

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

**on September 30, 2022**

**(period 01.01.2022 – 30.09.2022)**

prepared in compliance with Art 125 of ASF Regulation no. 5/2018

## 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
1.5. Company Organization .....	5
1.6. Strategic development objectives .....	5
2. CONPET- EXECUTIVE SUMMARY .....	6
2.1. Operating Activity Indicators .....	6
2.2. Economic- financial Indicators .....	6
2.3. Investments .....	7
2.4. Company's Stock Market indicators .....	8
3. ANALYSIS OF THE COMPANY'S BUSINESS .....	8
3.1. Analysis of the operating activity .....	8
3.1.1. The crude oil, condensate and rich gas activity .....	8
3.1.2. Assessment of the operating activity .....	12
3.1.3. Legal acts concluded under the provisions of Art.52 Para (1) and (3) of GEO no. 109/2011 ..	13
3.1.4. Company mergers and reorganizations, procurements and disposals of assets .....	14
3.1.5. Assessment of the Human Resources and Social Dialog activity .....	14
3.2. Investments achieved .....	19
3.3. Analysis of the financial business .....	25
3.3.1. Report grounds .....	25
3.3.2. Statement of the Financial Position .....	25
3.3.3. Profit and Loss Account .....	27
3.3.4. The main economic-financial indicators .....	30
3.3.5. Execution of the revenues and expenditure budget .....	31
3.3.6. Financial and non-financial key performance indicators .....	32

<b>3.3.7. Cash-flow.....</b>	<b>39</b>
<b>3.3.8. Related party transactions .....</b>	<b>40</b>
<b>3.4. Other aspects.....</b>	<b>40</b>
<b>3.4.1. State of the lands not included in the share capital .....</b>	<b>40</b>
<b>3.4.2. Litigations.....</b>	<b>42</b>
<b>3.5. Analysis of the Corporate Activity .....</b>	<b>56</b>
<b>3.5.1. Capital Market Business .....</b>	<b>56</b>
<b>3.5.2. Management of the company.....</b>	<b>59</b>
<b>3.5.3. Activity regarding the sponsorship concluded in the first 9 months of 2022.....</b>	<b>61</b>
<b>3.5.4. The impact of the conflict between Russia - Ukraine on the Company's Business .....</b>	<b>62</b>
<b>4. 9 MONTHS 2022 RELEVANT CORPORATE EVENTS .....</b>	<b>62</b>
<b>5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS.....</b>	<b>63</b>
<b>Annexes: .....</b>	<b>63</b>

## 1. Company presentation

### 1.1. Report and issuer identification data

Quarterly report  
prepared in compliance with:

The provisions of Article 69 of Law no. 24/ 2017  
regarding the issuers of financial instruments  
and market operations, republished;  
Annex 13 of Regulation no. 5/10.05.2018  
on the issuers of financial instruments and  
market operations;

Date of the report	14.11.2022
Company's name Registered Offices	CONPET S.A. 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 issued securities	8,657,528 shares with a nominal value of 3.3 RON/share
Total market value	536,766,736 RON (62 RON/share at 30.09.2022)
Applied accounting standard	International Accounting Standard no. 34 - „Interim Financial Reporting”
Auditing	The Interim Financial Statements concluded at 30.09.2022 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 GD no. 2075/2004 and is part of the state's public property, being of strategic importance.

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.

## 1.3. The company's mission, vision and values

**CONPET mission** is the operation of the National Transport System via Pipelines under safe and secure conditions, easing free access to the system's available throughput 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, rich gas, condensate and ethane carrier via pipelines and by rail.

### Company's Values:

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

## 1.4. Shareholding

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

The synthetic structure of CONPET S.A. shareholding at September 30, 2022 is as follows:

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

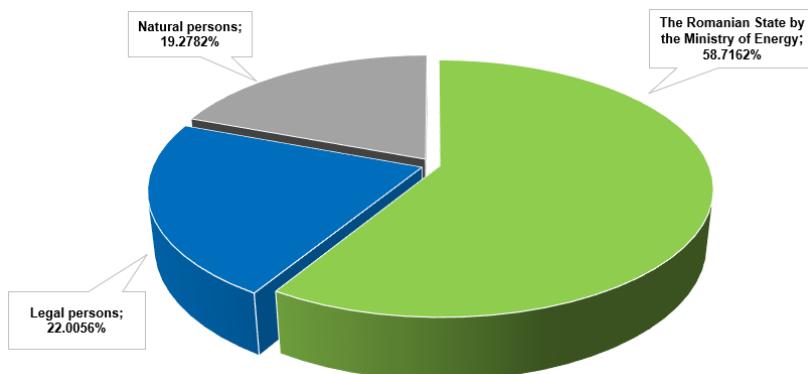


Chart 1 - CONPET S.A. Shareholding Structure at September 30th, 2022

The share capital of CONPET at 30.09.2022 is of 28,569,842.40 RON and is divided into 8,657,528 shares, each share with a nominal value of 3.3 RON/share.

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

## 1.5. Company Organization

CONPET was established in 1990, based on the Government Decision no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiesti, thus becoming the operator of the crude oil, rich gas condensate and ethane NTS.

The company carries out its activity according to the organizational structure approved by the Board of Directors.

## 1.6. Strategic development objectives

The strategic objectives for the period 2018-2022, set out and undertaken by the administrative management inside the administration component have been defined in close connection to the strategic directions, the vision and expectations of the shareholders and in the context of the Energy Strategy of Romania for the period 2018-2030 and are the followings:

- 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;
- implementation and development of 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 via the National Transport System (NTS), during January– September 2022, vs. the Revenues and Expenditure Budget and the similar period of 2021, by transport subsystems, is presented below:

Achieved Jan.- Sept. 2022	Budget Jan.- Sept. 2022	Variation (%) Achieved/ Budget	Indicators	Achieved Jan.- Sept. 2022	Achieved Jan.- Sept. 2021	Variation (%) Achieved 2022/2021
<i>thousand tons</i>						
5,217	4,825	▲ 8.1%	Total transported quantities	5,217	5,108	▲ 2.1%
<i>mRON</i>						
349.6	333.9	▲ 4.7%	Total transport revenues	349.6	311.6	▲ 12.2%

Table 1 - Evolution of the quantities and revenues transported between January - September 2022 as compared to Budget 2022 and the similar period in 2021

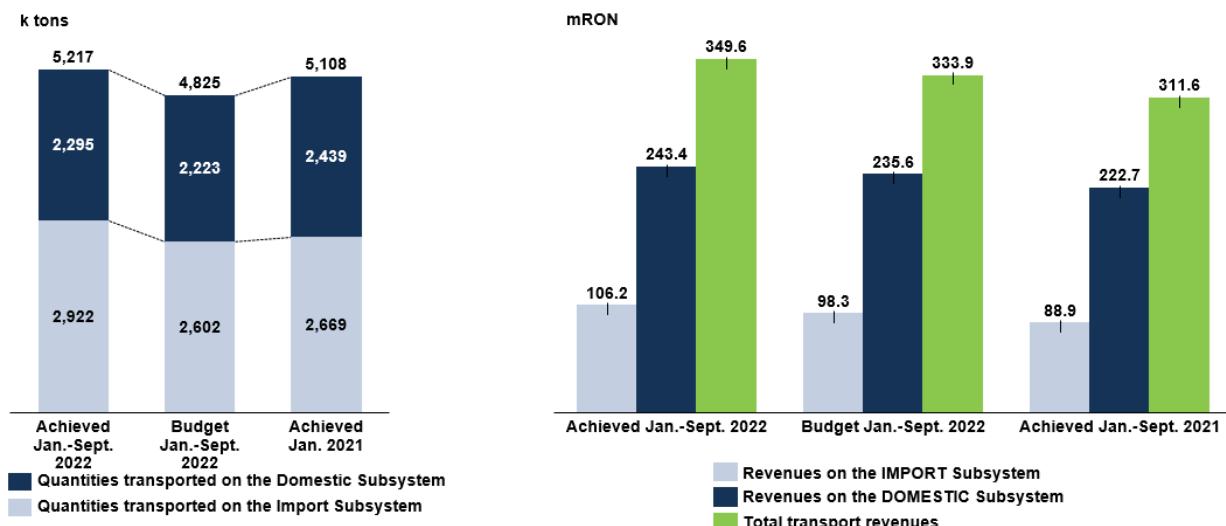


Chart 2 - Evolution of the quantities and revenues transported on the Domestic and Import subsystems

### 2.2. Economic- financial Indicators

The level of the main economic-financial Indicators of the company achieved in the first 9 months 2022, as compared to the similar period of last year and to the Budget is as follows:

Indicators	January- September 2022			Achieved Jan.-Sept 2021	Variation% Achieved 2022/2021
	Achieved	Budget	Variation (%) Achieved/ Budget		
Turnover (thousand RON)	351,419	335,983	▲ 4.6%	313,306	▲12.2%
Operating Revenues (thousand RON)	389,543	375,340	▲ 3.8%	346,923	▲12.3%
Operating Expenses (thousand RON)	334,385	335,221	▼ 0.3%	299,930	▲11.5%
Operating Profit (EBIT) (thousand RON)	55,158	40,119	▲37.5%	46,993	▲17.4%
Operating profit margin (% Operating Revenues)	14.2%	10.7%	▲3.5 p.p.	13.5%	▲0.7 p.p.
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	39,970	40,695	▼ 1.8%	38,651	▲ 3.4%
EBITDA (thousand RON)	95,128	80,814	▲17.7%	85,644	▲ 11.1%
Operating Expenses/Turnover x 100 (%)	95.2%	99.8%	▼4.6 p.p.	95.7%	▼0.5 p.p.
Total Revenues (thousand RON)	396,949	377,679	▲ 5.1%	349,184	▲ 13.7%
Total Expenses (thousand RON)	334,793	335,550	▼ 0.2%	300,194	▲ 11.5%
Gross profit (thousand RON)	62,156	42,129	▲ 47.5%	48,990	▲ 26.9%
Net profit (thousand RON)	52,734	35,837	▲ 47.2%	41,983	▲ 25.6%
Average number of employees (pers.)	1,472	1,507	▼ 2.3%	1,516	▼ 2.9%
Productivity (thousand RON/employee)	265	249	▲ 6.4%	229	▲15.7%

Table 2 - The main economic-financial Indicators achieved in the first 9 months 2022 vs Budget 2022 and the ones achieved in the similar period in 2021

### 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 nine months period ended September 30, 2022, CONPET S.A. achieved investments in amount of 81.9 million RON.

The degree of achievement of the investments, as compared to program and the similar period in 2021, by ownership of assets, is as follows:

Achieved	Program	Degree of achievement	Investments (mRON)	January - September		
				Achieved 2022	Achieved 2021	Degree of achievement
<b>81,882</b>	<b>77,474</b>	<b>105.7%</b>	<b>Total investments, o/w:</b>	<b>81,882</b>	<b>39,470</b>	<b>207.5%</b>
73,858	64,727	114.1%	Public domain	73,858	26,248	281.4%
8,024	12,747	62.9%	Operating domain	8,024	13,222	60.7%

Table 3 - Evolution of the investments achieved in 9 Months 2022 as compared to the program and the similar period in 2021

## 2.4. Company's Stock Market indicators

At 30.09.2022, CONPET S.A. had a market capitalization of 536.8 million RON (108.5 million euro), ranking 29 in "Top 30 issuers according to capitalization".

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

In the first nine months of 2022, 16,406 stock transactions have been recorded, with a traded volume of 889,703 shares, the total value of the transactions being of 66 million RON. All along this time, the minimum trading price amounted to 60.4 RON/share and the maximum price of 83.4 RON/share. On average, 4,707 shares/day have been traded, the average value of a trading day amounting to 350,760 RON/day (189 days).

## 3. ANALYSIS OF THE COMPANY'S BUSINESS

### 3.1. Analysis of the operating activity

#### 3.1.1. The crude oil, condensate and rich gas 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 a 3,161 km pipeline network is being used.

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

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

These facilities shall 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 products - crude oil, rich gas and condensate, programmed and achieved in the first nine months 2022, as compared to the same period of 2021 and the extent of usage of the transport capacity, is as follows:

Transport Subsystems	Indicators and products	Achieved Jan.- Sept. 2022	Achieved Jan.- Sept. 2021	Variation % 2022/2021
<b>Domestic crude oil, condensate and light condensate</b>				
	- programmed quantities (thousand tons)	2,215	2,450	▼ 9.6%
	- achieved quantities (thousand tons)	2,282	2,424	▼ 5.9%
	- degree of achievement	103.0%	98.9%	+4.1 p.p.
	- degree of use of the transport throughputs	49.3%	52.4%	-3.1 p.p.
<b>Rich gas</b>				
	- programmed quantities (thousand tons)	7.7	11.6	▼ 33.6%
<b>DOMESTIC</b>	- achieved quantities (thousand tons)	13.2	14.6	▼ 9.6%
	- degree of achievement	171.4%	125.9%	+45.5 p.p.
	- degree of use of the transport throughputs	24.2%	26.9%	-2.7 p.p.
	<b>Total domestic subsystem</b>			
	- programmed quantities (thousand tons)	2,223	2,462	▼ 9.7%
	- achieved quantities (thousand tons)	2,295	2,439	▼ 5.9%
	- degree of achievement	103.2%	99.1%	+4.1 p.p.
	- degree of use of the transport throughputs	49.1%	52.1%	-3.0 p.p.
<b>crude oil</b>				
<b>IMPORT</b>	- programmed quantities (thousand tons)	2,602	2,575	▲ 1.0%
	- achieved quantities (thousand tons)	2,922	2,669	▲ 9.5%
	- degree of achievement	112.3%	103.7%	+8.6 p.p.
	- degree of use of the transport throughputs	33.1%	30.3%	+2.8 p.p.
<b>TOTAL</b>	<b>- programmed quantities (thousand tons)</b>	<b>4,825</b>	<b>5,037</b>	<b>▼ 4.2%</b>
	<b>- achieved quantities (thousand tons)</b>	<b>5,217</b>	<b>5,108</b>	<b>▲ 2.1%</b>
	<b>- degree of achievement</b>	<b>108.1%</b>	<b>101.4%</b>	<b>+6.7 p.p.</b>
	<b>- degree of use of the transport throughputs</b>	<b>38.6%</b>	<b>37.8%</b>	<b>+0.8 p.p.</b>

Table 4 - Transported volumes by types of products and by transport subsystems between January - September 2022 as the same period of 2021

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

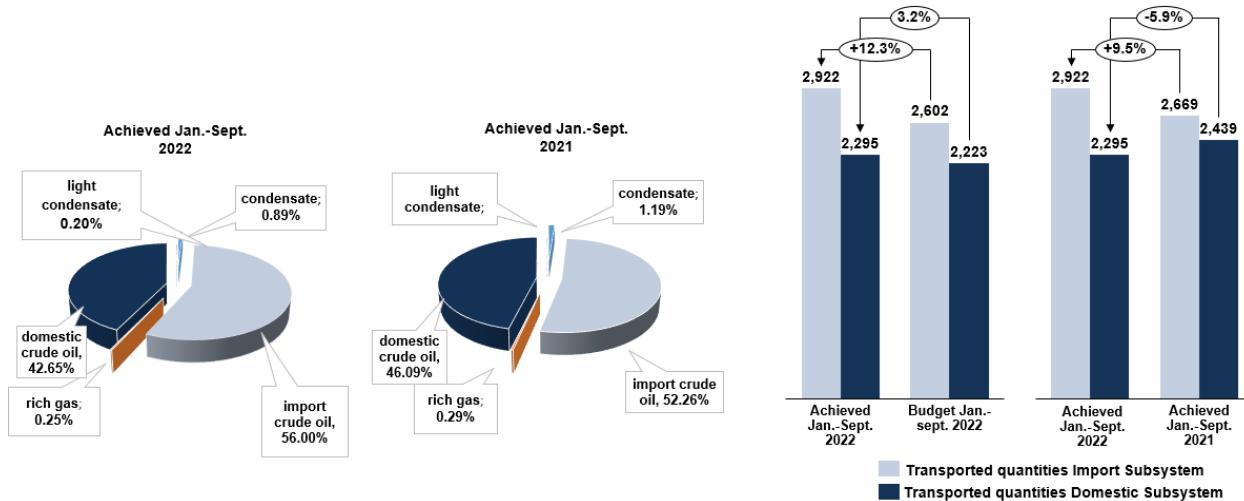


Chart 3 - Quantities transported on the transport subsystems

Within the first 9 months of the year have been transported 5,217 thousand tons of crude oil, condensate and rich gas, by 109 thousand tons more than the same period of 2021. The evolution of the transported volume is different on the two subsystems, registering an increase of 253 thousand tons on the Import subsystem and a decrease of 144 thousand tons on the Domestic subsystem.

In the first 9 months, the quantity of 789 thousand tons was transported by rail, respectively 34.4% of the total of 2,295 thousand tons transported from domestic production.

The crude oil, rich gas and condensate transport services were provided on the basis of the contracts concluded with the customers OMV Petrom S.A., Petrotel LUKOIL S.A., Rompetrol Rafinare S.A., and with new customers: NIS Petrol S.R.L., Standart 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	January - September 2022			January - September 2021		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil	0.2454%	0.1697%	- 0.08%	0.2484%	0.1704%	- 0.08 p.p.
Domestic crude oil, condensate and light condensate	0.3680%	0.3599%	- 0.01%	0.3661%	0.3459%	- 0.02 p.p.
Rich gas	7.3830%	3.2350%	- 4.15%	7.3830%	3.4740%	- 3.91 p.p.

Table 5 – Evolution of the standardized technological consumption in the first 9 months 2022 as compared to the similar period in 2021

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

## Transport Tariffs

The tariffs for the supply of crude oil, rich gas and condensate 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 the hand-over site refinery. Between January 2021 – September 2022, the following tariffs were applied:

- Tariffs from transport services on Domestic Subsystem

Period	Transport tariff (RON/ton)	Approved by NAMR Order no.
December 31, 2019 - February 7, 2021	87.53	427/2019
February 8, 2021 - December 31, 2021	91.03	19/2021
Starting January 1, 2022	105.5	229/2021

Table 6 – Transport tariffs Domestic Subsystem

- Tariffs for transport services on the Import Subsystem

Period	Batches thousand tons/month	Ploiești Basin (Petrobrazi and Petrotel Lukoil refineries)			Approved by NAMR Order no.
		Arpechim Refinery	RON/ton	RON/ton	
December 31, 2019 - February 7 <sup>th</sup> , 2021	<120	40.40	39.50	15.00	427/2019
	> 120	17.25	17.00	12.85	
February 8, 2021 - December 31, 2021	<120	42.00	40.90	16.50	19/2021
	> 120	17.90	17.60	14.40	
starting January 1, 2022	<80	46.65	45.66	18.51	
	80 - 120	37.32	36.53	14.81	
	120 - 160	27.99	27.39	11.11	
	> 160	21.00	20.55	8.33	229/2021

Table 7 - Transport tariffs import subsystem

The revenues achieved from the quantities transported between January and September 2022 increased compared to the same period of 2021.

The total value of the transport services invoiced to the beneficiaries, less VAT, in the first 9 months of 2022 amounts to 349,578 thousand RON (9 months 2021: 311,564 thousand RON).

The income statement for each client is the following:

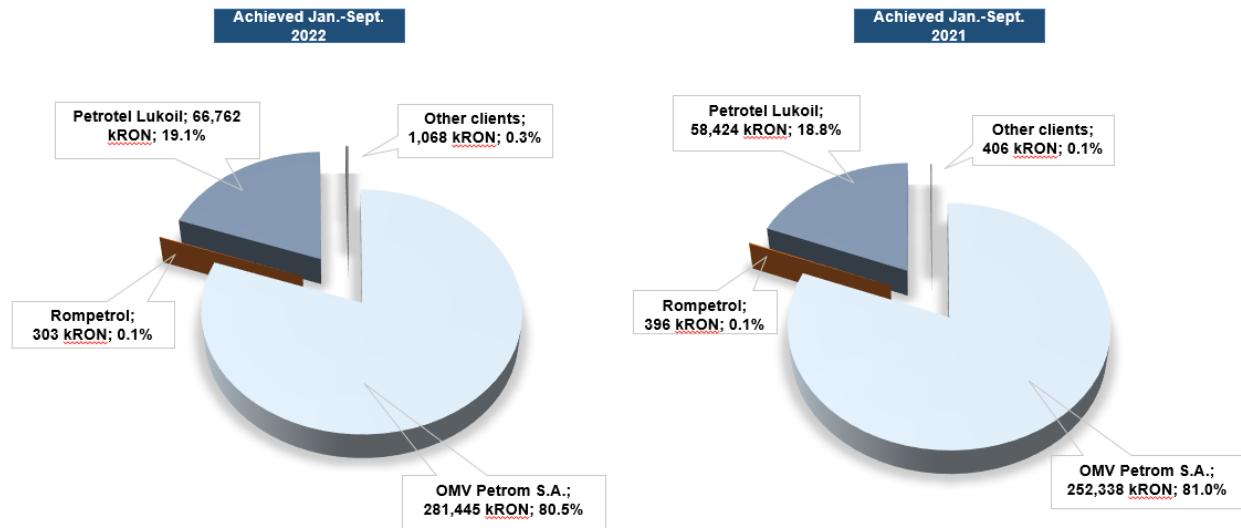


Chart 4 - Evolution of transport revenues by beneficiaries achieved 9 months 2022 as compared to 9 months 2021

## Other activities

The revenues achieved from other activities have 0.5% contribution to the company's turnover and derive from leases of lands and telecommunication equipment, rail tank cars shunting services.

### 3.1.2. Assessment of the operating activity

In the table below is being presented the evolution of the transport services revenues, between January – September 2022, as compared to the same period of 2021 and the budgeted values.

Achieved Jan.- Sept. 2022	Budget Jan.- Sept. 2022	Variation (%) Achieved/Budget 2022	Indicators (thousand RON)	Achieved Jan.- Sept. 2022	Achieved Jan.- Sept. 2021	Variation (%) Achieved 2022/2021
243,372	235,588	▲ 3.3%	Revenues on the domestic transport subsystem	243,372	222,656	▲ 9.3%
106,206	98,336	▲ 8.0%	Revenues on the import transport subsystem	106,206	88,908	▲ 19.5%
<b>349,578</b>	<b>333,924</b>	<b>▲ 4.7%</b>	<b>Total transport revenues</b>	<b>349,578</b>	<b>311,564</b>	<b>▲ 12.2%</b>

Table 8 - Statement of the transport revenues

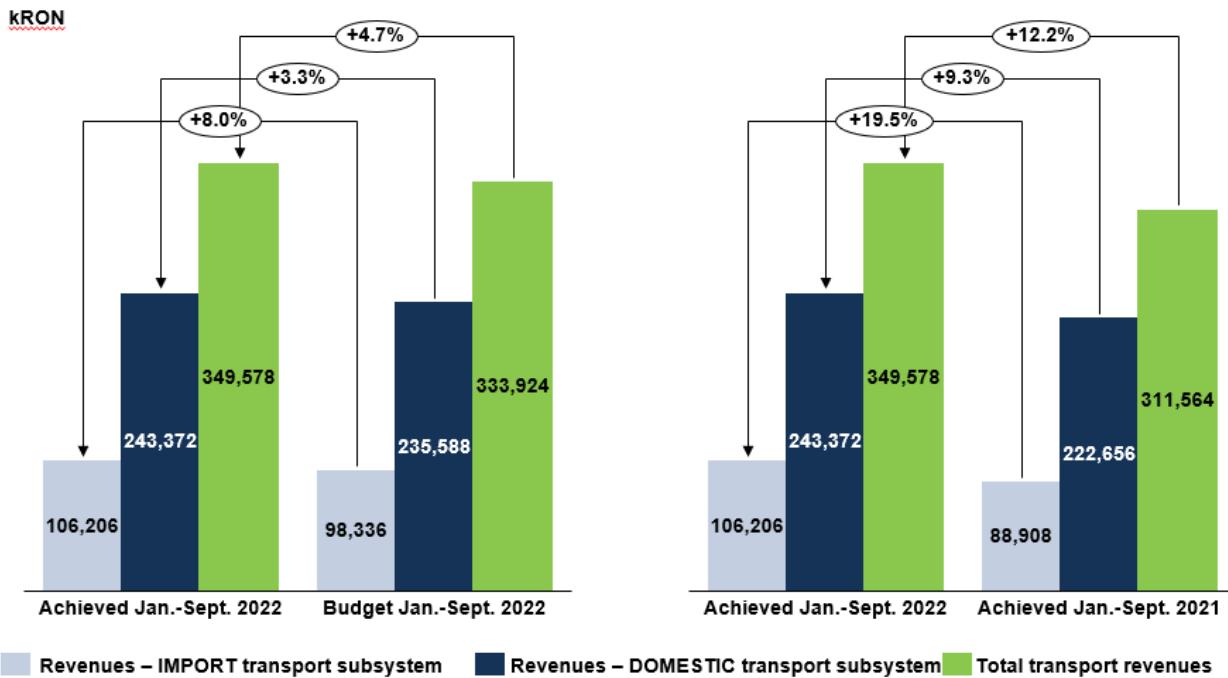


Chart 5 - Evolution of transport revenues per subsystems

The transport revenues also include services supplies coming from the crude oil transport by road tankers and from the use of insulated tanks for transport (0.4%).

