------|-------------------|
|  |                      |                   | Under 1<br>year                                   | Over 1<br>year   | Over 5<br>years   |
| Salaries and assimilated debts                 | 5,975,076            | 5,846,507         | 5,846,507   | -                | -                 |
| Liabilities for benefits granted on retirement | 20,351,577           | 19,746,123        | 222,992   | 3,760,018        | 15,763,113        |
| Debts for employees share of profit            | 6,806,162            | 2,808,786         | 2,808,786   | -                | -                 |
| Debts for untaken leaves                       | 858,728              | 4,555,563         | 4,555,563   | -                | -                 |
| <b>Total</b>                                   | <b>33,991,543</b>    | <b>32,956,979</b> | <b>13,433,848</b>                                 | <b>3,760,018</b> | <b>15,763,113</b> |

Within the debts to employees there are being included the payment salaries and other salary-assimilated debts, as well as future debts consisting of: benefits granted on retirement, employees share of profit fund and amounts related to the untaken annual leave, 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 19,746,123 RON, of which 19,523,131 RON stand for long-term liabilities and 222,992 RON stand for short-term liabilities.

At 30.06.2021, the debt related to the employees share of profit associated to the service supplied by the employees in the first six months of the year 2021 amounts for 2,808,786 RON, here included the employment insurance contribution, constituted within the limit of the amount provided in the Budget.

The amount due for the untaken annual leaves, at 30.06.2021, amounts for 4,555,563 RON.

## 12. Provisions

|                            | June, 30<br>2021 | December, 31<br>2020 |
|----------------------------|------------------|----------------------|
| Provisions for litigations | 7,108,608        | 6,962,547            |

|   |                  |                   |
|---|------------------|-------------------|
| Provisions related to mandate contracts | 1,222,017        | 2,506,709         |
| Other provisions for risks and expenses | 1,247,649        | 1,790,401         |
| <b>Total provisions</b>                 | <b>9,578,274</b> | <b>11,259,657</b> |

### ***Provisions for litigations***

In detail, the provisions for litigations are:

|  | June, 30<br>2021 | 31.12.2020       |
|--|------------------|------------------|
| Litigations for civil compensations  | 3,854,325        | 3,843,938        |
| Litigations for third parties failure to respect certain contractual clauses | 93,919           | 185,943          |
| Other litigations  | 3,160,364        | 2,932,666        |
| <b>Total</b>   | <b>7,108,608</b> | <b>6,962,547</b> |

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 30.06.2021 there are being registered provision related to litigations for civil compensations in amount of 3,854,325 RON, decreasing by 10,387 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 30.06.2021, 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 3,160,364 RON, increasing by 227.698 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 June 30, 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:

- 559,230 RON representing provision for the variable component related to the first Semester of the year 2021 due to the Members of the Board of Directors.
- 572,692 RON representing provision for the variable component due to the directors with mandate contract, related to the first Semester of the year 2021.
- 90,095 RON represents provision for untaken annual leaves by the directors with contract of mandate, of which 30,929 RON provisions related to 2020 and 59.166 RON provision related to the first Semester of 2021.

### ***Other provisions***

At June 30, 2021 the balance of the position "Other provisions" in amount of 1,247,649 RON is composed of:

- 1,123,000 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 June 30, 2020 and June 30, 2021 is being determined at a statutory rate of 16%.

|  | June, 30<br>2021 | June, 30<br>2020 |
|--|------------------|------------------|
| Expenses with the ordinary corporate tax             | 4,824,496        | 5,427,560        |
| Expense with /(revenues from) deferred corporate tax | (41,070)         | (369,095)        |
| <b>Total</b>   | <b>4,783,426</b> | <b>5,058,465</b> |

**Reconciliation of the effective rate of taxation:**

|  | June 30, 2021    | 30.06.2020       |
|--|------------------|------------------|
| Profit before tax  | 32,104,229       | 36,840,380       |
| - Corporate tax at a statutory rate of 16%                                 | 5,136,677        | 5,894,461        |
| <b>Effect on the corporate tax of:</b>                                     |                  |                  |
| - Non-deductible expenses  | 1,881,326        | 1,574,643        |
| - Non-taxable revenues   | (2,100,441)      | (1,435,654)      |
| - Elements similar to the revenues   | 257,944          | 271,797          |
| - Elements similar to the expenses   | (153,337)        | (418)            |
| - Spared corporate tax   | (24,444)         | (59,554)         |
| -Amounts representing sponsorship falling under the limits provided by law | (173,350)        | (440,000)        |
| - Specific tax   | 121              | 22,043           |
| - Bonus rate corporate tax as per . EGO 33/2020                            | -                | (399,758)        |
| <b>Expenses with the ordinary corporate tax</b>                            | <b>4,824,496</b> | <b>5,427,560</b> |

