



CONPET S.A., Romania  
1-3 Anul 1848 Street, Ploiești 100559, Prahova  
Tel: +40-244-401360; fax: +40-244-516451  
TIN: RO 1350020; NACE Code 4950; CRN J29/6/22.01.1991  
Subscribed and paid-up share capital 28 569 842.40 RON

No. 40409/09.11.2023

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

**on September 30, 2023**

**(period 01.01.2023 – 30.09.2023)**

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



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## 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  | 14.11.2023  |
| Company's name  | CONPET S.A.   |
| Registered Offices  | no. 1-3 Anul 1848 Street, Ploiesti, Prahova<br>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<br>Register Office | 1350020   |
| Trade Registry Number                                       | J29/6/22.01.1991  |
| The regulated market trading the issued<br>securities       | Bucharest Stock Exchange, Premium category  |
| Subscribed and entirely paid-up share capital               | 28,569,842.40 RON   |
| Main features of the securities                             | 8,657,528 shares with a nominal value of 3.3<br>RON/share   |
| Total market value  | 661,435,139 RON (76.4 RON/share on<br>29.09.2023)   |
| Applied accounting standard                                 | International Accounting Standard no. 34 -<br>„Interim Financial Reporting”                               |
| Auditing  | The Interim Financial Statements concluded on<br>30.09.2023 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, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis as well as accessing the related markets corresponding to the segments of the value chain of the oil industry.

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

### Company's Values:

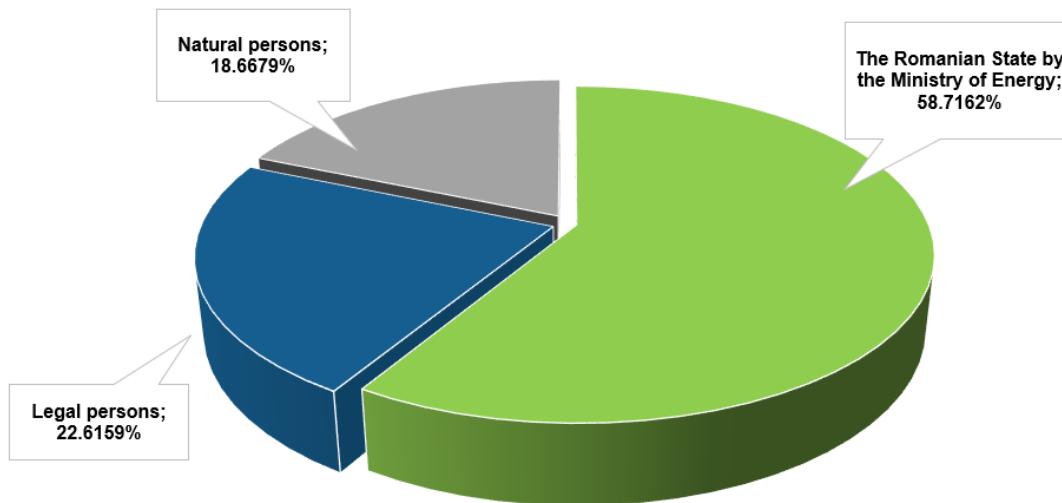
- ongoing learning and improvement;
- concern for people and environment;
- openness and quality improvement;
- flexibility and dynamism;
- communication and cooperation.

## 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 on September 30, 2023 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 on September 30<sup>th</sup>, 2023

The share capital of CONPET on 30.09.2023 is 28,569,842.40 RON and is divided into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

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

### 1.5. Company Organization

CONPET was established in 1990, based on the Government Decision no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. 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 were defined in strong correlation with the strategic directions, the vision and expectations of the tutelary authorities and the contextual lines of the Energy Strategy of Romania along 2018-2030, envisaging 2050.

The strategic objectives are:

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

## 2. CONPET- EXECUTIVE SUMMARY

### 2.1. Operating Activity Indicators

The evolution of the crude oil, condensate and rich gas, transported via the National Transport System during January – September 2023, vs. the Revenues and Expenditure Budget and the similar period of 2022, by transport subsystems, is presented below:

| Achieved 9 months 2023 | Budget 9 months 2023 | Variation (%) Achieved/Budget | Indicators                   | Achieved 9 months 2023 | Achieved 9 months 2022 | Variation (%) Achieved 2023/2022 |
|------------------------|----------------------|-------------------------------|------------------------------|------------------------|------------------------|----------------------------------|
| <b>Thousand tons</b>   |                      |                               |                              |                        |                        |                                  |
| 4,758                  | 4,792                | ▼0.7%                         | Total transported quantities | 4,758                  | 5,217                  | ▼8.8%                            |
| <b>mRON</b>            |                      |                               |                              |                        |                        |                                  |
| 363.7                  | 368.9                | ▼1.4%                         | Total transport revenues     | 363.7                  | 349.6                  | ▲4.0%                            |

Table 1 - Evolution of the transported quantities and revenues from transport

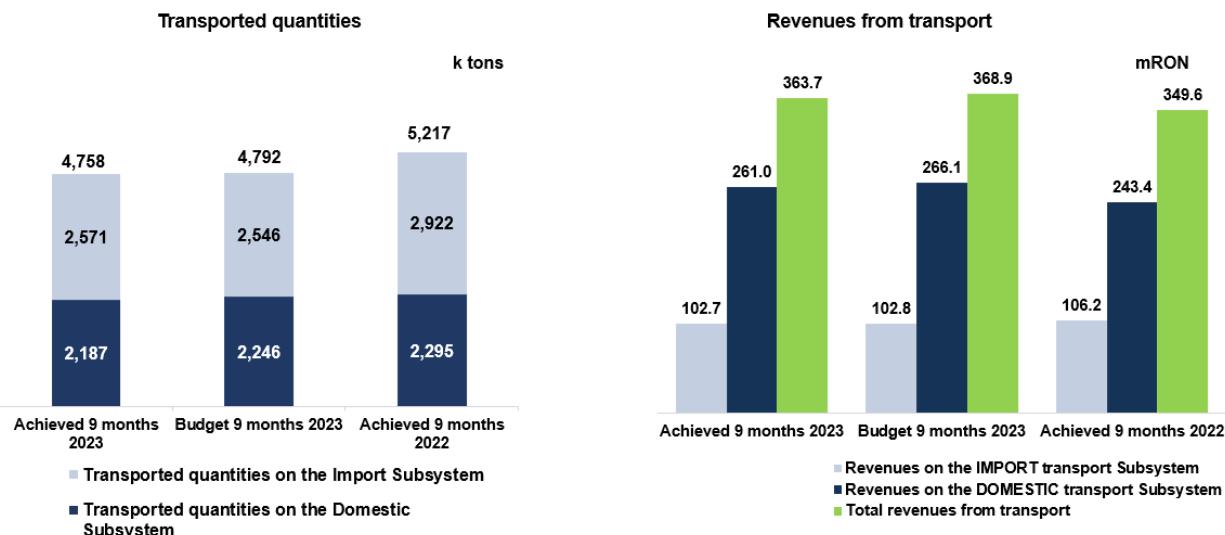


Chart 2 - Evolution of the transported quantities and transport revenues on the Domestic and Import subsystems

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

| Products  | 9 months, 2023 |          |           | 9 months, 2022 |          |           |
|---|----------------|----------|-----------|----------------|----------|-----------|
|   | Standardized   | Achieved | Variation | Standardized   | Achieved | Variation |
| Import crude oil                                    | 0.2631%        | 0.1933%  | -0.07%    | 0.2454%        | 0.1697%  | -0.08%    |
| Domestic crude oil, condensate and light condensate | 0.3685%        | 0.3480%  | -0.02%    | 0.3680%        | 0.3599%  | -0.01%    |

|          |         |         |        |         |         |        |
|----------|---------|---------|--------|---------|---------|--------|
| Rich gas | 7.3830% | 3.3200% | -4.06% | 7.3830% | 3.2350% | -4.15% |
|----------|---------|---------|--------|---------|---------|--------|

Table 2 - Evolution of the technological consumption

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

## 2.2. Economic- financial Indicators

The level of the main economic-financial Indicators of the company achieved in the first 9 months of 2023, as compared to the similar period of last year and to the Budget is as follows:

| Indicators   | 9 months 2023 |         |                               | Achieved 9 months 2022 | Variation% Achieved 2023/2022 |
|--|---------------|---------|-------------------------------|------------------------|-------------------------------|
|  | Achieved      | Budget  | Variation (%) Achieved/Budget |                        |                               |
| Turnover (thousand RON)  | 365,395       | 370,815 | ▼ 1.5%                        | 351,419                | ▲ 4.0%                        |
| Operating Revenues (thousand RON)  | 404,668       | 409,620 | ▼ 1.2%                        | 389,543                | ▲ 3.9%                        |
| Operating Expenses (thousand RON)  | 351,119       | 371,806 | ▼ 5.6%                        | 334,385                | ▲ 5.0%                        |
| Operating Profit (EBIT) (thousand RON)   | 53,549        | 37,814  | ▲ 41.6%                       | 55,158                 | ▼ 2.9%                        |
| Operating profit margin (% Operating Revenues)   | 13.2%         | 9.2%    | ▲ 4.0 p.p.                    | 14.2%                  | ▼ 1.0 p.p.                    |
| Value adjustments on fixed assets, less adjustments related to rights of use resulted from lease contracts | 46,977        | 47,629  | ▼ 1.4%                        | 39,970                 | ▲ 17.5%                       |
| EBITDA (thousand RON)  | 100,526       | 85,443  | ▲ 17.7%                       | 95,128                 | ▲ 5.7%                        |
| Operating Expenses/Turnover x 100 (%)  | 96.1%         | 100.3%  | ▼ 4.2 p.p.                    | 95.2%                  | ▲ 0.9 p.p.                    |
| Total Revenues (thousand RON)  | 409,825       | 412,229 | ▼ 0.6%                        | 396,949                | ▲ 3.2%                        |
| Total Expenses (thousand RON)  | 351,330       | 372,183 | ▼ 5.6%                        | 334,793                | ▲ 4.9%                        |
| Gross profit (thousand RON)  | 58,495        | 40,046  | ▲ 46.1%                       | 62,156                 | ▼ 5.9%                        |
| Net profit (thousand RON)  | 49,798        | 34,769  | ▲ 43.2%                       | 52,734                 | ▼ 5.6%                        |
| Productivity (thousand RON/employee)   | 286           | 284     | ▲ 0.7%                        | 265                    | ▲ 7.9%                        |

Table 3- Comparative analysis of the main economic financial indicators

## 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, 2023, CONPET S.A. achieved investments in amount of 59.3 million RON.

The degree of achievement of the investments, as compared to program and the similar period in 2022, by ownership of assets, is as follows:

| January - September 2023 |         |                       | Investments (mRON)      | January - September |               |                       |
|--------------------------|---------|-----------------------|-------------------------|---------------------|---------------|-----------------------|
| Achieved                 | Program | Degree of achievement |                         | Achieved 2023       | Achieved 2022 | Degree of achievement |
| 59,260                   | 81,577  | 73%                   | Total investments, o/w: | 59,260              | 81,882        | 72%                   |

|        |        |     |                  |        |        |     |
|--------|--------|-----|------------------|--------|--------|-----|
| 52,960 | 66,801 | 79% | Public domain    | 52,960 | 73,858 | 72% |
| 6,300  | 14,776 | 43% | Operating domain | 6,300  | 8,024  | 79% |

Table 4 - Evolution of the investments

## 2.4. Company's Stock Market indicators

On 29.09.2023, CONPET S.A. ranked 33 according to capitalization, with a value of 661,435,139 RON, holding a share of 0.24% in total market capitalization.

