

Preliminary Report

CONPET S.A.

January– December 2021

CONTENTS

1 COMPANY PRESENTATION	3
1.1 Report and issuer identification data	3
1.2 Main activities	4
1.3 The company's mission, vision and values	4
1.4 Shareholding	4
2. CONPET - EXECUTIVE SUMMARY - PRELIMINARY DATA	5
2.1 Company's Stock Market Indicators	5
2.2. Financial Result Key Indicators	5
2.3 Operating Activity Indicators	6
3. ANALYSIS OF THE FINANCIAL SITUATION	9
3.1 Statement of the Financial Standing at December 31st, 2021	9
3.2 Profit & Loss Account for the period January - December 2021	10
3.3. Cash-flow	13
4. INVESTMENTS	13
5. Other aspects	15
5.1 The Board of Directors	15
5.2 The Executive Management	15
5.3 RELEVANT CORPORATE EVENTS IN 2021	17
ANNEXES	17

1 COMPANY PRESENTATION

1.1 Report and issuer identification data

Preliminary Report prepared in compliance with:	Law no. 24/2017, republished and ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations
Date of the report	24.02.2022
Company's name	CONPET S.A.
Registered Offices	No. 1-3 Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,
Telephone/facsimile Number	0244 401360/0244 516451
E-mail/Internet	conpet@conpet.ro / www.conpet.ro
Trade Identification Number at the Trade Register Office	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium category
Subscribed and entirely paid-up share capital	28,569,842.40 RON
Main features of the issued securities	8,657,528 shares with a nominal value of 3.3 RON/share
Total market value	683,944,712 RON (79.00 RON/share at 31.12.2021)
Applied accounting standard	The International Financial Reporting Standards
Auditing	The preliminary Financial Statements concluded at 31.12.2021 have not been audited

1.2 Main activities

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

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

The Crude Oil, Rich Gas, Condensate and Ethane National Transport System (NTS) is being defined and regulated by Law no. 238/07.06.2004 - 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.

CONPET is a publicly owned company, listed at the Bucharest Stock Exchange, under COTE symbol.

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 the maintenance of its position of strategic player in the Romanian oil industry, acting as crude oil, ethane and rich gas carrier by pipelines and by rail.

The company's values: professionalism, effectiveness and performance, social awareness and respect for the environment, ongoing training, adaptability and qualitative increase.

1.4 Shareholding

The synthetic structure of the shareholding, at reference date 31.12.2021, is as follows:

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

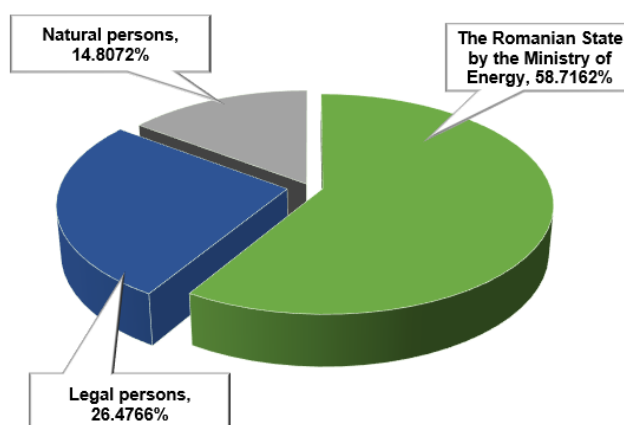


Chart 1 - CONPET S.A. Shareholding Structure at December 31st, 2021

The number of CONPET Shareholders registered at Depozitarul Central S.A. at the end of 2021

is of 13,774, increasing by 5.19% as compared to the end of 2020 (13,095 shareholders).

The share capital of CONPET at December 31st, 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 did not perform transactions having as scope its own shares and, consequently, the company did not hold own shares.

2. CONPET - EXECUTIVE SUMMARY - PRELIMINARY DATA

2.1 Company's Stock Market Indicators

The market capitalization amounted to 683.94 million RON (79.00 RON/share) at 31.12.2021, respectively 659.70 million RON (76.20 RON/share) at 31.12.2020.

The evolution of COTE share and market capitalization during 2019 - 2021 is as follows:

Indicators	MU	31.12.2019	31.12.2020	31.12.2021
COTE closing price	RON/share	79.60	76.20	79.00
Market capitalization	Million RON	689.14	659.70	683.94
	million Euro	144.19	135.48	138.21

Table 1 - Evolution of COTE share and stock capitalization during 2019-2021

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.

2.2. Financial Result Key Indicators

The key indicators of the preliminary financial results registered in 2021, as compared to the budget and the previous year results, are the followings:

2021		Variation Achieved/Budget	Indicators	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
412,787	407,430	▲ 1.3%	Turnover (thousand RON)	412,787	406,928	▲ 1.4%
463,869	457,324	▲ 1.4%	Operating Revenues (thousand RON)	463,869	447,636	▲ 3.6%
404,629	401,525	▲ 0.8%	Operating Expenses (thousand RON)	404,629	382,620	▲ 5.8%
59,240	55,799	▲ 6.2%	Operating Profit (thousand RON)	59,240	65,016	▼ 8.9%
12.8%	12.2%	▲ 0.6 p.p.	Operating profit margin (%) (Operating profit/ operating revenue)	12.8%	14.5%	▼ 1.7p.p.
111,179	106,026	▲ 4.9%	EBITDA (thousand RON)	111,179	112,401	▼ 1.1%
98.0%	98.6%	▼ 0.6 p.p.	Operating Expenses /Turnover (%)	98.0%	94.0%	▲ 4.0 p.p.
467,298	460,243	▲ 1.5%	Total Revenues (thousand RON)	467,298	453,759	▲ 3.0%
404,959	402,243	▲ 0.7%	Total Expenses (thousand RON)	404,959	383,306	▲ 5.6%

2021		Variation Achieved/Budget	Indicators	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
62,339	58,000	▲ 7.5%	Gross profit (thousand RON)	62,339	70,453	▼ 11.5%
53,476	49,318	▲ 8.4%	Net profit (thousand RON)	53,476	60,847	▼ 12.1%
1,511	1,543	▼ 2.1%	Average number of employees (pers.)	1,511	1,540	▼ 1.9%
307	296	▲ 3.7%	Productivity (thousand RON/employee)	307	291	▲ 5.5%

Table 2 - 2021 economic-financial results vs. BUDGET 2021 and 2020

In 2021 the turnover recorded an increase by 1.4% as compared to the level achieved in 2020. As compared to the budget, has been achieved an increase of 1.3% (5,357 kRON).

The operating profit of 59,240 kRON (as compared to 55,799 the budgeted one) increased by 6.2%. As compared to 2020, the operating profit registered a decrease by 8.9% (5,776 kRON). The net profit of 2021 is of 53,476 kRON, by 8.4% higher than the budget, but lower than the achieved sum in 2020 (decrease by 12.1%).

2.3 Operating Activity Indicators

Transported quantities

The evolution of the quantities transported through the National Transport System (NTS) and by rail, compared to the budget and the previous year, on the two transport subsystems, is as follows:

2021		Variation Achieved/Budget	Indicators (thousand tons)	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
3,241	3,276	▼ 1.1%	Transported quantities on domestic subsystem	3,241	3,401	▼ 4.7%
3,410	3,244	▲ 5.1%	Quantities transported on the import subsystem	3,410	3,284	▲ 3.8%
6,651	6,520	▲ 2.0%	Total transported quantities	6,651	6,685	▼ 0.5%

Table 3 - Evolution of the quantity of crude oil, condensate and rich gas transported in 2021 vs. BUDGET 2021 and 2020

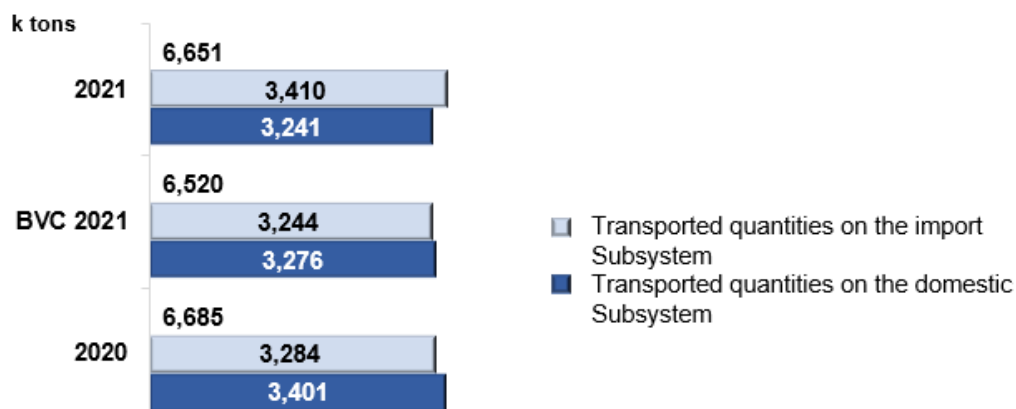


Chart 2 - Evolution of the quantities transported on the domestic and import subsystems in 2021 vs Budget 2021 and 2020

Of the total quantity of crude oil, condensate and rich gas from indigenous production (3,241 thousand tons transported and delivered), 1,113 tons (34.3%) were transported by rail.