## Procurement

### *The procurement activity*

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

Between January and September 2022, 136 procurement procedures were started by publishing on the company's website and 85 contracts have been concluded, with a total value of 26,813,085 lei and 918,788 Euro.

At the end of September, 22 procurements were in progress, with a total estimated value of 15,533,659 RON and 554,800 Euro, respectively:

- 5 tendering procedures in total estimated amount of 9,579,063 RON;
- 12 simplified procedures in total estimated amount of 5,554,596 RON and 524,000 Euro;
- 4 direct procurement procedures in total estimated amount of 400,000 RON and 10,800 Euro;
- 1 negotiation procedure without prior publication in total amount of 20,000 Euro.

According to EGMS Resolution no.3/23.10.2014, in Annexes no.4 and 5 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 01.01.2022 - 30.09.2022.

### 3.1.3. Legal acts concluded under the provisions of Art.52 Para (1) and (3) of GEO no.

On 25.05.2022 was concluded Addendum no. 4 to S-CA no. 57/28.03.2019, having as scope the augmentation of the crude oil and rich gas rail transport tariff from the loading ramps to the destinations set by CONPET S.A., namely the augmentation of the contract estimated value by the amount of 3,483,766 RON. Transaction with S.N.T.F.M. C.F.R. Marfă S.A. was approved by the company's shareholders in the OGMS meeting dated 24.05.2022.

The contract duration is of 4 years, starting 01.04.2019 up to 31.03.2023, inclusive of.

The performance guarantee is in quantum of 500,000 RON and the payment term is of 30 days from the invoice receipt. In the contract was provided also the calculation of delay penalties as follows:

- Should CONPET S.A. not honor the invoices within the payment deadline provided in the contract, it has the obligation to pay penalties in quantum of 0.03%/day, calculated at the outstanding amount, starting the first day of the maturity date.
- In case the Supplier S.N.T.F.M. C.F.R. Marfa S.A. does not provide the rail tanks necessary for the achievement of the respective transport program, for the delay by more than one day compared to the schedule, CONPET S.A. is entitled to claim penalties in quantum of 0.03% per day, calculated at the value of the transport service related to the outstanding quantity, not taken over, starting the first day of delay.

### **3.1.4. 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.

Purchases of tangible and intangible assets in the first 9 months 2022 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for deployment and modernization of activity.

Between January - September 2022 no acquisitions of land and/or buildings have been made and no tangible fixed assets of the nature of buildings and land have been disposed of.

### **3.1.5. Assessment of the Human Resources and Social Dialog activity**

The effective number of employees on September 30, 2022 was of 1,481 persons.

Following the adoption 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 30.09.2022 decreased by 63 employees, as compared to 30.09.2021 and 62 employees as compared to the number recorded at December 31, 2021.

For the achievement of the objective regarding the reshaping 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 September 30, 2022 is presented in the table below:

Studies	Total	% in total employees	Women	% in total employees	Men	% in total employees
General education (8-10 grades)	93	6.28%	9	0.61%	84	5.67%
Secondary education	821	55.44%	74	5.00%	747	50.44%
Higher education	567	38.28%	214	14.44%	353	23.84%
<b>Total</b>	<b>1,481</b>	<b>100%</b>	<b>297</b>	<b>20.05 %</b>	<b>1,184</b>	<b>79.95%</b>

Table 9 - Personnel structure by level of education and gender

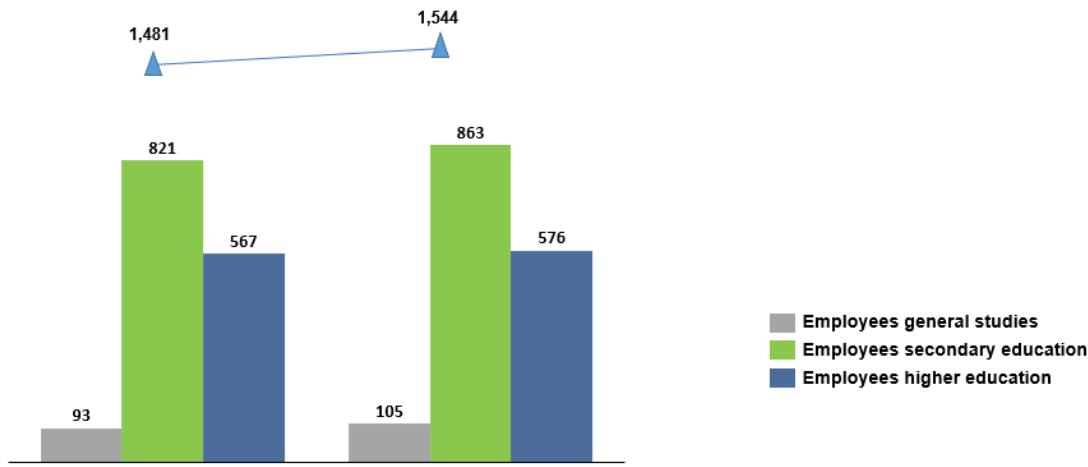


Chart 6 - Employee structure at September 30, 2022 YoY

On 30.09.2022, the number of employees having graduated higher education studies was of 567 employees (38.28%) out of total employees, out of which: 14.44% are women and 23.84% are men.

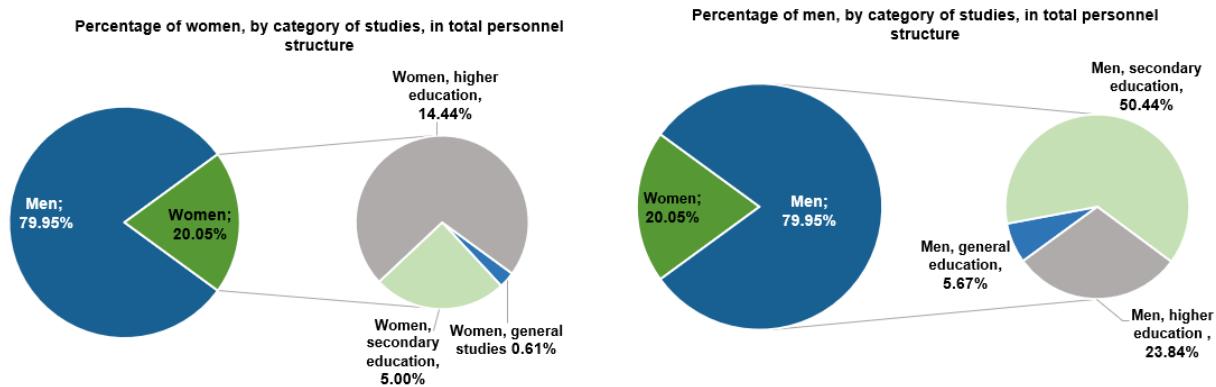


Chart 7 - Personnel structure according to gender and level of education on September 30, 2022

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

During January– September 2022, there have been no elements of a conflicting nature between employees and the management of the company.

### The Personnel Risk and the Waging System

On September 30, 2022 the age structure is not balanced, the age group between 51-60 years has the highest percentage (52%) and is followed by the age group ranging 41-50 years (28%) and 31 - 40 (11%).

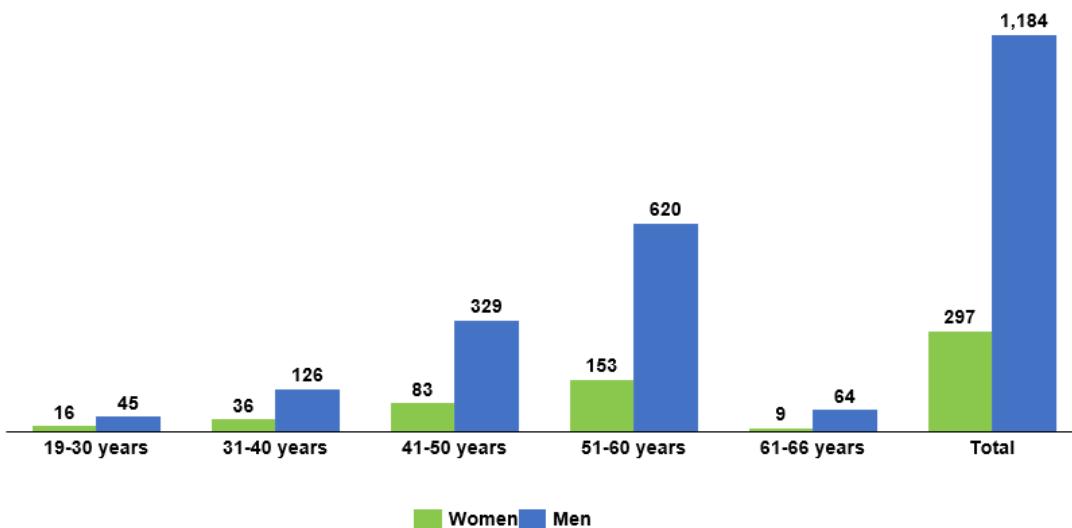


Chart 8 - Personnel structure by age groups on September 30, 2022

The average age of CONPET personnel is high enough (49.5 years old), the advantage being that 54% of the personnel has over 20 years of experience in the company, which stands for the stability and professionalism, but also accumulation of knowledge and skills, some taking many years of experience to be gained.

The average age of the personnel employed in the last two years is 42.8 years, with an average work experience of 17.3 years.

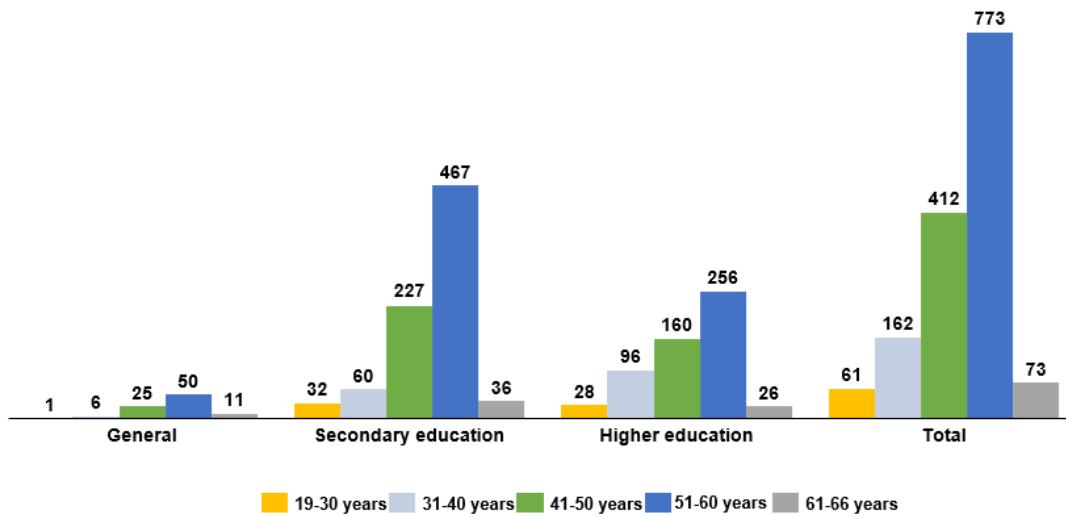


Chart 9 - Personnel structure by level of studies and age on September 30, 2022

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

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

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

It is also considered that the age group 41-50 years is well represented by the tier of employees who will meet the retirement conditions at the standard age in about 15 years, 66% of them having the knowledge, professional experience and a seniority in the company of over 10 years.

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

### **The Collective Labor Agreement**

The validity of the Collective Labor Agreement (CLA) applicable at CONPET S.A. level, which was to be ended at 31.12.2021, was extended all over the state of alert, as well as 90 days from the end thereof, in compliance with the provisions of Art. 20 (1) of Law no. 55/2020 regarding certain measures for the prevention and mitigation of the effects of COVID -19 pandemic.

Given that, as of March 9, 2022, the state of alert on the Romanian territory has no longer been extended, the parties (Employer and Trade Union) had the obligation to initiate the collective negotiation within 45 days as of the termination of the state of alert as per Art. 20 (2) of Law no. 55/2020.

In this respect, during June 2022, a new Collective Labor Agreement was concluded, valid starting with 07.06.2022, for a period of 2 years.

The rights of the employees existing in the Collective Labor Agreement have been negotiated so that a balance between the interests of the two Parties, the Employer 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/or 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, prepared as a result of the identification and prioritizing of CONPET SA staff training needs.

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

Training of the employees has two components: a professional one (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. Special attention is paid to the training of technical staff (maintenance and operations), mainly for new skills necessary to carry out the safely operation of the National Transport System.

On the basis of authorization and vocational training programs, as well as on the requests by the heads of organizational entities or employees with responsibilities in specific fields of activity, concerning the need for and motivation for employee participation in vocational training and authorization programs, as well as following further examination of the requests by the Office for personal training, the following activities were carried out:

Crt. No.	Type of training and professional authorization Jan.- Sept. 2022	Participant employees
1.	Various fields authorizations (specific of activity)	95
2.	Railway authorizations	158
3.	Training	198
4.	Internal authorizations	433
5.	Qualifications/internal authorizations	273
<b>Total</b>		<b>1,157</b>

In the first 9 months 2022, a number of 1,157 employees attended the courses, as follows:

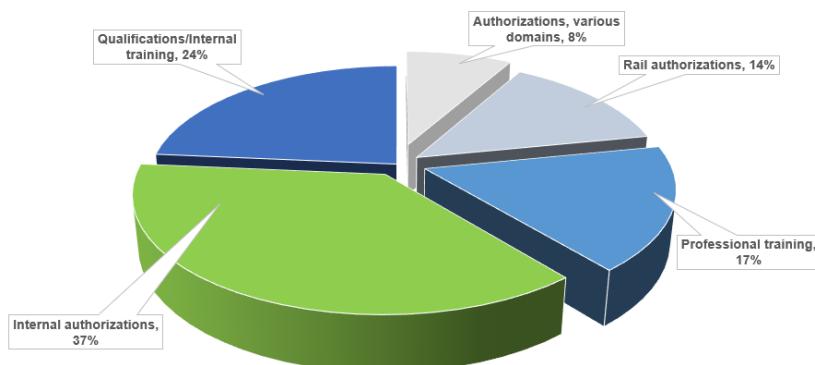


Chart 10 - Courses of professional training and authorization

### The assessment of the professional performance of the employees

In compliance with the new Regulation for the assessment of the individual professional performance of the employees have been concluded at the end of 2021, the addenda to the future individual contracts of the employees in management positions, which include the individual objectives, the performance indicators, the 2022 target values in connection therewith.

The action for evaluating the professional performance of employees for the activity carried out in 2021 took place in the first quarter of 2022, in accordance with the Regulation for evaluating the performance of employees and the results of the evaluation have been included in a report.

The assessment report 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.

### 3.2. Achieved investments

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 9 Month 2022 were achieved investments amounting to 81,882 thousand RON as compared to 77,474 thousand RON programmed (105.7%). As compared to the annual program of 115,000 thousand RON, the investments achieved in the first 9 months account for 71.2%.

The value of the investment objectives achieved in the first 9 months of 2022, on assets belonging, as compared to the approved program and the same period of 2021, is as follows:

Investments	Budget	Achieved	Program	Achieved	Degree of achievement %
-------------	--------	----------	---------	----------	-------------------------

(thousand RON)	YEAR 2022	Jan.- Sept. 2022	Jan.- Sept. 2022	Jan.- Sept. 2021	Achieved/programmed	2022/2021
<b>Total investments , o/w:</b>	<b>115,000</b>	<b>81,882</b>	<b>77,474</b>	<b>39,470</b>	<b>105.7%</b>	<b>207.5%</b>
Public domain	95,000	73,858	64,727	26,248	114.1%	281.4%
Operating domain	20,000	8,024	12,747	13,222	62.9%	60.7%

Table 10 - Investments achieved in the first 9 months 2022 as compared to Budget 2022 and the similar period in 2021

The investments achieved in the 9 months period 2022, as compared to the program and the same period of the previous year, on financing sources, are being presented in the chart below:

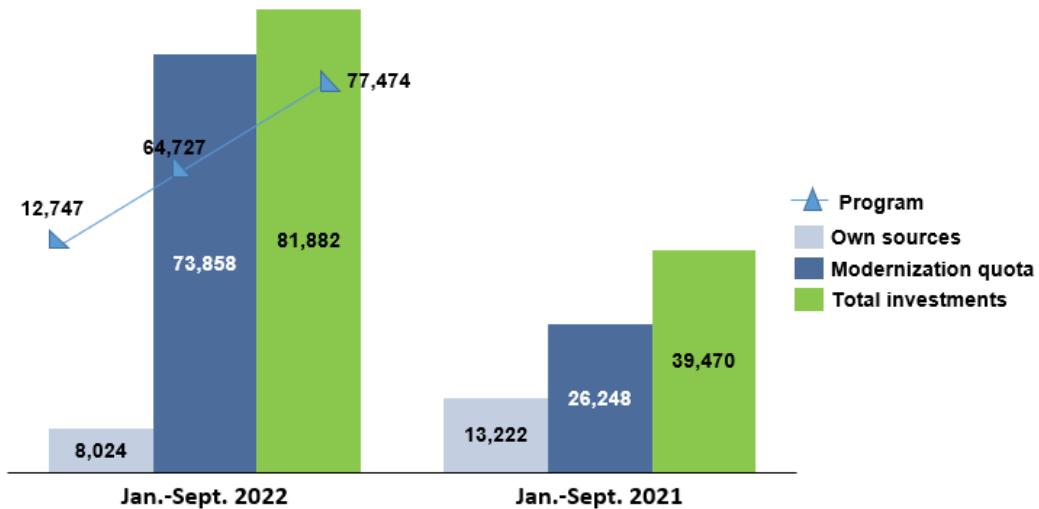


Chart 11 - Investments achieved by financing sources

In the implementation of the Investment Program, there were encountered problems in carrying out the works mainly due to:

- the lack of owners' agreements on the land on which the activity is carried out;
- the energy crisis;
- force majeure notifications received from manufacturers concerning the supply of pipe from Ukraine.

*The main investment objectives completed and commissioned during January – September 2022:*

#### **Orlesti crude oil tank station**

In January 2022 was performed the reception and the commissioning, with a total value of 6,789.15 thousand RON.

#### **The integration of 4 valves and 3 flame detectors in the fire detection and extinguishing system existing in Calareti pumping station**

In January 2022 was performed the reception and the commissioning, with a total value of 79.23

thousand RON.

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

In March 2022 was performed the reception and the commissioning, with a total value of 5,250.66 thousand RON.

**Upgrade Berca ramp**

In March 2022 was performed the reception and the commissioning, with a total value of 2,949.97 thousand RON.

**Replacement of crude oil pipelines 10" F1 and F2 Siliște-Ploiești on a length of about 300 m, 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)**  
In March 2022 was performed the reception and the commissioning, with a total value of 492.45 thousand RON.

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

In July 2022 was performed the reception and the commissioning of SPCs in 19 locations, with a total value of 4,763.86 thousand RON.

**Modernization parking shed Biled Ramp**

In July 2022 was performed the reception and commissioning, with a total value of 482.12 thousand RON.

**Procurement of UPSs within 3-20 KVA power range**

In May 2022 was performed the reception and the commissioning with a total value of 940.50 thousand RON.

**Replacement of 14 inch crude oil pipeline Constanța- Băräganu, Cuza Vodă area, on a length of 550m**

In May 2022 was performed the reception and the commissioning with a total value of 722.68 thousand RON.

**Upgrade Imeci ramp**

In June 2022 was performed the reception and commissioning with a total value of 4,438.65 thousand RON.

**Purchase of Dell 15.6 Laptops with Docking Station and 23" Monitor**

In January 2022 was performed the reception and the commissioning, with a total value of 639.47 thousand RON.

**Lifting installations**

In July 2022 was performed the reception and commissioning, with a total value of 2,322.00 thousand RON.

**Registry and document management application**

In February 2022 was performed the reception and the commissioning, with a total value of 773.75 thousand RON.

**Support equipment for excavations**

In May 2022 was performed the reception and the commissioning, with a total value of 146.49

thousand RON.

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

In May 2022 was performed the reception and the commissioning with a total value of 2,848.18 thousand RON.

#### **Central dispatch illuminating system**

In June 2022 was performed the reception and commissioning, with a total value of 42.50 thousand RON.

Commissioning achieved between January - September 2022 amounted to 35,526 thousand RON, out of which, per financing sources:

- 27,229 thousand RON out of the modernization quota;
- 8,297 thousand RON out of other own sources.