The Company CONPET S.A. is being included in 7 indices out of 9 of the Bucharest Stock Exchange, namely BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG și BET Plus. At the same time, starting March 21, 2022, the shares of the company CONPET S.A. are part of the FTSE Global Micro Cap indices dedicated to emerging markets, and on 01.09.2023, following the quarterly revision of the indices, carried out by the global provider of MSCI indices, CONPET (COTE) is included in the MSCI Frontier IMI and MSCI Romania IMI (Investable Market Indices) indices.

Within the first nine months of 2023, 11,102 stock trades have been recorded, with a traded volume of 353,830 shares, the total value of the transactions being of 27 million RON. All along this time, the minimum trading price amounted to 68.8 RON/share and the maximum price of 80.6 RON/share. On average, 1,892 shares/day have been traded, the average value of a trading day amounting to 141,972 RON/day (187 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 2023, as compared to the same period of 2022 and the extent of usage of the transport capacity, is as follows:

| Transport Subsystems | Indicators and products                                    | Achieved 9 months, 2023 | Achieved 9 months, 2022 | Variation % 2023/2022 |
|----------------------|--|-------------------------|-------------------------|-----------------------|
| DOMESTIC             | <b>Domestic crude oil, condensate and light condensate</b> |                         |                         |                       |
|                      | - programmed quantities (thousand tons)                    | 2,237                   | 2,215                   | ▲ 1.0%                |
|                      | - achieved quantities (thousand tons)                      | 2,175                   | 2,282                   | ▼ 4.7%                |
|                      | - degree of achievement                                    | 97.2%                   | 103.0%                  | -5.8 p.p.             |
|                      | - degree of use of the transport throughputs               | 47.0%                   | 49.3%                   | -2.3 p.p.             |
|                      | <b>Rich gas</b>  |                         |                         |                       |
|                      | - programmed quantities (thousand tons)                    | 8.7                     | 7.7                     | ▲ 13.0%               |
|                      | - achieved quantities (thousand tons)                      | 12.6                    | 13.2                    | ▼ 4.6%                |
|                      | - degree of achievement                                    | 144.8%                  | 171.4%                  | -26.6 p.p.            |
|                      | - degree of use of the transport throughputs               | 23.2%                   | 24.2%                   | -1.0 p.p.             |
| TOTAL                | <b>Total domestic subsystem</b>                            |                         |                         |                       |
|                      | - programmed quantities (thousand tons)                    | 2,246                   | 2,223                   | ▲ 1.0%                |
|                      | - achieved quantities (thousand tons)                      | 2,187                   | 2,295                   | ▼ 4.7%                |
|                      | - degree of achievement                                    | 97.4%                   | 103.2%                  | -5.8 p.p.             |
|                      | - degree of use of the transport throughputs               | 46.7%                   | 49.1%                   | -2.4 p.p.             |
| IMPORT               | <b>crude oil</b>   |                         |                         |                       |
|                      | - programmed quantities (thousand tons)                    | 2,546                   | 2,602                   | ▼ 2.2%                |
|                      | - achieved quantities (thousand tons)                      | 2,571                   | 2,922                   | ▼ 12.0%               |
|                      | - degree of achievement                                    | 101.0%                  | 112.3%                  | -11.3 p.p.            |
| TOTAL                | - degree of use of the transport throughputs               | 28.4%                   | 33.1%                   | -4.7 p.p.             |
|                      | - programmed quantities (thousand tons)                    | 4,792                   | 4,825                   | ▼ 0.7%                |
|                      | - achieved quantities (thousand tons)                      | 4,758                   | 5,217                   | ▼ 8.8%                |
|                      | - degree of achievement                                    | 99.3%                   | 108.1%                  | -8.8 p.p.             |
|                      | - degree of use of the transport throughputs               | 34.7%                   | 38.6%                   | -3.9 p.p.             |

Table 5 - Transported quantities by types of products and by transport subsystems

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

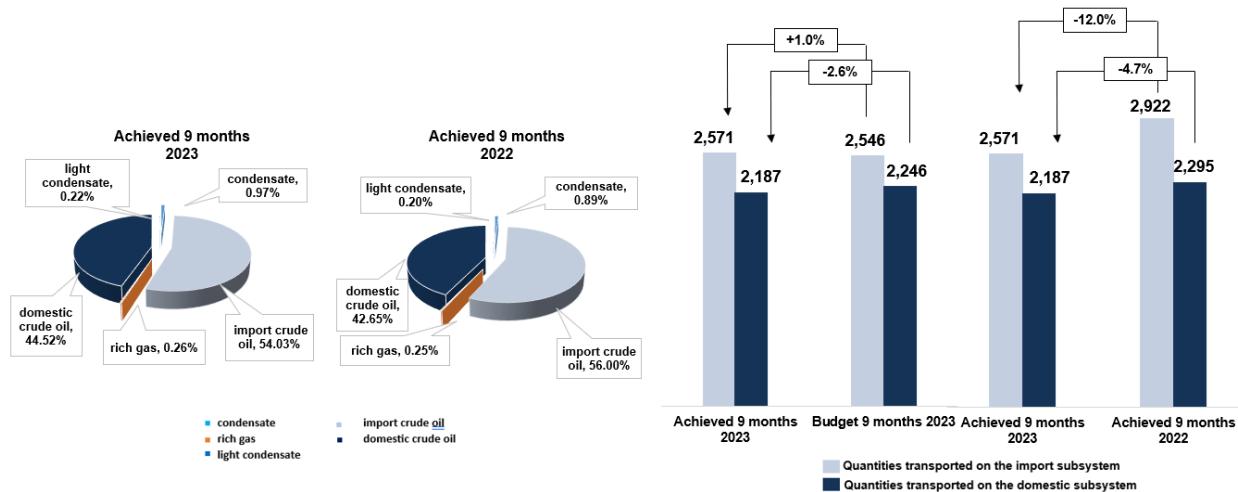


Chart 3 - Quantities transported on the transport subsystems

Within the first 9 months of the year 2023 have been transported 4,758 thousand tons of crude oil, condensate and rich gas, by 459 thousand tons less as compared to the same period of 2022. The decreasing tendency of the transported volume was registered both on the Import subsystem (-351 thousand tons) and the Domestic Subsystem (-108 thousand tons).

Within the first 9 months, 727 thousand tons were transported by rail, respectively 33.2% of the total of 2,187 thousand tons transported from domestic production.

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

### Transport Tariffs

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

In the reporting period, the following tariffs were applied:

- Tariffs for transport services on Domestic Subsystem

| Period  | Transport tariff (RON/ton) | Approved by<br>NAMR Order no. |
|---|----------------------------|-------------------------------|
| January 1 <sup>st</sup> , 2022 - December 31 <sup>st</sup> , 2022 | 105.50                     | 229/2021                      |
| starting January 1 <sup>st</sup> , 2023                           | 117.95                     | 364/2022                      |

Table 6 – Transport tariffs Domestic Subsystem

- Tariffs for transport services on the Import Subsystem

The tariffs for transport on the import subsystem differ depending on the destination point (refinery) and the transported quantity.

| 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             |                            |
| January 1, 2022 - December 31, 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                |                            |
| Starting January 1, 2023            | no more than 80     | 52.25             | 51.60  | 20.73               | 364/2022                   |
|                                     | 80 -120             | 41.80             | 41.28  | 16.59               |                            |
|                                     | 120 -160            | 31.35             | 30.96  | 12.44               |                            |
|                                     | over 160            | 23.51             | 23.22  | 9.33                |                            |

Table 7 - Transport tariffs import subsystem

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

### 3.1.2. Assessment of the operating activity

The total value of transport services (without VAT) invoiced to the beneficiaries in the period January-September 2023 represents 363,700 thousand RON, an increase of 14,122 thousand RON compared to the revenues obtained in the same period of 2022 (349,578 thousand RON).

In the table below is presented the evolution of the transport services revenues, between January – September 2023, as compared to the same period of 2022 and the budgeted values.

| Achieved 9 months 2023 | Revenues and Expenditure Budget 9 months, 2023 | Variation (%) Achieved/ Revenues and Expenditure Budget | Indicators (thousand RON)                    | Achieved 9 months, 2023 | Achieved 9 months 2022 | Variation (%) Achieved 2023/2022 |
|------------------------|--|---|--|-------------------------|------------------------|----------------------------------|
| 261,035                | 266,139  | ▼ 1.9%  | Revenues on the domestic transport subsystem | 261,035                 | 243,372                | ▲ 7.3%                           |
| 102,665                | 102,760  | ▼ 0.1%  | Revenues on the import transport subsystem   | 102,665                 | 106,206                | ▼ 3.3%                           |
| <b>363,700</b>         | <b>368,899</b>                                 | <b>▼ 1.4%</b>   | <b>Total transport revenues</b>              | <b>363,700</b>          | <b>349,578</b>         | <b>▲ 4.0%</b>                    |

Table 8 - Statement of the transport revenues

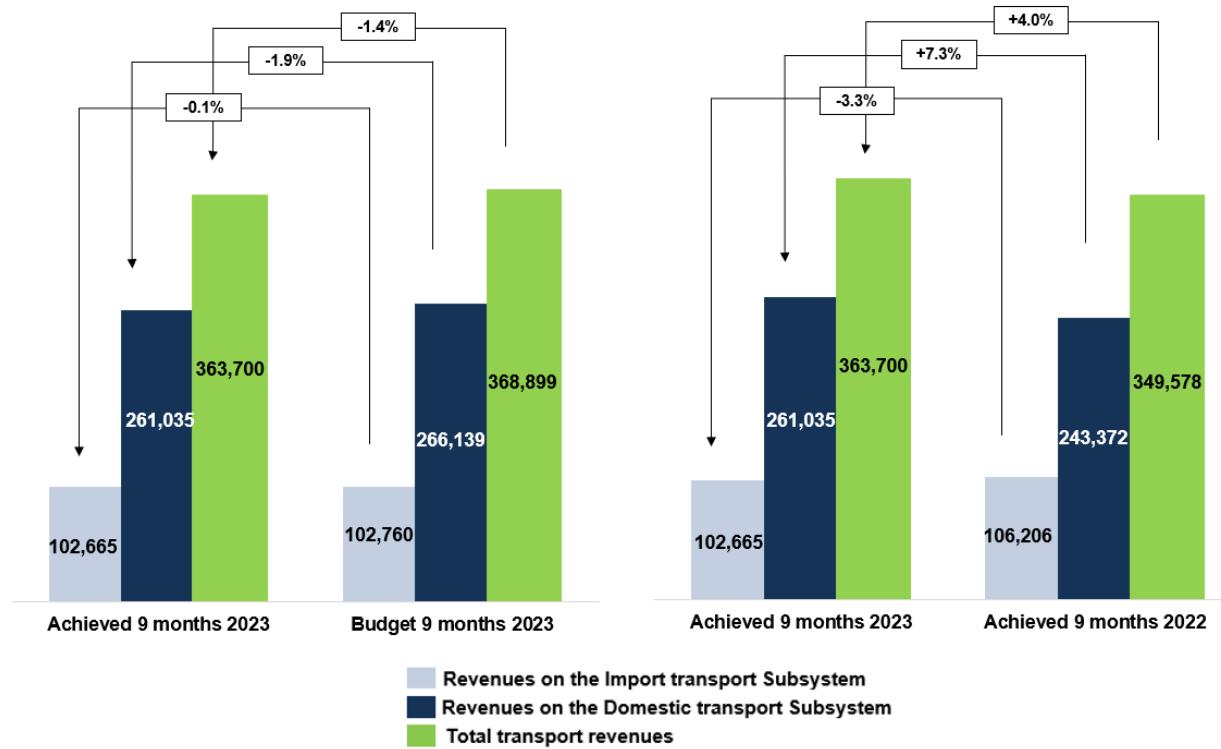


Chart 4 - Evolution of transport revenues by subsystems

The income statement for each client is the following:

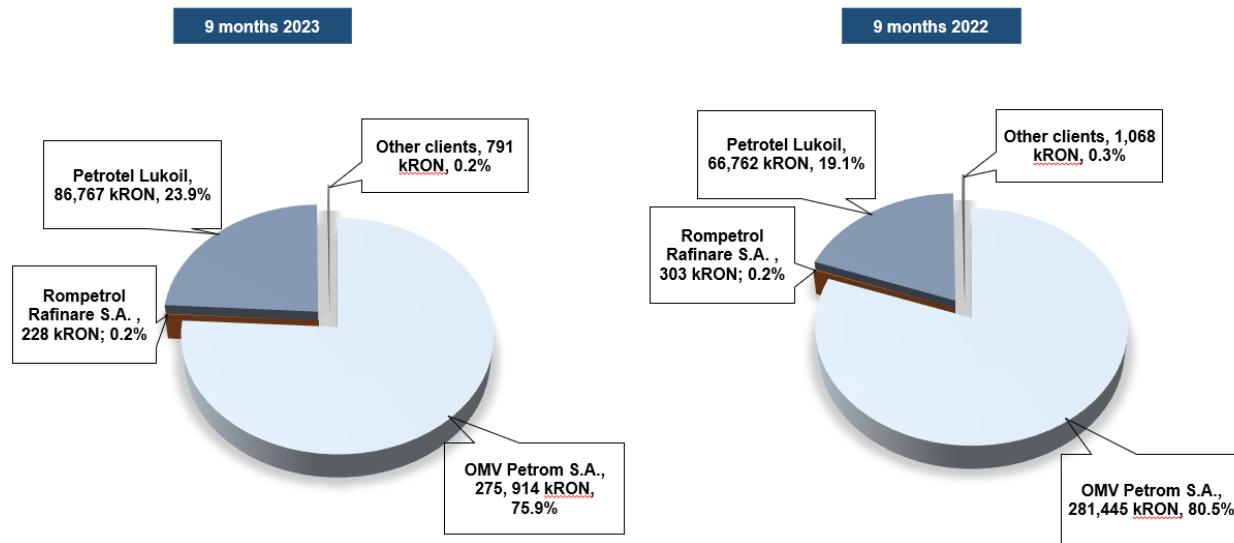


Chart 5 - Evolution of transport revenues, by beneficiaries, achieved 9 months 2023 as compared to 9 months 2022

## 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.

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

During January - September 2023, have been initiated procedures regarding the achievement of a number of 94 procurements and have been concluded 54 contracts in total amount of 368,695 thousand RON and 4,912 Euro.

At the end of September, 30 procurements were in progress, with a total estimated value of 58,488 kRON and 155 kEuro, respectively:

- 6 tender procedures in total estimated amount of 27,567 thousand RON;
- 10 simplified procedures in total estimated amount of 29,915 thousand RON and 50 thousand Euro;
- 11 direct procedures in total estimated amount of 821 thousand RON and 105 thousand Euro;
- 3 negotiations in total estimated amount of 185 thousand RON.

According to the provisions of the 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 01.01.2023 - 30.09.2023.

### **3.1.3. 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 2023 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for deployment and modernization of the activity.

Between January - September 2023 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.

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

The effective number of employees on September 30, 2023 is of 1,446 persons.

Following the adoption, in 2022, of certain measures meant to resize the human resource, as well as of certain voluntary, or triggered to other causes personnel leaves, the effective number of employees at 30.09.2023 decreased by 35 employees as compared to 30.09.2022.

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 following:

- 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, on September 30, 2023 is presented in the table below:

| Studies                         | Total        | % in total employees | Women      | % in total employees | Men          | % in total employees |
|---------------------------------|--------------|----------------------|------------|----------------------|--------------|----------------------|
| General education (8-10 grades) | 88           | 6.1%                 | 8          | 0.6%                 | 80           | 5.5%                 |
| Secondary education             | 799          | 55.3%                | 72         | 5.0%                 | 727          | 50.3%                |
| Higher education                | 559          | 38.6%                | 210        | 14.5%                | 349          | 24.1%                |
| <b>Total</b>                    | <b>1,446</b> | <b>100%</b>          | <b>290</b> | <b>20.1%</b>         | <b>1,156</b> | <b>79.9%</b>         |

Table 9 - Personnel structure by level of education and gender

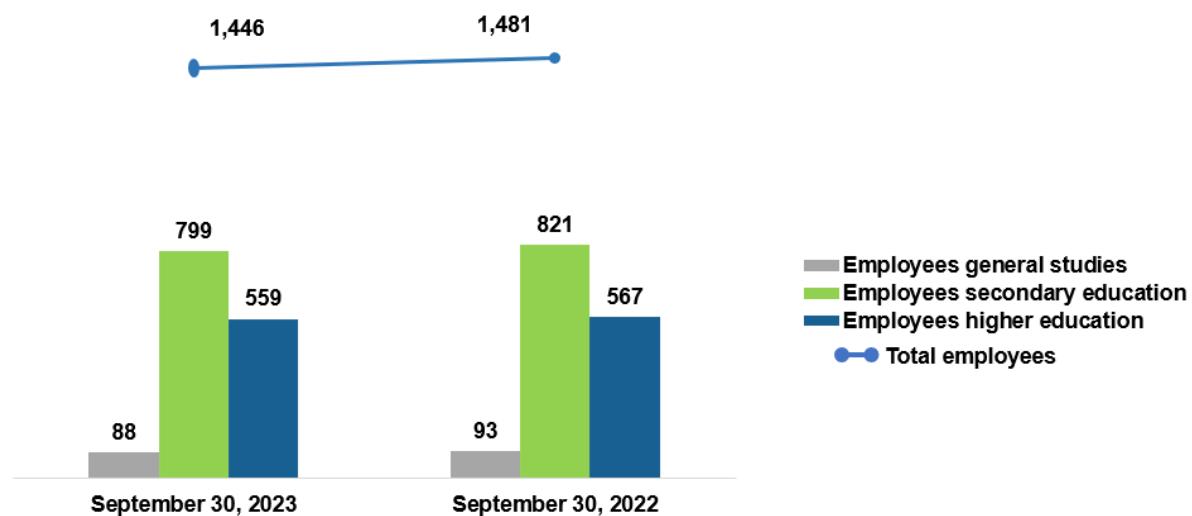


Chart 6 - Employee structure at September 30, 2023 YoY

On 30.09.2023, the number of employees having graduated higher education studies was of 559 employees (38.6%) out of total employees, o/w: 14.5% is represented by women and 24.1% by men.

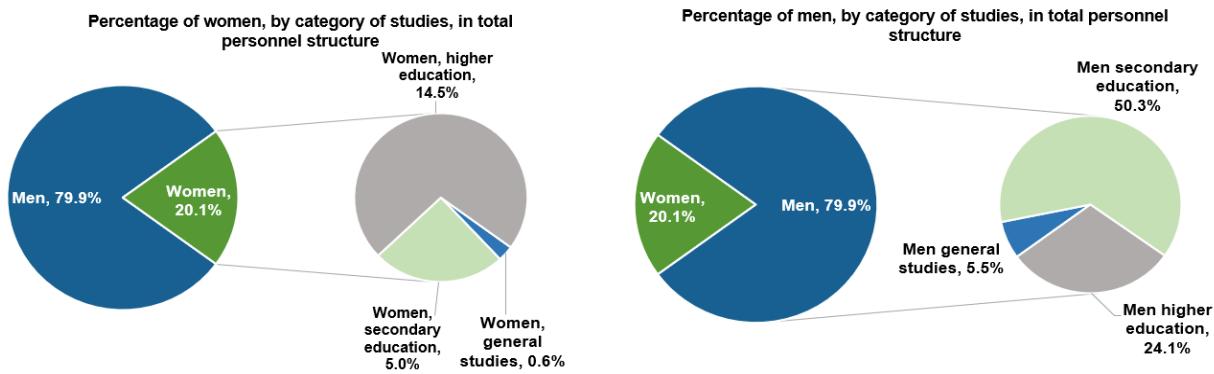


Chart 7 - Personnel structure according to gender and level of education on September 30, 2023

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

During January - September 2023, 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, 2023 the age structure is not balanced, the age group between 51-60 years has the highest percentage (53%) and is followed by the age group ranging 41-50 years (27%) and 31 – 40 years (11%).

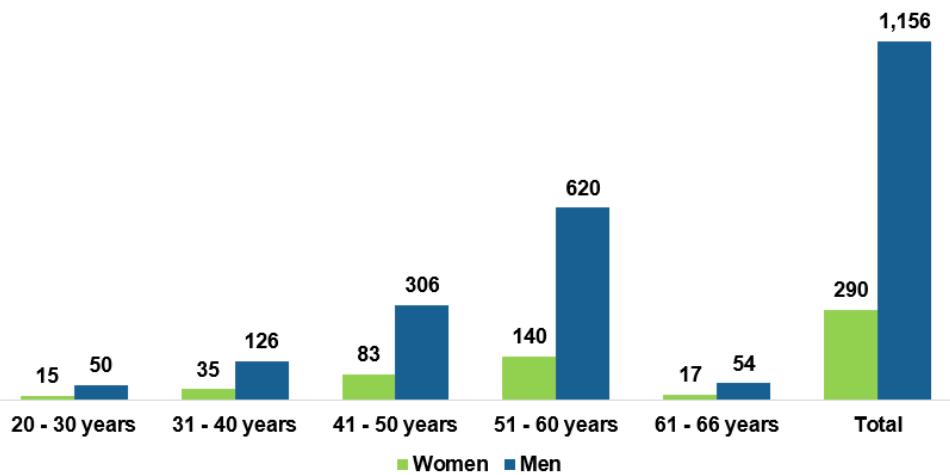


Chart 8 - Personnel structure by gender and age groups on September 30, 2023

The average age of CONPET personnel is high enough (49.7 years old), the advantage being that 53% of the personnel has over 20 years of experience in the company, which stands for stability and professionalism, but also accumulation of knowledge and skills, some taking many years of experience to be gained.

The average age of the personnel employed within the last two years is of 40.8 years, with an average work experience of 15.9 years.