Technological consumptions

The technological consumptions recorded during transport are within the permissible limits, provided in the transport contracts.

The evolution of the standard technological consumption on products as compared to the levels recorded in 2021 and 2020, is as follows:

Products	2021			2020		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil	0.239%	0.168%	-0.07 p.p.	0.255%	0.169%	-0.09 p.p.
Domestic crude oil, condensate and light condensate	0.366%	0.348%	-0.02 p.p.	0.365%	0.350%	-0.02 p.p.
Rich gas	7.383%	3.359%	-4.02 p.p.	7.383%	3.162%	-4.22 p.p.

Table 4 - The evolution of technological standardized consumption as compared to achieved 2021 vs. 2020

Transport services contracted and achieved in 2021, on beneficiaries, are as follows:

Customer name	Object of the contract	Duration Months	Contracted quantity (tons)	Quantity Achieved (tons)
OMV PETROM SA	Domestic crude oil transport, import crude oil, rich gas and light condensate	21	3,989,544	4,358,681
ROMPETROL RAFINARE S.A.	Import crude oil transport	12	114,000*	113,966
PETROTEL - LUKOIL S.A.	Import crude oil transport	12	2,323,613	2,159,622
PETROTEL - LUKOIL S.A.	Domestic crude oil transport,	12	10,750**	11,371
NIS PETROL S.R.L.	Unloading road tanks, loading, storage tanks and loading in rail tanks	8	4,000	3,984
		16	3,831	3,367
STANDARD LOGISTIC d.o.o	Railway transport services for raw crude oil, on the route Biled -Stamora Moravița, beneficiary NIS a.d.	12	2,000	7,149 raw crude oil

*) Value updated following the Addendum concluded in October with Rompetrol Refining S.A.

**) Value updated following the Addenda concluded in August with Petrotel Lukoil SA

Table 5 - Transport services contracted and carried out in 2021

The revenues achieved in 2021 from the provision of transport services increased by 1.9% compared to 2020, amounting to 410.5 million lei, with the following share on customers:

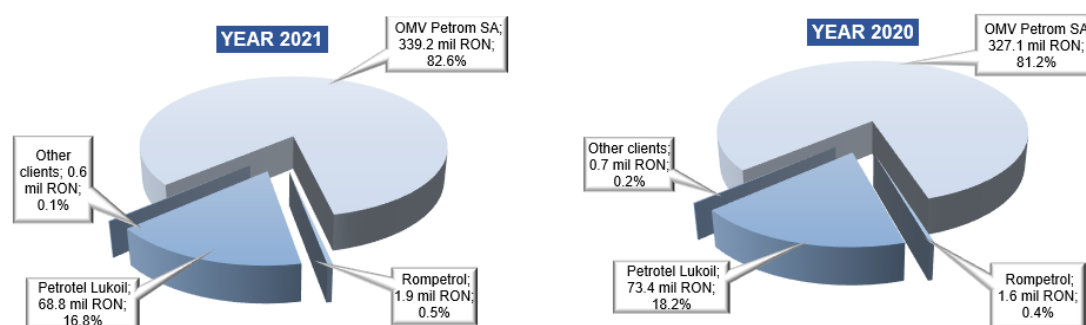


Chart 3 - Share of transport revenues per refineries in total transport revenues in 2021 and 2020

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

The transport services are being contracted with the clients, based on a frame contract approved by the National Agency for Mineral Resources.

The transport services supplied by CONPET SA are addressed to a reduced number of clients; consequently, the volume thereof is closely related to the trade policy applied by the beneficiaries of the supplied services.

OMV Petrom is the client with the highest share in the transport revenues of the company (82.6%).

Transport Tariffs

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 hand-over site (refinery) and the installment of transported quantity, being practiced the bracketing tariff model on each refinery.

Between 2020 -2021, the following tariffs were applied:

➤ Tariffs from transport services on Domestic Subsystem

Period	M.U.	Transport Tariffs	Approved by NAMR Order no.
December 31 st , 2019 - February 7 th , 2021	RON/ton	87.53	427/2019
February 8 th , 2021 - December 31 st , 2021	RON/ton	91.03	19/2021

Table 6– Tariffs from transport services on Domestic Subsystem Year 2021

➤ Tariffs for transport services on the Import Subsystem

Period	Batches	Arpechim Refinery	Ploiesti Basin *)	Petromidia Refinery	Approved by NAMR Order no.
	thousand tons/month	RON/ton	RON/ton	RON/ton	
December 31 st , 2019 - February 7 th , 2021	<120	40.40	39.50	15.00	427/2019
	> 120	17.25	17.00	12.85	
February 8 th , 2021 - December 31 st , 2021	<120	42.00	40.90	16.50	19/2021
	> 120	17.90	17.60	14.40	

*) Petrobrazii Refinery and Petrotel Lukoil Refinery

Table 7– Tariffs from transport services on Import Subsystem Year 2021

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

3. ANALYSIS OF THE FINANCIAL SITUATION

The financial information presented in this report are taken from preliminary financial statements for the period ended December 31st, 2021, prepared in accordance with Order no. 2844/2016, unaudited. (Annexes 1 and 2)

3.1 Statement of the Financial Standing at December 31st, 2021

In the synthesis, the statement of the Financial Standing at December 31st, 2021 is as follows:

Name of the Item (Thousand RON)	31.12.2021 (unaudited)	31.12.2020 (audited)	Variation 2021/2020
Intangible assets	524,868	514,915	▲ 1.9%
Current assets	246,597	245,032	▲ 0.6%
Total Assets	771,465	759,947	▲ 1.5%
Equities	663,974	657,011	▲ 1.1%
Total liabilities	107,491	102,936	▲ 4.4%
Total equity and liabilities	771,465	759,947	▲ 1.5%

Table 8 - Synthesis of the company's financial standing at 31.12.2021 as compared to 31.12.2020

Statement of preliminary financial position at December 31st, 2021, in extended version is presented in Annex no.1.

The total assets of the company register an increase of 1.5% (11,518 thousand RON) compared to December 31st, 2020, mainly due to the increase in fixed assets.

The fixed assets recorded an increase of 1.9% as compared to December 31st, 2020, mainly generated by input of fixed assets by acquisition in a value higher than amortization registered in 2021.

Fixed assets entrants are investments made for the development and modernization of the National Transport System and for ensuring the realization of safely transport operations.

The current assets decreased by 0.6% (1,565 thousand RON), from 245,032 thousand RON at 31.12.2020 to 246,597 thousand RON at 31.12.2021.

In structure, compared to December 31st, 2020, trade receivables and other receivables register an increase of 21% (8,650 thousand RON), and cash availabilities decrease by 3.3% (6,506 thousand RON).

The cash availability from the modernization quota existing in bank accounts at 31.12.2021 was of 124,110 thousand RON, by 7,706 thousand RON higher as compared to 31.12.2020 (116,404 thousand RON). The cash representing the modernization quota has a special use regime, provided by GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

Equity increased by 1.1% (6,963 thousand RON) compared to December 31st, 2020 reaching 663,974 thousand RON, mainly driven by the increase in reserves representing the modernization quota.

Long-term liabilities record a decrease of 1,960 thousand RON as compared to December 31st,2020, due to the decrease of provisions for employee benefits.

The current debts in amount of 86,116 thousand RON are increasing by 6,514 thousand RON as compared to 31.12.2020.