#### **The status of the main investments ongoing at September 30, 2022:**

##### **I. Public domain**

In the first 9 months 2022 have been achieved investments in the public domain amounting to 73,858 thousand RON, representing 114.1% of the program for this period and 77.7% of the annual program, as follows:

##### **Replacement of the Ø10<sup>3/4</sup>" F2 Siliste-Ploiești crude oil pipeline in the Brazi Stadium – inside Petrobrazi Refinery area, Prahova County, on a length of approximately 1,170 m and replacement of cleaning installation**

Contract for design and execution with a total value of 8,275 thousand RON

Physical degree of achievement: 99%

Value degree of achievement: 99%

##### **Replacement of Ø 20" Băräganu-Călăreți crude oil transport pipeline along 6 lines (approx. 18.000 m), Călărași County**

Execution contract with a total value of 22,167 thousand RON

Physical degree of achievement: 76%

Value degree of achievement: 71%

##### **Replacement of Ø 20" C4- Băräganu-Călăreți crude oil transport pipeline along 3 lines (approx. 600 m), C2-C3 along 6 lines (approx. 7900 m), Ialomița County**

Execution contract with a total value of 12,636 thousand RON

Physical degree of achievement: 49%

Value degree of achievement: 44%

##### **Replacement of crude oil transport pipeline F1 Ø 8 <sup>5/8</sup>" Ticleni Bărbătești, in the water access road site Primăria Bărbătești, approximately 200 m**

Execution contract with a total value of 729 thousand RON

Physical degree of achievement: 99%

Value degree of achievement: 99%

##### **Replacement of crude oil pipeline Ø10 <sup>3/4</sup>" LASCĂR CATARGIU-INDEPENDENȚA, (inv. no. 122406P/118536), domestic crude oil, on the section Capăt RK (2011) LASCĂR CATARGIU**

**- Independenta irrigations major pipeline, diameter 10 ¾", approximately 3.5 km long**  
Contract for design and execution with a total value of 2,150 thousand RON  
Physical degree of achievement: 99%  
Value degree of achievement: 98%

**Replacement of connection lines Danube crossing C1-C2 and C3-C4 Borcea arm**  
Contract for design and execution with a total value of 109,595 thousand RON  
Physical degree of achievement: 67%  
Value degree of achievement: 62%

**Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage 2**  
Contract for design and execution with a total value of 6,973 thousand RON  
Physical degree of achievement: 78%  
Value degree of achievement: 73%

**Crude oil tanks Moreni station**  
Execution contract with a total value of 11,067 thousand RON  
Physical degree of achievement: 93%  
Value degree of achievement: 88%

**Constanța Fire Prevention and Security tank**  
Execution contract with a total value of 1,017 thousand RON  
Physical degree of achievement: 20%  
Value degree of achievement: 15%

**Modernization of Potlogi pumping system**  
Contract for design and execution with a total value of 3,350 thousand RON  
Physical degree of achievement: 51%  
Value degree of achievement: 46%

**Rehabilitation works at Cireșu loading ramp**  
Contract for design and execution with a total value of 6,846 thousand RON  
Physical degree of achievement: 66%  
Value degree of achievement: 61%

**Modernization of Marghita ramp**  
Contract for design and execution with a total value of 4,165 thousand RON  
Physical degree of achievement: 92%  
Value degree of achievement: 87%

**Upgrade of Moreni station**  
Contract for design and execution with a total value of 13,521 thousand RON  
Physical degree of achievement: 35%  
Value degree of achievement: 30%

**Upgrade of Mislea station**  
Contract for design and execution with a total value of 4,527 thousand RON  
Physical degree of achievement: 72%  
Value degree of achievement: 67%

**Tele-transmission and tele-management of the power consumptions in CONPET locations**

Execution contract with a total value of 2,725 thousand RON  
Physical degree of achievement: 7%  
Value degree of achievement: 2%

**Modernization of the centralized monitoring system related to crude oil and rich gas transport on the railway ramp**

Execution contract with a total value of 471 thousand RON  
Physical degree of achievement: 90%  
Value degree of achievement: 85%

**Pecica Fire Prevention and Security tank**

Execution contract with a total value of 1,564 thousand RON  
Physical degree of achievement: 8%  
Value degree of achievement: 3%

**The layout of a pipeline connecting Pietroșani and Petrobrazi refinery**

Solution study and design contract, with a total value of 263 thousand RON  
Physical degree of achievement: 87%  
Value degree of achievement: 82%

**Rehabilitation of the pump house, Constanta Sud station**

Design contract, with a total value of 100 thousand RON  
Physical degree of achievement: 15%  
Value degree of achievement: 10%

**Replacement of two sections of the pipeline Ø 24" Barăganu-Rafinaria Brazi, undercrossing of Leaota brook**

Solution study and design contract, with a total value of 100 thousand RON  
Physical degree of achievement: 6%  
Value degree of achievement: 1%

**II. OPERATOR FIELD**

In the first 9 months 2022 have been achieved investments in the public domain amounting to 8,024 thousand RON, representing 62.9% of the program for this period and 40.1% of the annual program, as follows:

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

Contract for design and execution with a total value of 2,541 thousand RON  
Physical degree of achievement: 99%  
Value degree of achievement: 99%

**Electric power supply LEA loading post, Biled ramp**

Contract for design and execution with a total value of 775 thousand RON  
Physical degree of achievement: 6%  
Value degree of achievement: 1%

**RG-type repair at LDH 92 53 0850 168-1 and transformation in LDE 700 CA-CA**

Contract for design and execution with a total value of 4,250 thousand RON  
 Physical degree of achievement: 25%  
 Value degree of achievement: 20%

Between 01.01.2022 - 30.09.2022, 2 building/demolition permits were obtained for the investment objectives included in the investment program 2022-2024, with a total value of 100,878 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 nine months period ended September 30, 2022, prepared in compliance with the International Accounting Standard no. 34 - „Interim Financial Reporting”.

#### 3.3.1. Report grounds

The quarterly report of the Board of Directors for the period January - September 2022 is prepared in compliance with the provisions of Article 69 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, republished and Annex 13 of ASF Regulation no.5/2018 regarding issuers and securities operations;

#### 3.3.2. Statement of the Financial Position

In summary, the statement of the Financial Standing at September 30, 2022 is as follows:

Name of the element (thousand RON)	September 30, 2022 (unaudited)	December 31, 2021 (audited)	Variation% 2022/2021
Intangible assets	566,192	524,813	▲ 7.9%
Current assets	217,397	246,609	▼ 11.8%
<b>Total Assets</b>	<b>783,589</b>	<b>771,422</b>	<b>▲ 1.6%</b>
<hr/>			
Equities	670,318	667,909	▲ 0.4%
Total liabilities	113,271	103,513	▲ 9.4%
<b>Total equity and liabilities</b>	<b>783,589</b>	<b>771,422</b>	<b>▲ 1.6%</b>

Table 11 - Summary of the company's financial standing on 30.09.2022 vs. 31.12.2021

The extended version of the financial standing on September 30, 2022 is presented in Annex no. 1.

**The total assets** increased by 1.6% (12,167 thousand RON) as compared to the level recorded at December 31, 2021 due to the increase of the fixed assets.

**The fixed assets** recorded, on September 30, 2022, an increase by 7.9% as compared to December 31, 2021, generated by input of fixed assets in a value higher than the amortization registered in the first 9 months.

**The current assets** decreased by 29,212 thousand RON (11.8%), from 246,609 thousand RON

current assets at the end of 2021, to 217,397 thousand RON, value registered on September 30, 2022. The diminution of the current assets was mainly generated by the decrease of the cash in the accounts by approximately 28 million RON, due to the payment of dividends and assets (investments), higher than the cash surplus from the operating activity.

On 30.09.2022, the cash availabilities in the modernization quota in bank accounts amounted to 96,010 thousand RON, lower by 28,100 thousand RON as compared to 31.12.2021. 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.

**The equities** increased by 0.4% (2,409 thousand RON) as compared to December 31, 2021 reaching 670,318 thousand RON, the increase being recorded in the capital element – other reserves.

**The current liabilities**, in amount of 92,921 thousand RON, increased by 10,783 thousand RON, mainly due to the increase of the trade liabilities.

### Structure of liabilities

On September 30, 2022 and December 31, 2021, the trade liabilities and other liabilities look as follows:

Liabilities (thousand RON)	December 31, 2021	September, 30 2022	Maturity date for the balance on September 30, 2022		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	33,435	43,524	42,236	1,288	-
Liabilities to the employees	28,695	29,209	13,330	2,906	12,973
Other liabilities, here-included fiscal debts and social insurances related debts	32,614	32,425	29,242	2,301	882
<b>Total</b>	<b>94,744</b>	<b>105,158</b>	<b>84,808</b>	<b>6,495</b>	<b>13,855</b>

Table 12 Statement of liabilities on September 30, 2022 vs. December 31, 2021

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

Liabilities (thousand RON)	December 31, 2021	September 30, 2022	Maturity date for the balance on September 30, 2022		
			Under 1 year	Between 1-5 years	Over 5 years
Salaries contributions	5,281	4,937	4,937		
Current corporate tax	2,049	3,203	3,203		
Royalty due to the State Budget	7,561	9,178	9,178		
VAT payable	4,504	1,127	1,127		

Other interests and debts	966	1,037	1,037		
- State Budget					
Dividends Payable	6,812	7,230	7,230		
Leasing related liabilities	4,399	4,776	2,313	1,887	576
Accrued revenues	859	792	83	403	306
Other liabilities	183	145	134	11	-
<b>Total</b>	<b>32,614</b>	<b>32,425</b>	<b>29,242</b>	<b>2,301</b>	<b>882</b>

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

The company did not use bank loans and has no debts towards bank institutions.

The debts recorded in the balance at 30.09.2022 stand for current liabilities, within the maturity term.

### 3.3.3. Profit and Loss Account

Within the 9 months period ended September 30, 2022, CONPET S.A. obtained a net profit of 52,734 thousand RON, higher by 10,751 thousand RON as compared to the first 9 months 2021 (41,983 thousand RON).

The financial result achieved in the period January - September 2022, as compared to the Budget and the achievements of the period similar to 2021, are the followings:

Indicators (thousand RON)	Achieved Jan.-Sept. 2022	Budget Jan.-Sept. 2022	Achieved Jan.-Sept. 2021	Variation%	
				Achieved/Budget	Achieved 2022/2021
<b>Turnover</b>	<b>351,419</b>	<b>335,983</b>	<b>313,306</b>	<b>▲ 4.6%</b>	<b>▲ 12.2%</b>
Operating Revenues	389,543	375,340	346,923	▲ 3.8%	▲ 12.3%
Operating Expenses	334,385	335,221	299,930	▼ 0.3%	▲ 11.5%
<b>Operating Profit (EBIT)</b>	<b>55,158</b>	<b>40,119</b>	<b>46,993</b>	<b>▲ 37.5%</b>	<b>▲ 17.4%</b>
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	39,970	40,695	38,651	▼ 1.8%	▲ 3.4%
<b>EBITDA</b>	<b>95,128</b>	<b>80,814</b>	<b>85,644</b>	<b>▲ 17.7 %</b>	<b>▲ 11.1 %</b>
Financial Revenues	7,406	2,339	2,261	▲ 216.6%	▲ 227.6%
Financial Expenses	408	329	264	▲ 24.0%	▲ 54.5%
<b>Financial profit</b>	<b>6,998</b>	<b>2,010</b>	<b>1,997</b>	<b>▲ 248.2%</b>	<b>▲ 250.4%</b>
Total revenues	396,949	377,679	349,184	▲ 5.1%	▲ 13.7%
Total expenses	334,793	335,550	300,194	▼ 0.2%	▲ 11.5%
<b>Gross Profit</b>	<b>62,156</b>	<b>42,129</b>	<b>48,990</b>	<b>▲ 47.5%</b>	<b>▲ 26.9%</b>
<b>Net Profit</b>	<b>52,734</b>	<b>35,837</b>	<b>41,983</b>	<b>▲ 47.2%</b>	<b>▲ 25.6%</b>

Table 14 - The main economic indicators achieved in the first 9 months 2022 as compared to Budget 2022 and the similar period in 2021

Evolution of the financial results during January-September 2022, as compared to the same

period of the year 2021 is being represented in the chart below:

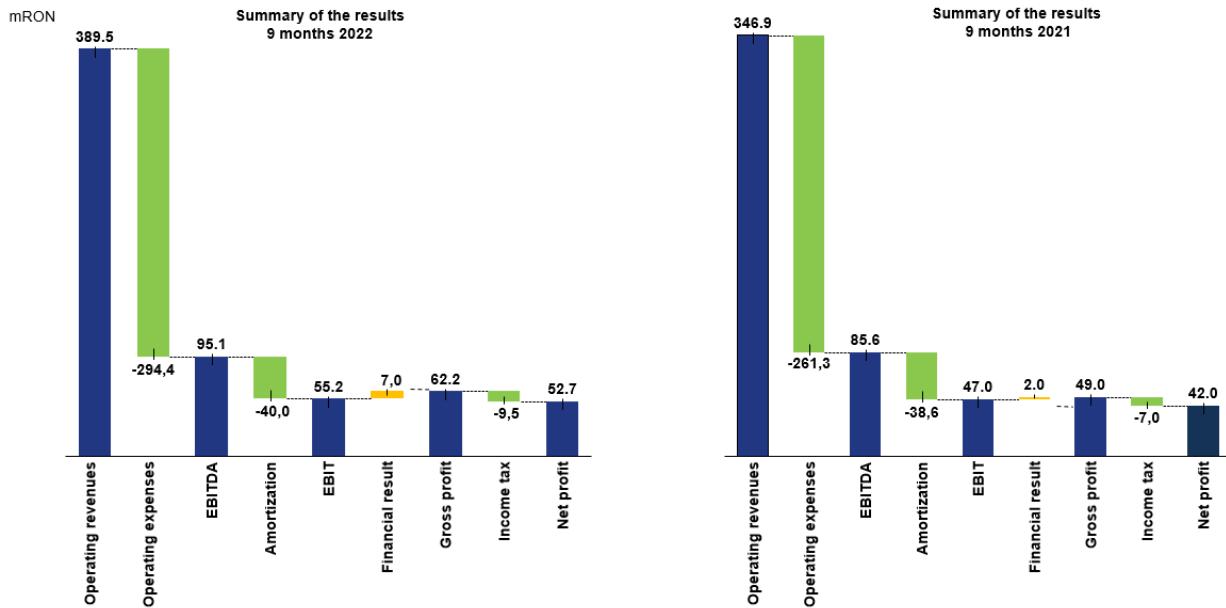


Chart 12 - Synthesis of the financial results achieved in the first 9 months 2022 as compared to the same period 2021

## Operating Revenues

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

Achieved Jan.- Sept. 2022	Budget Jan. - Sept. 2022	Variation (%) Achieved/Budget	Indicators (thousand RON)	Achieved Jan.- Sept. 2022	Achieved Jan.- Sept. 2021	Variation (%) 2022/2021
349,578	333,924	▲ 4.7%	Total revenues from transport services	349,578	311,564	▲ 12.2%
1,841	2,059	▼ 10.6%	Other Turnover Revenues	1,841	1,742	▲ 5.7%
<b>351,419</b>	<b>335,983</b>	<b>▲ 4.6%</b>	<b>Turnover</b>	<b>351,419</b>	<b>313,306</b>	<b>▲ 12.2%</b>
29,907	30,421	▼ 1.7%	Write-back to revenues of reserve constituted based on the expenses with the modernization quota	29,907	27,768	▲ 7.7%
8,217	8,936	▼ 8.0%	Other operating revenues	8,217	5,849	▲ 40.5%
<b>389,543</b>	<b>375,340</b>	<b>▲ 3.8%</b>	<b>Total operating revenues</b>	<b>389,543</b>	<b>346,923</b>	<b>▲ 12.3%</b>

Table 15 - Statement of the operating revenues

The turnover of the company is 99.5% 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 9 months of 2022, the value of these revenues was of 29,907 thousand RON.

The **operating expenses** achieved in January-September 2022, as compared to the same period of the previous year and the budgeted provisions look as follows:

Achieved Jan.- Sept. 2022	Budget Jan.- Sept. 2022	Variation (%) Achieved/Budget	Indicators (thousand RON)	Achieved Jan.- Sept. 2022	Achieved Jan.- Sept. 2021	Variation (%) 2022/2021
5,101	5,505	▼ 7.3%	<b>Material expenses, out of which:</b>	5,101	3,855	▲ 32.3%
2,781	3,129	▼ 11.1%	- expenses with consumables	2,781	2,278	▲ 22.1%
1,701	1,611	▲ 5.6%	- fuel expenses	1,701	1,170	▲ 45.4%
21,000	20,802	▲ 1.0%	<b>Other external expenses (with energy and water)</b>	21,000	10,555	▲ 99.0%
135,834	138,465	▼ 1.9%	<b>Personnel Expenses</b>	135,834	127,280	▲ 6.7%
39,970	40,695	▼ 1.8%	Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	39,970	38,651	▲ 3.4%
1,476	1,510	▼ 2.3%	Value adjustments for rights of use resulted from leasing contracts	1,464	1,278	▲ 14.6%
85,427	81,792	▲ 4.4%	<b>Expenses with external services, out of which:</b>	85,427	82,938	▲ 3.0%
2,310	2,555	▼ 9.6%	- maintenance (maintenance, current repairs)	2,310	1,772	▲ 30.4%
45,892	40,664	▲ 12.9%	- expenses with crude oil transport by rail	45,892	47,772	▼ 3.9%
1,761	1,531	▲ 15.0%	- expenses with decontamination works	1,761	1,124	▲ 56.7%
27,140	26,724	▲ 1.6%	- oil royalty	27,140	23,966	▲ 13.2%
8,324	10,318	▼ 19.3%	- other services performed by third parties	8,324	8,304	▲ 0.2%
(870)	2,382	-	<b>Provisions and value adjustments on current assets</b>	(870)	(2,756)	-
46,447	44,070	▲ 5.4%	<b>Other operating expenses, out of which:</b>	46,447	38,129	▲ 21.8%
42,640	40,727	▲ 4.7%	- modernization quota expenses	42,640	35,653	▲ 19.6%
334,385	335,221	▼ 0.3%	<b>Total operating expenses</b>	334,385	299,930	▲ 11.5%

Table 16 - Statement of the operating expenses

In the first 9 months of 2022, the operating expenses amounted to 334,385 thousand RON, registering an increase by 11.5% (34,455 thousand RON) compared to those recorded in the first 9 months of 2021, mainly due to the increase in external expenses with energy and water (10.4 million RON), personnel expenses (8.6 million RON), expenses related to the modernization quota (7.0 million RON) and expenses with oil royalty (3.2 million RON).

As compared to the budgetary provisions for the period ended September 30, 2022, the operating expenses incurred at 9 months 2022 were lower by 836 thousand RON (0.3%).

**The operating profit** achieved at 30.09.2022, as compared to the same period of 2021 has recorded an increase by 8.2 million RON (17.4%).

As compared to the budgetary provisions, the operating profit is increasing by 15.0 million RON (37.5%) and the achievement of EBITDA is of 117.7%.

EBITDA records a value by 9.5 million RON (11.1%) higher than the one achieved in the 9 months period of 2021.

**The financial revenues** increased by 227.6%, within the first nine months of 2022, as compared to the same period of 2021 due to higher interest rates offered by banks for maturity deposits.

**The financial expenses** have increased by 54.5% in the analyzed period YoY, nevertheless maintaining at a low level as compared to the revenues.

Due to this evolution, the net **financial result** is higher by 5 million RON (250.4%) as compared to the same period of 2021 and higher by 5 million RON (248.2%) as compared to the one provided in the Budget.

**The gross profit** recorded an increase by 13.2 million RON (26.9%) and the **net profit** increased by 10.8 million RON (25.6%) as compared to the first nine months of 2021. As compared to budget, the gross profit is higher by 20.0 million RON and the net profit exceeds the value planned by 16.9 million RON.

The statement of the profit and loss account for the nine months period ended September 30, 2022 is presented in detail in Annex no. 2.

### 3.3.4. The main economic-financial indicators

Name of the indicators	Calculation formula	Achieved	Achieved	Variation
		Jan.- Sept. 2022	Jan.- Sept. 2021	
<b>PROFITABILITY INDICATORS</b>				
Gross sales margin	EBIT (operating profit)	15.7%	15.0%	▲ 0.7 p.p.
	Turnover			
Operating profit margin	EBIT (operating profit)	14.2%	13.5%	▲ 0.7 p.p.
	Operating Revenues			
EBITDA in total sales	EBITDA (operating profit + value adjustments on tangible and intangible assets)	27.1%	27.3%	▼ 0.2 p.p.
	Turnover			
EBITDA adjusted in total sales	Adjusted EBITDA	30.7%	29.9%	▲ 0.8 p.p.
	Turnover			
EBITDA in equity	EBITDA	14.2%	13.2%	▲ 1.0 p.p.
	Total Equities			
EBITDA adjusted in equity	Adjusted EBITDA	16.1%	14.5%	▲ 1.6 p.p.

Name of the indicators	Calculation formula	Achieved	Achieved	Variation
		Jan.- Sept. 2022	Jan.- Sept. 2021	
Gross Profit Rate	Total Equities			
	Gross result	17.7%	15.6%	▲ 2.1 p.p.
<b>Liquidity Indicators</b>				
Current liquidity indicator (times)	Current assets	2.3	3.1	▼ 25.8%
	Current liabilities			
The quick ratio indicator (acid test)	Current assets - Inventories	2.3	3.0	▼ 23.3%
	Current liabilities			
<b>Profitability indicators</b>				
Return on Assets (ROA)	Net result	6.7%	5.6%	▲ 1.1 p.p.
	Total assets			
Return on Equity (ROE)	Net result	7.9%	6.5%	▲ 1.4 p.p.
	Total Equities			
Return on Sales (ROS)	Net result	15.0%	13.4%	▲ 1.6 p.p.
	Turnover			
<b>OPERATIONAL INDICATORS</b>				
Inventories turnover speed (days)	Medium stock X 270	307	409	▼ 24.9%
	Sales costs			
Duration of rotation of stocks (times)	Sales costs	0.88	0.66	▲ 33.3%
	Average stock			
Rotation speed of the clients' debits (days)	Average balance Clients X 270	29	28	▲ 3.6%
	Turnover			
Rotation duration of the clients' debits (times)	Turnover	9.4	9.7	▼ 3.1%
	Average stock clients			
Rotation speed of supplier credits (days)	Average balance suppliers X 270	26	27	▼ 3.7%
	Procurement from suppliers of goods and services			
Rotation speed of the suppliers credits (times)	Procurement from suppliers of goods and services	10.4	10.0	▲ 4.0%
	Average balance suppliers			
<b>RISK INDICATORS</b>				
Leverage degree indicator	Borrowed capital	0.56%	0.47%	▲ 0.1 p.p.
	Total equity			

Table 17 - Main economic-financial indicators

### 3.3.5. Execution of the revenues and expenditure budget

The execution of the cumulated 2022 Q3 Revenues and Expenditure Budget is presented in the format and structure provided in the MPF Order no. 3818/2019.

INDICATORS (thousand RON)	Achieved Jan.- Sept. 2022	Budget Jan.-Sept 2022	Degree of achievement %
<b>I. TOTAL REVENUES</b>	<b>396,949</b>	<b>377,679</b>	<b>105.1%</b>
1.1 Total Operating Revenues	389,543	375,340	103.8%
1.2. Financial revenues	7,406	2,339	316.6%
<b>II. TOTAL EXPENSES</b>	<b>334,793</b>	<b>335,550</b>	<b>99.8%</b>
2.1. Operating expenses	334,385	335,221	99.8%
Goods and Services Expenses	84,895	82,115	103.4%
Taxes, fees and similar levies related expenses	28,967	28,645	101.1%
Personnel expenses, out of which:	135,834	138,465	98.1%
Salary related expenses:	123,901	126,042	98.3%
- salaries expenses	106,252	107,775	98.6%
- bonuses	17,649	18,267	96.6%
Other personnel expenses, out of which:	2,238	2,417	92.6%
- Severance payment expenses related to personnel layoffs	2,238	2,417	92.6%
Expenses related to management and audit bodies, BoD and GMS	4,180	4,308	97.0%
Expenses with contributions due by the Employer	5,515	5,698	96.8%
Other operating expenses	84,689	85,996	98.5%
2.2 Financial expenses	408	329	124.0%
<b>III. GROSS RESULT (profit/loss)</b>	<b>62,156</b>	<b>42,129</b>	<b>147.5%</b>
<b>INCOME TAX</b>	<b>9,422</b>	<b>6,292</b>	<b>149.8%</b>
<b>ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE CORPORATE TAX</b>	<b>52,734</b>	<b>35,837</b>	<b>147.2%</b>
<b>INVESTMENT FINANCING SOURCES</b>	<b>81,822</b>	<b>77,474</b>	<b>105.7%</b>
<b>EXPENSES FOR INVESTMENTS</b>	<b>81,822</b>	<b>77,474</b>	<b>105.7%</b>
<b>SUBSTANTIATION DATA</b>			
No. of personnel	1,481	1,504	98.5%
Total average number of employees	1,472	1,507	97.7%
Outstanding payments	0	0	-
Overdue receivables	263	385	68.3%

Table 18 Budget execution in the first 9 months 2022

### 3.3.6. Financial and non-financial key performance indicators

The General Meeting of Shareholders approved on 22.08.2018 the constituent members of the Board of Directors for a period of 4 years, respectively starting with 22.08.2018 until 21.08.2022 (inclusive of). **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.**

For the provisional members of the Board of Directors, appointed with mandate for a maximum period of 4 months, starting August 22, 2022, the General Meeting of Shareholders did not establish performance indicators.

The structure of the performance indicators and the performance targets, annex to the mandate contracts of the members of the Board of Directors, in office until August 21, 2022 (inclusive of), approved by OGMS Resolution no.7/18.12.2018, is presented as follows:

Crt. no.	Performance indicator	Performance objective	M.U.	Target values					KPI weights for the settlement of the remuneration
				2018	2019	2020	2021	2022	
<b>A. Financial Key Performance Indicators: 25%</b>									
1.	Outstanding payments	Level zero	Thousand RON	0	0	0	0	0	2%
2.	The decrease of the operating expenses = (Operating expenses – Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of operating expenses in the turnover at the level assumed by the Administration Plan	%	80.8%	82.6%	82%	81.5%	81.3%	8%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + 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	Thousand 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 Budget, approved	Thousand RON/ person	100% acc. to Annual Budget	5%				

<b>B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 75%</b>									
<b>B1. OPERATIONAL: 25%</b>									
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,	The target value is lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude oil ≤ 0.361% Import crude oil Lukoil ≤ 0.29% Import crude oil Petrom ≤ 0.143% Import crude oil Midia ≤ 0.108%					3%

	where the owners do not ease access for remedy).								
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	2%				
7.	Achievement of the investments financed out of the modernization quota	Min. Realization 95% of the annual Investments Plan financed out of the modernization quota	%	≥95 %	≥95%	≥95%	≥95%	≥95 %	20%

**B2. OF CORPORATE GOVERNANCE: 50%**

No. crt.	Performance indicator	Performance objective	M.U.	Target values					KPI weights for the settlement of the remuneration
				2018	2019	2020	2021	2022	
8.	Implementation/development of the internal management/audit system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%	100%	20%
9.	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%	100%	20%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥ 90 %	≥ 90 %	≥ 90 %	≥ 90 %	≥ 90 %	10%

Table 19 - Performance indicators and objectives

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

For the first nine months 2022, the total degree of achievement of the performance indicators for administrators is of 102.9% and in structure (financial and non-financial) it is presented as follows:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	As per Mandate Contract	Achieved cumulated Jan. September 2022	Variation
<b>A. Financial key performance indicators</b>	25.0%	27.4%	+2.4 pp
<b>B. Non- financial key performance indicators</b>	75.0%	75.5%	+0.5 pp
B1. Operational	25.0%	25.5%	+0.5 p.p.
B2. of Corporate Governance	50.0%	50.0%	0.0 p.p.