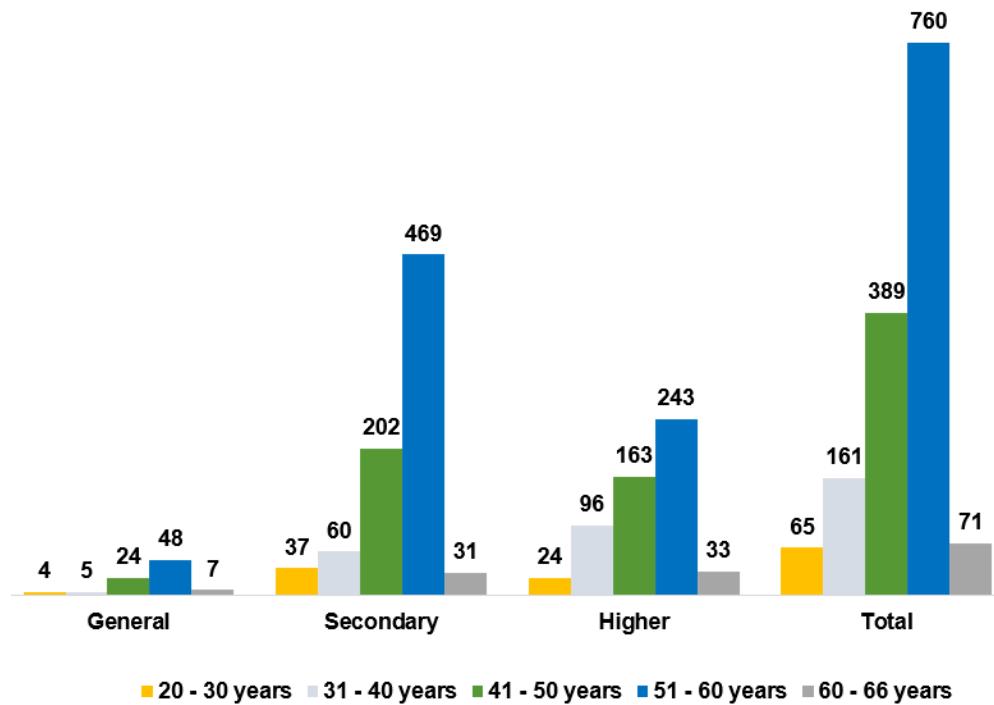


Chart 9 - Personnel structure by level of studies and age on September 30, 2023

In the chart above it can be noted that the highest share of employees is represented by personnel aged between 41- 50 years and 51- 60 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. This risk has been analyzed and it was set that there is a high tolerability risk for which control measures have been set on medium and long - term 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 389 employees who will meet the retirement conditions at the standard age, in no less than 15 years, staff with a rich background of knowledge and professional experience, with a seniority in the company of over 10 years (67.9%). In order to control the risk, the immediate needs of vacant positions are carefully monitored, in relation to the needs requested by the organizational entities, the complexity and diversity of the activities, the required professional skills, as well as the responsibilities related to the positions.

### **The Collective Labor Agreement**

The Collective Labor Agreement is approved by the Board of Directors and is registered with the Prahova Territorial Labor Inspectorate. It is concluded for a period of 2 years, starting with 07.06.2022.

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

In order to maintain and develop the specific skills and basic skills of employees, professional training activities are carried out continuously and planned, based on the company's annual

professional training and authorization programs, developed following the identification and prioritization of training needs.

Training 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 experts from within the company, with good knowledge and experience relevant to the activity of the company. They hold training sessions and trainings to update knowledge and skills specific to the job.

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

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

In the first 9 months, courses were held based on the authorization and professional training programs, with a total of 1,982 participants.

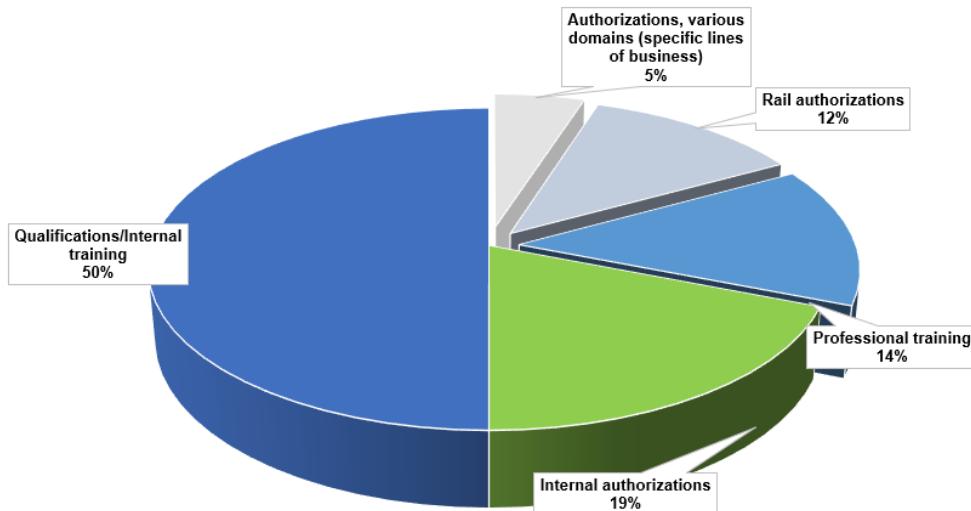


Chart 10 - Courses of professional training and authorization

### **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, at the end of 2022 have been concluded the addenda to the future individual contracts of the employees in management positions, which include the individual objectives, the performance indicators, the 2023 target values in connection therewith.

The action for evaluating the professional performance of employees for the activity carried out in 2022 took place in the first quarter of 2023, in accordance with the Regulation for evaluating the

performance of employees and the results of the evaluation have been included in a report.

### 3.2. Investments achieved

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

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

In the first 9 months of 2023 were achieved investments amounting to 59,260 thousand RON as compared to 81,577 thousand RON programmed (73%). Compared to the annual program (112,000 thousand RON), the investments achieved in 9 months represent 53%.

The value of the investment objectives achieved in the first 9 months of 2023, on assets belonging, as compared to the approved program, namely the same period of 2022, is as follows:

| Investment<br>(thousand<br>RON)        | Budget<br>YEAR<br>2023 | Achieved<br>9 months,<br>2023 | Program<br>9 months<br>2023 | Achieved<br>9 months<br>2022 | Degree of achievement % |            |
|--|------------------------|-------------------------------|-----------------------------|------------------------------|-------------------------|------------|
|  |                        |                               |                             |                              | Achieved/programmed     | 2023/2022  |
| <b>Total<br/>investments,<br/>o/w:</b> | <b>112,000</b>         | <b>59,260</b>                 | <b>81,577</b>               | <b>81,882</b>                | <b>73%</b>              | <b>72%</b> |
| Public domain                          | 90,000                 | 52,960                        | 66,801                      | 73,858                       | 79%                     | 72%        |
| Operating<br>domain                    | 22,000                 | 6,300                         | 14,776                      | 8,024                        | 43%                     | 79%        |

Table 10 - Evolution of the investments

The investments achieved in the 9 months period 2023, as compared to the program and the same period of the previous year, on financing sources, are being presented in the chart below:

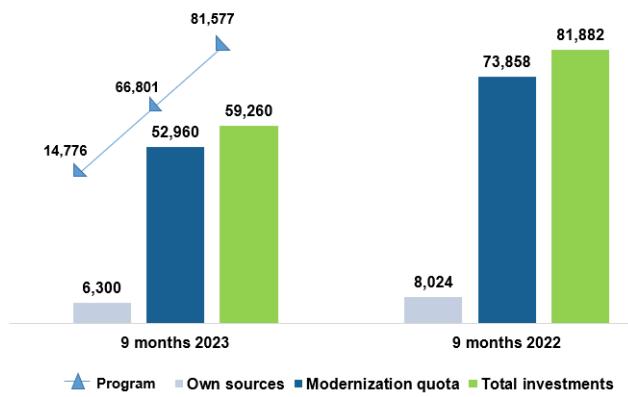


Chart 11 - Investments achieved by financing sources

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;
- delays in the material and equipment supply chain.

These situations also led to delays in the execution deadlines.

*Main investment objectives finalized during January - September 2023:*

- ✓ Replacement of crude oil transport pipeline L1 Ø 8 5/8 " Țicleni Bărbătești, in the water access road site Bărbătești City Hall, approximately 200 m;
- ✓ Condensation tank Bărbătești station;
- ✓ Soil temperature monitoring system in 16 locations;
- ✓ Modernization and monitoring of the cathodic protection system related to domestic and import NTS - stage 2;
- ✓ Replacement of connection lines Danube crossing C1-C2 and C3-C4 Borcea arm;
- ✓ Moreni crude oil tanks;
- ✓ Replacement of a section of about 500 m length pipeline Ø 5 9/16 Copăceni - Vega Refinery and smart pigging;
- ✓ Tele-transmission and tele-management of the power consumptions in CONPET locations;
- ✓ Constanța Fire Prevention and Security tank;
- ✓ Pecica Fire Prevention and Security tank;
- ✓ Modernization of Marghita ramp;
- ✓ Replacement of Ø 20" C4 - Bărăganu crude oil transport pipeline along 3 lines, C2-C3 along 6 lines, Ialomița county;
- ✓ Replacement of Ø 20" Bărăganu-Călăreți crude oil transport pipeline along 6 lines, Călărași County;
- ✓ Modernization of the power feeding station Biled ramp;
- ✓ Descentralization and monitoring of Bărăganu station heating station;
- ✓ Realization of an electricity production system (a photo voltaic power plant) with photo voltaic panels in the precinct of Administrative Headquarters 2;

Commissioning achieved within the first 9 months of 2023 amounted to 171,792 thousand RON, out of which, per financing sources:

- 168,199 thousand RON out of the modernization quota;
- 3,593 thousand RON out of other own sources;

**The status of the main investments in progress on September 30, 2023:**

#### I. Public domain

In the first 9 months 2023 have been achieved investments in the public domain amounting to 52,960 thousand RON, accounting for 79% of the program for this period and 59% of the annual program, as follows:

- ✓ Replacement of Ø 20" Bărăganu-Călăreți crude oil transport pipeline along 6 lines (approx. 18,000 m), Călărași County;
- ✓ Modernization and monitoring of the cathodic protection system related to the domestic and import NTS ;
- ✓ Modernization of Potlogi pumping station;

- ✓ Modernization of pumping station Ochiuri;
- ✓ Rehabilitation works at Cireșu loading ramp;
- ✓ Upgrade of Moreni station;
- ✓ Upgrade of Mislea station;
- ✓ Biled Fire Prevention and Security tank;
- ✓ Tele-transmission and tele-management of the power consumptions in CONPET locations;
- ✓ installation and initial metrological verification of four measuring skids in Petrobrazi P3, Poiana Lacului, Videle and Otesti locations;
- ✓ Extension of SCADA system - 4 ramps and 5 stations;
- ✓ Rehabilitation of the pump house, Constanta Sud station;
- ✓ Rehabilitation of the pump house C+D+E Călăreți station and Rehabilitation of the buildings related to connections 6kV, electrical distributors 6/0.4 kv A+B Local Dispatch, electrical distributors CDE, Călăreți station;
- ✓ Replacement of pipeline section Ø 6 5/8" Forest II - Buda over a distance of 7,600 m, from the pig launcher Forest II to the pig receiver Buda and modernization of the smart pig launcher Forest II and receiver Buda;
- ✓ Section of the pipeline connection Ø 8" Moreni – Mija (Valea Neagră) in L1, L2 Siliște – Ploiești, about 7,200 m in length and pig launcher/receiver stations;
- ✓ Safe disposal of the Ø 12" and Ø 14" Cartojani-Ploiești pipelines at the overcrossing of Cricovul Dulce.
- ✓ Replacement of the crude oil transport pipeline Ø 8 5/8" Lucăcești-Vermești - the section starting from Deal Măgura (Crucea Roșie) to Vermești (mine road Vermești), approx. 9 km in length;
- ✓ Upgrading the current crude oil heating system with a heating system using alternative energy sources in the Biled ramp;
- ✓ The safe disposal of the crude oil pipelines L1 and L2 Ø10 3/4" Siliște-Ploiești, at the undercrossing of Ialomita river;

## II. Operating domain

In the first 9 months 2023 have been achieved investments in the operator domain amounting to 6,300 thousand RON, representing 43% of the program for this period and 29% of the annual program, as follows:

- ✓ Replacement of a crude oil section Ø 6 5/8" Urziceni-Albești area, Parepa locality, 1500 linear meters in length;
- ✓ Transformation of the locomotive (LDH ) 92 53 0850 130 -1;
- ✓ Replacement of a crude oil section Ø 6 5/8" Urziceni-Albești area, in the vicinity of Bărbulești locality, on a length of approximately 2,200 m;
- ✓ Replacement of pipeline section Ø 6 5/8" Warehouse Petrom Orzoaia de Sus – Urlați crude oil station, about 1,600 m in length.;
- ✓ Replacement of a pipeline section Ø 4 1/2" Recea-Mislea on a length of 6,540 m, from Recea pigging station to the section valve area OR-1;
- ✓ Safe disposal of the aerial crossing of the crude oil transport Ø12 3/4" și Ø14 3/4" Cartojani-Brazi Refinery of the Arges river, Găiseni area, Giurgiu county

### 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<sup>th</sup>, 2023, 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 2023 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 the issuers of financial instruments and market operations.