3.2 Profit & Loss Account for the period January - December 2021

The preliminary financial results for 2021, as compared to the budget and the achievements of the previous year are as follows:

2021		Variation Achieved/ Budget	Indicators (Thousand RON)	Achieved		Variation Achieved/ Budget
Achieved	Budget			2021	2020	
412,787	407,430	▲ 1.3%	Turnover	412,787	406,928	▲ 1.4%
463,869	457,324	▲ 1.4%	Operating Revenues	463,869	447,636	▲ 3.6%
404,629	401,525	▲ 0.8%	Operating Expenses	404,629	382,620	▲ 5.8%
59,240	55,799	▲ 6.2%	Operating Profit	59,240	65,016	▼ 8.9%
3,429	2,919	▲ 17.5%	Financial Revenues	3,429	6,123	▼ 44.0%
330	718	▼ 54.0%	Financial Expenses	330	686	▼ 51.9%
3,099	2,201	▲ 40.8%	Financial profit	3,099	5,437	▼ 43.0%
467,298	460,243	▲ 1.5%	Total revenues	467,298	453,759	▲ 3.0%
404,959	402,243	▲ 0.7%	Total expenses	404,959	383,306	▲ 5.6%
62,339	58,000	▲ 7.5%	Gross Profit	62,339	70,453	▼ 11.5%
53,476	49,318	▲ 8.4%	Net Profit	53,476	60,847	▼ 12.1%

Table 9 - The main economic-financial Indicators achieved in 2021, as compared to Budget 2021 and the year 2020

The preliminary statement of the overall result for the year ended December 31st, 2021 is set out in detail in Annex no. 2.

Operating Revenues

As compared to the approved budget and with the same period of the previous year, the total revenues of the operating activity achieved in 2021, is as follows:

2021		Variation Achieved/Budget	Indicators (Thousand RON)	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
410,477	405,237	▲ 1.3%	Total revenues from transport services	410,477	402,785	▲ 1.9%
2,310	2,193	▲ 5.3%	Other Turnover Revenues	2,310	4,143	▼ 44.2%
412,787	407,430	▲ 1.3%	Turnover	412,787	406,928	▲ 1.4%
37,680	36,810	▲ 2.4%	Write-back to revenues of reserve constituted based on the expenses with the modernization quota	37,680	33,788	▲ 11.5%
13,402	13,084	▲ 2.4%	Other revenues	13,402	6,920	▲ 93.7%
51,082	49,894	▲ 2.4%	Other operating revenues	51,082	40,708	▲ 25.5%
463,869	457,324	▲ 1.4%	Total operating revenues	463,869	447,636	▲ 3.6%

Table 10 - Operating income statement year 2021 compared to Budget 2021 and the year 2020

Transport revenues

The statement of transport revenues achieved in 2021 compared to the previous budget and year, on transport subsystems, is shown below:

2021		Variation Achieved/Budget	Indicators (Thousand RON)	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
296,280	299,328	▼ 1.0%	Revenues on domestic transport subsystem	296,280	299,928	▼ 1.2%
114,197	105,909	▲ 7.8%	Revenues on import transport subsystem	114,197	102,857	▲ 11.0%
410,477	405,237	▲ 1.3%	Total transport revenues	410,477	402,785	▲ 1.9%

Table 11 - Evolution of revenues from transport in 2021 vs. BUDGET 2021 and 2020

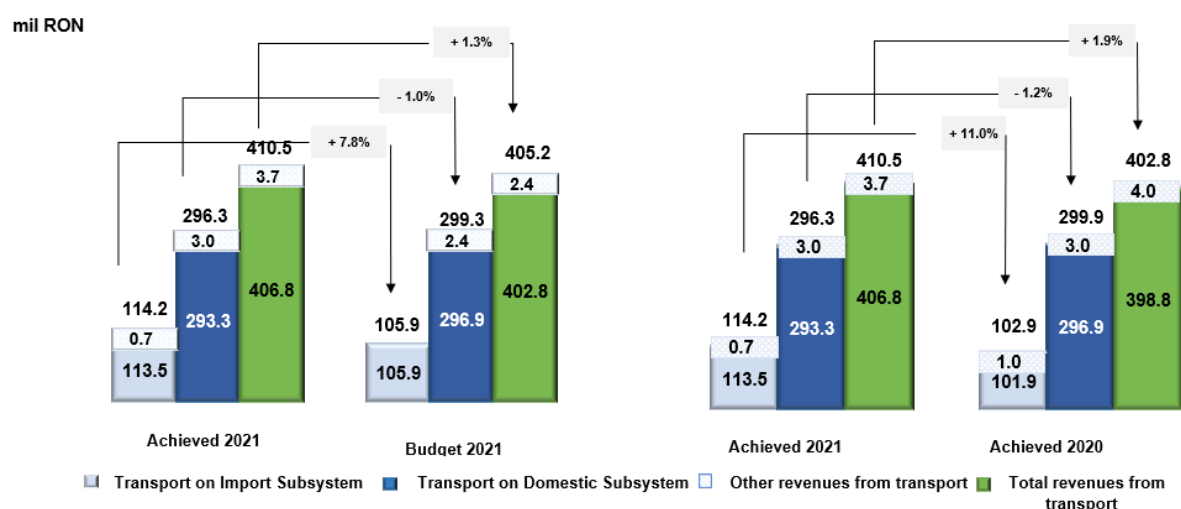


Chart 4 - Evolution of revenues from transport by subsystems 2021 vs BVC 2021 and achieved 2020

The transport revenues hold a share of 99.4% in turnover, the difference of 0.6% (2,310 thousand RON) representing revenues from other activities, such as: leases of lands and telecommunication equipment, rail shunting, etc.

The company recognizes monthly, in the operating revenues, reserves from the modernization quota at the level of the amortization of the tangible assets financed therefrom. In 2021 the reserve revenue – the modernization quota is of 37,680 thousand RON.

Operating Expenses

The operating expenses achieved in 2021, as compared to 2020 and the budget provisions is as follows:

2021		Variation Achieved /Budget	Indicators (Thousand RON)	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
5,449	6,098	▼ 10.6%	Material expenses, out of which:	5,449	6,106	▼ 10.8%
2,982	3,294	▼ 9.5%	-expenses with consumables	2,982	3,244	▼ 8.1%
1,569	1,599	▼ 1.9%	- fuel expenses	1,569	1,427	▲ 10.0%
16,491	12,738	▲ 29.5%	Other external expenses (with energy and water)	16,491	12,465	▲ 32.3%
168,219	168,362	▼ 0.1%	Personnel Expenses	168,219	162,559	▲ 3.5%
51,939	50,227	▲ 3.4%	Value adjustments for fixed assets, less adjustments related to rights of use resulted from leasing contracts	51,939	47,385	▲ 9.6%

2021		Variation Achieved /Budget	Indicators (Thousand RON)	Achieved		Variation Achieved 2021/2020
Achieved	Budget			2021	2020	
1,673	2,154	▼ 22.3%	Value adjustments for fixed rights of use resulted from leasing contracts	1,673	1,926	▼ 13.1%
109,765	110,051	▼ 0.3%	Expenses with external services, out of which:	109,765	107,482	▲ 2.1%
2,317	2,900	▼ 20.1%	- maintenance (maintenance, current repairs):	2,317	1,985	▲ 16.7%
63,202	61,886	▲ 2.1%	- expenses with crude oil transport by rail	63,202	63,567	▼ 0.6%
1,474	1,683	▼ 12.4%	- expenses with decontamination works	1,474	805	▲ 83.1%
31,527	31,224	▲ 1.0%	- oil royalty	31,527	30,903	▲ 2.0%
11,245	12,358	▼ 9.0%	- other services performed by third parties	11,245	10,222	▲ 10.0%
186	1,313	▼ 85.8%	Provisions and Impairments of the current assets	186	(3,149)	-
50,907	50,582	▲ 0.6%	Other operating expenses, out of which:	50,907	47,846	▲ 6.4%
47,490	46,940	▲ 1.2%	- modernization quota expenses	47,490	36,981	▲ 28.4%
404,629	401,525	▲ 0.8%	Total operating expenses	404,629	382,620	▲ 5.8%

Table 12 - Operating expenses 2021 vs. Budget 2021 and 2020

The operating expenses achieved in 2021, amounting to 404,629 thousand RON, record an increase of 5.8% as compared to those recorded in 2020, mainly due to increased personnel expenses, energy, gas and water expenses and expenses with the modernization quota.

In 2021 there were savings compared to the budgeted level for the following types of expenses: expenses on other services performed by third parties (1,113 thousand RON), materials expenses (649 thousand RON), maintenance expenses (583 thousand RON), decontamination works expenses (209 thousand RON), personnel expenses (143 thousand RON).