Total degree of achievement of the performance indicators	100.0%	102.9%	+2.9 p.p.
---	--------	--------	-----------

Table 20 - Degree of achievement of the administrators' KPIs – 9 Months 2022

The total degree of fulfillment of the key performance indicators was higher by 2.9 pp, mainly due to the favorable influence of the level of achievement of the financial performance indicators (2.4 p.p.).

### The achieved level of each indicator and evolution from the approved target

#### A) **Financial performance key indicators (+2.4 p.p.):**

The achieved level of the financial key performance indicators (outstanding payments, decrease of the operating expenses, adjusted EBITDA and labor productivity) is determined based on data from the interim financial statements prepared for Q3 2022, and the degree of fulfillment of the financial indicators was calculated according to the quarterly planned level, established for each indicator based on budget data.

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

At 30.09.2022, the company did not register any overdue payments, the degree of achievement being **100%**.

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

The indicator *Decrease of Operating Expenses* contributed favorably by **0.3 pp**. The objective of this performance indicator is to decrease the share of operating expenses in turnover. The increase in turnover by 4.6% and the decrease of the operating expenses by 0.3% have favorably influenced the achieved level of the indicator, the achievement degree in the first 9 months of 2022 being of **103.4%**.

##### ✓ **The Adjusted EBITDA Indicator**

The *adjusted EBITDA* indicator favorably influenced the total degree of fulfillment of the financial indicators, the increase by 18.4% of this indicator brought an increase of **1.8 pp** over the level of 100% of the total degree. The increase in EBITDA was mainly due to operating profit, which increased by 37.5%. The achievement degree of the indicator in January-September 2022 is of **118.4%**.

##### ✓ **Labor Productivity Indicator**

The degree of achievement of this indicator in the first 9 months 2022 is of **106.4%**, with a favorable contribution of **0.3 pp**. The increase in labor productivity by 6.4%, compared to the planned one, has been achieved from the increase in operating income with 3.8% and from the decrease of the average number of personnel with 35 people.

#### B) **Non-financial performance key indicators (+0.5.)**

##### B1) **Operational**

##### ✓ **Operational Indicator "Framing within the specific consumptions for the crude oil**

transport"

**Operational indicator – Framing within the specific consumptions for crude oil transport** has an intake of **0.5 p.p.**, being recorded a specific consumption for transport lower by 15.6% compared to 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 on crude oil types and refineries for the period Saturday, January 01, 2022 - September 30, 2022, as well as the average consumption reveals the followings:

Targets cumulated Jan. – Sept. 2022		Achievements cumulated Jan. – Sept. 2022		Indicator's Degree of Achievement
Domestic crude oil ≤ 0.361%	<b>0.294%*)</b>	Domestic crude oil = 0.355%	<b>0.248%*)</b>	<b>115.6%</b>
Import crude oil Lukoil ≤ 0.29%		Lukoil imported 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 share of each transport type).

*Table 21 - Degree of achievement KPIs administrators 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 9 months, of **0.294%**, 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 **0.248%**.

The achievement degree of this indicator in the period January 01 - September 30, 2022 is of **115.6%**.

✓ **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 maximum level of 3.3 KWh/to.

This indicator is deemed achieved if the achieved level thereof has a lower value or equal with 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 in technological purpose achieved in January-September 2022 was of 2.75 Kwh/to, under the target level of 3.3 kwh/to, consequently, the achieved indicator is 100%.

- ✓ 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 - September 2022 is of 173.2% (73,858 thousand RON representing investments financed from the modernization quota/42,640 thousand RON modernization quota established in the 9 months period of 2022) and for determining the total degree of achievement of indicators at 9 months 2022 it was taken into account the 100% 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 actions provided in the development program for the internal management control system.

In the period January– September 2022 all the activities in the development program of the internal control management system of CONPET S.A., with a permanent term and all the actions due in the period January– September 2022 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.

The measures provided in the Integrity Plan, having as implementation deadline the date of September 30, 2022 have been achieved.

In the first 9 months 2022, the level of achievement of this indicator is 100% (20 measures scheduled/20 measures achieved).

- ✓ **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 reporting/total number of duly reporting 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%.

According to the Public Finances Ministry Order no.1952/2019 on the regulation of the monitoring procedure related to the implementation of the GEO 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 no.1 "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 from the mandate contracts"
- Annex no. 3 "The List of the administrators of the public enterprises"

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

- a) up to July 20, the 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 Half II of the previous reporting year.

Consequently, Annexes 1 and 3 for 2021 H2 have been submitted to the Ministry of Energy on 12.01.2022, by CONPET letter no.1359, registered at the Ministry with no. 210074/12.01.2022.

Annexes 1 and 3 for 2022 H1, namely Annex 2 for the year 2021, have been submitted to the Ministry of Energy on 01.07.2021, by CONPET letter no. 24375, registered at the Ministry with no. 211200/01.07.2022.

At the end of 2022 Q3, 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 September 30, 2022, have been approved pursuant to decisions 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	8/19.03.2019	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

Directors in office	Director General	Deputy Director General	Economic Director
Calculation method as per	Report 17273/24.05.2021	Report 49228/17.12.2018	Report 49228/17.12.2018

For the first nine months, the total degree of achievement of the performance indicators for directors with mandate is of 105.5%.

In structure, the quarterly degree of achievement of the key performance indicators (period January - September 2022) reveals the following:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	As per Mandate Contract	Achievements cumulated Q III 2022	Variation
<b>A. Financial key performance indicators</b>	<b>50.0%</b>	<b>54.7%</b>	<b>+4.7 p.p.</b>
<b>B. Non - financial key performance indicators</b>	<b>50.0%</b>	<b>50.8%</b>	<b>+0.8 p.p.</b>
B1. Operational	30.0%	30.8%	+0.8 p.p.
B2. of Corporate Governance	20.0%	20.0%	0.0 p.p.
<b>Total degree of achievement of the performance indicators</b>	<b>100.0%</b>	<b>105.5%</b>	<b>+5.5 p.p.</b>

Table 22 Degree of achievement KPIs of directors with contract of mandate - 9 months 2022

### 3.3.7. Cash-flow

The Cash-flow Statement for the nine months period ended September 30, 2022 is as follows:

(DIRECT METHOD)		Thousand ron	
	Name of the Item	January - September 2022	January - September 2021
A	Net cash from operating activity	85,826	54,638
B	Net cash from investment activity	(49,449)	(12,142)
C	Net cash from financing activities	(65,042)	(59,522)
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>(28,665)</b>	<b>(17,026)</b>
D1	Cash and cash equivalents at the beginning of the period	191,751	198,257
D2	Cash and cash equivalents at the end of the period	163,086	181,231

Table 23 - Synthesis of the cash-flows for the nine months period ended September 30, 2022, as compared to September 30, 2021

The extended version of the Interim Statement of Cash Flows for the 9 months period ended September 30, 2022 is presented in Annex No. 3.

The existing cash and cash equivalents at 30.09.2022 lowered by 10% YoY (163.1 million RON as compared to 181.2 million RON). The decrease was mainly determined by lower cash triggered by the investing activity.

Of the total of 163.1 million RON availabilities in cash at 30.09.2022, the share of the modernization quota is of 96.0 million RON.

The effects of the three activity areas (operation, investment and financing) over the cash in 9 months period 2022 reveal the followings:

- the operating activity triggered a cash-flow in amount of 85.8 million RON;
- the investments activity ended with a negative cash-flow in amount of 49.5 million RON;
- the financing activity, which includes approx. 97% of the dividend payments, lowered the overall cash flow by 65.0 million RON.

The operating activity records a decrease in cash by approx. 31.2 million RON YoY due to higher payments to the employees and State budget.

The net cash from investment activities records a negative value, higher by approx. 37.3 million RON compared to the level recorded in 2021, due to a higher volume of payments towards the investment works suppliers.

### 3.3.8. Related party transactions

In the first nine months of 2022, the Company carried out the following procurements from related parties:

Partner	Unsettled amounts at December 31 <sup>st</sup> 2021	Procurement Period 01.01.2022- 30.09.2022	Settlements between 01.01.2022- 30.09.2022	Unsettled amounts at 30.09.2022
SNTFM CFR Marfă S.A.	5,793	55,324	54,577	6,540
SPEEH HIDROELECTRICA S.A.	-	12,593	9,179	3,414
ELECTRICA FURNIZARE S.A.	-	10,094	1,645	8,449

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

Table 24 - Procurement from related parties

### 3.4. Other aspects

#### 3.4.1. State of the lands not included in the share capital

Currently, all the lands owned by CONPET S.A. are registered in the Integrated Cadastre System and the Land Registry.

On 30.06.2022 Conpet has registered assets of the company lands in surface of 733,637.02 square meters with a fair amount of 22,858,900 lei, held based on Land Ownership Certificates and sale-purchase contracts.

The company has augmented the share capital with some part of the lands held based on the

land ownership certificates (Ro. C.A.D.P.), not being included in the share capital lands with a surface of 554,537.62 Sq.m, being comprised in 48 CADP. The land ownership certificates for these lands have been obtained during 2001-2005 and the value assessed at the date of acquiring the certificates, set out in compliance with GD no.834/1991 is of 26,708,233 RON. These lands have been recorded in the company's patrimony at the expense of equity. The fair value of these lands on 31.12.2020, according to the report prepared by an ANEVAR authorized evaluator, is of 12,562,749.57 RON.

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

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

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

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

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

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

On 24.09.2020, the EGMS issued Resolution no. 1, by which it approved the initiation of the operation to augment the share capital by the value of the lands held based on the 48 ownership certificates and the initiation of formalities to the N.R.C. with a view to appoint an authorized assessor for the valuation of the lands.

In order to comply with the EGMS Resolution, between September and December 2020, three requests were made to the Prahova Trade Register Office for the appointment of an assessor to draw up the land evaluation report in accordance with art. 6, para. 3 of GD 834/1991.

In March 2021, by Resolution no. 1 dated 10.03.2021 and Resolution no. 2 dated 11.03.2021, the EGMS did not approve the augmentation of the share capital by the value of the lands not included, as during the two meetings the attendance quorum provided by law (85%) was not met. On 28.04.2022, the EGMS issued Resolution no.1, by which it approved the initiation of the operation to augment the share capital by the value of the lands held based on the 48 ownership certificates and the initiation of formalities to the O.R.C. Prahova in order to appoint an authorized evaluator for land valuation.

In May 2022, two requests were made to the O.R.C. Prahova, for the appointment of an assessor

to draw up the land evaluation report, in accordance with art. 6, para. 3 of GD 834/1991. Based on the evaluation report, prepared by the evaluator appointed by O.R.C. Prahova, NIȚU CORNEL, a note on the augmentation of the share capital was drawn up and the EGMS was convened.

As the attendance quorum provided by law (85%) was not met in first call (20.09.2022) nor in the second call (21.09.2022), the increase of the share capital was not subject to the debate of the shareholders.

### 3.4.2. Litigations

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

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

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

Case File no. 2782/229/2018 – Ialomița County Tribunal – pending

**Procedural status:** Appeal

**Parties:** Conpet SA –claimant

Zacon Trandafir - respondent

**Object:** Conpet SA filed a summons for the named Zacon Trandafir so that the Court to note absolute nullity of the sale-purchase contract no. 1047/03.02.1999, concluded between Conpet SA, as seller and Zacon Trandafir as buyer, with the obligation of the respondent 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 Sentence no. 828/29.07.2021, Fetești Court 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 respondent the amount of 7,471 RON, as legal expenses (3,000 RON - lawyer's fee, 4,471 RON - judicial stamp duty). The court order was appealed by Conpet SA.

By the **Decision 702/07.06.2022** the Ialomița Court rejects, as unfounded, the appeal. It rejects the respondent's claim for court costs as unfounded. Orders the appellant to pay to the respondent ZACON TRANDAFIR the sum of 2,000 RON as costs of the appeal proceedings, representing a lawyer's fee. The decision can be objected to appeal after communication.

**Deadline:** --

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

On 30.09.2022, CONPET S.A. had before the courts a number of 15 cases in different procedural stages, having as object the claims of the landowners related to the lack of use of the land owned transited by the main pipelines component of the Crude Oil National Transport System. Among

these, we list a number of 10 cases that we consider to be important in terms of the amount of the applicants' claims and representative through the legal content of the applications (the rest of the cases outlining some of the types of legal proceedings listed below):

## **1. File no. 3451/108/2016 \*\*– High Court of Cassation and Justice – pending**

### **Trial stage: Appeal - filtering**

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

**Clarifications:** The Territorial Administrative Unit of the city of Pecica has filed a petition requesting the court to order the obligation of the defendant Conpet S.A. to divert the crude oil pipeline that crosses a number of 22 plots of urban land, intended for the construction of houses, to pay the amount of 65,000 Euro 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, to pay 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 easement exercised by Conpet SA and order the defendant Conpet S.A. to the granting of compensations for the period 31.10.2014 – 31.05.2016 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. At the same time, he requested to 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;

By the Report dated 07.06.2018 the High Court of Cassation and 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 ICCJ 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 Court of Appeal of Timisoara - Civil Division II.

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 the same courts of appeal – Timisoara Court of Appeal.

By **Decision no. 306/07.06.2021** Timisoara Court of Appeal rejects the appeal declared by the appellant-claimant, the Territorial Administrative Unit of the City of Pecica. The sentence was appealed by the Territorial Administrative Unit of the City of Pecica.

On 21.09.2022, the High Court of Cassation and Justice ordered the communication of the report to the parties in order for them to formulate in writing a point of view on the report.

**Court hearing** 18.01.2023

## **2. Case File no. 1372/212/2017 \*– Constanta Court – pending**

### **Stage of trial: Appeal**

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, 29, Luceafărului street, Constanta County and the plot of land in surface of 460 sqm located in Lazu commune, 31 Luceafărului street, Constanta 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 10.12.2015 and the date of finality of the decision by which the first head of the claim was admitted

Conpet filed a counterclaim requesting the obligation on the claimant to allow Conpet S.A. the exercise of the right of legal easement 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, 29, respectively 31, Luceafărului street, Constanța County. The exercise of the right of legal easement 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 to perform the execution of any repair works and for the establishment of the amount of the annual rent provided by law owed by us to the claimant in exchange for exercising the right of legal easement.

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.

**Clarifications:** By the **Civil 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 CONPET SA, the Romanian State through the Ministry of Public Finance, the National Agency for Mineral Resources and the Ministry of Energy. Orders the defendants, jointly and severally, to pay to the applicant the amount of 184,700 lei representing the market value of the real estate, land with an area of 460 sqm. located in Lazu commune, nr.b29 Luceafărul Street, Constanța County and the market value of the land building with an area of 460 sq.m located in Lazu Commune, no. 31 Luceafărul Street, Constanța County. It obliges the defendants, jointly and severally liable, to pay to the claimant the amount of 22,164 RON representing the value of the lack of land use between 10.12.2015 - 10.12.2018. It rejects, as unfounded, the request for impleader formulated by CONPET SA against the Ministry of Public Finances. It rejects, as unfounded, the impleader formulated 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 liable to pay to the claimant the legal expenses in the amount of 8,414.28 RON represented by the stamp duty and the expert's fee. The court order was attacked with appeal by CONPET SA, NAMR, the Romanian State through the Ministry of Public Finance and Cruceanu Alin.

By the **Conclusion no. 1548/07.10.2021** it was admitted the exception for lack of jurisdiction of Civil Section 1 of Constanța Tribunal, and the jurisdiction to resolve the appeal has been declined in favor of Civil Section 2 of Constanța Tribunal.

By **Sentence no. 1003/08.07.2022**, Constanța Tribunal rejects, as unfounded, the appeal filed by the applicant appellant CRUCEANU ALIN-FLORIN in opposition with the defendants CONPET

S.A., the Romanian State through the Ministry of Public Finance, the National Agency for Mineral Resources and the Ministry of Energy. Admits the appellants' appeal: The National Agency for Mineral Resources, the Romanian State through the Ministry of Public Finance through the Regional Directorate of Public Finances Galati – County Administration of Public Finances Constanta and CONPET S.A. It changes in part the Civil Sentence 8561/14.07.2021, pronounced by the Constanța Courthouse in the File no. 1372/212/2017, as follows: It admits the exception of the lack of passive procedural capacity of the defendants, the NATIONAL AGENCY FOR MINERAL RESOURCES and the ROMANIAN STATE through the MINISTRY OF PUBLIC FINANCE - regarding the summons request. It rejects the summons request filed by the claimant CRUCEANU ALIN-FLORIN against the defendants THE ROMANIAN STATE through the MINISTRY OF PUBLIC FINANCE and the NATIONAL AGENCY FOR MINERAL RESOURCES, as being filed against persons without passive procedural standing. It rejects, as unfounded, the summons request filed by the claimant CRUCEANU ALIN-FLORIN against CONPET S.A. It rejects, as unfounded, the request for summons in the guarantee formulated by the defendant CONPET S.A. against the NATIONAL AGENCY FOR MINERAL RESOURCES and the ROMANIAN STATE through the MINISTRY OF PUBLIC FINANCE. It admits the counterclaim filed by the defendant CONPET S.A. against the claimant CRUCEANU ALIN-FLORIN. It establishes in favor of CONPET S.A. an easement right in a total area of 81 square meters on the claimant's lands consisting of the right of use over an area of 2.4 meters wide placed along the crude oil pipeline that undercrosses the claimant's land, as identified by the expert Datcu Dumitru by Annex to the Response to objections (f. 229 vol. 2 from the file of the Constanța Courthouse) - blue hatch. It establishes the annual rent owed by the defendant to the claimant in the amount of RON 693. It forces the claimant CRUCEANU ALIN-FLORIN to pay the defendant CONPET S.A. the amount of 3,853.75 RON as legal expenses, representing: 1,704 RON judicial stamp duty paid to the fund, 649.75 RON judicial fee for appeal, 500 RON for topo expert fee and 1,000 RON for agricultural expert fee. The judgment was attacked with recourse by Cruceanu Alin Florin.

**Court hearing:** --

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

#### Stage of trial: Merits

Mitu Dumitru and Mitu Rodica filed a summons requesting Conpet's obligation to pay compensations for the two plots of land 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 easement, starting with 20.06.2014 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.

Conpet formulated a counterclaim/reconventional petition requesting the court to rule the obligation of the claimants to allow the company CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two plots of land owned by the claimants. The right of legal servitude shall be exercised on a 2.4-meter-wide corridor located along the F2 Ø 20 " Constanța-Bărăganu crude oil major 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.

Conpet also formulated a petition of summoning in guarantee the MINISTRY OF PUBLIC FINANCES and the NATIONAL AGENCY FOR MINERAL RESOURCES (A.N.R.M.) so that if CONPET S.A. Ploiești falls in claims regarding the claims of the claimants formulated in the legal petition to compensate us with the amount that we shall be obligated to pay the claimants.

**Court hearing:** 25.01.2023

#### **4. Case File no. 220/262/2017 \*– Moreni Court – pending**

**Stage of trial: Merits - retrial**

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

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

The judgment was attacked with appeal by Conpet SA and Chivu Ion.

By Decision no. 223/02.06.2020 the Dâmbovița Tribunal accepts the appeals, annuls the judgment appealed and sends the case back to the first court.

By the sentence no. 694/06.10.2022 Moreni Law Court admits the request in part. The judgment may be appealed after communication.

**Court hearing:** --

#### **5. Case File no. 5413/204/2017 \*– Prahova Tribunal – pending**

**Stage of trial: Merits**

Dobrogeanu Dumitru and Dobrogeanu Păun Ioan have submitted a sue petition requesting 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 head of claim was estimated by the claimants in the amount of 48,000 Euro/year (220,000 lei), and the second in the amount of 25,000 lei/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. 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 rejects the request made against the respondent Conpet SA, as there is a case law. It finds that the respondents did not claim costs. The decision was appealed by Dobrogeanu Dumitru.

**Clarifications:** By the decision no. 2804/11.11.2019 the Ploiești Appellate Court rejects the appeal declared by the appellant Dobrogeanu Dumitru as unjustified. 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 attacked with recourse by Dobrogeanu Dumitru and Dobrogeanu Păun Ioan.

By conclusion dated 22.10.2020 the HCCJ 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 filed

by the claimant Dobrogeanu Păun loan against the civil decision no. 2804 of November 11, 2019, pronounced by the Ploiești Court of Appeal, Civil Section I. Admits the appeal declared by the applicant Dobrogeanu Dumitru against the same decision. It scrapps 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:** 26.01.2023

## 6. Case File no. 1122/284/2019 – Dambovita County Tribunal – pending

**Stage of trial:** Appeal

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

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

1. The obligation of the claimant Sotir Mădălina Rebeca to allow the company CONPET S.A. the exercise of the right of legal servitude/easement established by the provisions of art. 7 and foll. of Law no. 238/2004 on the land owned by her, located in Cojasca commune, Cojasca village, 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 crude oil transport pipeline 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. 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 easement 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 easement.

**Clarifications:** By the **Decision no. 1734/03.12.2021** Răcari Courthouse partially admitted the request for summons filed by the claimant-defendant Sotir Mădălina Rebeca, in contradiction with the defendant-claimant CONPET SA, summoned as impleader being the Romanian State, through the Ministry of Public Finance, and the National Agency for Mineral Resources. It obliges the defendant-claimant to pay to the claimant-defendant the amount of 3504 Euro representing compensations for the lack of use of the land building, with an area of 523 sqm, registered in the land book no. 72587 of Cojasca locality, Dâmbovița County. It admits the request for impleader of the Romanian State, through the Ministry of Public Finance, formulated by the defendant-claimant. It obliges the impleaded person to pay to the defendant-claimant the amount of 3504 Euro representing compensations due by the defendant-claimant to the claimant-defendant for the lack of use of the land, of 523 sqm, registered in the land book no. 72587 of Cojasca locality, Dâmbovița County. It admits the counterclaim filed by the claimant defendant Conpet S.A. in contradiction with the claimant-defendant Sotir Mădălina Rebeca. It obliges the claimant-defendant to allow the access of CONPET SA, on the land owned by the former, located in Cojasca commune, Cojasca village, Dâmbovița county, on a 2.4-meter-wide corridor, located along the main crude oil transport pipeline with a diameter of 14 3/4", Cartojani-Teleajen Refinery (Lukoil), for the purposes provided by the provisions of art. 7 et seq. of Law no. 238/2004, 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 CONPET S.A. with the Romanian State. It obliges the defendant-claimant to pay to the claimant-defendant an annual rent of 14.5 Euro, in exchange for the right of access on the land, from the date of finality of the decision until the date of termination of the concession agreement. It obliges the defendant-claimant to pay to the claimant-defendant the amount of 3855 Ron representing legal expenses. It obliges the claimant-defendant to pay to the defendant-claimant the amount of 2020 Ron representing legal expenses. It compensates the legal expenses owed to each other by the defendant-claimant and the claimant-defendant, and in the end the defendant-claimant will pay the claimant-defendant the amount of 1835 Ron. Conpet, Sotir Mădălina Rebeca and the Romanian State by the Ministry of Public Finance filed an appeal against this decision.