#### 3.3.2. Statement of the Financial Standing

In summary, the statement of the Financial Standing on September 30, 2023 is as follows:

| Name of the element (thousand RON)  | September 2023<br>(unaudited) | December 31, 2022<br>(audited) | Variation%<br>2023/2022 |
|-------------------------------------|-------------------------------|--------------------------------|-------------------------|
| Intangible assets                   | 634,052                       | 622,570                        | ▲ 1.8%                  |
| Current assets                      | 157,817                       | 184,979                        | ▼ 14.7%                 |
| <b>Total Assets</b>                 | <b>791,869</b>                | <b>807,549</b>                 | <b>▼ 1.9%</b>           |
| <hr/>                               |                               |                                |                         |
| Equities                            | 683,195                       | 684,096                        | ▼ 0.1%                  |
| Total liabilities                   | 108,674                       | 123,453                        | ▼ 12.0%                 |
| <b>Total equity and liabilities</b> | <b>791,869</b>                | <b>807,549</b>                 | <b>▼ 1.9%</b>           |

Table 11 - Summary of the company's financial standing on 30.09.2023 as compared to 31.12.2022

The extended version of the financial standing on September 30, 2023 is presented in Annex no. 1.

**The total assets** decreased by 1.9% (15,680 thousand RON) as compared to the level recorded on December 31, 2022 due to the decrease of the current assets.

**The fixed assets** recorded, on September 30, 2023, an increase of 1.8% as compared to December 31, 2022, generated by input of fixed assets in a value higher than the amortization registered in the first 9 months 2023.

**The current assets** decreased by 27,162 thousand RON (14.7%), from 184,979 thousand Ron current assets at the end of 2022, to 157,817 thousand RON, value registered on September 30, 2023. The diminution of the current assets was mainly generated by the decrease in the cash by approximately 28 million RON, following the payment of dividends and investments, higher than the cash surplus from the operating activity.

On 30.09.2023, the cash availability in the modernization quota, existing in bank accounts, amounted to 26,225 thousand RON, lower by 22,359 thousand RON as compared to 31.12.2022.

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.

**Equity** decreased by 901 thousand RON (0.1%) compared to December 31, 2022, reaching 683,195 thousand RON, following the distribution of profit to shareholders in the form of dividends.

**The current liabilities**, in amount of 83,161 thousand RON, decreased by 14,474 thousand RON, mainly due to the diminution of the trade liabilities.

### Structure of Debts

On September 30, 2023 and December 31, 2022, the trade liabilities and other liabilities are as follows:

| Liabilities (thousand RON)  | Maturity date for the balance on September 30, 2023 |                   |               | September 30, 2023 | December 31 <sup>st</sup> , 2022 |
|---|---|-------------------|---------------|--------------------|----------------------------------|
|   | Under 1 year  | Between 1-5 years | Over 5 years  |                    |                                  |
|   |   |                   |               |                    |                                  |
| Trade liabilities   | 26,580  | -                 | -             | 26,580             | 43,915                           |
| Liabilities to the employees  | 14,430  | 3,037             | 20,090        | 37,557             | 37,433                           |
| Other liabilities, here-included fiscal debts and social insurances related debts | 33,153  | 1,563             | 822           | 35,538             | 32,315                           |
| <b>Total</b>  | <b>74,163</b>                                       | <b>4,600</b>      | <b>20,912</b> | <b>99,675</b>      | <b>113,663</b>                   |

Table 12 - Debt statement

The statement of personnel liabilities, tax liabilities and other due debts by timing dates shall be as follows:

| Liabilities (thousand RON)               | Maturity date for the balance on September 30, 2023 |                   |              | September 30, 2023 | December 31, 2022 |
|--|---|-------------------|--------------|--------------------|-------------------|
|  | Under 1 year  | Between 1-5 years | Over 5 years |                    |                   |
|  |   |                   |              |                    |                   |
| Salaries contributions                   | 5,154   | -                 | -            | 5,154              | 6,373             |
| Current corporate tax                    | 3,532   | -                 | -            | 3,532              | 1,997             |
| Royalty due to the State Budget          | 9,855   | -                 | -            | 9,855              | 9,371             |
| VAT payable                              | 5,713   | -                 | -            | 5,713              | 2,688             |
| Other interests and debts - State Budget | 1,098   | -                 | -            | 1,098              | 1,202             |
| Dividends Payable                        | 5,563   | -                 | -            | 5,563              | 5,234             |
| Leasing related liabilities              | 1,219   | 1,229             | 517          | 2,965              | 4,458             |
| Prepaid expenses                         | 82  | 323               | 306          | 711                | 833               |
| Other liabilities                        | 937   | 11                | -            | 948                | 158               |
| <b>Total</b>                             | <b>33,153</b>                                       | <b>1,563</b>      | <b>823</b>   | <b>35,539</b>      | <b>32,314</b>     |

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

On 30.09.2023, the leasing related liabilities comprise the future payment obligations related to the leasing contracts and liabilities related to the rights of use resulting from the lease and concession agreements (land plots and buildings).

### 3.3.3. Profit and Loss Account

Within the 9 months period ended September 30, 2023, CONPET S.A. obtained a net profit of 49,798 thousand RON, lower by 2,936 thousand RON as compared to the first 9 months 2022 (52,734 thousand RON).

The financial results achieved in the period January - September 2023, as compared to the Budget and the achievements of the period similar to 2022, are the followings:

| Indicators<br>(thousand RON)   | Achieved<br>9 months<br>2023 | Budget<br>9 months<br>2023 | Achieved<br>9 months<br>2022 | Variation%      |                       |
|--|------------------------------|----------------------------|------------------------------|-----------------|-----------------------|
|  |                              |                            |                              | Achieved/Budget | Achieved<br>2023/2022 |
| <b>Turnover</b>  | <b>365,395</b>               | <b>370,815</b>             | <b>351,419</b>               | <b>▼ 1.5%</b>   | <b>▲ 4.0%</b>         |
| Operating Revenues   | 404,668                      | 409,620                    | 389,543                      | ▼ 1.2%          | ▲ 3.9%                |
| Operating Expenses   | 351,119                      | 371,806                    | 334,385                      | ▼ 5.6%          | ▲ 5.0%                |
| <b>Operating Profit (EBIT)</b>   | <b>53,549</b>                | <b>37,814</b>              | <b>55,158</b>                | <b>▲ 41.6%</b>  | <b>▼ 2.9%</b>         |
| Value adjustments of fixed assets, less adjustments related to rights of use resulted from leasing contracts | 46,977                       | 47,629                     | 39,970                       | ▼ 1.3%          | ▲ 17.5%               |
| <b>EBITDA</b>  | <b>100,526</b>               | <b>85,443</b>              | <b>95,128</b>                | <b>▲ 17.7 %</b> | <b>▲ 5.7 %</b>        |
| Financial Revenues   | 5,157                        | 2,609                      | 7,406                        | ▲ 97.6%         | ▼ 30.4%               |
| Financial Expenses   | 211                          | 377                        | 408                          | ▼ 44.0%         | ▼ 48.3%               |
| <b>Financial profit</b>  | <b>4,946</b>                 | <b>2,232</b>               | <b>6,998</b>                 | <b>▲ 121.6%</b> | <b>▼ 29.3%</b>        |
| Total revenues   | 409,825                      | 412,229                    | 396,949                      | ▼ 0.6%          | ▲ 3.2%                |
| Total expenses   | 351,330                      | 372,183                    | 334,793                      | ▼ 5.6%          | ▲ 4.9%                |
| <b>Gross Profit</b>  | <b>58,495</b>                | <b>40,046</b>              | <b>62,156</b>                | <b>▲ 46.1%</b>  | <b>▼ 5.9%</b>         |
| <b>Net Profit</b>  | <b>49,798</b>                | <b>34,769</b>              | <b>52,734</b>                | <b>▲ 43.2%</b>  | <b>▼ 5.6%</b>         |

Table 14- Main economic indices

The evolution of the accumulation margins during January-September 2023, as compared to the same period of the year 2022 is being represented in the chart below:

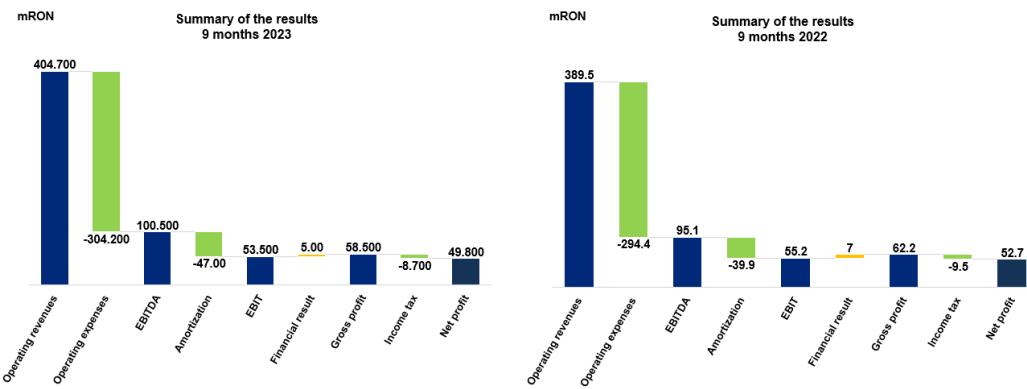


Chart 12 - Summary of the financial results

## 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 9 months 2023 | Revenues and Expenditure Budget 9 months 2023 | Variation (%) Achieved/Budget | Indicators (thousand RON)  | Achieved 9 months 2023 | Achieved 9 months 2022 | Variation% 2023 2022 |
|------------------------|---|-------------------------------|--|------------------------|------------------------|----------------------|
| 363,700                | 368,899                                       | ▼ 1.4%                        | Total revenues from transport services   | 363,700                | 349,578                | ▲ 4.0%               |
| 1,695                  | 1,916   | ▼ 11.5%                       | Other Turnover Revenues  | 1,695                  | 1,841                  | ▼ 7.9%               |
| <b>365,395</b>         | <b>370,815</b>                                | <b>▼ 1.5%</b>                 | <b>Turnover</b>  | <b>365,395</b>         | <b>351,419</b>         | <b>▲ 4.0%</b>        |
| 36,677                 | 37,394  | ▼ 1.9%                        | Write-back to revenues of reserve constituted based on the expenses with the modernization quota | 36,677                 | 29,907                 | ▲ 22.6%              |
| 2,596                  | 1,411   | ▲ 83.9%                       | Other operating revenues   | 2,596                  | 8,217                  | ▼ 68.4%              |
| <b>404,668</b>         | <b>409,620</b>                                | <b>▼ 1.2%</b>                 | <b>Total Operating Expenses</b>  | <b>404,668</b>         | <b>389,543</b>         | <b>▲ 3.9%</b>        |

Table 15 - Statement of the operating revenues

The turnover of the company is 99.5% achieved from the transport revenues; the 0.5% remaining percentage represents revenues from lease of land plots and telecommunication 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 2023, the value of these revenues was of 36,677 thousand RON.