The operating profit achieved in 2021, of 59,240 thousand RON increased by 3,441 thousand RON (6.2%) as compared to the budgetary provisions, and compared to 2020 recorded a decrease by 5,776 thousand RON (8.9%).

The financial profit recorded in 2021 is up to 898 thousand RON compared to budget. As compared to 2020, the financial profit recorded a decrease of 2,338 thousand RON due to low interest rates offered by banks for deposits.

The gross profit recorded a decrease of 8,114 thousand RON (11.5%) as compared to 2020. As compared to the budget, the gross profit increased by 4,339 thousand RON (7.5%).

The company ended 2021 with a **net profit** amounting to 53,476 thousand RON, 4,159 thousand RON higher than budgeted and by 7,371 thousand RON below the level recorded in 2020.

3.3. Cash-flow

Statement of cash flows (direct method) at 31.12.2021 is as follows:

	Name of the element (thousand RON)	January-December 2021	January-December 2020
A	Net cash from operating activities	63,601	87,315
B	Net cash from investing activities	(9,780)	(65,558)
C	Net cash from financing activities	(60,327)	(62,077)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	(6,506)	(40,320)
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	191,751	198,257

Table 13 - Summary of the cash flow statement in 2021 vs. 2020

Cash and cash equivalents at December 31st, 2021 decreased by 3.3% (6.5 million RON) as compared to December 31st, 2020, due to the decrease of the cash from the operating activity.

The preliminary cash-flow statement is presented in detail in Annex no. 3.

4. INVESTMENTS

The investments program related to 2021 included works for the rehabilitation of major transport pipelines and investment works for installations and equipment related to the Crude Oil National Transport System.

The investment projects target both enhancing efficiency of the transport activity as well as the operation, under safety conditions, of the National Transport System. The annual investment program was carried out in proportion of 66% and 20,880 thousand RON less than in 2020.

The comparative evolution of the achieved level of investment as opposed to the programmed level for 2021 and 2020 by ownership of assets, is as follows:

2021		Degree of achievement	Investment (Thousand RON)	2020		Degree of achievement
Program	Achieved			Program	Achieved	
96,000	63,535	66.2%	Total investments, out of which:	97,500	84,415	86.6%
69,000	45,596	66.1%	Public domain	76,373	69,396	90.9%
27,000	17,939	66.4%	Operating domain	21,127	15,019	71.1%

Table 14 - Investments achieved and programmed for 2021 and 2020

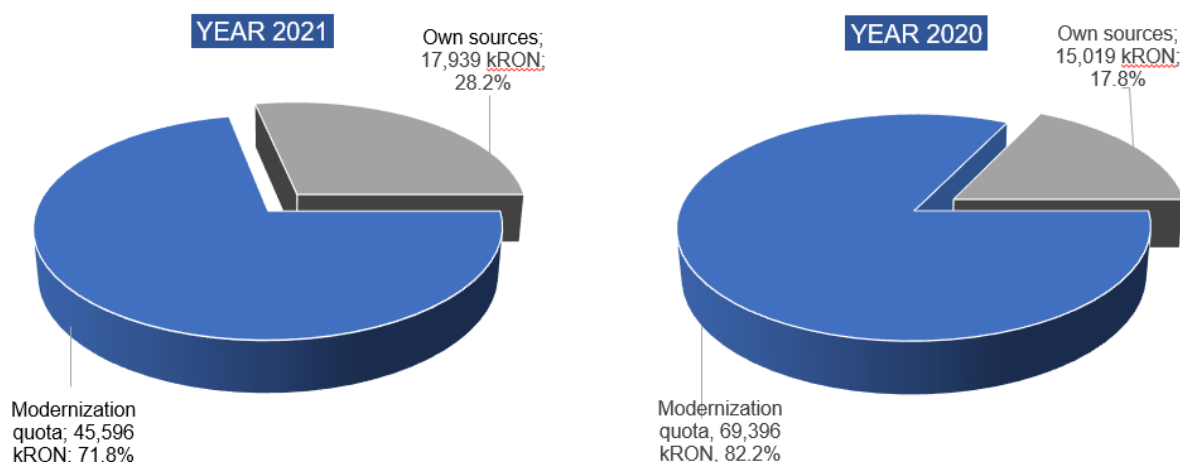


Chart 5 - Share of investments achieved by financing sources in 2021 and 2020

In 2021 were performed commissioning works amounting to 75,115 thousand RON, out of which:

- 52,603 thousand RON out of the modernization quota;
- 22,512 thousand RON out of own sources.

The main objectives finalized and commissioned in 2021 are:

- Replacement of the 14-inch crude oil pipeline Bărăganu-Călăreți resulted following the smart pigging (on sections) on a length of 15,972 m, with an estimated repair coefficient higher than 0.8;
- Execution of modernization works at Baicoi tank farm, cathodic protection and grounding of R1, R2, R3 and R4 crude oil tanks;
- Optimization of SCADA system and upgrade of Hardware and Software of the Remote Transmission Units (RTU);
- Execution works for new tank construction for crude oil storage, with a capacity of 2,500 cm, inside Orlesti pumping Station;
- Execution of technological sewerage modernization works at crude oil tanks R2 and R3 Baicoi Station;
- 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;
- Smart pigging, pipe condition detection 12"F1 and 12"F2 Călăreți - Petrotel;
- Ø10¾" crude oil pipeline Icoana-Cartojani, in the SPC Birla area, approximately 850 m in length, in the area of Miroși-agricultural lands, on a length of approximately 2,400 m;
- Maintenance and recovery of alleys and platforms inside Barbatesti storage warehouse and ramp;
- Replacement of crude oil pipeline Ø 10 3/4" Icoana – Cartojani, 4,007 m in length, in Bucov forest area, Râca locality, 1,500 m in length, in Plescara forest area, Miroși locality, Arges county, on a total length of 5,550 m;
- Optimization of SCADA system and upgrade of Hardware and Software of the Remote Transmission Units (RTU);
- „Replacement of a crude oil pipeline section Ø 8½ " Lucăcești – Vermești, along the section Lucăcești Station– Măgura hill, about 2 km in length, + 6" connection to Moinești crude oil loading ramp, 700 linear meters in length;
- Works related to the replacement of a pipeline section of about 3,400 m in length, with Ø10 3/4" in diameter, part of Icoana – Cartojani Ø10 3/4" pipeline, in the forest from Roata park 4;

- Replacement of a pipeline section, 3,500 m in length, with Ø12 3/4" in diameter and Ø14 3/4" Cartojani–Ploiesti, in the water tributary to Neajlov river and Sf. Gheorghe forest".
- Transformation of LDH 700 HP 139-2 in LDE;
- Upgrade of CONPET SA headquarters building in Ploiesti, 7 Independentei Avenue.

5. Other aspects

5.1 The Board of Directors

In 2021, CONPET SA was administered by a Board of Directors (BoD), made up of 7 administrators elected by the Ordinary General Meeting of Shareholders. The Board of Directors is ruled by a Chairman. The Chairman is elected by the Board of Directors, from amongst its members.

The Board of Directors is constituted of the following persons:

- ✓ Gheorghe Cristian- Florin– Chairman;
- ✓ Iacob Constantin- Ciprian– member;
- ✓ Popa Claudiu- Aurelian– member;
- ✓ Gavrilă Florin- Daniel– member;
- ✓ Albulescu Mihai- Adrian– member;
- ✓ Buică Nicușor- Marian– member;
- ✓ Meșca Darius- Dumitru– member. By BoD Decision no. 5/23.03.2021, the Board of Directors took note of the address received from Mr. Meșca Darius – Dumitru, registered at CONPET under no. 8119/08.03.2021, regarding the waiver of the administrator mandate as per article 37.7 of the Contract of Mandate no. 33502 concluded on 28.08.2018 (for reasons non-attributable to the parties), supplemented by the Addendum no. 1/2018, registered with number 49443/18.12.2018;
- ✓ Kohalmi - Szabo Luminița - Doina – provisional administrator, appointed as per the OGMS Decision no. 4/07.12.2021 (previously appointed by the BoD Decision nr. 2/04.08.2021 and the BoD Decision no. 5/23.03.2021).