By **Decision no. 381/26.05.2022** the Dâmbovița Tribunal rejects the appeals filed by the defendant applicant Conpet S.A. and the summoned under warranty the Romanian State through the Ministry of Public Finance against the conclusion dated 25.09.2019 as unfounded. Admits the appeals filed by the defendant plaintiff Conpet S.A. and the summoned under warranty the Romanian State through the Ministry of Public Finance against the civil sentence no.1734 from 03.12.2021. Dismisses the appeal brought by the defendant applicant Sotir Mădălina Rebeca as unfounded. It changes the judgment in part to the effect that it dismisses the claim and the claim for a guarantee as unfounded and removes the provisions relating to the order of the defendant applicant to pay the costs and to set aside the costs. It retains the conclusion and the rest of the sentence appealed. It orders the appellant claimant defendant, Sotir Mădălina Rebeca, to pay the appellant defendant, Conpet S.A., the amount of RON 152.5 legal expenses. The judgement may be appealed after communication.

**Court hearing:** --

## **7. File no. 4395/270/2020\* - Onești District Court**

**Procedural status: First court**

**Object:** Onești municipality and the Local Council of Onești Municipality, Bacău County sued Conpet S.A. requesting the court:

"1. The obligation of the defendant at the conclusion of the agreement for the exercise of the right of legal easement 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 29.11.2018, respectively according to the Updated Market Study approved by the Decision of the Local Council no. 122 of 29.06.2020, calculated starting with 2017 and until the date of concluding the agreement for exercising the right of legal easement 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 respondent to pay the trial costs incurred by this trial."

**Court hearing:** 07.02.2023

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

### Stage of trial: First court

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

Radu Marian - Counterclaimant defendant

S.C. E.On Energie Romania - Counterclaimant

S.C. Delgazgrid S.A. - Counterclaimant

S.C. Transgaz S.A. - Counterclaimant

S.C. Conpet SA - Defendant and counterclaimant

The General Secretariat of the Romanian Government - Counterclaimant

The Romanian State by the Ministry of Public Finance - Counterclaimant

**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. "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 easement, 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 liable to pay compensation of 1,000,000 Euro (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 5,000 Euro (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. "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 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 easement 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, no. 6 Progresului street, Bacău County. The exercise of the right of legal easement is to be done on a corridor 2.4 meters wide located along the crude oil transport pipeline Ø 10 3/4" Vermești - 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 easement 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 easement 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 easement.

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" Vermești - 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, no. 6 Progresului street, Bacău County, the Romanian State represented by: The Ministry of Public Finance and the National Agency for Mineral Resources.

**Clarifications:** By the **Conclusion of 03.11.2021**, the Onești Courthouse admitted the exception of the inadmissibility of the counterclaim formulated by the defendant Radu Marian in contradiction with the defendants E.On Energie România SA, Delgazgrid SA, Transgaz SA, Conpet SA, the General Secretariat of the Romanian Government and the Romanian State through the Ministry Public Finance, motivated by the fact that the conditions of art. 209 para.1 of the Code of Civil Procedure, and will reject the counterclaim regarding these defendants, motivated by the fact that the claims of the defendant Radu Marian in contradiction with these 6 defendants do not derive from the same legal relationship and are not closely related to the claim brought before the court by the lawsuit. However, the 6 defendants will also appear in the Ecris program on the summons. The court finds that this trial will be between CRAB Bacău and Radu Marian - the main claim and the counterclaim. All the exceptions and requests invoked by the 6 defendants will no longer be questioned, compared to the solution of admitting the exception of inadmissibility of the counterclaim in contradiction with these defendants.

By the **Civil Sentence no. 505/30.03.2022**, the Onești Courthouse admitted the request made by the claimant S.C. COMPANIA REGIONALĂ DE APĂ BACĂU S.A, in contradiction with the

defendant RADU MARIAN. It obliges the defendant to allow intervention teams access to the land owned by him, located in the town of Târgu Ocna for the performance of intervention works for retrofitting, repairs, revisions, removal of damages to the water pipe that undercuts the defendant's land. It finds that the exception of the inadmissibility of the counterclaim filed by the defendant, the counterclaimant, RADU MARIAN, against the defendants S.C. E.ON ENERGIE ROMÂNIA S.A., DELGAZGRID S.A., TRANSGAZ S.A., S.C. CONPET S.A., the GENERAL SECRETARIAT of the ROMANIAN GOVERNMENT and the ROMANIAN STATE by the MINISTRY of PUBLIC FINANCE. Dismisses as inadmissible the counterclaim filed by the defendant reconvening plaintiff RADU MARIAN in contradictory with the defendants S.C. E.ON ENERGIE ROMÂNIA S.A., DELGAZGRID S.A., TRANSGAZ S.A., S.C. CONPET S.A., the GENERAL SECRETARIAT of the ROMANIAN GOVERNMENT and the ROMANIAN STATE by the MINISTRY of PUBLIC FINANCE. Rejects the exception of the lack of the passive procedural quality of the defendant S.C. Bacău Regional Water Company S.A., invoked by it through the response to the counterclaim. Dismisses as inadmissible the counterclaim filed by the defendant reconvening plaintiff RADU MARIAN in contradictory with the defendants S.C. S.C. BACĂU REGIONAL WATER COMPANY S.A. The judgment may be appealed against after communication.

Conpet made an application for the completion of the Civil Sentence no. 505/30.03.2022.

By **Decision nr. 1353/10.08.2022** the Onești Court granted the request for completion of the device formulated by CONPET S.A. and completed the operative part and the minutes of the civil sentence no. 505/30.03.2022 pronounced in file no. 5022/270/2020 by the Onești District Court, in the sense that in the operative part will be mentioned the solution given to the application for the award of costs made by Conpet: "Orders the defendant Radu Marian to pay to the applicant THE REGIONAL WATER COMPANY BACAU S.A. the amount of 20 lei, and to the defendant CONPET S.A. the amount of 40 lei, by way of court costs, representing the judicial stamp duty." The judgment may be appealed after communication.

**Deadline:** --

#### **9. Case File no. 1657/91/2020 \*– Vrancea Tribunal – pending**

**Stage of trial:** First court

**Parties:** Vasile Maria Ilaria - at S.C.P.A. Buruian, Caracaș and Associates - Plaintiff

Dragu Georgeta - at S.C.P.A. Buruian, Caracaș and Associates - Plaintiff

The company Conpet SA Ploiești - defendant

The Romanian State - by the Ministry of Public Finance - defendant

The National Agency for Mineral Resources - defendant

**Object:** By their summons, the claimants Vasile Maria-Ilaria and Dragu Georgeta requested to the court to:

A. Mainly, order the defendant to pay an annual rent of 496.64 Euro 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. Mainly, 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. Mainly, order the defendant to pay legal interest on the annual rent provided for in item A, starting from the date of registration of the present summons.

D. Mainly, order the defendant to pay legal interest for the global indemnification provided for in item B, starting 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 oblige the complainants Vasile Maria – Ilaria, Dragu Georgeta and Dragu Maria to allow the company CONPET S.A. the exercise of the right of legal services established by the provisions of Art. 7 et seq. of Law no. 238/2004 on the land owned by them, situated in Focșani city, Vrancea County. The exercise of the right of legal easement is to be carried out in a passage of 2.4 meters wide located along the Ø 20" Bărăganu - Borzești/Rafo Onești crude oil transport pipeline standing for purposes of permanent access to the pipeline in order to verify the day-to-day management of the status of the pipe and the execution of any repair works. The exercise of the right of easement 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, the undersigned CONPET SA, to the claimants Vasile Maria - Ilaria, Dragu Georgeta and Dragu Maria in exchange for exercising the right of legal easement, rent consisting in the equivalent value of the annual land use affected by the exercise of the legal easement.

**Clarifications:** By the Conclusion no. 71/09.03.2021 Vrancea Tribunal Civil Section I declines jurisdiction to hear the case in favor of the Second Civil Section of the Vrancea Tribunal.

**Deadline:** 15.11.2022

## **10. Case File no. 32294/299/2020 - Bucharest District 1 Courthouse - in the course of settlement**

### **Stage of trial: First court**

**Parties:** CONPET SA – defendant - counterclaimant

Bob Mihăiță - claimant-defendant

NAMR- defendant

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

1. The obligation of Conpet SA and NAMR to move the crude oil pipeline crossing the land owned by the claimant located in Cernavoda, plot 1, plot A6/2, Constanța county;
2. The establishment of the equivalent value of the lack of use, for a period of three years, prior to the formulation of the summons, amounting to 150,000 RON;
3. In the alternative, the obligation of Conpet SA to pay an annual rent for the use of the land owned by the claimant, from the date of filing the summons, in amount of 5 euro/sq.m./year for the area of 14,645 sq. m., land affected by the protection and safety area, during the existence of legal servitude;
4. Payment of legal fees.

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

1. To order the claimant to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of Art. 7 et seq. of Law no. 238/2004 on the land owned by the claimant Bob 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 easement 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 easement.

Conpet SA filed a Call for Romanian State Guarantee through the Ministry of Finance and ANRM. Conpet formulated a request of identifying the holder of the right in rem.

**Clarifications:** By the **Conclusion of 06.08.2021**, the Bucharest District 1 Courthouse rejects the exception of the lateness of the request for impleader and of the request for showing the right holder, invoked by the National Agency for Mineral Resources, as unfounded. It rejects the exception of the lack of representative capacity of the National Agency for Mineral Resources, invoked ex officio, as unfounded. It rejects the request for an impleader from the Romanian State, by the Ministry of Finance and the National Agency for Mineral Resources, as inadmissible in principle. It rejects the request to show the right holder of the Romanian State, through the Ministry of Finance and the National Agency for Mineral Resources, as inadmissible in principle. The conclusion can be appealed with the merits.

**Deadline:** 13.12.2022

**c) Litigations related to the structure of the share capital**

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

**Case File no. 5212/105/2018 – Ploiești Court – pending**

**Stage of trial: Appeal + Recourse**

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

1. Oblige Conpet to pay the amount of 734,747.04 RON, 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 the OGMS of Conpet from 25.04.2007 (i.e. 14.05.2007), for the financial year 2006.
2. Oblige Conpet to pay damages, respectively the legal interest related to the dividends from the due date of the amount requested in item 1 and until the date of filing the summons (i.e. 09.11.2018) in the amount of 579,015.97 RON.
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.

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

By the **Conclusion of 25.06.2019**, 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. By the same Conclusion of 25.06.2019, 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 before the Court of Appeal Ploiești with no. 5212/105/2018/a2. By the Decision no. 515/05.11.2019 the Court of

Appeal Ploiesti 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 judgment.

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

By **Sentence no. 633/02.06.2021** the Prahova Tribunal rejects as ungrounded the exception of the prescription of the right to action. It admits the action. It obliges the defendant SC CONPET SA to pay to the applicant the amount of 734,747,04 RON representing the value of dividends, 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 dividends from 09.11.2018 until the actual payment of the main debt. It admits in part the warranty claim. 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 court order was appealed by Conpet SA.

By **Decision no. 814/01.07.2021** the Prahova Tribunal 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 from 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 70,000 RON 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 SC Conpet S.A. legal expenses in the amount of 16,943 RON. The sentence was appealed by Conpet.

#### ***d) Litigations brought before the administrative court***

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

##### **Case File no. 5971/2/2022 – Bucuresti Court of Appeal – pending**

**Procedural status: First court**

**Parties:** OMV Petrom SA - claimant

NAMR - defendant

CONPET S.A.- defendant

**Object:** OMV Petrom asks the court, by the decision it will dispose, to order:

1. Having regard to Order 229/2021:

1.1. Cancellation in part of article 1 of Order 229/2021 regarding the tariffs set out in Annex 1 and Annex 3 and, accordingly, of Annexes 1 and 3 of Order 229/2021; and, as a consequence,

1.2. Ordering NAMR to issue a new order for the approval of the transport tariffs through the National Transport System of crude oil, rich gas, condensate and ethane for 2022, which would

include tariffs modified accordingly in terms of DOMESTIC tariffs (Annex 1) and import tariffs for refineries in the Ploiești Basin (Annex 3), as a result of the recalculation of the tariffs included in Order 229/2021 in a transparent and non-discriminatory manner, in accordance with the constitutional provisions and those of primary and secondary petroleum and competition law, as set out in the present application for summons;

**2.** With regard to Order 53/2008, the annulment in part of art. 3-8 of the Annex to Order no. 53/2008, as well as the obligation of NAMR to issue a new order which should properly supplement Order no. 53/2008, by reference to the following:

**2.1.** the method of determining in the Methodology the operating cost lacking transparency and clarity, with regard to (i) its components, the structure of each of these elements, not specifically foreseen, together with (ii) the algorithm for calculating the operating cost by reference to these elements and (iii) by taking into account only those elements which constitute, by their nature, operating costs, so that these secondary normative provisions are aligned with the requirements of Art. 20 of the Petroleum Law;

**2.2.** the algorithm for determining the modernization rate which does not provide in a specific, clear and transparent manner (i) the actual percentage of the modernization rate, (ii) the basis on which it applies, (iii) the concrete investments for which the modernization quota will be paid by the beneficiaries of the transport system, (iv) how to manage the surplus amounts received as a modernization quota and not used by the end of the financial year, which have been collected for the realization of investments, by taking these amounts into account in the calculation of the modernization quota to be paid by the beneficiaries in the following year, by reference to the investments envisaged therein and such amounts available for investments carried over from previous years, as well as (v) the management of bank interests received by the holder of the concession agreement as a result of the deposit of amounts received as a modernization quota and not used by the latter, for the purpose of using interest rates for the same purpose and taking into account these amounts in the calculation of the modernization quota that beneficiaries have to pay in the following year with this title, so that these secondary normative provisions be aligned with the requirements of Article 20 of the Petroleum Law;

**2.3.** the algorithm not resulting in a specific, clear and transparent manner (i) how to determine the level of the profit rate considered to be reasonable, or (ii) a profitability range whose lower and upper limits are established on the basis of comparative studies, by reference to the practice of other comparable European transport operators in this field, as well as (iii) specific requirements for transparent justification by CONPET of studies substantiating any increases in profitability considered in the setting of transport tariffs such that these secondary normative provisions be aligned with the requirements of Article 20 of the Petroleum Law;

**2.4.** the pricing schemes that are not currently focused on similar criteria and calculations for the two subsystems regulated thereby (i.e. DOMESTIC and IMPORT) to meet the requirements of ensuring equal treatment among the beneficiaries of the public transport service for the two types of subsystems, so that these secondary normative provisions be aligned with the requirements of Article 20 of the Petroleum Law;

**2.5.** the procedural elements ensuring in a clear, transparent and efficient manner the right of CONPET clients to express their point of view on the proposed tariffs advanced for approval by CONPET, on the basis of specific documentation made available thereto, respectively to the requests for revision/update of the tariffs transmitted by CONPET to NAMR and the related documentation, as well as to receive a reasoned response from the NAMR on the points of view formulated whether they are not taken into account in whole or in part by the NAMR, in such a

way that these secondary normative provisions be aligned with the requirements of Article 20 of the Petroleum Law and the transparency requirements applicable to the adoption of normative acts in compliance with the general European and national principle of good administration.

3. Order the respondent to pay the court costs.

**Deadline:** 17.01.2023

### 3.5. Analysis of the Corporate Activity

#### 3.5.1. Capital Market Business

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

At the end of the first nine months of 2022, the trading price of CONPET shares recorded a decrease by 21.52% compared to the closing price of the first trading day of the previous year.

In summary, the transactions recorded with CONPET shares on the Bucharest Stock Exchange during January - September 2022 are as follows:

- ✓ 16,406 trades higher by approx. 37.19% YoY (11,959 transactions). At the same time, the total volume of shares traded amounted to 889,703 shares, 15.1% higher than the volume recorded during January-September 2021 (773,002 shares);
- ✓ The total value of trades amounted to 66,293,698 RON, by 3.94% lower than the value recorded in the same period of 2021 (69,009,781 RON);
- ✓ the average trading price was of 74.51 RON/share, lower by 14.77 Ron/share versus the average price of the shares registered during the same period of 2021 (89.28 RON/share);
- ✓ the maximum level registered by the trading price was of 83.40 RON/share and has been reached in the first half of January;
- ✓ on 22.03.2022, a record number of shares was traded, respectively 93,111 shares, with a total value of 7,294,913.20 RON, representing 10.47% of the total volume of COTE shares traded during the period January - September 2022;
- ✓ the Market capitalization at the end of the third quarter 2022 was of 536,766,736 RON, lower by 24.39% as compared to the value recorded in the same period of 2021 (709,917,296 RON). On 30.09.2022, as per TOP 100 issuers according to capitalization, CONPET ranked 29.

The main trading indices during January– September 2022 for the shares issued by CONPET are presented in the following table:

Indices Month	Average price (RON/share)	No. of trades	No. of traded shares	Value of trades (RON)
January	79.95	1,415	68,829	5,502,880
February	77.40	1,398	79,386	6,144,622
March	76.69	2,794	212,914	16,329,391
April	77.16	1,756	139,718	10,780,062
May	76.55	2,329	156,897	12,010,484
June	68.41	1,746	55,911	3,824,875
July	66.96	1,208	48,178	3,226,154
August	67.42	1,872	76,949	5,187,664

Indices Month	Average price (RON/share)	No. of trades	No. of traded shares	Value of trades (RON)
September	64.56	1,888	50,921	3,287,566
<b>Cumulated</b>	<b>74.51</b>	<b>16,406</b>	<b>889,703</b>	<b>66,293,698</b>

Table 25 - Main trading indices

The evolution of the average trading price of CONPET S.A. shares, during January– September 2022, is the following:

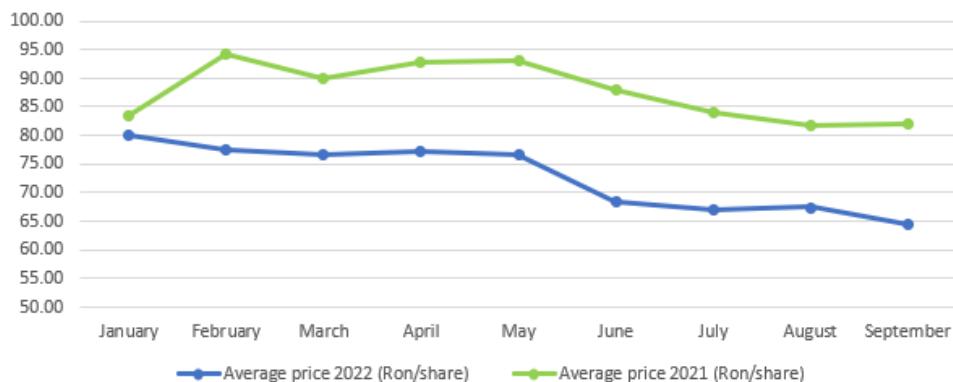


Chart 13 - Evolution of the average trading price of the shares

The COTE share price series was on a downward trend between January and September 2022, registering increases in April and August. The maximum level of the average trading price of the shares issued by CONPET S.A. was recorded at the beginning of the year, and the minimum in September.

Within the first 9 months of 2022, the average trading price of CONPET shares was below the values recorded within the same period of the previous year.

At present, 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, as well as FTSE Global Micro Cap dedicated to the emerging markets. The inclusion of the company in the respective indices confirms the value of the company on the Romanian capital market, which leads to the increase of investors' confidence in CONPET S.A., the company being considered a benchmark on the Romanian capital market.

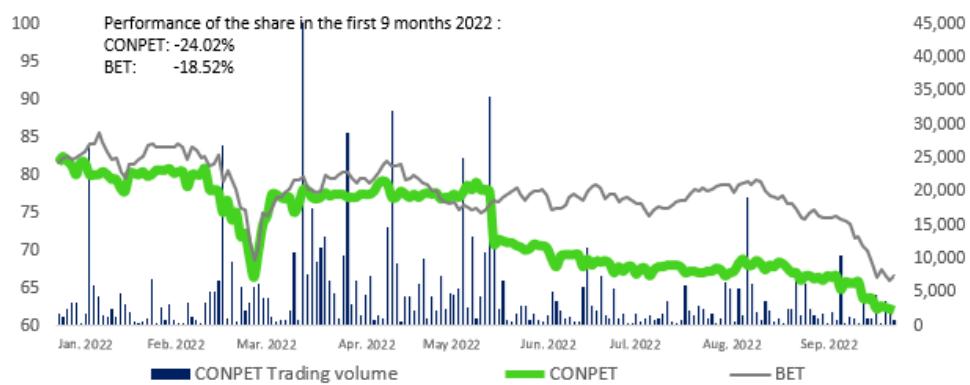


Chart 14 - Evolution of COTE share vs. BET index (rebased) (RON)

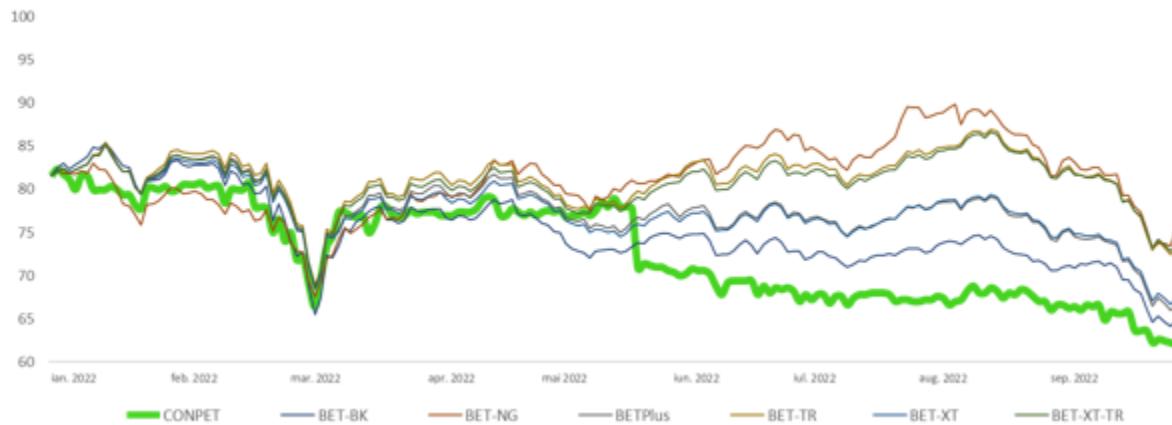


Chart 15 - Evolution of COTE share vs stock Indices (rebased) where is being included 9 months 2022 (RON)

### 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 September 30, 2022.

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

### Dividends

CONPET S.A. continued the dividend policy applied within the last years, the rate for the distribution of the net accounting profit for 2021 financial year amounted to 97%.

The gross dividend per share for 2021 is of 7.28 RON. The dividend yield recorded at the time of the GMS approval of the dividends to be distributed was of 9.41%.

The Ordinary General Meeting of Shareholders dated 28.04.2022 approved the distribution in the form of dividends of the amount of 50,444,090 RON from the net profit and of the amount of 12,613,759 RON from the retained earnings and from other reserves.

The date of payment set by the OGMS was 16.06.2022.

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:

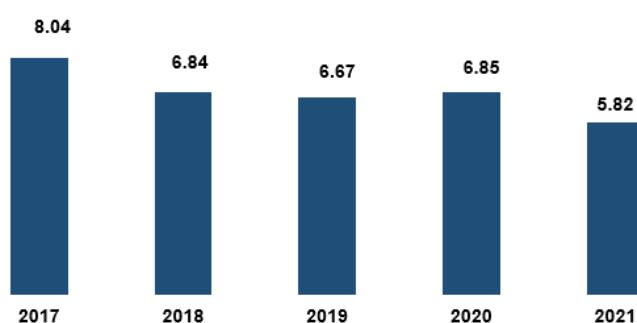


Chart 16 - Evolution of the paid dividend per share

During 2017-2021, the company CONPET also distributed, apart from the dividends distributed from the profit, additional amounts representing retained earnings and other reserves - own financing sources.

### **3.5.2. Management of the company**

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

The Company is administered by a Board of Directors made of 7 administrators. The administrators can act as shareholders. For the appointment of an administrator to be legally valid, the person appointed must expressly accept.