*The deferred corporate tax*

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

Statement of movements regarding the receivable/debt with the deferred income during the first six months of the year 2021, reveals the followings:

| 2021                           | Net value at 1 <sup>st</sup> of January | Deferred corporate tax recognized in the profit and loss account | Deferred corporate tax recognized at the expense equity | Net value at June 30, 2021                       |   |
|--------------------------------|---|--|---|--|---|
|                                |   |  |   | Receivable related to the deferred corporate tax | Liability related to the deferred corporate tax |
| Revaluation of tangible assets | (427,532)                               | 256,425  | -   | 3,352,734  | (3,523,841)                                     |
| Provisions                     | 4,924,028                               | (211,150)  | -   | 4,712,878  | -   |
| Impairments of current assets  | 459,179                                 | (4,205)  | -   | 454,974  | -   |
| <b>Deferred corporate tax</b>  | <b>4,955,675</b>                        | <b>41,070</b>  | <b>-</b>  | <b>8,520,587</b>                                 | <b>(3,523,841)</b>                              |

| <b>before offsetting</b>                    |  |  |  |             |                  |
|---|--|--|--|-------------|------------------|
| Receivable/debt offsetting                  |  |  |  | (3,523,841) | 3,523,841        |
| <b>Deferred corporate tax - recoverable</b> |  |  |  |             | <b>4,996,746</b> |

Deferred tax payable, recognized on account of equity items on 30.06.2021 amounts for 3,523,841 RON and the deferred corporate tax to be recovered at 30.06.2021 in the statement of global result is of 8,520,587 RON.

In conclusion, at 30.06.2021, the company has a net receivable related to the deferred corporate tax reaching 4,996,746 RON.

#### **14. Result per Share**

The result per share in the first six months of the year 2021, as compared to the same period of the previous year is the following:

|  | <b>June, 30<br/>2021</b> | <b>June, 30<br/>2020</b> |
|--|--------------------------|--------------------------|
| Profit of the Financial Year   | 27,320,803               | 31,781,915               |
| Number of ordinary shares at the beginning and the end of the period | 8,657,528                | 8,657,528                |
| <b>Basic and diluted earnings per share (RON/share)</b>              | <b>3.16</b>              | <b>3.67</b>              |

#### **15. Operating Revenues**

##### **a) Revenues from contracts**

|  | <b>June, 30<br/>2021</b> | <b>June, 30<br/>2020</b> |
|--|--------------------------|--------------------------|
| Revenues from transport service, of which:                 |                          |                          |
| <i>Revenues from transport services domestic subsystem</i> | 205,507,288              | 202,782,842              |
| <i>Revenues from transport services import subsystem</i>   | 148,780,690              | 153,481,728              |
| Revenues from rents  | 56,726,598               | 49,301,114               |
| Other operating revenues                                   | 804,576                  | 791,644                  |
| <b>Total transport revenues</b>                            | <b>206,666,786</b>       | <b>204,035,889</b>       |

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 (81.3%).

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

|                                | <b>June, 30<br/>2021</b> | <b>June, 30<br/>2020</b> |
|--------------------------------|--------------------------|--------------------------|
| Domestic Subsystem             | 1,632,781                | 1,742,240                |
| Import Subsystem               | 1,686,442                | 1,697,024                |
| <b>Total quantities (tons)</b> | <b>3,319,223</b>         | <b>3,439,264</b>         |

The total quantity of transported quantities has decreased by 3.5 % in the first six years of the year 2021, compared to the same period of the previous year, given the 6.3% decrease of the quantity transported on the domestic transport subsystem and 0.6% of the quantity transported on the import transport 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 applied for the import transport subsystem vary according to the installment of transported quantity, being practiced the bracketing tariff model and the refinery- the hand-over 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                    |

Tariffs for transport services on the import subsystem:

| Period                               | Batches             | 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

|   | June, 30<br>2021  | June, 30<br>2020  |
|---|-------------------|-------------------|
| Revenues out of modernization quota consumption | 18,438,622        | 16,193,801        |
| Earnings from disposal of assets                | 181,196           | -                 |
| Other revenues                                  | 4,382,456         | 249,160           |
| <b>Total other operating expenses</b>           | <b>23,002,274</b> | <b>16,442,961</b> |

Other operating revenues have registered an increase by 39.9% in the first six months of the year 2021, as compared to the same period of the previous year, from 16,442,961 RON to 23,002,274 RON.