Within the Board of Directors there are constituted the following consultative committees:

- ✓ The Nomination and Remuneration Committee is made out of 5 (five) Board of Directors members, independent, non-executive administrators: Albulescu Mihai - Adrian - Chairman; Popa Claudiu - Aurelian - member, Gavrilă Florin - Daniel - member, Buică Nicușor - Marian - member and Kohalmi - Szabo Luminița - Doina - member.
- ✓ The Audit Committee is made out of 3 (three) Board of Directors members, independent, non-executive administrators: Gavrilă Florin- Daniel- Chairman, Iacob Constantin- Ciprian- member and Buică Nicușor – Marian - member.
- ✓ The Committee for Development and Relation with the Investors and Authorities is made out of 3 (three) Board of Directors members, independent, non-executive administrators: Popa Claudiu - Aurelian - Chairman, Albulescu Mihai - Adrian - member, Iacob Constantin - Ciprian - member.

5.2 The Executive Management

Between 01.01.2021-31.12.2021 the executive management had the following constituency:

Directors:

Position	Name and Surname	Observations
Director General	Eng. TUDORA Dorin	- contract of mandate of 4 years period 21.04.2021 – 20.04.2025 (inclusive of); - provisional appointment starting with 05.02.2021 (as per Art.2 of the BoD Decision no.3/05.02.2021 until 20.04.2021, inclusive of)
	Jurist DUMITRACHE Mihaela– Anamaria	- empowered during 19.01 2021 – 04.02.2021 as per Art. 2 of the BoD Decision no.1/12.01.2021 to also carry out the attributions and responsibilities connected with the Director General position.
	PhD Eng. CHIȘ 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. Chiș Timur Vasile to waiver the mandate of Director General.
Deputy Director General	Jurist 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	Jurist LUPEA Ioana Mădălina	- starting with 15.06.2021 (as per the Director General Decision no. 338/04.06.2021) until 17.02.2024, inclusive of)
	Eng. NECȘULESCU 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.
	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	Eng. STOICA Narcis Florin
Head of Maintenance Development Unit	Eng. BUZATU Dan
Head of Critical Infrastructures Unit	Eng. NECȘULESCU Radu Florentin
Head of the Commercial Unit*)	Jurist MANOLACHE Dan (as of 15.06.2021, inclusive of)
Head of the HSE Unit*)	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	Eng. CÎRLAN Florentina – Anca
Production Chief Engineer	Eng. BACIU Dan-Silviu (up to 14.06.2021, inclusive of)

Table 15 The Executive management in 2021

5.3 RELEVANT CORPORATE EVENTS IN 2021

March 10th, 2021- March 11th, 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 maximum 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.

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

The Extraordinary General Meeting of Shareholders has ascertained that 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 28th, 2021

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

August 4th, 2021

The Ordinary General Meeting of Shareholders approved the revocation of Mr. Meșca Darius Dumitru from the capacity of administrator of the company CONPET S.A. and appointed Mrs. Kohalmi - Szabo Luminița - Doina in the capacity of provisional administrator of the company CONPET S.A., with a term of office of 4 months, respectively until 03.12.2021 (inclusive of).

December 7th, 2021

The Ordinary General Meeting of Shareholders approved the nomination of Mrs. Kohalmi - Szabo Luminița - Doina in the capacity of provisional administrator of the Company CONPET S.A., with a term of office of 4 months, respectively until 04.06.2022 (inclusive of).

ANNEXES

Annex no. 1 Statement of the Financial Standing at December 31st, 2021 - preliminary data

Annex no. 2 Statement of comprehensive income (global result) for the year ended December 31st, 2021 - preliminary data

Annex no. 3 Cash-flow Statement at December 31st, 2021 (unaudited) - preliminary data

Annex no. 4 Statement of services procurement contracts with values higher than 100.000 Euro, concluded during 01.01.2021-31.12.2021

Annex no. 5 Statement of works and products procurement contracts with values higher than 500.000 Euro, concluded during 01.01.2021 - 31.12.2021

CHAIRMAN OF THE BOARD OF DIRECTORS
Gheorghe Cristian - Florin

Director General
Eng. TUDORA Dorin

Economic Director
Econ. TOADER Sanda

Annex no. 1

**Statement of the Financial Standing at December 31st, 2021
- PRELIMINARY DATA -**

	December 31st, 2021 (estimated)	- RON- December 31st, 2020 (audited)
ASSETS		
Fixed assets		
Tangible assets	512,823,088	504,534,005
Intangible assets	6,941,740	4,313,253
Financial Assets	411,171	1,111,921
Receivables related to the deferred corporate tax	4,691,754	4,955,676
Total Non-current assets	524,867,753	514,914,855
Current assets		
Inventories	5,312,389	5,912,006
Trade receivables and other receivables	48,909,870	40,260,134
Cash and cash equivalents	191,751,271	198,257,333
Prepaid expenses	623,444	602,808
Total current assets	246,596,974	245,032,281
TOTAL ASSETS	771,464,727	759,947,136
Equities and liabilities		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	18,360,121	20,931,765
Other reserves	511,564,661	500,269,257
Retained earnings	46,288,764	40,678,977
Year's Result	53,476,335	60,846,759
Total shareholders' equities	663,973,691	657,010,568
Long-term liabilities		
Long-term liabilities	1,287,802	-
Long-term liabilities	16,628,683	19,864,043
Other long-term liabilities	3,458,842	3,470,722
Total long-term liabilities	21,375,327	23,334,765
Current liabilities		
Trade liabilities	32,062,687	23,583,540
Current Income Tax	2,059,726	738,139
Other liabilities	27,106,188	29,892,967
Liabilities to employees	12,405,079	14,127,500
Short-term	12,482,029	11,259,657
Total current liabilities	86,115,709	79,601,803
Total liabilities	107,491,036	102,936,568
TOTAL EQUITIES AND LIABILITIES	771,464,727	759,947,136

Annex no. 2

**STATEMENT OF THE COMPREHENSIVE INCOME (GLOBAL RESULT)
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st, 2021
- PRELIMINARY DATA -**

	December 31st, 2021 (estimated/)	- RON- December 31st, 2020 (audited)
Operating Revenues		
Revenues from contracts	412,786,582	406,928,337
Other revenues	46,168,024	40,707,357
Earnings from disposal of assets	4,914,629	-
Total operating revenues	463,869,235	447,635,694
Operating Expenses		
Inventory related expenses	5,448,472	6,106,005
Expenses with energy and water	16,490,665	12,465,234
Personnel expenses	168,219,096	162,558,904
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	51,939,320	47,384,780
Value adjustments related to rights of use resulted from leasing contracts	1,672,808	1,925,587
Value adjustments on current assets	277,838	(346,944)
Expenses with external services	109,765,296	107,481,861
Loss from disposal of assets	-	41,323
Provision adjustments	(91,554)	(2,802,153)
Other expenses	50,906,821	47,804,980
Total Operating Expenses	404,628,762	382,619,577
Operating Profit	59,240,473	65,016,117
Financial Revenues	3,428,282	6,122,271
Interest expenses related to leasing contracts	202,065	532,077
Other financial expenses	127,759	153,711
Financial Expenses	329,824	685,788
Financial profit	3,098,458	5,436,483
Profit before income tax	62,338,931	70,452,600
Expenses with current income tax	9,165,407	9,176,821
Expenses with (revenues coming from) deferred income tax	(302,811)	429,020
Profit of the period	53,476,335	60,846,759
Actuarial loss from discounted benefits granted upon retirement	2,975,348	(2,160,408)
Surplus from revaluation of the tangible assets	-	2,376,682
Total other global result elements	2,975,348	216,274
TOTAL GLOBAL RESULT	56,451,683	61,063,033
Earnings per share	6.18	7.03

**CASH FLOW STATEMENT AT DECEMBER 31st, 2021 (UNAUDITED)
- PRELIMINARY DATA -**

(DIRECT METHOD)

- RON-

	Name of the Item	12 months 2021 (unaudited)	12 months 2020 (audited)
	Cash flows from operating activities:		
+	Proceeds from services supply	441,809,078	451,156,972
+	Proceeds from interests related to banking placements	3,320,322	6,572,110
+	Other proceeds	9,830,470	4,902,357
-	Payments to the suppliers of goods and services	121,740,032	117,925,202
-	Payments to and on behalf of the employees	166,734,770	160,129,565
-	VAT Payments	51,157,829	43,942,659
-	Expenses with income tax and specific tax	7,868,902	11,515,138
-	Other payments regarding the operating activities	43,857,072	41,803,337
A	Net cash from operating activity	63,601,265	87,315,538
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	6,146,464	63,378
+	Proceeds from modernization quota	47,490,268	36,980,848
-	Payments for purchase of tangible assets	63,416,908	102,602,530
B	Net cash from investing activity	(9,780,176)	(65,558,304)
	Cash-flows from financing activities		
-	Paid Dividends	57,690,483	59,117,819
-	Payments on the debt related to the leasing	2,430,264	2,764,889
-	Interest payments	206,404	194,144
C	Net cash from financing activities	(60,327,151)	(62,076,852)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	(6,506,062)	(40,319,618)
D1	Cash and cash equivalents at the beginning of the period	198,257,333	238,576,951
D2	Cash and cash equivalents at end of the period	191,751,271	198,257,333