**The operating expenses** achieved within January-September 2023, as compared to the same period of the previous year and the budgeted provisions look as follows:

| Achieved 9 months 2023 | Budget 9 months 2023 | Variation (%) Achieved/Budget | Indicators (thousand RON)  | Achieved 9 months, 2023 | Achieved 9 months, 2022 | Variation (%) 2023/2022 |
|------------------------|----------------------|-------------------------------|--|-------------------------|-------------------------|-------------------------|
| 4,956                  | 5,884                | ▼ 15.8%                       | <b>Material expenses, out of which:</b>  | 4,956                   | 5,101                   | ▼ 2.8%                  |
| 2,859                  | 3,058                | ▼ 6.5%                        | -expenses with consumables   | 2,859                   | 2,781                   | ▲ 2.8%                  |
| 1,586                  | 1,801                | ▼ 11.9%                       | - fuel expenses  | 1,586                   | 1,701                   | ▼ 6.8%                  |
| <b>13,140</b>          | <b>19,745</b>        | <b>▼ 33.5%</b>                | <b>Other external expenses (with energy and water)</b>   | <b>13,140</b>           | <b>21,000</b>           | <b>▼ 37.4%</b>          |
| <b>146,511</b>         | <b>149,852</b>       | <b>▼ 2.2%</b>                 | <b>Personnel Expenses</b>  | <b>146,511</b>          | <b>135,834</b>          | <b>▲ 7.9%</b>           |
| 46,977                 | 47,629               | ▼ 1.4%                        | Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts | 46,977                  | 39,970                  | ▲ 17.5%                 |
| 1,534                  | 1,548                | ▼ 0.9%                        | Value adjustments for rights of use resulted from leasing contracts  | 1,534                   | 1,476                   | ▲ 3.9%                  |
| <b>91,730</b>          | <b>97,313</b>        | <b>▼ 5.7%</b>                 | <b>Expenses with external services, out of which:</b>  | <b>91,730</b>           | <b>85,427</b>           | <b>▲ 7.4%</b>           |
| 1,469                  | 2,139                | ▼ 31.3%                       | - Maintenance (maintenance, current repairs):  | 1,469                   | 2,310                   | ▼ 36.4%                 |
| 52,581                 | 55,057               | ▼ 4.5%                        | - expenses with crude oil transport by rail  | 52,581                  | 45,892                  | ▲ 14.6%                 |
| 224                    | 1,273                | ▼ 82.4%                       | - expenses with decontamination works  | 224                     | 1,761                   | ▼ 87.3%                 |
| 28,248                 | 28,556               | ▼ 1.1%                        | - oil royalty  | 28,248                  | 27,140                  | ▲ 4.1%                  |
| 9,208                  | 10,288               | ▼ 10.5%                       | - other services performed by third parties  | 9,208                   | 8,324                   | ▲ 10.6%                 |
| <b>(522)</b>           | <b>1,401</b>         | -                             | <b>Provisions and value adjustments on current assets</b>  | <b>(522)</b>            | <b>(870)</b>            | -                       |
| <b>46,793</b>          | <b>48,434</b>        | <b>▼ 3.4%</b>                 | <b>Other operating expenses, out of which:</b>   | <b>46,793</b>           | <b>46,447</b>           | <b>▲ 0.7%</b>           |
| 43,852                 | 44,690               | ▼ 1.9%                        | - modernization quota expenses   | 43,852                  | 42,640                  | ▲ 2.8%                  |
| <b>351,119</b>         | <b>371,806</b>       | <b>▼ 5.6%</b>                 | <b>Total operating expenses</b>  | <b>351,119</b>          | <b>334,385</b>          | <b>▲ 5.0%</b>           |

Table 16 - Statement of the operating expenses

Within the first 9 months of 2023 the operating expenses amounted to 351,119 thousand RON, registering a 5.0% increase (16,734 thousand RON) as compared to the ones registered in the same period of 2022, mainly due to the increase in personnel expenses, of the impairment on fixed assets and the railway transport related expenses.

**The operating profit** achieved within the first 9 months of 2023, as compared to the same period of 2022 has recorded a decrease by 1,609 thousand RON (2.9%).

Compared to the budget provisions, the operating profit registered an increase of 15,735 thousand RON (41.6%), especially as a result of the expenses below the forecasted level, as follows:

-The achieved utilities expenses were lower by 6,605 thousand RON than the budgeted ones, the favorable differences being due to the very late issuance of the invoices by the suppliers, on the one hand, and on the other hand, to the volatility of the electricity price in the 2<sup>nd</sup> semester of 2022.

Due to the delayed transmission of invoices, the consumptions amount was determined by monthly estimates, and when the invoices were received, an overestimation thereof resulted. Another cause was represented by the demand for transport services below the budgeted level.

- Personnel expenses were lower than the budgeted ones by 3,341 thousand RON, this favorable difference representing a temporary difference, which will be reconsidered in quarter IV of 2023, depending on the evolution of the company's financial performance

- The expenses related to the railway transport were lower by 2,475 thousand RON compared to the budget, as a result of the fact that, as compared to the program, the quantity transported by railway was smaller by approx. 26 thousand tons.

-The Expenses related to greening activities were 1,049 thousand RON lower than the plan, since during the reporting period, there were no events to require expenses of this kind.

EBITDA records a value by 5.4 mRON (5.7%) higher than the one achieved in the 9 months period of 2022. As compared to the budget, the degree of achievement of EBITDA is 117.7%

**The financial revenues** decreased by 30.4%, within the first nine months of 2023, as compared to the same period of 2022 due to the decrease of interest rates offered by banks for maturity deposits.

**The financial expenses** decreased by 48.3% in the analyzed period YoY, nevertheless maintaining at a low level as compared to the financial revenues.

Due to this evolution, **the financial result** is lower by 2,052 thousand RON (29.3%) as compared to the same period of 2022 and higher by 2,714 thousand RON (121.6%) as compared to the one provided in the Budget.

**The gross profit** recorded a decrease of 3,661 thousand RON (5.9%) and **the net profit** decreased by 2,936 thousand RON (5.6%) as compared to the first nine months of 2022. As compared to budget, the gross profit is higher by 18,449 thousand RON and the net profit exceeds the value planned by 15,029 thousand RON.

The statement of the profit and loss account for the nine months period ended September 30, 2023 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  |
|--------------------------|---|------------------|------------------|------------|
|                          |   | 9 months<br>2023 | 9 months<br>2022 |            |
| Profitability indicators |   |                  |                  |            |
| Operating profit margin  | EBIT (operating profit)<br>Operating Revenues | 13.2%            | 14.2%            | ▼ 1.0 p.p. |

| Name of the indicators                      | Calculation formula   | Achieved 9 months 2023 | Achieved 9 months 2022 | Variation<br>2023/2022 |
|---|---|------------------------|------------------------|------------------------|
| EBITDA in total sales                       | EBITDA (operating profit + value adjustments on tangible and intangible assets) | 27.5%                  | 27.1%                  | ▲ 0.4 p.p.             |
|   | Turnover  |                        |                        |                        |
| Gross Profit Rate                           | Gross result  | 16.0%                  | 17.7%                  | ▼ 1.7 p.p.             |
|   | Turnover  |                        |                        |                        |
| <b>Liquidity Indicators</b>                 |   |                        |                        |                        |
| Current liquidity indicator (times)         | Current assets  | 1.9                    | 2.3                    | ▼ 17.4%                |
|   | Current liabilities   |                        |                        |                        |
| The quick ratio indicator (acid test)       | Current assets - Stocks   | 1.8                    | 2.2                    | ▼ 18.2%                |
|   | Current liabilities   |                        |                        |                        |
| <b>Profitability indicators</b>             |   |                        |                        |                        |
| Return on Assets (ROA)                      | Net result  | 6.3%                   | 6.7%                   | ▼ 0.4 p.p.             |
|   | Total assets  |                        |                        |                        |
| Return on Equity (ROE)                      | Net result  | 7.3%                   | 7.9%                   | ▼ 0.6 p.p.             |
|   | Total Equities  |                        |                        |                        |
| <b>Operational indicators</b>               |   |                        |                        |                        |
| Rotation speed of the clients debits (days) | Average balance Clients X 270   | 27                     | 29                     | ▼ 6.9%                 |
|   | Turnover  |                        |                        |                        |
| Rotation speed of supplier credits (days)   | Average balance suppliers X 270   | 29                     | 26                     | ▲ 11.5%                |
|   | Procurement from suppliers of goods and services                                |                        |                        |                        |

Table 17 - Main economic-financial indicators

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

The execution of the cumulated 2023 Q3 Revenues and Expenditure Budget is presented in the format and structure provided in the MPF Order no. 3818/2019.

| INDICATORS (thousand RON)                       | Achieved 9 months 2023 | Budget 9 months 2023 | Degree of achievement% |
|---|------------------------|----------------------|------------------------|
| <b>I. TOTAL REVENUES</b>                        | <b>409,825</b>         | <b>412,229</b>       | <b>99.4%</b>           |
| 1.1 Total Operating Revenues                    | 404,668                | 409,620              | 98.8%                  |
| 1.2. Financial revenues                         | 5,157                  | 2,609                | 197.7%                 |
| <b>II TOTAL EXPENSES</b>                        | <b>351,330</b>         | <b>372,183</b>       | <b>94.4%</b>           |
| 2.1. Operating expenses                         | 351,119                | 371,806              | 94.4%                  |
| Goods and Services Expenses                     | 81,989                 | 95,136               | 86.2%                  |
| Taxes, fees and similar levies related expenses | 30,514                 | 30,922               | 98.7%                  |
| Personnel expenses, out of which:               | 146,511                | 149,852              | 97.8%                  |
| Salary related expenses:                        | 136,345                | 139,186              | 98.0%                  |
| - salaries expenses                             | 115,765                | 117,372              | 98.6%                  |

| INDICATORS (thousand RON)   | Achieved<br>9 months<br>2023 | Budget<br>9 months<br>2023 | Degree of<br>achievement% |
|---|------------------------------|----------------------------|---------------------------|
| - bonuses   | 20,580                       | 21,814                     | 94.3%                     |
| Other personnel expenses, out of which:                                     | 40                           | 40                         | 100%                      |
| - Severance payment expenses related to personnel layoffs                   | 40                           | 40                         | 100%                      |
| Expenses related to management and audit bodies, BoD and GMS                | 4,282                        | 4,545                      | 94.2%                     |
| Expenses with contributions due by the Employer                             | 5,844                        | 6,081                      | 96.1%                     |
| Other operating expenses  | 92,105                       | 95,896                     | 96.1%                     |
| 2.2 Financial expenses  | 211                          | 377                        | 56.2%                     |
| <b>III. GROSS RESULT (profit/loss)</b>                                      | <b>58,495</b>                | <b>40,046</b>              | <b>146.1%</b>             |
| <b>INCOME TAX</b>   | <b>8,697</b>                 | <b>5,277</b>               | <b>164.8%</b>             |
| <b>ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE CORPORATE TAX</b> | <b>49,798</b>                | <b>34,769</b>              | <b>143.2%</b>             |
| <b>INVESTMENT FINANCING SOURCES</b>   | <b>59,260</b>                | <b>81,577</b>              | <b>72.6%</b>              |
| <b>EXPENSES FOR INVESTMENTS</b>   | <b>59,260</b>                | <b>81,577</b>              | <b>72.6%</b>              |
| <b>SUBSTANTIATION DATA</b>  |                              |                            |                           |
| No. of personnel  | 1,446                        | 1,462                      | 98.8%                     |
| Total average number of employees   | 1,416                        | 1,442                      | 98.2%                     |
| Outstanding payments  | 0                            | 0                          | -                         |
| Overdue receivables   | 342                          | 500                        | 68.4%                     |

Table 18 - Budget Execution

### 3.3.6. Cash-flow

The Cash-flow Statement for the nine months period ended September 30, 2023 is as follows:

| (DIRECT METHOD) |  | Thousand ron             |                          |
|-----------------|--|--------------------------|--------------------------|
|                 | Name of the Item   | January - September 2023 | January - September 2022 |
| A               | Net cash from operating activity                                 | 72,674                   | 85,826                   |
| B               | Net cash from investment activity                                | (39,086)                 | (49,449)                 |
| C               | Net cash from financing activities                               | (61,743)                 | (65,042)                 |
|                 | <b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b> | <b>(28,155)</b>          | <b>(28,665)</b>          |
| D1              | Cash and cash equivalents at the beginning of the period         | 127,673                  | 191,751                  |
| D2              | Cash and cash equivalents at the end of the period               | 99,518                   | 163,086                  |

Table 19 - Summary of the cash-flow statement for the nine months period ended September 30, 2023, as compared to September 30, 2022

Cash and cash equivalents on 30.09.2023 decreased by 22.1% as compared to December 31, 2022 (99,518 thousand Ron compared to 127,673 thousand Ron) due to cash output related to procurement of fixed assets (investments) and dividends payments, higher than the surplus of cash obtained from the operating activity and cash inflows from the investment activity (modernization quota).