Other operating revenues comprise, mainly, the revenues from the reserve related to the modernization quota, at the level of depreciation of fixed assets financed out of this source. The revenues representing modernization quota have registered an increase by 13.9% in the first six months of 2021, compared to the same period of 2020.

## 16. Operating Expenses

### a) Stocks and Utilities Expenses

|  | June 30, 2021    | June 30, 2020    |
|--|------------------|------------------|
| Expenses with consumables                          | 2,141,905        | 1,965,149        |
| Other material expenses                            | 290,060          | 318,122          |
| Other Expenses with Energy and Water               | 6,935,348        | 6,935,393        |
| Merchandise expenses                               | -                | 20,406           |
| <b>Total Stocks and Utilities related Expenses</b> | <b>9,367,313</b> | <b>9,239,070</b> |

### b) Personnel expenses

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

|   | June 30, 2021     | June 30, 2020     |
|---|-------------------|-------------------|
| Salary expenses   | 66,275,387        | 63,440,499        |
| Liabilities regarding employees' bonuses  | 12,930,817        | 8,925,467         |
| Other personnel expenses  | 1,798,440         | 64,180            |
| Expenditure on the remuneration of directors with mandate and of the administrators | 3,613,186         | 3,555,917         |
| Expenses with contributions due by the employer                                     | 2,520,623         | 3,718,941         |
| <b>Total personnel expenses</b>   | <b>87,138,453</b> | <b>79,705,004</b> |

The personnel expenses are detailed as follows:

#### Salary expenses

|   | June 30, 2021     | Tuesday, June 30, 2020 |
|---|-------------------|------------------------|
| Salary and related contributions expenses | 65,634,929        | 63,164,774             |
| Retirement support                        | 619,344           | 275,725                |
| Marriage support                          | 21,114            | -                      |
| <b>Salary related expenses</b>            | <b>66,275,387</b> | <b>63,440,499</b>      |

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

As per the provisions of the Collective Labor Agreement in force, the Company has also granted the employees benefits as retirement and marriage support.

#### Liabilities regarding the employees' bonuses

|  | June 30, 2021     | June 30, 2020    |
|--|-------------------|------------------|
| Employees share of profit  | 6,655,473         | 4,001,145        |
| Meal vouchers  | 3,470,560         | 2,554,140        |
| Social expenditures under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions | 1,929,998         | 1,656,840        |
| Other expenses as per the Collective Labor Agreement   | 874,786           | 713,342          |
| <b>Total</b>   | <b>12,930,817</b> | <b>8,925,467</b> |

The value of the bonuses granted to the employees meets an increase of 4,005,350 RON in the first six months of 2021, compared to the same period of 2020, mainly due to the awarding of meal vouchers at nominal value of 20 RON/day, starting December, 2020 and the integral award,

in Semester I, 2021 of the benefit related to the employees share of profit, compared to the previous year, when this benefit was awarded partially in the first Semester, the rest being paid in Quarter III. As per the provisions of the Collective Labor Agreement (Ro.CCM) in force, the Company has awarded the employees bonuses as social expenses provided at Art.25 of Law no.227/2015 on the Fiscal Code, consisting of holiday and treatment tickets, here included the transport, the gifts offered to the employees and their children, support for birth, funeral, serious disease, humanitarian and other social expenses as per CCM.

The value of bonuses granted as social expenses and other expenses as per CCM in year 2020, as compared to the same period of 2020 has increased mainly due to wage indexation, which has led to a higher average earnings per company, according to which it is being calculated the value of the supports granted.

Following the relaxation of the measures of protection of employees health, given the Coronavirus pandemic (Covid-19), in the first 6 months of the year 2021 the expenses with the transport of employees to and from the work place have increased, and also the expenses with daily allowance, nursery, after-school supported by the company for the employees children, as compared to Semester I of the year 2020.