Annex 4

**STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100.000 EURO, CONCLUDED
BETWEEN 01.01.2021 – 31.12.2021**

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)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
Total QUARTER I - 0 VALUE QUARTER I = 0 RON											
1.	WMC GUARD SECURITY S.R.L. Buzau	Providing security, protection, intervention services in relation to CONPET S.A. objectives and assets	S-CA 208/07.06.2021	Tender	-	13690/21.04.2021	1,916,861.76	1,916,861.76	08.06.2021	24	24
Total QUARTER II – 1 CONTRACT VALUE QUARTER II = 1,916,861.76 RON											
2.	ENVIROTECH SRL	Frame agreement concerning services related to the restoration of the biological environment and polluted water courses as a result of the breakdowns occurred along the crude oil, rich gas and ethane transport pipeline routes or in the technological precincts of CONPET S.A. Ploiesti, taking over of the soil contaminated with crude oil	S-CA 275/12.08.2021	Tender	-	23712/13.07.2021	3,477,526.00	3,477,526.00	13.08.2021	24	24
	ENVIROTECH SRL	Subsequent contract 1 to the Frame agreement concerning services related to the restoration of the biological environment and polluted water courses as a result of the breakdowns occurred	S-CA 276/12.08.2021	-	-	-	1,738,763.00	1,738,763.00	13.08.2021	12	12

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)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
		along the crude oil, rich gas and ethane transport pipeline routes or in the technological precincts of CONPET S.A. Ploiesti, taking over of the soil contaminated with crude oil									
3.	MISTER DELIVERY	Services related to ERP analysis and reconfiguration	S-CA 291/ 30.08.2021	Tender	-	15248/ 06.05.2021	607,500.00	607,500.00	30.08.2021	36	36
4.	MULTIMODAL SERVICE SRL	Maintenance of 10 locomotives type LDH 450, 700, 1250 -CP	S-CA 286/ 26.08.2021	Tender	-	25107/ 22.07.2021	543,733.60	543,733.60	13.09.2021	24	24
Total QUARTER III – 3 CONTRACTS VALUE QUARTER III = 2,889,996.60 RON											
5.	CON METAL CF SRL	Overhaul, current maintenance and repair of industrial rail lines – CONPET SA	S-CA 361/ 11.10.2021	Tender	-	29604/ 30.08.2021	799,958.08	799,958.08	28.11.2021	24	24
6.	PRIME TELECOM SRL	Maintenance/installation of optical fiber cable within the Telecommunication System of CONPET S.A.	S-CA 363/ 12.10.2021	Tender	-	29060/ 18.07.2021	800,000.00	800,000.00	12.10.2021	48	48
Total QUARTER IV – 2 CONTRACTS VALUE QUARTER IV = 1,599,958.08 RON											
CUMULATED TOTAL - 6 CONTRACTS Cumulated value = 6,406,816.44 RON											

Annex 5

**STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO,
BETWEEN 01.01.2021 – 31.12.2021**

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)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
1.	TALPAC SRL	Construction works of a new crude oil tank (V=2500 c.m.) Biled crude oil loading ramp	L-CA 27/08.02.2021	Tender	-	36932/ 18.11.2020	5,163,085.52	5,394,433.29	01.03.2021	24	24
TOTAL QUARTER I - 1 CONTRACT VALUE QUARTER I = 5,163,085.52 RON											
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 VANZARE	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
TOTAL QUARTER II - 3 CONTRACTS VALUE QUARTER II = 11,580,152.96 RON											
5.	CIS GAZ SA	Design and execution works for achievement of the objective replacement of connection lines crossing the Danube	L-CA 292/30.08.2021	Tender	-	36261/ 12.11.2020	107,335,602.65	107,335,602.65	24.09.2021	22	22

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)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
		C1-C2 and Borcea Arm C3-C4									
6.	TALPAC SRL	Execution works related to the construction of 2 new crude oil tanks (V=2500 m3 each) at Moreni crude oil pumping station as per A 586 project	L-CA 289/26.08.2021	Tender	-	24973/22.07.2021	10,239,078.67	10,989,453.89	07.09.2021	24	24
7.	PRODREP STAR SRL	Design and modernization of the crude oil pumping system inside Mislea Station, Prahova County	L-CA 297/01.09.2021	Tender	-	19696/14.06.2021	4,426,147.02	4,426,147.02	24.09.2021	26	26
8.	INSPET SA	Execution works related to the protection of the crude oil transport pipelines 12 and 14 Cartojani, route situated between rail lines CF Triaj Brazi and Ghighiului street, on a total length of 110 linear meters.	L-CA 301/03.09.2021	Tender	-	22345/02.07.2021	3,950,579.40	3,950,579.40	22.09.2021	8	8
9.	PRODREP STAR SRL	Modernization of crude oil pumping system inside Potlogi Station, Dambovit County	L-CA 295/01.09.2021	Tender	-	19657/14.06.2021	3,101,669.11	3,101,669.11	06.10.2021	20	20
TOTAL QUARTER III - 5 CONTRACTS VALUE QUARTER III = 129,053,076.85 RON											
10.	INVEST GENERAL CONSTRUCT SRL	Replacement of crude oil pipeline transport 20 C4- Bărağanu – Călăreți along three sections (approximately	L-CA 374/01.11.2021	Tender	-	24830/21.07.2021	12,200,935.45	12,200,935.45	16.11.2021	10	10

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)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
		600 m), C2 and C3 along 6 sections (approx. 7900 m)									
11.	TALPAC SRL	Execution of modernization works related to crude oil pumping system in Moreni Station	L-CA 406/06.12.2021	Tender	-	34893/14.10.2021	10,777,848.99	10,777,848.99	-	24	24
12.	PETROCO NST S.A	Replacement works related to 20" Bărăganu Călăreți crude oil transport pipeline on 6 sections (approx. 18,000 meters)	L-CA 407/07.12.2021	Tender	-	31849/16.09.2021	21,681,711.15	21,681,711.15	23.12.2021	14	14
13.	HIDROEL ECTRICA S.A.	Electricity Supply Batch 1	P-CA 399/26.11.2021	negociation without prior public notice	-	-	6,059,553.07	6,059,553.07	01.12.2021	6	6
14.	CRAYON SOFTWARE EXPERTS ROMANIA SRL	Licensing for Microsoft software products for a 3 years period	P-CA 408/09.12.2021	Tender	-	35704/21.10.2021	3,226,185.03	3,226,185.03	31.12.2021	36	36
15.	PREMIER ENERGY SRL	Procurement of natural gas for 6 months	P-CA 414/13.12.2021	Tender	-	35883/25.10.2021	4,697,250.35	4,697,250.35	31.12.2021	6	6
TOTAL QUARTER IV - 6 CONTRACTS VALUE QUARTER IV= 58,643,484.04 RON											
CUMULATIVE TOTAL - 15 CONTRACTS CUMULATIVE VALUE = 204,439,799.37 RON											

PRELIMINARY FINANCIAL STATEMENTS
at the date and for the financial year ended at
December 31st, 2021

Prepared on the basis of accounting regulations in accordance with the International Financial Reporting Standards approved by the Order of the Ministry of Public Finance no. 2844/2016

CONTENTS:**Page****Preliminary financial statements at December 31st, 2021**

Statement of the Financial Standing	3 – 4
Statement of the global result	5
Statement of the changes in shareholders' equity	6 – 7
Cash-flow Statement	8
Explanatory Notes to the financial statements	9 - 14

The company CONPET S.A.