Following the completion of the procedure for the recruitment and selection of administrators carried out in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, the General Meeting of Shareholders appointed on August 22, 2018 the members of the Board of Directors and approved that the duration of their mandate to be 4 years, respectively, starting with 22.08.2018 until 21.08.2022 (inclusive of). At the same time, the General Meeting of Shareholders approved, on December 18, 2018, the financial and non-financial performance indicators of Administrators of the company.

The structure of the Board of Directors for the period January 01, 2022 - August 21, 2022, has been the following:

- Gheorghe Cristian Florin - Chairman
- Popa Claudiu Aurelian - member
- Albulescu Mihai Adrian - member
- Iacob Ciprian Constantin – member
- Gavrilă Florin Daniel – member
- Buică Marian Nicușor - member
- Kohalmi– Szabo Luminița - Doina - member

As the mandate of the directors ceased on August 21, 2022, at the meeting dated 18.08.2022, the General Meeting of Shareholders appointed 5 provisional members of the Board of Directors, with a term of office of maximum 4 months, starting with August 22, 2022 until December 21, 2022 (inclusive of) or until the completion of the recruitment and selection procedure provided for in GEO no. 109/2011 on the corporate governance of public enterprises, if it takes place earlier than 4 months after the appointment by the OGMS, with the possibility of extending the mandate by another 2 months.

By BoD Decision no. 17 dated 26.08.2022, the Board of Directors has appointed the remaining vacant seats following the OGMS Decision no. 4/18.08.2022 two provisional administrators, respectively Mr. Gavrilă Florin – Daniel and Mr. Zaman Andrei – Mihai, with a term of office starting 26.08.2022 until the meeting of the Ordinary General Meeting of Shareholders having on the agenda the appointment of provisional administrators, but not later than 21.12.2022 (inclusive of), i.e. the date of the end of the mandate of the Board of Directors appointed by OGMS Resolution no. 4/18.08.2022. The appointment of the provisional administrators by the Board of Directors is carried out in accordance with the provisions of Art. 137<sup>2</sup> Para (1) of Law no. 31/1990 on the companies, republished, subsequent amendments and completions and of Art. 19 Para. (4) of

the Articles of Incorporation of CONPET S.A.

Subsequently, the Ordinary General Meeting of Shareholders convened on 28.10.2022 noticed the cessation on the date of the OGMS of the mandate of the provisional administrators appointed by BoD Decision no. 17/26.08.2022, and appointed Mr. Gavrilă Florin- Daniel and Mr. Zaman Andrei – Mihai as provisional administrators, with a term of office starting with 28.10.2022 and until 21.12.2022 (inclusive of), in accordance with the provisions of art. 64<sup>1</sup>, para. (5) of GEO no. 109/2011, or until the completion of the recruitment and selection procedure provided for in O.U.G. no. 109/2011 *on the corporate governance of public enterprises*, with the possibility of extending the mandate by another 2 months.

Thus, the current structure of the Board of Directors established by OGMS Resolution no.4 dated 18.08.2022 and OGMS Resolution no. 6 dated 28.10.2022, with mandate until 21.12.2022 (inclusive of), is the following:

- Gheorghe Cristian Florin – Chairman
- Albulescu Mihai Adrian– member
- Buică Marian Nicușor– member
- Kohalmi – Szabo – Luminita - Doina - member
- Tănăsică Oana - Cristina - member
- Gavrilă Florin Daniel – member
- Zaman Andrei – Mihai - member

For the provisional administrators, the General Meeting of Shareholders approved the mandate contracts and did not provide performance indicators, establishing them only the fixed gross monthly allowance.

## **The Executive Management**

During 01.01.2022 - 30.09.2022, the executive management had the following structure:

### **Directors:**

<b>Position:</b>	<b>Name and Surname</b>	<b>Observations</b>
Director General	Eng. TUDORA Dorin	As per Art.1 of BoD Decision no. 8/20.04.2021, following the carrying out of the procedure for the recruitment and selection of the Director General, as per the provisions of GEO no. 109/2011 <i>on the corporate governance of public enterprises</i> , appointment based on contract of mandate with a duration of 4 years, respectively as of 21.04.2021, until 20.04.2025 (inclusive of).
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	As per Decision of Director General no. 338/04.06.2021, appointed in the position of Deputy Director General 2 starting with 15.06.2021, until the termination of the mandate contract of the DG no. 2/21.04.2021, but not later than 17.02.2024 (inclusive of).
Deputy Director General 3	Eng. NECŞULESCU Radu Florentin	As per Decision of Director General no. 271/13.05.2022, starting with 16.05.2022, appointment on indefinite period.

### **Heads of Units**

<b>Position:</b>	<b>Name and Surname</b>
Head of Transport Operations Unit	Eng. STOICA Narcis Florin
Head of Maintenance Development Unit	Eng. BUZATU Dan
Head of Critical Infrastructures Unit	Eng. NECŞULESCU Radu Florentin - up to 15.05.2022
Head of Commercial Unit	Jurist MANOLACHE Dan
Head of the HSE Unit	Eng. MARUSSI Mădălina Mihaela
Head of Communication and Corporate Governance Unit	PATRICHİ Bianca Maria

### **Chief Engineer:**

<b>Position:</b>	<b>Name and Surname</b>
Investment Development Chief Engineer	Eng. CÎRLAN Florentina – Anca

### **3.5.3. Activity regarding the sponsorship concluded in the first 9 months 2022**

The sponsorship activity was performed in compliance with the annual Revenues and Expenditure Budget, falling within the sponsorship expenses broken down by areas of interest.

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 9 months of 2022, CONPET SA continued to support the modernization of the sanitary units in Prahova County, sponsoring the Municipal Hospital Ploiești - Oncology Department and the General Hospital C.F. Ploiești. The company also contributed to the purchase of sanitary equipment and materials for the continuation of medical/surgical activity in hospitals from the Ukraine Republic.

In 2022, we also maintained traditional projects, such as equipping rural and urban educational institutions with IT equipment, in order to improve students' access to modern educational

resources, supporting sports activities for the benefit of children and young people in Prahova County and sponsoring one of the most prestigious institutions of Prahova culture – Ploiești Philharmonic.

For 2022, in the Revenues and Expenditure Budget of CONPET S.A. were provided sponsorship expenses amounting to **800,000 RON**.

On September 30, 2022, within the meetings of the Board of Directors of the company sponsorships worth **507,000 RON** were approved, as follows:

- 287,500 RON - "Education, schooling and sports";
- 140,000 RON - "Medical care and health"
- 79,500 RON - "Other actions and activities"

### **3.5.4. The impact of the conflict between Russia - Ukraine on the Company's Business**

On short term, the company's activity is not affected and there are no indicators showing the depreciation of the assets following the effects of Russia's invasion in Ukraine. The medium and long-term impact of this conflict and the sanctions imposed on Russia cannot be predicted at this time with sufficient accuracy. Considering that the Company has an activity somehow dependent on the area affected by sanctions (particularly Russia), in what concerns the sales, we reckon that the Company has the capacity and ability to continue its activity in the foreseeable future, so that it be as less affected as possible.

## **4. 9 MONTHS 2022 RELEVANT CORPORATE EVENTS**

### **February 25, 2022**

The Ordinary General Meeting of Shareholders approved the Revenues and Expenditure Budget for 2022.

### **April 28, 2022**

The Ordinary General Meeting of Shareholders approved the Annual Financial Statements at the date and for the financial year ended at 31.12.2021. At the same meeting, the OGMS approved the distribution of the net profit for the financial year 2021 and of some amounts of the retained earnings.

### **April 28, 2022**

The Extraordinary General Meeting of Shareholders approved the initiation of the procedure regarding the augmentation of the share capital of CONPET S.A. by the value of the land plots related to the 48 land ownership certificates and the amendment of the Articles of Incorporation of the Company "CONPET" S.A.

### **May 24, 2022**

The Ordinary General Meeting of Shareholders approved the transaction with SNTFM "C.F.R. MARFĂ", having as object the increase of the transport tariff, respectively of the estimated value

of the contract.

### **August 18, 2022**

The General Meeting of Shareholders approved the provisional members of the Board of Directors for a maximum period of 4 months, until December 21, 2022 (inclusive of), with the possibility of extending the mandate by another 2 months.

### **September 20 - 21, 2022**

The Extraordinary General Meeting of Shareholders was held, in first call, on September 20, 2022 and in the second call, on September 21, 2022, with the agenda: Approval of the augmentation of the share capital of CONPET SA by the maximum value of 129,454,564.80 RON representing contributions in kind (land plots) amounting to 76,010,810.70 RON and cash amounting to max 53,443,754.10 RON, from the current value of 28,569,842.40 RON to a maximum of 158,024,407.20 RON.

The Extraordinary General Meeting of Shareholders has ascertained that neither at first call (September 20), nor at the second (September 21), the presence quorum provided by law necessary to decide the augmentation of the share capital by contribution in kind Final judgment based on the land ownership certificates, has not been met.

### **5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements at 30.09.2020 and for the 9 months period ended September 30, 2022 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 December 31, 2021.

The simplified interim financial statements at the date and for the nine months period ended September 30, 2022, included in this report, have not been audited.

### **Accounting Policies**

The accounting policies and the evaluation methods adopted in view of preparing the interim financial statements are the same with those used at the preparation of the financial statements concluded at December 31, 2021.

### **Annexes:**

Annex no. 1 Interim statement of the financial standing on September 30, 2022;

Annex no. 2 Interim Statement of the profit and loss and other global result elements for the 9 months period ended on September 30, 2022;

Annex no. 3 Interim cash-flow statement for the 9 months period ended September 30, 2022;

Annex no. 4 Statement of the contracts for the procurement of works and products with values higher than 500,000 Euro, concluded between 01.01.2022 - 30.09.2022;

Annex no. 5 Statement of services procurement contracts with values higher than 100.000 Euro, concluded between 01.01.2022 - 30.09.2022.

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

**Director General**  
**Eng. TUDORA Dorin**

**Economic Director**  
**Econ. TOADER Sanda**

## Annex no. 1

## INTERIM STATEMENT OF THE FINANCIAL STANDING AT SEPTEMBER 30, 2022

Name	September 30 2022 (unaudited) -RON-	December 31 2021 (audited) -RON-
Tangible assets	554,542,448	512,823,088
Intangible assets	6,284,720	6,941,740
Financial Assets	453,237	411,171
Deferred income tax assets	4,911,931	4,637,485
<b>Total fixed assets</b>	<b>566,192,336</b>	<b>524,813,484</b>
Stocks	6,273,865	5,312,087
Trade receivables and other receivables	46,532,365	48,922,158
Cash and cash equivalents	163,085,904	191,751,271
Prepaid expenses	1,504,250	623,444
<b>Total current assets</b>	<b>217,396,384</b>	<b>246,608,960</b>
<b>TOTAL ASSETS</b>	<b>783,588,720</b>	<b>771,422,444</b>
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	17,348,605	18,360,121
Other reserves	524,297,188	517,047,601
Retained earnings	41,654,142	46,288,764
Result of the period	52,734,409	51,928,770
<b>Total equity</b>	<b>670,318,154</b>	<b>667,909,066</b>
Long-term trade liabilities	1,288,036	1,287,802
Long-term trade liabilities to employees	15,878,714	16,628,683
Other long-term liabilities	3,183,277	3,458,842
<b>Total long-term liabilities</b>	<b>20,350,027</b>	<b>21,375,327</b>
Trade liabilities	42,235,956	32,147,560
Current Income Tax	3,203,180	2,049,325
Other liabilities	26,038,778	27,106,187
Short-term liabilities to employees	13,329,818	12,065,900
Short-term provisions	8,112,807	8,769,079
<b>Total current liabilities</b>	<b>92,920,539</b>	<b>82,138,051</b>
<b>Total liabilities</b>	<b>113,270,566</b>	<b>103,513,378</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>783,588,720</b>	<b>771,422,444</b>

## Annex no. 2

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL  
RESULT FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2022**

Name	September 30 2022 (unaudited) -RON-	September 30 2021 (unaudited) -RON-
Revenues from contracts	351,418,786	313,306,342
Earnings from disposal of assets	5,685,118	236,156
Other revenues	32,438,808	33,380,279
<b>Total operating revenues</b>	<b>389,542,712</b>	<b>346,922,777</b>
Inventories Expenses	5,100,688	3,854,627
Expenses with energy and water	21,000,228	10,555,387
Personnel expenses	135,833,746	127,280,485
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	39,969,518	38,651,386
Impairments for rights of use resulted from leasing contracts	1,476,274	1,277,783
Impairments of current assets	(648,958)	(110,917)
Expenses with external services	85,427,459	82,937,780
Provisions-related impairments	(220,851)	(2,644,911)
Other expenses	46,446,639	38,128,579
<b>Total Operating Expenses</b>	<b>334,384,743</b>	<b>299,930,199</b>
<b>Operating Profit</b>	<b>55,157,969</b>	<b>46,992,578</b>
<b>Financial Revenues</b>	<b>7,406,119</b>	<b>2,261,456</b>
Interest expenses related to leasing contracts	187,864	160,002
Other financial expenses	220,090	103,939
<b>Financial Expenses</b>	<b>407,954</b>	<b>263,941</b>
<b>Financial profit</b>	<b>6,998,165</b>	<b>1,997,515</b>
<b>Profit before income tax</b>	<b>62,156,134</b>	<b>48,990,093</b>
Expenses with current income tax	9,696,171	7,116,793
Expenses with (revenues coming from) deferred corporate tax	(274,446)	(109,393)
<b>Profit of the period</b>	<b>52,734,409</b>	<b>41,982,693</b>
Other elements of the equities - retained earnings	-	(25,082)
<b>Total other global result elements that will not be subsequently reclassified as profit or loss</b>	<b>-</b>	<b>(25,082)</b>
Net increase of the modernization quota reserve	12,732,527	7,885,408
<b>Total other global result elements that will not be subsequently reclassified as profit or loss</b>	<b>12,732,527</b>	<b>7,885,408</b>
<b>Total other global result elements</b>	<b>12,732,527</b>	<b>7,860,326</b>
<b>TOTAL GLOBAL RESULT</b>	<b>65,466,936</b>	<b>49,843,019</b>
<b>Earnings per share</b>	<b>6.09</b>	<b>4.85</b>

## Annex no. 3

**INTERIM CASH-FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2022**

	Name of the Item	9 months, 2022 (unaudited) -RON-	9 months, 2021 (unaudited) -RON-
	<b>Cash flows from operating activities:</b>		
+	Proceeds from services supply	382,784,233	339,233,241
+	Proceeds from interests related to banking placements	7,341,153	2,312,527
+	Other proceeds	11,937,169	8,070,353
-	Payments to the suppliers of goods and services	100,937,325	91,245,163
-	Payments to and on behalf of the employees	134,272,578	126,373,148
-	VAT payments	39,328,266	38,463,145
-	Expenses with income tax and specific tax	8,542,316	5,587,596
-	Other payments regarding the operating activities	33,156,043	33,308,885
<b>A</b>	<b>Net cash from operating activity</b>	<b>85,826,027</b>	<b>54,638,184</b>
	<b>Cash flows from investment activities:</b>		
+	Proceeds from sale of tangible assets	202,243	283,255
+	Proceeds from modernization quota	42,639,789	35,653,167
-	Payments for purchase of tangible assets	92,290,829	48,078,198
<b>B</b>	<b>Net cash from investment activity</b>	<b>(49,448,797)</b>	<b>(12,141,776)</b>
	<b>Cash-flows from financing activities:</b>		
-	Paid dividends	62,639,719	57,555,180
-	Payments on the debt related to the leasing	2,221,274	1,804,097
-	Interest payments	181,604	162,849
<b>C</b>	<b>Net cash from financing activities</b>	<b>(65,042,597)</b>	<b>(59,522,126)</b>
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>(28,665,367)</b>	<b>(17,025,718)</b>
<b>D1</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>191,751,271</b>	<b>198,257,333</b>
<b>D2</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>163,085,904</b>	<b>181,231,615</b>

## Annex no. 4

**STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500,000 EURO,  
CONCLUDED BETWEEN 01.01.2021 - 30.09.2022**

Crt. No.	Name of the Contractor	Scope of the Contract	Title of the Contract	The applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Tender notice number	Initial contract value (RON)	Contract value after potential addenda	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
<hr/>											
1.	TESLA POWER SYSTEMS	Tele-transmission and tele-management of the power consumptions in CONPET locations	L-CA 25/ 14.02.2022	Tender	-	39994/ 25.11.2021	2,724,900.72	2,724,900.72	08.03.2022	12	12
<b>TOTAL QUARTER I - 1 CONTRACT VALUE QUARTER I = 2,724,900.72 RON</b>											
<b>TOTAL QUARTER II - 0 CONTRACTS VALUE QUARTER II = 0.00 RON</b>											
2.	TALPAC S.R.L.	Design services for obtaining the Technical Connection Notice, execution works on connection tariff and modernization works of the crude oil pumping system in Ochiuri Station, Dâmbovița County	L-CA 323/ 29.02.2022	Tender	-	27439/ 21.07.2022	4,606,235.27	4,606,235.27	-	24	24
<b>TOTAL QUARTER III - 1 CONTRACT VALUE QUARTER III = 4,606,235.27 RON</b>											
<b>CUMULATIVE TOTAL - 2 CONTRACTS CUMULATIVE VALUE = 7,331,135.99 RON</b>											

## Annex no. 5

**STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100,000 EURO,  
CONCLUDED BETWEEN 01.01.2021 - 30.09.2022**

Crt. No.	Name of the Contractor	Scope of the Contract	Title of the Contract	The applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Tender notice number	Initial contract value (RON)	Contract value after potential addenda	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
1.	AUTOGAS IMPEX SRL.	Rental services of 15 tank cars suitable and authorized for transport of hydrocarbon gases in liquefied mixture, NSA (Mixture C)	S-CA 36/24.02.2022	Tender	-	2626/20.01.2022	947,834.00	947,834.00	24.02.2022	24	24
2.	ASITO KAPITAL SA	Employee health insurance 2022	S-CA 40/03.03.2022	Tender	-	2628/20.01.2022	1,473,807.00	1,473,807.00	03.03.2022	12	12
<b>Total QUARTER I – 2 CONTRACTS VALUE QUARTER I = 2,421,641.00 RON</b>											
3.	METROSENZOR	Functional verification, repair and metrological verification of electronic weighing systems of the rail tanks	S-CA 165/20.06.2022	Tender	-	15324/02.05.2022	515,400.00	515,400.00	20.06.2022	36	36
<b>Total QUARTER II – 1 CONTRACT VALUE QUARTER II = 515,400.00 RON</b>											
4.	RELOC S.A.	Carrying out the planned repair type RG and converting into LDE 700 HP with CA-CA electric transmission of the locomotive LDH 700 HP with circulation number 92530850168-1	S-CA 251/19.07.2022	Tender	-	19337/27.05.2022	4,250,000.00	4,250,000.00	17.08.2022	6	6
5.	ENVIROTECH SRL	Subsequent contract 2 to Framework Agreement no. S-CA 275/12.08.2021 of restoration services of the geological	S-CA 269/27.07.2022	-	-	-	1,738,456.40	1,738,456.40	13.08.2022	12	12

Crt. No.	Name of the Contractor	Scope of the Contract	Title of the Contract	The applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Tender notice number	Initial contract value (RON)	Contract value after potential addenda	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
		environment and of the polluted watercourses as a result of the damages produced on the route of the crude oil, rich gas and ethane transport pipelines or in the technological premises of CONPET S.A. Ploiesti, as well as the takeover of soil contaminated with petroleum product/earth with stones contaminated with petroleum product									
6.	ORANGE ROMANIA SA	Electronic telecommunications services	S-CA 285/ 22.08.2022	Tender	-	26439/ 13.07.2022	1,269,696.00	1,269,696.00	19.09.2022	24	24
<b>Total QUARTER III – 3 CONTRACTS</b> <b>VALUE QUARTER III = 7,258,152.40 RON</b>											
<b>CUMULATED TOTAL - 6 CONTRACTS</b> <b>Cumulated value =10,195,193.40 RON</b>											

**FINANCIAL STATEMENTS**  
at the date and for the nine months period ended  
**September 30, 2022**

**approved by the Ministry of Finance Order no. 2844/2016  
the International Accounting Standard no. 34 - „Interim Financial Reporting”**

**CONTENTS:****Interim Financial Statements**

Interim Statement of the Financial Standing	1
Interim Statement of Profit and Loss and other elements of the Global Result	2
Interim Statement of changes in Shareholders Equity	3 – 4
Interim Statement of Cash-flow	5 - 6
Explanatory Notes to the Interim Financial Statements	7 - 27

**INTERIM STATEMENT OF THE FINANCIAL STANDING AT September 30, 2022**

Name		September, 30 2022 (unaudited)	December, 31 2021 (audited)	- RON-
<b>ASSETS</b>				
<b>Intangible assets</b>				
Tangible assets	4	554,542,448	512,823,088	
Intangible assets	5	6,284,720	6,941,740	
Financial Assets	6	453,237	411,171	
Receivables related to the deferred corporate tax	13	4,911,931	4,637,485	
<b>Total non-current assets</b>		<b>566,192,336</b>	<b>524,813,484</b>	
<b>Current assets</b>				
Inventories	7	6,273,865	5,312,087	
Trade receivables and other receivables	8	46,532,365	48,922,158	
Cash and cash equivalents	9	163,085,904	191,751,271	
Prepaid expenses		1,504,250	623,444	
<b>Total current assets</b>		<b>217,396,384</b>	<b>246,608,960</b>	
<b>TOTAL ASSETS</b>		<b>783,588,720</b>	<b>771,422,444</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equities</b>				
Subscribed and paid-up share capital	10	28,569,842	28,569,842	
Legal reserves	10	5,713,968	5,713,968	
Revaluation reserves	10	17,348,605	18,360,121	
Other reserves	10	524,297,188	517,047,601	
Retained earnings	10	41,654,142	46,288,764	
Result of the period	10	52,734,409	51,928,770	
<b>Total Equities</b>		<b>670,318,154</b>	<b>667,909,066</b>	
<b>Long-term liabilities</b>				
Long-term trade liabilities	11	1,288,036	1,287,802	
Long-term liabilities to employees	11	15,878,714	16,628,683	
Other long-term liabilities	11	3,183,277	3,458,842	
<b>Total long-term liabilities</b>		<b>20,350,027</b>	<b>21,375,327</b>	
<b>Current liabilities</b>				
Trade liabilities	11	42,235,956	32,147,560	
Current Corporate Tax	13	3,203,180	2,049,325	
Other liabilities	11	26,038,778	27,106,187	
Short-term liabilities to employees	11	13,329,818	12,065,900	
Short-term provisions	12	8,112,807	8,769,079	
<b>Total current liabilities</b>		<b>92,920,539</b>	<b>82,138,051</b>	
<b>Total liabilities</b>		<b>113,270,566</b>	<b>103,513,378</b>	
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>783,588,720</b>	<b>771,422,444</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 management on November 14, 2022.

**Director General,  
Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

The attached notes, from 1 to 20, 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 nine months ended  
September 30, 2022

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL  
RESULT FOR THE NINE MONTHS PERIOD ENDED  
September 30, 2022**

Name	Note:	September, 30 2022 (unaudited)	September, 30 2021 (unaudited)	- RON-
Revenues from contracts		351,418,786	313,306,342	
Earnings from disposal of assets		5,685,118	236,156	
Other revenues		32,438,808	33,380,279	
<b>Total Operating revenues</b>	15	<b>389,542,712</b>	<b>346,922,777</b>	
Inventories Expenses		5,100,688	3,854,627	
Expenses with energy and water		21,000,228	10,555,387	
Personnel expenses		135,833,746	127,280,485	
Impairments of fixed assets, less adjustments related to rights of use resulted from lease contracts		39,969,518	38,651,386	
Impairments for rights of use resulted from leasing contracts		1,476,274	1,277,783	
Impairments of current assets		(648,958)	(110,917)	
Expenses with external services		85,427,459	82,937,780	
Provisions adjustments		(220,851)	(2,644,911)	
Other expenses		46,446,639	38,128,579	
<b>Total Operating Expenses</b>	16	<b>334,384,743</b>	<b>299,930,199</b>	
<b>Operating Profit</b>		<b>55,157,969</b>	<b>46,992,578</b>	
<b>Financial Revenues</b>		<b>7,406,119</b>	<b>2,261,456</b>	
Interest expenses related to leasing contracts		187,864	160,002	
Other financial expenses		220,090	103,939	
<b>Financial Expenses</b>		<b>407,954</b>	<b>263,941</b>	
<b>Financial profit</b>	17	<b>6,998,165</b>	<b>1,997,515</b>	
<b>Profit before corporate tax</b>		<b>62,156,134</b>	<b>48,990,093</b>	
Expenses with current corporate tax	13	9,696,171	7,116,793	
Expenses with (revenues coming from) deferred income tax	13	(274,446)	(109,393)	
<b>PROFIT OF THE PERIOD</b>		<b>52,734,409</b>	<b>41,982,693</b>	
Other elements of the equities - retained earnings		-	(25,082)	
<b>Total other global result elements that will not be subsequently reclassified as profit or loss</b>		<b>-</b>	<b>(25,082)</b>	
Net increase of the modernization quota reserve		12,732,527	7,885,408	
<b>Total other global result elements that will not be subsequently reclassified as profit or loss</b>		<b>12,732,527</b>	<b>7,885,408</b>	
<b>Total other global result elements</b>		<b>12,732,527</b>	<b>7,860,326</b>	
<b>TOTAL GLOBAL RESULT</b>		<b>65,466,936</b>	<b>49,843,019</b>	
<b>Earnings per share</b>		<b>6.09</b>	<b>4.85</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 management on November 14, 2022.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

The attached notes, from 1 to 20, are integral part of these financial statements.