Out of the total of 99,518 thousand Ron current balance on 30.09.2023, the share of the modernization quota is 26,225 thousand Ron.

The effects of the three activity areas (operation, investment and financing) over the cash in the 9 months period of 2023 reveal the following:

- the operating activity triggered a cash-flow in amount of 72,674 thousand RON;
- the investments activity ended with a negative cash-flow in amount of 39,086 thousand RON;
- the financing activity lowered the total cash flow by 61,743 thousand RON.

The net cash from the operation activity is lower by 13,152 thousand RON than the value recorded in the similar period of the previous year. The decrease was triggered by higher payments to the employees and goods and services suppliers.

As compared to the previous year, the investments activity records a negative value, lower by 10,363 thousand RON. During 2023 9 months, the fixed asset payments were below the level recorded in the 9-months period 2022.

The net cash from the financing activity registers in both periods negative amounts determined by the payment of dividends to the shareholders and the leasing payments. (IFRS 16)

### 3.3.7. Affiliated parties

Between 01.01.2023-30.09.2023, the Company performed the following significant transactions with affiliated parties:

#### Procurement from affiliated parties

| Partner<br>(thousand RON) | Unsettled<br>amounts at<br>December 31 <sup>st</sup><br>2022 | Procurement<br>Period<br>01.01.2023-<br>30.09.2023 | Settlements<br>between<br>01.01.2023 -<br>30.09.2023 | Unsettled<br>amounts at<br>September 30<br>2023 |
|---------------------------|--|--|--|---|
| SNTFM CFR Marfă SA        | 9,009  | 20,959   | 29,964   | 4   |
| ELECTRICA FURNIZARE S.A.  | 3,397  | 424  | 3,938  | (117)   |
| SPEEH HIDROELECTRICA S.A. | -  | 15,622   | 4,613  | 11,009  |

\*The amounts include VAT

Table 20 - Procurement from related parties

| Partner (thousand RON)                          | 30.09.2023 | 31.12.2022 |
|---|------------|------------|
| <b>Guarantees granted to affiliated parties</b> |            |            |
| SPEEH HIDROELECTRICA S.A.                       | 1,989      | 1,989      |

\*The amounts include VAT

Table 21 - Prepayments and guarantees granted to the affiliated 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.

Conpet S.A. has land registered in the company's patrimony with an area of 733,677 sqm with an accounting value of 22,858,900 RON, owned based on Land ownership certificates and sales-purchase contracts.

The company increased the share capital only with a part of the lands owned based on the land ownership certificates (C.A.D.P.), not being included in the share capital lands with an area of 554,181 sqm, which are included in 48 C.A.D.P. The land ownership certificates for these lands were obtained in the period 2001-2005, and the value assessed at the date of obtaining the certificates, established in accordance with Government Resolution no. 834/1991, is 26,708,233 RON. These lands were registered in the company's patrimony on the expense of other equity reserves. The lands not included in the share capital were assessed on 31.12.2020 by an ANEVAR authorized appraiser at the value of 12,562,749.57 RON.

The Board of Directors undertook all steps to augment the share capital with the value of the land owned based on the land ownership certificates.

The proposal to augment the share capital by the value of these lands was included on the agenda of the General Meetings of Shareholders dated 19.05.2016, 20.05.2016, 05.07.2016, 04.07.2019 and 05.07.2019, 10.03.2021, 11.03.2021, 20.09.2022 and 21.09.2022.

The EGMS could not debate the proposal to increase the share capital with the value of the land not included, as the attendance quorum required by law (85%) was not met during the meetings. Consequently, until now, the share capital could not be augmented by the value of the lands.

In 2023, the GEO no. 26/20 of April 2023 was adopted, for the amendment and addition of art. 12 of Law no. 137/2002 regarding some measures to accelerate privatization, which brought a new provision regarding the value by which the share capital is augmented with the lands for which the C.A.D.P. was obtained, in the sense that "*the augmentation in the share capital provided for in Para. (4<sup>1</sup>) with the contribution in kind of the state or of an administrative-territorial unit, as the case may be, representing the lands for which land ownership certificates were obtained, is carried out at the fair value (subl.ns) determined by at most 90 days before the date of convening the extraordinary general meeting of shareholders for the approval of the augmentation in the share capital.*"

### **3.4.2. Litigations**

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

#### **1. Case file no. 5212/105/2018**

**Court:** High Court of Cassation and Justice (procedural stage: appeal)

**Parties:** Fondul Proprietatea - plaintiff

CONPET S.A. – defendant

The Romanian State via the Ministry of Public Finance - impleader

**Object:**

1. Compelling Conpet to pay the sum of 734,747.04 RON, representing the net value of dividends related to a 6% share of Conpet's share capital.
2. Compelling Conpet to pay interest damages, namely legal interest in the amount of 579,015.97 RON.

3. Compelling Conpet to pay the legal interest related to the net value of the dividends.
4. Compelling Conpet to pay the legal expenses incurred by the current legal proceedings.

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

**Deadline:** No deadline has been set

## 2. Case file no. 5971/2/2022

**Court:** Bucharest Court of Appeal (procedural stage: Merits)

**Parties:** OMV Petrom SA - plaintiff

NAMR S.A. – defendant

CONPET SA – defendant

**Object:**

1. Partially annulment of Art. 1 of the A.N.R.M. Order no. 229/2021 regarding transport tariffs via NTS;
2. Compelling NAMR. to issue a new order for the approval of transport tariffs;
3. Partially annulment of art. 3-8 of the Annex to Order no. 53/2008;
4. Compelling N.A.M.R. to issue a new order to complete Order no. 53/2008, by reporting the method of determining the operating cost and the modernization quota in the Methodology.

Deadline: 14.11.2023

## 3. Case file no. 7035/2/2022

**Court:** Bucharest Court of Appeal (procedural stage: Merits - Suspended)

**Parties:** OMV Petrom SA - plaintiff

NAMR S.A. – defendant

CONPET S.A - defendant

**Object:**

1. Partially annulment of Art. 3 of Addendum no. 2 by which the duration of the Transport Contract was extended.
2. Partial annulment of Art. 1 and 4 of Addendum no. 2, 6 and 9, namely of Art. 1 and 3 of Addenda no. 3, 4, 5, 7 and 8 by which the duration of the Transport Contract has been extended.
3. Compelling CONPET to pay to OMV Petrom, as compensation, the sums representing:
  - (i) the difference between the amount of the tariffs provided for in Addendum no. 2 to the transport contract and the amount of tariffs that will be established as being legal;
  - (ii) the difference between the amount of tariffs paid by OMV PETROM for the transport of crude oil, and the amount of tariffs established proportionally, by referring to the domestic and import tariffs according to the subsystem actually used, as well as the legal interest.

Deadline: Suspended

## 4. Case file no. 4988/2/2023

**Court:** Bucharest Court of Appeal (procedural stage: Merits)

**Parties:** OMV Petrom SA - plaintiff

NAMR S.A. – defendant

CONPET S.A. – defendant

**Object**

1. Partial annulment of Art. 1 and Art. 3 of Addenda no. 10, 11, and 13, namely Art. 1 and 4 of Addendum no. 12, by which the duration of the Transport Contract has been extended.

2. Compelling CONPET to pay OMV Petrom, as compensation for the amounts representing:

- (i) the difference between the amount of the tariffs provided for in Addendum no. 2 to the transport contract and the amount of tariffs that will be established as being legal, as well as the associated legal interest calculated from the date of payment of the tariff difference;
- (ii) the difference between the amount of tariffs paid by OMV PETROM for the transport of crude oil, and the amount of tariffs established proportionally, by referring to the domestic and import tariffs according to the subsystem actually used, as well as the legal interest;
- (iii) any other amounts representing civil fruits that Conpet acquired or could have acquired in connection with the amounts illegally charged from OMV Petrom based on the tariffs;

Deadline: 15.11.2023

## **5. Case file no. 5559/2/2023**

**Court:** Bucharest Court of Appeal (procedural stage: Merits)

**Parties:** OMV Petrom SA - plaintiff

NAMR S.A. – defendant

CONPET S.A - defendant

**Object:**

Partial annulment of Art. 1 of Order no. 364/2022 regarding the tariffs established in Annex 1 and Annex 3 and, accordingly, Annexes 1 and 3 of Order no. 364/2022, regarding the tariffs for the domestic subsystem and the import subsystem, within the amount of the tariffs that will be established as legal.

Deadline: No deadline has been set

We appreciate that the case files concerning the claims of the owners of the lands transited by the pipelines belonging to the National Oil Transport System should also be mentioned. They are directly related to the regulation in force of the legal easements encumbering the lands in question. The number of private properties under/over-crossed by pipelines is very high and there is a possibility that an increasing number of owners will sue the Company for compensation on the grounds of the mere presence of the pipelines on their lands. Due to the erroneous way in which the legal regime of the lands under/over-crossed by the main transport pipelines has been regulated, CONPET S.A. was and currently is engaged in a series of lawsuits where the owners of those lands request either the transport pipelines be removed, or be relocated to other sites (at the expense of CONPET S.A), or be granted annual compensations consisting of substantial amounts of money.

This situation was caused by the existence in the Petroleum Law of some ambiguities and drafting deficiencies regarding the easement regime that generated erroneous sentences issued by the courts, sentences that risk becoming, in time, the regular judicial practice.

It should be emphasized that in this matter, of the legal regime of lands affected by energy networks, there are legislative precedents that can and must be considered. We are particularly thinking of the regulation of this issue, regarding the pro bono nature of the easements, both those from the state's patrimony as well as those from the concessionaire's patrimony, established by the Electricity and Natural Gas Law no. 123/2012.

### 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 managed by the Bucharest Stock Exchange, on the Principal segment, at Equity sector - Premium category, under "COTE" symbol.

At the end of the first 9 months of 2023, the trading price of CONPET shares recorded an increase by 12.68% 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 2023 are as follows:

- ✓ 11,102 transactions, approximately 32.3% less YoY (16,406 transactions). At the same time, the total volume of shares traded was 353,830 shares, 60.2% lower than the volume recorded during January-September 2022 (889,703 shares);
- ✓ the total value of trades amounted to 26,548,817 RON, by 60% lower than the value recorded in the same period of 2022 (66,293,698 RON);
- ✓ the average trading price was 74.70 RON/share, higher by 0.19 RON/share compared to the average share price registered during the same period of 2022 (74.51 RON/share);
- ✓ the maximum level registered by the trading price was 80.60 RON/share and was reached in the first half of May;
- ✓ the stock market capitalization at the end of the third quarter of 2023 was of 661,435,139 RON, higher by 23.2% compared to the value recorded at the end of the same period of 2022 (536,766,736 RON). At the end of September, the company CONPET S.A. was ranked 33<sup>rd</sup> in terms of capitalization.