Statement of the Financial Standing at December 31st, 2021 - preliminary data

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

**Statement of the Financial Standing at December 31st, 2021
- PRELIMINARY DATA -**

	Note:	December 31 st , 2021 (preliminary)	December 31 st , 2020 (audited)
ASSETS			
Intangible assets	4		
Tangible assets		512,823,088	504,534,005
Intangible assets		6,941,740	4,313,253
Financial Assets		411,171	1,111,921
Receivables related to the deferred corporate tax		4,691,754	4,955,676
Non-current assets		524,867,753	514,914,855
Current assets	5		
Stocks		5,312,389	5,912,006
Trade liabilities and other liabilities		48,909,870	40,260,134
Cash and cash equivalents		191,751,271	198,257,333
Prepaid expenses		623,444	602,808
Total current assets		246,596,974	245,032,281
TOTAL ASSETS		771,464,727	759,947,136
Equities and liabilities			
Equities	6		
Subscribed and paid-up share capital		28,569,842	28,569,842
Legal reserves		5,713,968	5,713,968
Revaluation reserves		18,360,121	20,931,765
Other reserves		511,564,661	500,269,257
Retained earnings		46,288,764	40,678,977
Year's Result		53,476,335	60,846,759
Total Equities		663,973,691	657,010,568
Long-term liabilities	7		
Trade liabilities		1,287,802	-
long-term			
Long-term debts to employees		16,628,683	19,864,043
Other long-term liabilities		3,458,842	3,470,722

The company CONPET S.A.

Statement of the Financial Standing at December 31st, 2021 - preliminary data

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

Total long-term liabilities		21,375,327	23,334,765
Current liabilities			
	7		
Trade liabilities		32,062,687	23,583,540
Ordinary Corporate Tax		2,059,726	738,139
Other liabilities		27,106,188	29,892,967
Debts to employees			
Short-term		12,405,079	14,127,500
Short-term provisions		12,482,029	11,259,657
Total current liabilities		86,115,709	79,601,803
Total liabilities		107,491,036	102,936,568
TOTAL EQUITIES AND LIABILITIES		771,464,727	759,947,136

These financial statements and the related notes, from page 1 to page 14 have been authorized for issue and signed by the company management at February 24th, 2022.

Director General,
Eng. Dorin Tudora

Economic Director,
Econ. Sanda Toader

The company CONPET S.A.

Statement of global result for the year ended December 31st, 2021– preliminary data

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

STATEMENT OF THE GLOBAL RESULT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st, 2021
- PRELIMINARY DATA -

	Note:	December 31 st , 2021 (preliminary)	December 31 st , 2020 (audited)
Operating Revenues	8		
Revenues from contracts		412,786,582	406,928,337
Other revenues		46,168,024	40,707,357
Earnings from disposal of assets		4,914,629	-
Total operating revenues		463,869,235	447,635,694
Operating Expenses	9		
Expenses on stocks		5,448,472	6,106,005
Expenses with energy and water		16,490,665	12,465,234
Personnel expenses		168,219,096	162,558,904
Value adjustments in respect of fixed assets			
less impairments related to rights of use resulting from leasing contracts		51,939,320	47,384,780
Value adjustments on rights of use resulting from leasing contracts		1,672,808	1,925,587
Impairments of current assets		277,838	(346,944)
Expenses with external services		109,765,296	107,481,861
Losses from disposal of assets		-	41,323
Impairments related to provisions		(91,554)	(2,802,153)
Other expenses		50,906,821	47,804,980
Total Operating Expenses		404,628,762	382,619,577
Operating Profit		59,240,473	65,016,117
Financial Revenues		3,428,282	6,122,271
Interest expenses related to leasing contracts		202,065	532,077
Other financial expenses		127,759	153,711
Financial Expenses		329,824	685,788
Financial profit		3,098,458	5,436,483
Profit before income tax		62,338,931	70,452,600
Expenses with current corporate tax		9,165,407	9,176,821
Expenses with (revenues from) income tax deferred		(302,811)	429,020

The company CONPET S.A.Statement of global result for the year ended December 31st, 2021– preliminary data*(All amounts are expressed in LEI, if not otherwise indicated)*

Profit of the period	53,476,335	60,846,759
Actuarial loss from discounted benefits granted upon retirement	2,975,348	(2,160,408)
Surplus from revaluation of the tangible assets	-	2,376,682
Total other global result elements	2,975,348	216,274
TOTAL GLOBAL RESULT	56,451,683	61,063,033
Earnings per share	6.18	7.03

These financial statements and the related notes, from page 1 to page 14 have been authorized for issue and signed by the company management at February 24th, 2022.

Director General,
Eng. Dorin Tudora

Economic Director,
Econ.Sanda Toader

The company CONPET S.A.

Statement of changes in equity at December 31st, 2021 - preliminary data

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

STATEMENT OF CHANGES IN EQUITIES AT December 31st, 2021 (unaudited) - PRELIMINARY DATA

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Year's profit or loss	Total Equities
Balance at January 1st, 2021	28,569,842	5,713,968	20,931,765	500,269,257	40,678,977	60,846,759	657,010,568
Net result of the year	-	-	-	-	-	53,476,335	53,476,335
Actuarial gain of the period	-	-	-	-	2,975,347	-	2,975,347
Surplus achieved from revaluation			(2,571,644)		2,571,644	-	-
Total other global result elements			(2,571,644)	-	5,546,991	53,476,335	56,451,682
Net increase of the modernization quota reserve	-	-	-	9,810,724	-	-	9,810,724
Retained earnings from the correction of various elements that have affected the profit of the previous years	-	-	-	-	408,156	-	408,156
Dividends due to shareholders	-	-	-	-	(392,498)	(59,314,941)	(59,707,439)
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	1,484,680	47,138	(1,531,818)	-
Balance at December 31st, 2021	28,569,842	5,713,968	18,360,121	511,564,661	46,288,764	53,476,335	663,973,691

The company CONPET S.A.

Statement of changes in equity at December 31st, 2021 - preliminary data

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

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Year's profit or loss	Total Equities
Balance at January 1st, 2020	28,569,842	5,713,968	21,111,893	495,540,772	43,997,162	58,876,719	653,810,356
Net result of the year	-	-	-	-	-	60,846,759	60,846,759
Actuarial loss of the period	-	-	-	-	(2,160,408)	-	(2,160,408)
Surplus from revaluation of the tangible assets	-	-	2,372,778	3,904	-	-	2,376,682
Surplus achieved from revaluation	-	-	(2,552,906)	-	2,552,906	-	-
Total other global result elements	-	-	(180,128)	3,904	392,498	60,846,759	61,063,033
Net increase of the modernization quota reserve	-	-	-	3,192,763	-	-	3,192,763
Dividends due to shareholders	-	-	-	-	(3,298,140)	(57,757,444)	(61,055,584)
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	1,531,818	(412,543)	(1,119,275)	-
Balance at December 31st, 2020	28,569,842	5,713,968	20,931,765	500,269,257	40,678,977	60,846,759	657,010,568

STATEMENT OF THE CHANGES IN SHAREHOLDERS' EQUITIES AT DECEMBER 31st, 2020 (AUDITED)

Note: The position „Other reserves” includes also the reserve representing the modernization quota in amount of 470,931,860 RON at 31.12.2021, namely 461,121,136 RON at 01.01.2021. This reserve has a special using regime, provided in GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain. The modernization quota is being collected at the extent of capitalization and proceeds of the production and is being reflected in reserves accounts, on account of the expenses. On a monthly basis, the reserve of modernization quota at the level of depreciation of fixed assets financed from this source is resumed in revenues.

These financial statements and the related notes, from page 1 to page 14 have been authorized for issue and signed by the company management at February 24th, 2022.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ.Sanda Toader**

The company CONPET S.A.

Statement of cash flows at December 31st, 2021 - preliminary data

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

CASH FLOW STATEMENT AT DECEMBER 31st, 2021 (UNAUDITED)

- PRELIMINARY DATA -

(DIRECT METHOD)

- RON-

	Name of the Item	12 months 2021 (unaudited)	12 months 2020 (audited)
	Cash flows from operating expenses:		
+	Proceeds from services supply	441,809,078	451,156,972
+	Proceeds from interests related to banking placements	3,320,322	6,572,110
+	Other proceeds	9,830,470	4,902,357
-	Payments to the suppliers of goods and services	121,740,032	117,925,202
-	Payments to and on behalf of the employees	166,734,770	160,129,565
-	VAT payments	51,157,829	43,942,659
-	Payments with income tax and specific tax	7,868,902	11,515,138
-	Other payments regarding the operating activity	43,857,072	41,803,337
A	Net cash from operating activity	63,601,265	87,315,538
	Cash flows from investment activities		
+	Proceeds from sale of tangible assets	6,146,464	63,378
+	Proceeds from modernization quota	47,490,268	36,980,848
-	Payments for purchase of tangible assets	63,416,908	102,602,530
B	Net cash from investing activity	(9,780,176)	(65,558,304)
	Cash-flows from financing activities		
-	Paid dividends	57,690,483	59,117,819
-	Payments on the debt related to the leasing	2,430,264	2,764,889
-	Interest payments	206,404	194,144
C	Net cash from financing activities	(60,327,151)	(62,076,852)
	Net increase of the cash and cash equivalents =A+B+C=D2-D1	(6,506,062)	(40,319,618)
D1	Cash and cash equivalents at the beginning of the period	198,257,333	238,576,951
D2	Cash and cash equivalents at the end of the period	191,751,271	198,257,333

The company CONPET S.A.