## INTERIM STATE OF THE CHANGES IN EQUITY ON SEPTEMBER 31, 2022 (unaudited)

- RON-							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
<b>Balance at January 1, 2022</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>18,360,121</b>	<b>517,047,601</b>	<b>46,288,764</b>	<b>51,928,770</b>	<b>667,909,066</b>
<b>Net result of the year</b>	-	-	-	-	-	<b>52,734,409</b>	<b>52,734,409</b>
Surplus from revaluation	-	-	(1,011,516)	-	1,011,516	Impairments for depreciation	-
Retained earnings coming from the adoption, for the first time, of IAS 19 - loss of profit	-	-	-	-	(1,339,957)	-	(1,339,957)
Retained earnings coming from the adoption for the first time of IAS 29 - achieved earnings	-	-	-	-	1,339,957	Impairments for depreciation	1,339,957
Allocation of profit provided by law – tax exemption of reinvested profit	-	-	-	-	1,484,680	(1,484,680)	-
Net increase of the modernization quota reserve	-	-	-	12,732,527	-	-	12,732,527
<b>Total other global result elements</b>	-	-	(1,011,516)	<b>12,732,527</b>	<b>2,496,196</b>	<b>(1,484,680)</b>	<b>12,732,527</b>
<b>Total global revenues related to the period</b>	-	-	(1,011,516)	<b>12,732,527</b>	<b>2,496,196</b>	<b>51,249,729</b>	<b>65,466,936</b>
Dividends due to shareholders				(5,482,940)	(7,130,819)	(50,444,090)	(63,057,849)
<b>Total transactions with the owners directly recognized in equities</b>				<b>(5,482,940)</b>	<b>(7,130,819)</b>	<b>(50,444,090)</b>	<b>(63,057,849)</b>
<b>Balance on September 30, 2022</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>17,348,605</b>	<b>524,297,188</b>	<b>41,654,142</b>	<b>52,734,409</b>	<b>670,318,154</b>

**INTERIM STATE OF THE CHANGES IN EQUITY ON September 30, 2021 (unaudited)**

Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Profit or loss of the year	- RON- 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>
<b>Net result of the year</b>	-	-	-	-	-	<b>41,982,693</b>	<b>41,982,693</b>
Surplus from revaluation	-	-	(1,984,092)	-	1,984,092	Impairments for depreciation	-
Other elements of the equities - retained earnings	-	-	-	-	(25,082)	-	(25,082)
Allocation of profit provided by law - tax exemption of reinvested profit	-	-	-	-	1,531,818	(1,531,818)	-
Net increase of the modernization quota reserve	-	-	-	7,885,408	-	-	7,885,408
<b>Total other global result elements</b>	-	-	<b>(1,984,092)</b>	<b>7,885,408</b>	<b>3,490,828</b>	<b>(1,531,818)</b>	<b>7,860,326</b>
<b>Total global revenues related to the period</b>	-	-	<b>(1,984,092)</b>	<b>7,885,408</b>	<b>3,490,828</b>	<b>40,450,875</b>	<b>49,843,019</b>
Dividends due to shareholders					(392,498)	(59,314,941)	(59,707,439)
<b>Total transactions with the owners directly recognized in equities</b>					<b>(392,498)</b>	<b>(59,314,941)</b>	<b>(59,707,439)</b>
<b>Balance on September 30, 2021</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>18,947,672</b>	<b>508,154,665</b>	<b>43,777,307</b>	<b>41,982,693</b>	<b>647,146,147</b>

Note: The position „Other reserves” also includes the reserve representing the modernization quota in amount of 483,664,387 RON on 30.09.2022, namely 470,931,860 RON on 01.01.2022. This reserve has a special regime, provided in GD no. 168/1998, exclusively destined 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, as expenses. On a monthly basis, it is being written back to revenues the modernization quota at the level of depreciation of the fix assets financed out of this source.

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue and signed by the company management on November 14, 2022.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

The attached notes, from 1 to 20, are integral part of these financial statements.

**INTERIM CASH-FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2022**

- RON-			
	Name of the Item	9 months, 2022 (unaudited)	9 months, 2021 (unaudited)
	<b>Cash flows from operating activities:</b>		
+	Proceeds from services supply	382,784,233	339,233,241
+	Proceeds from interests related to banking placements	7,341,153	2,312,527
+	Other proceeds	11,937,169	8,070,353
-	Payments to the suppliers of goods and services	100,937,325	91,245,163
-	Payments to and on behalf of the employees	134,272,578	126,373,148
-	VAT Payments	39,328,266	38,463,145
-	Expenses with corporate tax and specific tax	8,542,316	5,587,596
-	Other payments regarding the operating activities	33,156,043	33,308,885
<b>A</b>	<b>Net cash from operating activity</b>	<b>85,826,027</b>	<b>54,638,184</b>
	<b>Cash flows from investment activities:</b>		
+	Proceeds from sale of tangible assets	202,243	283,255
+	Proceeds from modernization quota	42,639,789	35,653,167
-	Payments for purchase of tangible assets	92,290,829	48,078,198
<b>B</b>	<b>Net cash from investing activity</b>	<b>(49,448,797)</b>	<b>(12,141,776)</b>
	<b>Cash-flows from financing activities</b>		
-	Paid Dividends	62,639,719	57,555,180
-	Payments on the debt related to the leasing	2,221,274	1,804,097
-	Interest payments	181,604	162,849
<b>C</b>	<b>Net cash from financing activities</b>	<b>(65,042,597)</b>	<b>(59,522,126)</b>
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>(28,665,367)</b>	<b>(17,025,718)</b>
<b>D1</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>191,751,271</b>	<b>198,257,333</b>
<b>D2</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>163,085,904</b>	<b>181,231,615</b>

The cash and cash equivalents on 30.09.2022 have decreased by 14.95% compared to December 31, 2021 (163,085,904 mRON compared to 191,751,271 RON). The decrease has been determined by the payments of dividends and the assets (investments), higher than the cash exceeds obtained from the operating activity and the cash inputs related to the investment activity.

The effects of the three activity areas (operation, investment and financing) over the cash in 9 months period of 2022 reveal the followings:

- the operating activity triggered a cash-flow in amount of 85,826,027 RON;
- the investment activity ended with a negative cash-flow in amount of 49,448,797 RON;
- the financing activity decreased the total cash flow by 65,042,597 RON

As compared to the previous year, the cash triggered from the operating activity is higher by 31.2 mRON, whilst the other two activities have recorded a deficit higher by 42.8 million RON, due to the augmentation of the payments to the suppliers of assets and shareholders (dividends).

Of the total availabilities in balance on 30.09.2022, the party related to the modernization quota amounts to 96,010,377 RON.

These interim financial statements and the related notes, from page 1 to page 27, have been

The company CONPET S.A.

Interim cash-flows statement for the 9 months period ended September 30, 2022;

authorized for issue and signed by the company's management on November 14, 2022.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

The attached notes, from 1 to 20, 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, registered at the Prahova Trade Registry under no. J29/6/1991 and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

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

"CONPET" SA 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.

CONPET shares have been traded on the Bucharest Stock Exchange (BVB) market, under "COTE" issuing symbol.

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**. Concurrently, starting March 21, 2022 the company CONPET S.A. is part of the FTSE Global Micro Cap index composition dedicated to emerging countries.

On 30.09.2022, CONPET S.A. had a market capitalization of 536.8 million RON (108.5 million Euro), ranking 29 in Top 100 issuers according to capitalization.

### *Company's Set-up*

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 (Ro I.T.T.C.).

The shareholder structure and number of voting rights, on 31.03.2022, are:

- a) The Romanian State by the Ministry of Energy, holding 5,083,372 shares with voting rights, representing 58.72% of the share capital,
- b) legal persons, with 1,905,144 shares with voting rights representing 22.00% of the share capital, and
- c) natural persons, with 1,669,012 shares with voting rights representing 19.28% 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").

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 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 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 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, here included: 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 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 on December 31, 2021. 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 2021.

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 on November 14, 2022.

### **(b) Accounting Estimates and Professional Reasoning**

The preparation of the financial statements implies the use, by the Company's management, of various 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 reasonings 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 2021.

### **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 on the date and for the financial year ended December 31st, 2021,

Starting January 1, 2022 have come into force the amendments to IAS 16, "Tangible assets", IAS 37, "Provisions, contingent liabilities and contingent assets", IAS 41 "Agriculture", IFRS 1 "Adoption, for the first time, of the Financial Reporting International Standards", IFRS 3 "Business combinations" and IFRS 9 "Financial Instruments" issued by the International Accounting Standards Committee (IASB) and adopted by the European Union (EU). The amendments to IAS 16, IAS 37 and IFRS 3 offer additional clarifications for a more consistent application of the standards or updates the references. The amendments to IAS 41, IFRS 1 and IFRS 9 have been adopted within the annual improvements issued by IASB and target the rationalization and clarification of the existing standards. The adoption of these amendments shall not have impact on the individual financial statements.

#### 4. Tangible Assets

In the first nine months of the year 2022 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 on January 1, 2022</b>	<b>27,964,719</b>	<b>303,550,374</b>	<b>40,889,554</b>	<b>131,697,627</b>	<b>101,241,517</b>	<b>47,403,356</b>	<b>9,301,888</b>	<b>63,589,404</b>	<b>725,638,439</b>
Aggregate depreciation on January 1, 2022	(2,378,876)	(28,213,467)	-	(71,392,237)	(75,139,091)	(29,124,257)	(6,292,151)	-	(212,540,079)
Impairments for depreciation of assets	-	-	-	-	-	-	-	(275,272)	(275,272)
<b>Net accounting value on January 1, 2022</b>	<b>25,585,843</b>	<b>275,336,907</b>	<b>40,889,554</b>	<b>60,305,390</b>	<b>26,102,426</b>	<b>18,279,099</b>	<b>3,009,737</b>	<b>63,314,132</b>	<b>512,823,088</b>
Tangible assets inputs	743,905	9,561,640	-	18,450,694	1,230,464	6,354,660	269,105	46,356,122	<b>82,966,590</b>
Outputs of tangible assets at gross value	(314,325)	(163,259)	(1,347,748)	(430,639)	(3,867,832)	(449,858)	(26,634)	-	(6,600,295)
Cumulated depreciation related to outputs	81,836	24,336	-	419,265	3,853,621	451,282	23,674	-	4,854,014
Outputs of tangible assets for transfer to the public domain GD no.840/2022.	-	-	-	(19,261,530)	(33,146,592)	-	-	-	(52,408,122)
Depreciation related to outputs of tangible assets for transfer at the public domain GD no.840/2022.	-	-	-	19,261,530	33,146,592	-	-	-	52,408,122
Depreciation registered during the period	(932,753)	(21,235,123)	-	(7,238,854)	(5,996,127)	(3,327,398)	(770,694)	-	<b>(39,500,949)</b>
<b>Gross accounting value on September 30, 2022</b>	<b>28,394,299</b>	<b>312,948,755</b>	<b>39,541,806</b>	<b>130,456,152</b>	<b>65,457,557</b>	<b>53,308,158</b>	<b>9,544,359</b>	<b>109,945,526</b>	<b>749,596,612</b>
Cumulated depreciation on September 30, 2022	(3,229,793)	(49,424,254)	-	(58,950,296)	(44,135,005)	(32,000,373)	(7,039,171)	-	(194,778,892)
Impairments for depreciation of assets on September 30, 2022	-	-	-	-	-	-	-	(275,272)	(275,272)
<b>Net accounting value on September 30, 2022</b>	<b>25,164,506</b>	<b>263,524,501</b>	<b>39,541,806</b>	<b>71,505,856</b>	<b>21,322,552</b>	<b>21,307,785</b>	<b>2,505,188</b>	<b>109,670,254</b>	<b>554,542,448</b>

The net value of the tangible assets on 30.09.2022 has increased as compared to the end of 2021 by the amount of 41,719,360 RON.

During the first nine months of the year 2022 have been recorded tangible assets amounting to 82,966,590 RON, of which 34,225,861 RON are fixed assets in operation. The value of assets outputs was of 1,746,281 RON the remaining value and mainly contains sold oil product (1,374,748 RON - non-depreciable asset).

Depreciation of tangible assets for the first nine months of 2022 amounted to 39,500,949 RON, and The depreciation method used in case of tangible assets is the linear one.

In July 2022, following the publication in the Official Gazette of GD no. 840/2022, by which was approved the inclusion in the centralized inventory of public goods of the state of the fully depreciated assets resulting from the investments provided by the rehabilitation, modernization and development programs, financed from the modernization quota, fixed assets were transferred in the amount of 52,408,122 RON gross book value.

During the first nine months of the year 2022, there have been registered increases of the assets related to the rights of use resulting from leasing and concession contracts, in amount of 659,581 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" is included the value of the rights of use resulting from the lease and concession contracts concluded with various land owners. On the rented lands are located telecommunication equipment and cathodic protection stations in various locations in the country. on 31.03.2022 the gross value of these assets is of 5,535,399 RON, the cumulated depreciation of 3,229,793 RON, resulting a net value the rights of use related to the lands of 2,305,606 RON.
- At the element-row "Special buildings and installations" is included the value of the rights of use resulting from the lease and concession contracts concluded with various owners for buildings rented in order to be made available to the gendarmes, as per GD no.1486/2005 on securing the guard and protection of the objectives, goods and values with gendarmes' teams and for the carry out of the administrative activity. At the date of 31.03.2022 the gross value of these assets is of 1,688,127 RON, the cumulated depreciation of 931,767 RON, resulting a net value of the rights of use related to the buildings of 756,360 RON.
- The line item "Means of transport" includes the value of the rights to use the assets acquired in December 2019 in a leasing system, consisting of 30 cars necessary to carry out the company's specific activities and 15 rail tanks. On 30.09.2022, the gross value of these assets is of 3,122,010 RON, the cumulated depreciation of 1,792,747 RON, resulting a net value of the rights of use related to the means of transport of 1,329,263 RON.

On 30.09.2022, CONPET registers in the company's patrimony lands with a surface of 733,601 Sq.m. with an accounting value of 22,858,900 RON, made of:

- 554,337 Sq.m 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 Sq.m represent lands with an accounting value of 7,080,200 RON, acquired by the Company based several sale-purchase contracts. A part of the purchased lands is related to the administrative buildings and on the other purchased lands are being placed telecommunications towers in different locations over the country.

The lands held by the Company are located in 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".

On January, 2022 there was sold oil product consisting of crude oil and condensate, in amount of 1,347,748 RON to the client OMV PETROM SA.

On 30.09.2022, the book value of these lands amounts to 39,541,806 RON.

Name	- RON-	
	September, 30 2022	December 31 <sup>st</sup> , 2021
Operating oil product	39,541,806	40,889,554
Balance of the operating oil product	39,541,806	40,889,554

#### *Tangible assets in progress*

On September 30, 2022, the value of the assets in progress is of 109,670,254 RON and includes investment projects provided in "2022 Investment Program", which are mainly composed of: replacement of pipeline portions on various lengths and routes, replacements of the connecting wires overcrossing Dunăre C1-C2 and braț Borcea C3-C4, tanks modernizations, loading ramps and pumping stations modernizations, SCADA works, telecommunication works, cathodic protection modernization systems, modernization of locomotives etc.

## **5. Intangible assets**

Statement of intangible assets in the first nine months of 2022 is the following:

Name	Licenses and software	Other intangible assets	- RON-
			Total intangible assets
<b>Gross accounting value on January 1, 2022</b>	<b>10,231,567</b>	<b>3,004,699</b>	<b>13,236,266</b>
Cumulated depreciation on January 1, 2022	(4,819,624)	(1,474,902)	(6,294,526)
<b>Net accounting value on January 1, 2022</b>	<b>5,411,943</b>	<b>1,529,797</b>	<b>6,941,740</b>
Inputs of intangible assets	1,299,824	-	1,299,824
Outputs of tangible the gross value	(1,860)	-	(1,860)
Cumulated depreciation to outputs	1,860	-	1,860
Depreciation registered during the period	(1,428,184)	(528,660)	(1,956,844)
<b>Gross accounting value on September 30, 2022</b>	<b>11,529,531</b>	<b>3,004,699</b>	<b>14,534,230</b>
Cumulated depreciation on September 30, 2022	(6,245,948)	(2,003,562)	(8,249,510)

<b>Net accounting value on September 30, 2022</b>	<b>5,283,583</b>	<b>1,001,137</b>	<b>6,284,720</b>
---	------------------	------------------	------------------

On 30.09.2022 the net value of intangible assets has decreased as compared to the end of 2021 by the amount of 657,020 RON.

In the first nine months of 2022 there have been registered inputs of intangible assets in amount of 1,299,824 RON and depreciation in amount of 1,956,844 RON.

The depreciation method used is the linear one.

The intangible assets comprise: IT programs, soft licenses, soft, vectorial map of Romania, the numeric attitudinal model of the land, the expenses borne by the company related to the connection to the electric power network and the water network recognized in intangible assets as rights of use. Research and development-related expenses are not being capitalized.

## **6. Financial Assets**

In the first nine months of 2022 the financial assets reveal the followings:

				<b>- RON-</b>
	<b>Name</b>	<b>Other non-current securities</b>	<b>Long-term receivables</b>	<b>Total intangible assets</b>
<b>Gross accounting value on January 1, 2022</b>		<b>5,100</b>	<b>726,260</b>	<b>731,360</b>
Impairments for depreciation on January 1, 2022		-	(320,189)	(320,189)
<b>Net accounting value on January 1, 2022</b>		<b>5,100</b>	<b>406,071</b>	<b>411,171</b>
Inputs		-	42,066	42,066
Outputs		-	-	-
<b>Gross accounting value on September 30, 2022</b>		<b>5,100</b>	<b>768,326</b>	<b>773,426</b>
Impairments for depreciation		-	(320,189)	(320,189)
<b>Net accounting value on September 30, 2022</b>		<b>5,100</b>	<b>448,137</b>	<b>453,237</b>

On 30.09.2022, the value of the financial assets has decreased as compared to January 1, 2021, by 42,066 RON, on the expense of the decrease of the non-current receivables during the year.

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 448,137 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. Inventories

Name	Consumables	Services in progress	Waste products	- RON-
<b>Gross accounting value on January 1, 2022</b>	<b>6,014,704</b>	<b>658,743</b>	<b>7,173</b>	<b>6,680,620</b>
Impairments for depreciation of inventories	(1,368,533)	-	-	(1,368,533)
<b>Net accounting value on January 1, 2022</b>	<b>4,646,171</b>	<b>658,743</b>	<b>7,173</b>	<b>5,312,087</b>
Stocks inputs during the period	5,402,810	8,229,674	153,728	13,786,212
Consumption/outputs of stocks during the period	(5,176,326)	(7,863,542)	(160,901)	(13,200,769)
Income from (Expense with) impairment for depreciation of stocks	376,335	-	-	376,335
<b>Gross accounting value on September 30, 2022</b>	<b>6,241,188</b>	<b>1,024,875</b>	-	<b>7,266,063</b>
Impairments for depreciation of inventories	(992,198)	-	-	(992,198)
<b>Net accounting value on September 30, 2022</b>	<b>5,248,990</b>	<b>1,024,875</b>	-	<b>6,273,865</b>

The stocks are made up of materials, spare parts and other materials that are to be used when performing the company's business, including the ones comprising security and intervention stocks meant for the potential provoked and technical breakdowns.

The company recognizes in revenues from ongoing services the cost of supplied services but unreceived by the beneficiaries until the end of the period.

## 8. Trade receivables and other receivables

On September 30, 2022 and December 31, 2021, the trade receivables and other receivables reveal the following:

Name	September, 30 2022	December 31, 2021	- RON-
Clients	42,622,628	44,266,382	
Impairments for depreciation of receivables	(168,940)	(120,337)	
Other trade receivables	1,579,032	285,169	
Impairments for the loss of value of other short-term intangible receivables	(282,466)	(282,466)	
<b>Subtotal trade receivables (net value)</b>	<b>43,750,254</b>	<b>44,148,748</b>	
Other receivables	4,609,210	7,231,675	
Impairments for the depreciation of other receivables	(1,827,099)	(2,458,264)	
<b>Subtotal other receivables (net value)</b>	<b>2,782,111</b>	<b>4,773,411</b>	
<b>Total receivables</b>	<b>46,532,365</b>	<b>48,922,158</b>	

**Clients' structure per activities** is the following:

	September, 30 2022	December 31, 2021	- RON-
Clients- transport activity	41,942,514	36,782,001	
Other clients - auxiliary activities	680,113	7,484,381	
<b>Total</b>	<b>42,622,628</b>	<b>44,266,382</b>	

*Trade receivables* are no interest bearer and have an average day collection of 29 days.

The main trade receivables in balance on September 30, 2022 are to be received from: OMV PETROM S.A. – 36,949,407 RON (December 31, 2021: 36,636,619 RON) and Petrotel Lukoil S.A. – 4,755,570 RON (December 31, 2021: 5,538,060 RON).

Other receivables in the amount of 4,609,210 lei mainly include: amounts to be recovered from various natural and legal persons, most of them in dispute before the courts – 42% (1,935,823 RON), non-due VAT related to unredeemed invoices until 30.09.2022 - 32.2% (1,485,863 lei) and interest receivable on deposits with maturity under three months - 9.2% (425,622 lei).

*Impairments for the depreciation of trade receivables* are recorded for the doubtful clients, involved in litigation or insolvency, presenting default of collection thereof. On September 30, 2022 the value of these impairments amounts to 168,940 RON, increasing with 48,603 RON.

*Impairments for the depreciation of other receivables* are recorded for debits related to the legal files pending before the Law, paid fines and facing dispute. On September 30, 2022 the value of these impairments amounts to 1,827,099 RON, decreasing with 631,165 RON as compared to December 31, 2021, due to the collection of amounts related to litigations.

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

### **Statement of receivables according to age**

#### **Trade receivables**

	- RON-	
Name	September, 30 2022	December 31, 2021
<b>Clients, o/w:</b>		
Depreciated receivables	42,622,628	44,266,382
Non-depreciated receivables, o/w:		
- seniority less than 30 days	168,940	120,337
- seniority between 30 days and 60 days	42,453,688	44,146,045
- seniority between 60 days and 90 days	42,197,039	44,049,307
- seniority between 90 days and 270 days	94,206	75,712
- seniority between 270 days and 1 year	1,002	14,736
Other trade receivables, out of which:	133,702	6,090
Depreciated receivables	27,739	200
Non-depreciated receivables	1,579,032	285,169
	282,466	282,466
	1,296,566	2,703

#### **Other receivables**

	- RON-	
Name	September, 30 2022	December 31, 2021
Depreciated receivables	1,827,099	2,458,264
Non-depreciated receivables, o/w:		
- seniority less than 30 days	2,782,111	4,773,411
- seniority between 30 days and 60 days	2,782,111	4,388,713
- seniority between 60 days and 90 days	-	129,570
- seniority between 90 days and 270 days	-	112,384
<b>Total</b>	<b>4,609,210</b>	<b>7,231,675</b>

### **9. Cash and cash equivalents**

On September 30, 2022 and December 31, 2021, the cash and cash equivalents look as follows:

Name	- RON-	
	September, 30 2022	December 31, 2021
Current bank accounts	2,376,386	4,821,361
Bank deposits with maturity ≤ 3 months	160,694,102	186,926,898
Cash on hand	15,416	3,012
<b>Total</b>	<b>163,085,904</b>	<b>191,751,271</b>

On September 30, 2022, the cash from bank accounts and cash office decreased by 14.95% compared to December 31, 2021 (163,085,904 RON compared to 191,751,271 RON).