#### **Other Personnel Expenses**

|  | <b>June 30, 2021</b> | <b>June 30, 2020</b> |
|--|----------------------|----------------------|
| Expenses with severance payments related to personnel layoffs  | 1,798,440            | 62,160               |
| Expenses with the right of the personnel due under court order | 2,020                |                      |
| <b>Total</b>   | <b>1,798,440</b>     | <b>64,180</b>        |

The position "Other personnel expenses" includes expenses with severance payments granted, as per the Collective Labor Agreement, related to personnel lay-offs performed in the month of March 2021, compared to October and November, 2020.

#### **Expenses on Remuneration of Directors and Administrators**

|   | <b>June 30, 2021</b> | <b>June 30, 2020</b> |
|---|----------------------|----------------------|
| Allowance of the directors with mandate             | 1,972,414            | 1,915,145            |
| Allowances of the members of the Board of Directors | 1,640,772            | 1,640,772            |
| <b>Total</b>  | <b>3,613,186</b>     | <b>3,555,917</b>     |

#### **Expenses with contributions due by the Employer**

|   | <b>June 30, 2021</b> | <b>June 30, 2020</b> |
|---|----------------------|----------------------|
| The company's contribution to voluntary pension funds | -                    | 1,398,788            |
| Company's contribution to voluntary health insurance  | 753,155              | 716,410              |
| Labor Insurance contribution and other contributions  | 1,767,468            | 1,603,743            |
| <b>Total</b>  | <b>2,520,623</b>     | <b>3,718,941</b>     |

In 2021, the expense with the voluntary pension, Pillar III has not been comprised in the Budget, therefore in the first Semester were not registered expenses with the voluntary pension.

Due to the wage indexation in October 2020, the insured contribution for work has proportionally increased in the first six months of 2021, compared to the same period of 2020.

#### **c) Expenses related to External Services**

|                                     | <b>June 30, 2021</b> | <b>June 30, 2020</b> |
|-------------------------------------|----------------------|----------------------|
| Rail transport expenses             | 32,020,790           | 31,486,974           |
| Expenses with royalties and rentals | 15,957,229           | 15,706,923           |

|  |                   |                   |
|--|-------------------|-------------------|
| Third-party pumping expenses   | 2,294,662         | 2,424,071         |
| Maintenance and repair expenses  | 1,328,921         | 849,957           |
| Expenses with the decontamination, monitoring of the environmental factors | 250,104           | 281,391           |
| Travel, secondment and transfer expenses                                   | 244,837           | 327,751           |
| Expenses related to the transport of goods and personnel                   | 18,000            | 20,286            |
| Postal and telecommunication expenses                                      | 288,958           | 260,992           |
| Other expenses with services performed by third parties                    | 2,175,432         | 2,040,566         |
| <b>Total expenses related to external services</b>                         | <b>54,578,933</b> | <b>53,398,911</b> |

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

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

**d) Other Expenses**

|  | June 30, 2021     | June 30, 2020     |
|--|-------------------|-------------------|
| Taxes, fees and similar levies related expenses            | 1,150,645         | 1,121,351         |
| Compensations, fines and penalties expenses                | 11,773            | 15,533            |
| Donations granted (Sponsorship)                            | 173,350           | 440,000           |
| Environmental protection expenses                          | 22,558            | 13,839            |
| Expenses with the establishment of the modernization quota | 22,485,399        | 18,278,152        |
| Other operating expenses                                   | 133,785           | 116,561           |
| <b>Other expenses</b>                                      | <b>23,977,510</b> | <b>19,985,436</b> |

Within the first six months of 2021, the expenses recorded with other taxes, fees and similar levies mainly include the expenses with the local taxes and with the contribution to the special fund, due under the Law no. 448/2006 regarding the protection and promotion of the disabled persons.

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

**17. Net Financial Result**

|  | June, 30<br>2021 | June, 30<br>2020 |
|--|------------------|------------------|
| Revenues from interests                        | 1,551,082        | 3,713,157        |
| Other financial revenues                       | 19,040           | 4,935            |
| <b>Total financial revenues</b>                | <b>1,570,122</b> | <b>3,718,092</b> |
| Interest expenses related to leasing contracts | 116,602          | 215,901          |
| Other financial revenues                       | 64,079           | 46,649           |
| <b>Total financial expenses</b>                | <b>180,681</b>   | <b>262,550</b>   |
| <b>Net Financial Result</b>                    | <b>1,389,441</b> | <b>3,455,542</b> |

The financial revenues have decreased by 57.8% in the first six months of the year 2021, as compared to the same period of the year 2020, due to the decrease of the interests offered to banks for fixed-term deposits. The financial expenses have decreased by 57.8% in the first six months of the year 2021, as compared to the same period of the previous year, yet they remained at a reduced

level compared to the revenues. Based on this evolution, the net financial result has been reduced by 59.8% in the first six months of the year 2021 YoY.