Statement of cash flows at December 31st, 2021 - preliminary data

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

These financial statements and the related notes, from page 1 to page 14 have been authorized for issue and signed by the company management at February 24th, 2022.

Director General,
Eng. Dorin Tudora

Economic Director,
Econ. Sanda Toader

The company CONPET S.A.

Explanatory Notes to the financial standing at December 31st, 2021 - preliminary data

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

1. Business Description and General Information

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

Address of the registered offices is Ploiesti City, 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.

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

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

At 31.12.2021, CONPET S.A. had a market capitalization of 683.9 million RON (138.2 million Euro), ranking 26 in Top 30 issuers according to capitalization.

Company Establishment

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

The shareholder structure and number of voting rights at 31.12.2021, are:

- The Romanian State by the Ministry of Energy holder of 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,292,221 shares with voting rights representing 26.47% of the share capital, and
- natural persons, with 1,281,935 shares with voting rights representing 14.81% of the 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").

The company CONPET S.A.

Explanatory Notes to the financial standing at December 31st, 2021 - preliminary data

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

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

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

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

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

The Legal Environment

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

The National Agency for Mineral Resources (NAMR) represents the interests of the State in oil resources domain and is the competent authority authorized to apply the dispositions of Law 238/2004. As per the Oil Law, the National Agency for Mineral Resources entitles as Concession Provider of the goods belonging to the public domain, concessioned to the operators acting in the oil industry.

The main responsibilities of NAMR are the followings:

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

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

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

The company practices different transport tariffs for the two subsystems belonging to the National Transport System, namely the subsystem for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the subsystem for the transport of the imported crude

The company CONPET S.A.

Explanatory Notes to the financial standing at December 31st, 2021 - preliminary data

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

oil. For the transport on the import subsystem are being settled tariffs per refineries and per transported quantity installments, being applied the bracket tariff model.

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

The transport tariffs are determined by the value of transport allocation of the amount of oil transported to the beneficiaries, using a methodology based on the determination of the cost of service, defined as all the revenue required to cover the transportation system operations, including:

- 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, amounts owed to landowners, other expenses, etc.;
- modernization and development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

These preliminary 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") (OMPF 2844/2016").

These preliminary financial situations do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31st, 2020. Nevertheless, certain selected explanatory notes have been included in order to explain the events and transactions significant for the understanding of the changes occurred in the financial standing and company performance since the last annual financial statements at the date and for the financial year ended December 31st, 2020.

The preliminary financial statements are not being 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 February 24th, 2022.

(b) Accounting Estimates and Professional Reasoning

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

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2020.

The company CONPET S.A.

Explanatory Notes to the financial standing at December 31st, 2021 - preliminary data

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

3. **Accounting Policies**

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

4. **Fixed assets**

Fixed assets have increased by 1.9% at the end of December 2021 compared to December 31st, 2020 (524.9 mRON as compared to 514.9 mRON), mainly due to the realization of a higher volume of investments than the depreciation recorded.

Within the fixed assets, the operating oil product is also recognized, which recorded a decrease of 2.8% at the end of December 2021 compared to December 31st, 2020 (40.9 mRON compared to 42.1 mRON) as a result of the sale in December 2021 to OMV Petrom S.A. of a quantity worth 1.2 mRON. The oil product is determined at the cost of re-evaluation performed according to the GD no.26 from January 22nd, 1992, restated by applying IAS 29, "Financial reporting in hyperinflationary economies".

5. **Current assets**

Trade liabilities and other liabilities

At December 31st, 2021 and December 31st, 2020 the trade receivables and other receivables are the followings:

	December 31st, 2021	December 31st, 2020
Trade receivables	44,148,747	34,777,987
Other receivables	4,761,123	5,482,147
Total receivables	48,909,870	40,260,134

Over 74.9% of the total short-term receivables at December 31st, 2021 represent the consideration of the services to be collected from the main client of the Company, OMV PETROM S.A., amounting to 36.6 mRON.

The position *Other receivables*, in amount of 4.8 mRON, includes the amounts to be recovered from various natural and legal persons, the majority pending before the law courts (2.8 mRON, namely 59.9%) and from the State Budget (1.1 mRON, namely 22.7%).

Cash and cash equivalents

At December 31st, 2021, the cash and cash equivalents have decreased by 3.3% as compared to December 31st, 2020 (191.8 mRON compared to 198.3 mRON), fact due to the decrease in cash from the operating activity.

The cash also includes the availability of the modernization quota, in amount of 124 mRON.

The company CONPET S.A.

Explanatory Notes to the financial standing at December 31st, 2021 - preliminary data

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

The cash representing the modernization quota has a special using regime, provided by GD no. 168/1998, this being destined exclusively to the financing of the modernization and development works related to the goods belonging to the public domain.

6. Equities

Shareholders' Equities recorded a slight increase of 1.1% at December 31st, 2021, as compared to December 31st, 2020 (664 mRON to 657 mRON), mainly due to the increase in the reserve representing the modernization quota.

Share capital

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

Other reserves

At December 31st, 2021, the value of other reserves recorded an increase of 2.3% compared to December 31st, 2020 (511.6 mRON compared to 500.3 mRON).

The reserve related to the modernization quota is in amount of 470.9 mRON and holds the highest share in the total of other reserves (92%).

Retained earnings

At December 31st, 2021, a major share in the Retained earnings is hold by the earnings derived from the first adoption of IAS 29 related to fixed assets representing oil operating product, recognized in tangible assets: 41.8 mRON

Profit of the period

The profit of the period recorded a decrease of 12.1% compared to December 31st, 2020 (53.5 mRON compared to 60.8 mRON).

7. Liabilities

Long-term liabilities

Long-term liabilities have decreased by 8.4% in 2021 compared to 2020 (21.4 mRON compared to 23.3 mRON), mainly due to the decrease of long-term provisions.

Short-term liabilities

Short-term liabilities increased by 8.2% at the end of December 2021 compared to December 31st, 2020 (86.1 mRON compared to 79.6 mRON), mainly due to the increase in the commercial debts.

The company CONPET S.A.

Explanatory Notes to the financial standing at December 31st, 2021 - preliminary data

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

8. Revenues

The Company's revenues are achieved, mainly, from transport services through the Crude oil National Transport System and by rail.

Operating Revenues

The operating revenues register an increase of 3.6% in 2021 compared to 2020 (463.9 mRON, as compared to 447.6 mRON), amid the increase, by 1.4% of contract revenues (412.8 mRON compared to 406.9 mRON), mainly determined by the increase in transport tariffs starting 08.02.2021, and by 13.4% of other operating revenues (46.2 mRON compared to 40.7 mRON). 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, increasing by 11.5% in 2021 compared to 2020 (37.7 mRON to 33.8 mRON).

9. Expenditures

Operating expenses hold a share of 97.8% in total expenses and recorded an increase of 5.8% in 2021 compared to 2020 (404.6 mRON compared to 382.6 mRON), resulting mainly from: the increase of energy and water expenses by 4 mRON, (16.5 mRON compared to 12.5 mRON), the increase of expenses with value adjustments on fixed assets by 4.3 mRON (53.6 million compared to 49.3 mRON), the increase of expenses on external services by 2.3 mRON (109.8 mRON compared to 107.5 mRON), the increase of expenses recorded under the heading "Adjustments on provisions" by 2.7 mRON (-0.1 mRON compared to -2.8 mRON) and the increase of personnel expenses by 5.6 million RON (168.2 mRON compared to 162.6 mRON) as a result of the increase in salaries by 5% at 01.10.2020 and by 7% starting 15.12.2021, but also of the granting of meal vouchers at nominal value of 20 RON/day starting December 2020.

10. Subsequent events and other mentions

No significant events have been registered ulterior to the conclusion of the financial year.

These financial statements and the related notes, from page 1 to page 14 have been authorized for issue and signed by the company management at February 24th, 2022.

Director General,
Eng. Dorin Tudora

Economic Director,
Econ. Sanda Toader