The saving accounts on 30.09.2022 also include the cash representing the modernization quota, with special use regime provided by GD no.168/1998, in amount of 96,010,377 RON. This is intended exclusively for funding the modernization and development works of public property.

The company has not restricted cash.

## 10. Equity

### *The Share capital*

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

The structure of CONPET S.A. share capital and shareholding on September 30, 2022 is the following:

Shareholders	September 30, 2022			31.12.2021		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
Romanian State by the Ministry of Energy	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	1,905,144	6,286,975	22.0056	2,292,221	7,564,329	26.4766
Natural Persons	1,669,012	5,507,739	19.2782	1,281,935	4,230,385	14.8072
<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*

On September 30, 2022 the value of the legal reserve is 5,713,968 RON (December 31, 2021: 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*

On September 30, 2022 "Other reserves" are in amount of 524,297,188 RON.

Other reserves have increased with the amount of 7,249,587 RON in the first nine months of the year 2022 given the increase of the reserve representing the modernization quota with the amount of 12,732, 527 RON and the decrease of the reserves representing distributions to shareholders (dividends), unclaimed in three years maturity date, in amount of 5,482,940 RON by the distribution thereof as dividends.

The reserve related to the modernization quota is in amount of 483,664,387 RON and holds the highest share in total other reserves (92.25%).

*Revaluation reserves*

On September 30, 2022, in the financial standing, the revaluation reserves are being presented at the net value of 17,348,605 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*

On September 30, 2022 the retained earnings amounts to 41,654,142 RON and contains mainly the difference between the value of tangible assets - operating oil product resulting from the application of IAS 29 for the first time, amounting to 40,642,625 RON.

*Profit of the period*

The year's profit realized in the first nine months of the year 2022 is of 52,734,409 RON, increasing by 25.6% compared to the profit registered YoY, in amount of 41,982,693 RON.

## **11. Trade Liabilities and other Liabilities**

On September 30, 2022 and December 31, 2021, the trade liabilities and other liabilities look as follows:

Liabilities	- RON-				
	December 31, 2021	September, 30 2022	Maturity date for the balance on September 30, 2022		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	33,435,362	43,523,992	42,235,956	1,288,036	-
Liabilities to the employees	28,694,583	29,208,532	13,329,818	2,905,853	12,972,861
Other liabilities, here- included fiscal debts and social insurances related debts	32,614,354	32,425,235	29,241,958	2,300,831	882,446
<b>Total</b>	<b>94,744,299</b>	<b>105,157,759</b>	<b>84,807,732</b>	<b>6,494,720</b>	<b>13,855,307</b>

The value of procurement from the suppliers destined to the operating activity, in 2022, holds a share of 44.5% in total procurement and the assets procurement holds a share of 55.5%.

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

Liabilities	- RON-				
	December 31, 2021	September, 30 2022	Maturity date for the balance on September 30, 2022		
			Under 1 year	1-5 years	Over 5 years
Salaries contributions	5,280,452	4,937,079	4,937,079	-	-
Current corporate tax	2,049,325	3,203,180	3,203,180	-	-
Royalty due to the State Budget	7,561,083	9,177,839	9,177,839	-	-
VAT payable	4,503,551	1,126,445	1,126,445	-	-
Other interests and debts - State Budget	966,308	1,036,830	1,036,830	-	-
Payable Dividends	6,812,350	7,230,481	7,230,481	-	-
Leasing related liabilities	4,398,574	4,776,205	2,313,105	1,886,346	576,754

Accrued revenues	859,308	792,221	83,188	403,341	305,692
Other liabilities	183,403	144,955	133,811	11,144	-
<b>Total</b>	<b>32,614,354</b>	<b>32,425,235</b>	<b>29,241,958</b>	<b>2,300,831</b>	<b>882,446</b>

On 30.09.2022, the leasing-related liabilities include future payment obligations related to the leasing concluded for 30 vehicles necessary for the performance of the company's specific activity and debts related to the rights of use recognized for the contracts of lease and concession of various lands, buildings and wagons (note 4).

The liabilities related to the rights of use recognized for the lease and concession contracts of some lands, buildings and wagons 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 debts to employees, in balance at the date of 30.09.2022, also include the future debts for the benefits granted to employees on retirement and the debt for the employees share of profit, for the untaken leaves, of the employees and for cash compensations, debts that are recognized as provisions.

The statement of debts to employees on maturity terms reveals the following:

Liabilities	December 31, 2021	September, 30 2022	Maturity date for the balance on September 30, 2022			- RON-
			Under 1 year	1-5 years	Over 5 years	
Salaries and assimilated debts	5,873,302	5,951,830	5,951,830	-	-	
Liabilities for benefits granted on retirement	16,834,462	16,229,707	350,993	2,905,853	12,972,861	
Debts for employees share of profit	5,642,547	4,251,555	4,251,555	-	-	
Debts for untaken leaves	344,272	2,679,410	2,679,410	-	-	
Debts for layoffs	-	96,030	96,030	-	-	
<b>Total</b>	<b>28,694,583</b>	<b>29,208,532</b>	<b>13,329,818</b>	<b>2,905,853</b>	<b>12,972,861</b>	

The largest share within the debts to employees is held by the amounts representing benefits granted upon retirement, in quantum of 16,229,707 RON.

On 30.09.2022, the debt related to employees share of profit in in quantum of 4,251,555 RON, related to the service supplied by the employees in the first nine months of 2022, here included then national insurance contribution constituted at the level of the amounts provided in the revenues and expenses budget for the first nine months of the year 2022.

Within the debts to employees there is also included the debt for the unpaid leaves, which as of 30.09.2022 is in the amount of 2,679,410 RON and the debt for cash compensation related to redundancies, in the amount of 96,030 RON, debts that are recognized as provisions.

## 12. Provisions

Name	September, 30 2022	- RON-	
		December 31, 2021	
Provisions for litigations	5,219,237	6,021,541	
Provisions related to mandate contracts	1,821,414	2,503,645	
Other provisions for risks and expenses	1,072,156	243,893	

<b>Total provisions</b>	<b>8,112,807</b>	<b>8,769,079</b>
-------------------------	------------------	------------------

### **Provisions for litigations**

In detail, the provisions for litigations are:

Name	<b>- RON-</b>	
	<b>September, 30 2022</b>	<b>December 31, 2021</b>
Litigations for civil compensations	3,375,837	3,172,718
Litigations for third parties failure to respect certain contractual clauses	93,919	97,286
Other litigations	1,749,481	2,751,537
<b>Total</b>	<b>5,219,237</b>	<b>6,021,541</b>

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides compensations, 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.

On 30.09.2022 there are registered provisions related to litigations for civil compensations in amount of 3,375,837 RON, increasing with 203,119 RON, compared with the value from the date of 31.12.2021.

On 30.09.2022, the position "litigation for non-compliance by third parties with contractual clauses" is in the amount of 93,919 RON, down by 3,367 RON compared to 31.12.2021 and the position "Other disputes" is in the amount of 1,749,481 RON, down by 1,002,056 RON, compared to 31.12.2021. The decrease in the position of "Other disputes" was mainly due to the finalization of the dispute in case no. 1474/105/2019 before Prahova Tribunal, whereby the Municipality of Ploiesti requested the value of the lack of use and rent of the land owned in property and on which Conpet buildings are located, which compose Vointa sports base, starting March 2013 and until the conclusion of a contractual form with the defendant Conpet S.A. Based on judgment no.1205/13.07.2020 handed down by Prahova Tribunal in file no. 1474/105/2019, which has remained final, Conpet was ordered to pay to the Municipality of Ploiesti the value of the lack of use of the land for the period 30.03.2016-15.11.2019, updated amount with inflation rate until the actual payment date.

In the position "Other litigations" is included also the provision constituted for the litigation opened during 2018 by Fondul Proprietatea, by which is being requested the payment of the net value of the dividends for the financial year 2006, related to a 6% quota held by the plaintiff in CONPET S.A share capital, as well as the legal interest calculated for the requested amount, starting with the maturity date thereof. The present value of the provision on 30.09.2022 is 1,527,144 RON.

### **Provisions related to the Contract of Mandate**

There have been settled debts for the allowances given to members of the Board of Directors and directors, in accordance with the contracts of mandate and GEO no. 109/2011 on corporate governance, including the related contribution, as follows:

- 84,166 RON represents liabilities for untaken holidays of the directors with mandate contract, corresponding to the first nine months of the year 2022;
- 1,737,248 RON is debt for the variable component related to the first nine months of 2022, of which 613,347 RON debt for allowances granted to the members of the Board of Directors and 1.123.901 RON debt for allowances granted to directors.

### ***Other provisions***

On September 30, 2022 the balance of the position "Other provisions" in amount of 1,072,156 RON represents provision for environmental expenses and other expenses. The increase of the position "Other provisions" by the amount of 828.263 RON compared to the value recorded at 31.12.2021 is mainly due to the settlement of the provision for the value of the non-use of the land owned by the Municipality of Ploiești, which was the subject of the case 1474/105/2019 before the Prahova Tribunal, calculated in the continuation of the period for which it was paid according to sentence no. 1205/13.07.2020, respectively from 16.11.2019.

### **13. Current and Deferred Corporate Tax**

The expense with the current and deferred corporate tax of the company on September 30, 2021 and September 30, 2022 is being determined by a statutory rate of 16%.

	September, 30 2022	September, 30 2021	- RON-
The expenditure with corporate tax and specific tax	9,696,171	7,116,793	
The expenditure with/(revenues from) deferred corporate tax	(274,446)	(109,393)	
<b>Total</b>	<b>9,421,725</b>	<b>7,007,400</b>	

#### **Reconciliation of the effective rate of taxation:**

	September, 30 2022	September, 30 2021
Profit before tax	62,156,134	48,990,093
Corporate tax at a statutory rate of 16%	9,944,981	7,838,415
<b>Effect on the corporate tax of:</b>		
- Non-deductible expenses	2,631,786	2,443,258
- Non-taxable revenues	(2,466,747)	(2,561,287)
- Elements similar to the revenues	407,999	378,688
- Elements similar to the expenses	(186,417)	(211,894)
- Spared corporate tax	(139,664)	(255,060)
-Amounts representing sponsorship falling under the limits provided by law	(507,000)	(526,560)
- Specific tax	11,233	11,233
<b>Expenses with the ordinary corporate tax</b>	<b>9,696,171</b>	<b>7,116,793</b>

#### *The deferred corporate tax*

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

The statement of the movements related to the receivable/debt with the deferred income during the first nine months of 2022 reveals the following:

- RON-

2022	Net value on 1 <sup>st</sup> of January	Deferred corporate tax recognized in the profit and loss account	Deferred corporate tax recognized in company's capital	Net value on 30 <sup>th</sup> of September	
				Receivable related to the deferred corporate tax	Debt related to the deferred corporate tax
Reevaluation of tangible assets	61,088	191,757	-	3,352,734	(3,099,889)
Provisions	4,068,628	115,415	-	4,184,043	-
Impairments of current assets	507,769	(32,726)		475,043	-
<b>Deferred corporate tax before offsetting</b>	<b>4,637,485</b>	<b>274,446</b>	<b>-</b>	<b>8,011,820</b>	<b>(3,099,889)</b>
				(3,099,889)	3,099,889
<b>Net deferred corporate tax - recoverable</b>					<b>4,911,931</b>

Deferred tax payable, recognized on account of equity items on 09/30/22 amounts to 3,099,889 RON and the deferred corporate tax to be recovered, recognized on 30.09.2022 in the statement of global result is of 8,011,820 RON.

In conclusion, on 30.09.2022 the company has a net receivable related to the deferred corporate tax reaching 4,911,931 RON.

#### **14. Result per Share**

The result per share in the first nine months of the year 2022 , as compared to the same period of the previous year is the following:

Name	- RON-	
	September, 30 2022	September, 30 2021
Profit of the Financial Year	52,734,409	41,982,693
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>6.09</b>	<b>4.85</b>

#### **15. Operating Revenues**

##### **a) Revenues from contracts**

Name	- RON-	
	September, 30 2022	September, 30 2021
Revenues from transport service, of which:		
<i>Revenues from transport services on domestic subsystem</i>	349,578,283	311,564,216
<i>Revenues from transport services on import subsystem</i>	243,372,273	222,656,363
Revenues from rents	106,206,010	88,907,853
Other operating revenues	1,457,605	1,207,242
<b>Total contracts revenues</b>	<b>351,418,786</b>	<b>313,306,342</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.

In the first nine months of 2022, the quantities transported on subsystems, as compared to the same period of the previous year, are the followings:

Name	- RON-	
	September, 30 2022	September, 30 2021
Domestic Subsystem	2,295,280	2,438,683

Import Subsystem	2,921,557	2,669,522
<b>Total quantities (tons)</b>	<b>5,216,837</b>	<b>5,108,205</b>

The total quantity of transported quantities has increased by 2.1% in the first nine months of the year 2022, compared to the same period of the previous year, given the 5.9% decrease of the quantity transported on the domestic transport subsystem and 9.4% 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 the 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 the domestic subsystem:

Period	Transport tariff (RON/ton)	Approved by NAMR Order no.
December 31, 2019 - February 7, 2021	87.53	427/2019
February 8, 2021 - December 31, 2021	91.03	19/2021
starting January 01, 2022	105.50	229/2021

Tariffs for transport services on the import subsystem:

Period	Tranches	Arpechim Refinery	Ploiesti Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order no.
	thousand tons/month	RON/ton	RON/ton	RON/ton	
December 31, 2019 - February 7, 2021	<120	40.40	39.50	15.00	427/2019
	> 120	17.25	17.00	12.85	
February 8 <sup>th</sup> , 2021 - December 31 <sup>st</sup> , 2021	<120	42.00	40.90	16.50	19/2021
	> 120	17.90	17.60	14.40	
starting January 01, 2022	no more than 80	46.65	45.66	18.51	229/2021
	80-120	37.32	36.53	14.81	
	120-160	27.99	27.39	11.11	
	over 160	21.00	20.55	8.33	

### b) Other Operating Revenues

- RON-

Name	September, 30 2022	September, 30 2021
Revenues out of modernization quota consumption	29,907,262	27,767,759
Other revenues	2,531,546	5,612,520
Earnings from disposal of assets	5,685,118	236,156
<b>Total other operating expenses</b>	<b>38,123,926</b>	<b>33,616,435</b>

The revenues representing the modernization quota hold 78.4% from other operating expenses, registering an increase of 7.7% in the first nine months of the year 2022 YoY.

On a monthly basis it is written-back the reserve of modernization quota at the level of depreciation of fixed assets financed from this source.

The earnings from disposal of assets, registered mainly from the sale of oil product holds a share of 14.9% of other operating revenues.

## 16. Operating Expenses

### a) Stocks and Utilities Expenses

Name	- RON-	
	September, 30 2022	September, 30 2021
Expenses with consumables	4,482,925	3,448,388
Other material expenses	617,763	406,239
Other Expenses with Energy and Water	21,000,228	10,555,387
<b>Total Stocks and Utilities related Expenses</b>	<b>26,100,916</b>	<b>14,410,014</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 the Directors with mandate and expenses related to contributions due by the employer.

Name	- RON-	
	September, 30 2022	September, 30 2021
Salary expenses	106,251,736	99,448,095
Obligations regarding employees' bonuses	17,649,192	17,562,605
Other personnel expenses	2,238,010	1,798,440
Expenses on remuneration of directors with mandate contract and administrators	4,180,120	4,253,038
Expenses with contributions due by the employer	5,514,688	4,218,307
<b>Total personnel expenses</b>	<b>135,833,746</b>	<b>127,280,485</b>

The personnel expenses are detailed as follows:

#### Salary expenses

Name	- RON-	
	September, 30 2022	September, 30 2021
Salary and related contributions expenses	104,395,609	98,371,281
Quarterly bonuses	999,119	-
Retirement support	820,068	1,034,586
Marriage support	36,940	42,228
<b>Salary related expenses</b>	<b>106,251,736</b>	<b>99,448,095</b>

The expenses with the basic salaries of the personnel and the related bonuses have increased in the first nine months of the year 2022, compared to the same period of the year 2021, mainly following the indexation of the salaries by 7% starting of 15.12.2021.

In accordance with the Collective Labor Agreement in force, the Company has also provided employees the following benefits: quarterly bonuses, retirement support, marriage support.

#### Obligations regarding employees' bonuses

- RON-

Name	September, 30 2022	September, 30 2021
Employees share of profit	5,517,801	6,655,473
Meal vouchers	4,902,720	5,097,840
Social expenditure under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions	5,222,642	4,477,111
Other expenses as per the Collective Labor Agreement (CLA)	2,006,029	1,332,181
<b>Total</b>	<b>17,649,192</b>	<b>17,562,605</b>

The employees share of profit in 2022 was granted in the first nine months of 2022 in a quantum lower by 1,137,672 RON, compared to the same period of the previous year, while other expenses according to CLA have increased by 673,848 RON, due to the increase of both the value of the subscriptions settled to the employees, due to the increase of the fuel price and other personnel expenses: settlement of nurseries, kindergartens, daily overrun, advantages according to the CLA, due to the completion of the period in which the employees carried out their activity in a telework regime and resumption of activity at the company's headquarters.

In accordance with the Collective Labor Agreement in force, the Company paid to the employees bonuses as social expenses under art. 25 of Law no. 227/2015 regarding the Fiscal Code consisting of tickets for rest and treatment, including travel, gifts to employees, aid for birth, funeral, serious illness, humanitarian and other social expenses as per CLA. The social expenses due the the employees in the first nine months of the year 2022 have increased YoY, by the amount of 745,531 RON.

### Other personnel expenses

Name	September, 30 2022	September, 30 2021	- RON-
Expenditure on compensatory payments related to personnel redundancies	2,238,010	1,798,440	
<b>Total</b>	<b>2,238,010</b>	<b>1,798,440</b>	

The position "Other personnel expenses" includes severance related expenses, provided under CLA, related to personnel layoffs conducted in 2021, as well as in 2022.

### Expenses on remuneration of directors with mandate contract and administrators

Name	September, 30 2022	September, 30 2021	- RON-
Allowance of the directors with mandate	2,392,039	2,338,804	
Allowances of the members of the Board of Directors	1,788,081	1,914,234	
<b>Total</b>	<b>4,180,120</b>	<b>4,253,038</b>	

The expenses with the allowances related to the mandate contracts of the directors register an increase of 53,235 RON in the first nine months of the year 2022, compared to 2021 YoY, due to the increase of the allowance level of the director general calculated based on the average on 12 months of the national average wage reported by NIS.

### Expenses with contributions due by the Employer

Name	September, 30 2022	September, 30 2021	- RON-
The company's contribution to facultative pension schemes	1,985,865	562,365	
Company's contribution to voluntary health insurance	834,367	1,125,816	
Labor insurance contribution and other contributions	2,694,456	2,530,126	
<b>Total</b>	<b>5,514,688</b>	<b>4,218,307</b>	

The company's contribution expenditure to voluntary pension funds in 2022 was included in costs, from the beginning of the year, compared to 2021, when they were included starting September, after the budget rectification.

In the first nine months of 2022, following the salary increases on December 2021, the national insurance contribution has proportionally increased.

### c) Expenses related to External Services

Name	September, 30 2022	September, 30 2021	- RON-
Rail transport expenses	45,892,383	47,771,769	
Expenses with royalties and rentals	27,285,601	24,324,872	
Third-party pumping expenses	3,444,592	3,388,427	
Maintenance and repair expenses	2,310,088	1,772,251	
Expenses with the decontamination, monitoring of the environmental factors	1,761,459	1,124,104	
Travel, secondment and transfer expenses	549,975	404,357	
Expenses related to the transport of goods and personnel	26,286	27,000	
Postal and telecommunication expenses	511,023	436,101	
Other expenses with services performed by third parties	3,646,052	3,688,899	
<b>Total expenses related to external services</b>	<b>85,427,459</b>	<b>82,937,780</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.

It is being calculated according to the Oil Law no.238/2004, by application of a quota of 10% of the value of gross revenues achieved out of oil transport operations via the oil national transport System.

### d) Other expenses

Name	September, 30 2022	September, 30 2021	- RON-
Taxes, fees and similar levies related expenses	1,826,769	1,736,815	
Compensations, fines and penalties expenses	1,223,692	19,420	
Donations granted (sponsorships)	507,000	526,560	
Environmental protection expenses	12,338	28,267	
Expenses with the settlement of the modernization quota	42,639,789	35,653,167	
Other operating expenses	237,051	164,350	
<b>Other expenses</b>	<b>46,446,639</b>	<b>38,128,579</b>	

Within the first nine months of 2022, the expenses recorded with other taxes, fees and similar levies include mainly the expenses with the local taxes and expenses with the contribution to the special fund, due under the Law no.448/2006 regarding the protection and promotion of the disabled persons.

The chapter "Other expenses" also contains the modernization quota settled on account of 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 updates.

## 17. Net Financial Result

Name	September, 30	September, 30	- RON-

	2022	2021
Revenues from interests	7,329,963	2,236,858
Other financial revenues	76,156	24,598
<b>Total financial revenues</b>	<b>7,406,119</b>	<b>2,261,456</b>
Interest expenses on leasing contracts	187,864	160,002
Other financial expenses	220,090	103,939
<b>Total financial expenses</b>	<b>407,954</b>	<b>263,941</b>
<b>Net Financial Result</b>	<b>6,998,165</b>	<b>1,997,515</b>

The financial revenues have increased by 227.5% in the first nine months of 2022 YoY and the financial expenses have increased by 54.6% during the analyzed period, as compared to the same period in 2021. Based on this evolution, the net financial result has increased by 250.3 % in the first nine months of the year 2022 as compared to the same period of the year 2021.

## **18. Related Parties**

During 01.01-30.09.2022, the Company has performed related party transactions, out of which, significant are the procurements from SNTFM CFR Marfa (over 95%), SPEEH HIDROELECTRICA S.A. and ELCTRICA FURNIZARE SA (over 95%).

### **Procurement from related parties**

Partner	Unsettled amounts at December 31, 2021	Procurements during 01.01.2022- 30.09.2021	Settlements during 01.01.2022- 30.09.2021	Unsettled amounts at September 30, 2022	- RON-
SNTFM CFR Marfa S.A.	5,792,599	55,323,631	54,577,417	6,538,813	
SPEEH HIDROELECTRICA S.A.	-	12,593,201	9,178,534	3,414,667	
ELECTRICA FURNIZARE S.A.	-	10,094,311	1,644,979	8,449,332	

\*The amounts are VAT exclusive

## **19. The impact of the Conflict between Russia - Ukraine on the Company's Business**

On short term, the company's activity is not affected and there are no indicators showing the depreciation of the assets following the effects of Russia's invasion in Ukraine. The medium and long-term impact of this conflict and of the sanctions imposed to Russia cannot be anticipated at this moment with sufficient accuracy. Considering that the Company has an activity somehow dependent on the area affected by sanctions (particularly Russia), in what concerns the sales, we reckon that the Company has the capacity and ability to continue its activity in the foreseeable future, so that it be as less affected as possible.

## **20. Subsequent events and other mentions**

Within the OGMS meeting dated 28.10.2022 it was approved the appointment of the firm PKF Finconta S.R.L. as financial auditor of the company CONPET S.A. and the settlement of the duration of the financial audit services contract for a period of 3 years (2022,2023,2024).

The company CONPET S.A.  
Explanatory notes to the interim financial statements on September 30, 2022

These interim financial statements and the related notes, from page 1 to page 27 have been authorized for issue and signed by the company management on November 14, 2022.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**