## **18. Related Parties**

In Half I, 2021 the Company has carried out the following acquisitions from related parties

| <b>Partner</b>       | <b>Unsettled amounts at December, 31 2020</b> | <b>Procurement During 01.01.2021 - 30.06.2021</b> | <b>Settlements Period 01.01.2020- 6/30/2021</b> | <b>Unsettled amounts at Wednesday, June 30, 2021</b> |
|----------------------|---|---|---|--|
| SNTFM CFR Marfă S.A. | 6,709,061                                     | 38,633,410  | 38,500,614                                      | 6,841,857  |

*\*The amounts are in RON and VAT inclusive.*

## **19. Subsequent Events**

There have not been registered significant events ulterior to the reporting period.

These financial statements from page 1 to 27 were authorized for issue and signed by the company's management at August 12, 2021.

**Director General**  
**Eng. Dorin Tudora**

**Economic Director,**  
**Econ. Sanda Toader**

## **STATEMENT OF THE PERSONS IN CHARGE**

**within CONPET S.A., in compliance with the provisions  
of Articles 65 of Law no. 24/ 2017 regarding the issuers of financial instruments and market  
operations**

The Interim Financial Statements have been prepared, at the date and for the six months period ended at June 30, 2021 for:

|                            |   |
|----------------------------|---|
| Entity                     | CONPET SA   |
| County                     | Prahova   |
| Address                    | Ploiești No. 1-3, Anul 1848 Street  |
| Trade Registry Number      | J29/6/1991  |
| Type of ownership          | 26 - Publicly and privately owned companies with domestic and foreign capital |
| Main activity (NACE code)  | 4950 - Transport via pipelines  |
| Unique Registration Number | 1350020   |

The undersigned: Dorin Tudora, in the capacity of Director General and Sanda Toader, in the capacity of Economic Director, pursuant to the best available information, hereby confirm that at the date of 30.06.202:

- a) The interim financial statements the Half-yearly financial-accounting statement for the period of six months ended June 30, 2021 has been drafted pursuant to the applicable accounting standards and offer a correct image and consistent with the reality of assets, obligations, financial position, the company's profit and loss account.
- b) The administrators report drafted for the period of six months ended June 30, 2021, fairly and comprehensively presents the company information and the other information related to the activity performed.
- c) The company carries out its business on going concern.

**Director General  
Eng. TUDORA DORIN**

**Economic Director  
Econ. TOADER Sanda**

**Independent practitioner's review report  
To the Shareholders of CONPET S.A.**

1-3 Anul 1848 St., Ploiești, Prahova County, Postal Code 100559, Romania  
Registration: 1350020

We have reviewed the accompanying financial statements of CONPET S.A. (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for six months period then ended and other explanatory information.

The financial statements for the six months period ended 30 June 2021 are identified as follows:

|                              |                 |
|------------------------------|-----------------|
| • Net assets/Total equity:   | 628,645,627 RON |
| • Net profit for the period: | 27,320,803 RON  |

*Management's responsibility for the interim financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34), and for such internal control as management determines is necessary to enable the preparation of the interim financial statements that are free from material misstatements, whether due to fraud or error.

*Practitioner's responsibility*

Our responsibility is to express a conclusion on the accompanying interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements*, adopted by the Romanian Chamber of Auditors. ISRE 2400 (Revised) require us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the interim financial position of CONPET S.A. as at June 30, 2021, and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34 *Interim Financial Reporting*.

### *Other matters*

This report is addressed exclusively to the Company's shareholders, as a body. Our review was undertaken in order to report to the Company's shareholders those aspects that we are required to state to them in a review report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our review work, for the report on the financial statements or for the conclusion we have formed.

For and behalf of BDO Audit SRL

Registered in the Public Electronic Registry of financial auditors and audit firms with no. FA18

Partner's name: Vasile Bulata

Registered in the Public Electronic Registry of financial auditors and audit firms with no. AF1480

Bucharest, Romania

12 August 2021

Note: This is the English translation of the Romanian version of the practitioner's review report. In case of any discrepancies the Romanian version will prevail.

CONPET SA  
No. 1-3, Anul 1848 Street, Ploiesti, Prahova, Romania  
Tax Identification Number 1350020  
NACE Code 4950  
Registered at Prahova Trade Registry under number J29/6/22.01.1991  
Subscribed and paid-up share capital 28,569,842.40 RON

### **Financial results for the period January–June 2021**

CONPET S.A. recorded, in the first 6 months of 2021 a turnover of 206.67 million RON, decreasing by 1.3% as compared to the same period of the previous year and increasing by 0.8% as compared to the budgetary provisions.

The company ended the first 6 months of 2021 with a net profit amounting to 27.32 million RON, 5.67 million RON higher than the budgeted level (26.2%) and lower by 14.0% YoY.

At 30.06.2021, the operating revenues recorded an increase by 4.2% as compared to 6 months 2020 (229.67 mRON: 6 months 2021, from 220.48 mRON: 6 months 2020). As compared to the budget provisions, the operating revenues increased by 1.1%.

The operating expenses achieved in 6 months 2021 recorded an increase by 6.3% YoY (6 months 2021: 198.95 mRON, 6 months 2020: 187.09 mRON), mainly determined by the increase of the personnel expenses, of the expenses related to the modernization quota established as source of financing for the investments in the public domain, of the impairment of assets and of the rail transport expenses.

As compared to the budget, the operating expenses are 2.2% below the budgeted level.

The operating profit achieved in 2021 H1, in amount of 30.71 mRON decreased by 2.67 mRON (8.0%), as compared to 2020 H1. As compared to the budget provisions, the operating profit increased by 6.85 mRON (28.7%).

The financial profit recorded in 2021 H1 is by 0.38 mRON lower than the budget. As compared to 2020 H1, the financial profit recorded a decrease of 2.07 mRON due to low interest rates offered by banks for maturity deposits .

The gross profit recorded a decrease by 4.74 mRON (12.9%) as compared to 2020 H1. As compared to the budget, the gross profit increased by 6.81 mRON (27.0%).

## Financial Results

| Indicators<br>(thousand RON) | 2021 H1 | Budget<br>2021 H1 | 2020 H1 | Variation %<br>2021 H1<br>/ Budget | Variation %<br>2021 H1/2020 H1 | 2021 Q2 | 2020 Q2 | Variation %<br>2021 Q II<br>/2020 Q II |
|------------------------------|---------|-------------------|---------|------------------------------------|--------------------------------|---------|---------|--|
| Net Turnover                 | 206,667 | 204,951           | 204,036 | ▲0.8%                              | ▲1.3%                          | 104,909 | 98,321  | ▲6.7%                                  |
| Operating Revenues           | 229,669 | 227,230           | 220,479 | ▲1.1%                              | ▲4.2%                          | 117,731 | 106,783 | ▲10.3%                                 |
| Operating Expenses           | 198,954 | 203,368           | 187,094 | ▼2.2%                              | ▲6.3%                          | 99,019  | 90,493  | ▲9.4%                                  |
| EBITDA                       | 56,342  | 48,512            | 57,059  | ▲16.1%                             | ▼1.3%                          | 31,464  | 28,245  | ▲11.4%                                 |
| Operating Profit<br>(EBIT)   | 30,715  | 23,862            | 33,385  | ▲28.7%                             | ▼8.0%                          | 18,712  | 16,290  | ▲14.9%                                 |
| Total revenues               | 231,239 | 229,020           | 224,197 | ▲1.0%                              | ▲3.1%                          | 118,459 | 108,545 | ▲9.1%                                  |
| Total expenses               | 199,135 | 203,731           | 187,357 | ▼2.3%                              | ▲6.3%                          | 99,127  | 90,638  | ▲9.4%                                  |
| Gross Profit (EBT)           | 32,104  | 25,289            | 36,840  | ▲27.0%                             | ▼12.9%                         | 19,332  | 17,907  | ▲8.0%                                  |
| Net Profit                   | 27,321  | 21,649            | 31,782  | ▲26.2%                             | ▼14.0%                         | 17,763  | 15,479  | ▲14.8%                                 |

We note that, the Financial Statements concluded at 30.06.2021 have been revised.

**Director General**  
Eng. TUDORA Dorin

**Economic Director**  
Econ. TOADER Sanda