The main trading indices of the period January – September 2023 for the shares issued by CONPET S.A are presented in the following table:

| Indices Month    | Average price (RON/share) | No. of trades | No. of traded shares | Value of trades (RON) |
|------------------|---------------------------|---------------|----------------------|-----------------------|
| January          | 73.15                     | 1,546         | 46,898               | 3,415,075             |
| February         | 74.59                     | 1,020         | 22,465               | 1,672,838             |
| March            | 74.87                     | 1,167         | 33,964               | 2,534,892             |
| April            | 77.51                     | 752           | 31,225               | 2,427,954             |
| May              | 77.76                     | 1,978         | 88,967               | 6,942,303             |
| June             | 72.36                     | 1,347         | 27,536               | 1,979,267             |
| July             | 74.32                     | 1,243         | 43,126               | 3,181,849             |
| August           | 73.37                     | 1,102         | 31,181               | 2,276,681             |
| September        | 74.34                     | 947           | 28,468               | 2,117,958             |
| <b>Cumulated</b> | <b>74.70</b>              | <b>11,102</b> | <b>353,830</b>       | <b>26,548,817</b>     |

Table 22 - Main trading indices

The evolution of the average trading price of CONPET S.A. shares, during January – September 2023, is the following:

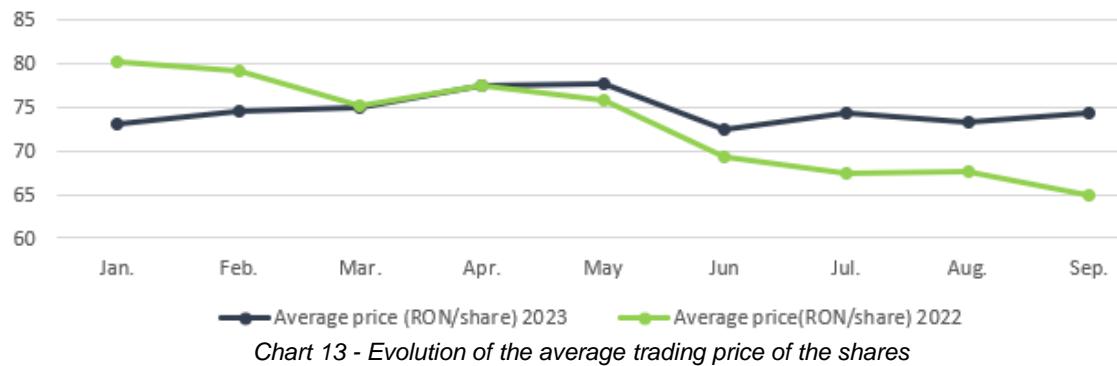


Chart 13 - Evolution of the average trading price of the shares

The COTE share price series was on an upward trend between January and September 2023. The maximum level of the closing price was recorded in May, and the minimum on the first day of the year. On 24.05.2023, the CONPET share price underwent a correction of approximately 8% following the ex-dividend date, the trend of May being downward.

Within the first 9 months of 2023, the average trading price of CONPET shares was higher than the values recorded within the same period of the previous year.

Currently, the company CONPET S.A. is included in 7 out of the total 9 stock indices of the Bucharest Stock Exchange, namely 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 company's value 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.

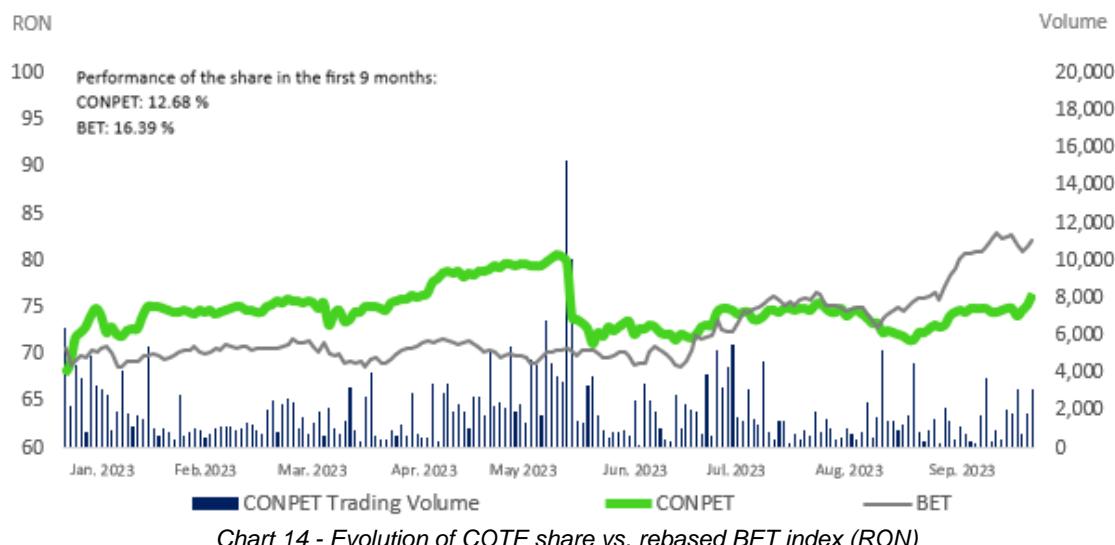
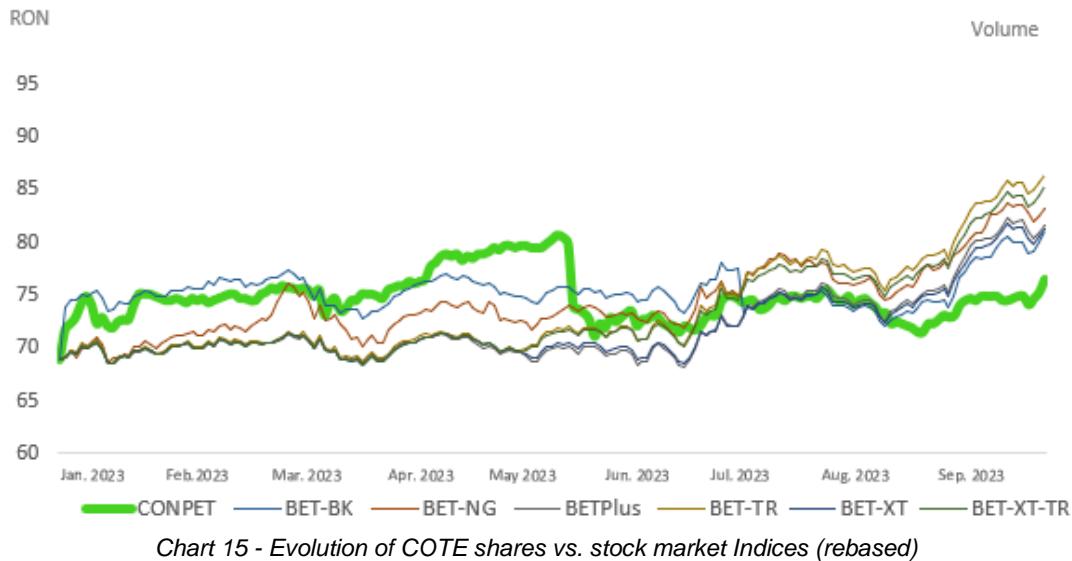


Chart 14 - Evolution of COTE share vs. rebased BET index (RON)



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

CONPET S.A. did not perform transactions aimed at purchasing own shares and does not hold own shares on September 30, 2023.

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 2022 financial year amounted to 94.89%.

The gross dividend per share amounted to 6.87 RON and the dividend yield, at the date of approval by the GMS of the distributed dividends, was of 8.72%.

The Ordinary General Meeting of Shareholders dated 27.04.2023 approved the distribution in the form of dividends of the amount of 58,510,921 RON from the net profit of the year 2022 and of the amount of 999,240 RON from the retained earnings.

The date of payment set by the OGMS was 15.06.2023.

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:

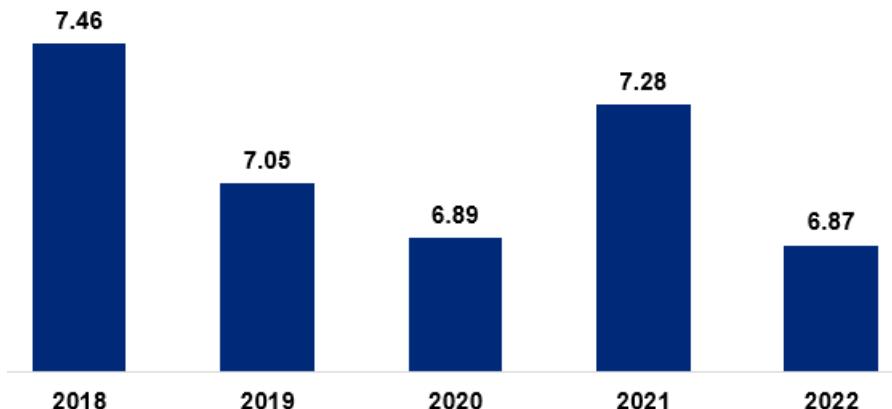


Chart 16 - Evolution of the dividend per share

During 2018 - 2022, the company CONPET S.A. also distributed, apart from the dividends distributed from the profit, additional amounts representing retained earnings and other reserves - own financing sources.

### 3.5.2. Company's management

#### The Board of Directors

The Company is administered by a Board of Directors comprising 7 administrators.

By the Resolution of 18.08.2022, the OGMS appointed as provisional administrators of the company CONPET S.A. a number of 5 administrators, namely Mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor - Marian, Mr. Albulescu Mihai - Adrian, Ms. Tănăsică Oana - Cristina, Ms. Kohalmi - Szabo Luminița - Doina, with a term of office of 4 months, starting on 22.08.2022 and up to 21.12.2022 (inclusive of).

By the Decision of the Board of Directors of 26.08.2022, the 2 remaining vacant positions were filled by the provisional administrators Mr. Gavrilă Florin - Daniel and Mr. Zaman Andrei – Mihai. By the resolution dated 28.10.2022, the OGMS appointed Mr. Gavrilă Florin – Daniel and Mr. Zaman Andrei - Mihai as provisional administrators, with a term of office starting on 28.10.2022 and ending on 21.12.2022 (inclusive of).

By the OGMS Resolution dated 14.12.2022, the extension of the mandate contracts of the company's provisional administrators was approved, with a period of 2 months, namely from 22.12.2022 to 21.02.2023, as follows: Mr. Gheorghe Cristian - Florin, Mr. Albulescu Mihai - Adrian, Mr. Buică Nicușor – Marian, Ms. Kohalmi - Szabo Luminița - Doina, Mr. Tănăsică Oana - Cristina, Mr. Gavrilă Florin - Daniel, Mr. Zaman Andrei - Mihai.

By the OGMS Resolution dated 17.02.2023, the following persons were appointed as provisional administrators of the company, taking into account the vacancy of the positions of members in the Board of Directors, as a result of the termination of their mandates by the expiration thereof, namely: Mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor – Marian, Ms. Kohalmi - Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin - Daniel, Mr. Zaman Andrei - Mihai, Ms.

Barbu Irina – Mihaela. The mandate has a term of office of maximum 4 months, starting with 22.02.2023 and until 21.06.2023 (inclusive of).

By the OGMS Resolution dated 21.06.2023, the extension of the mandate contracts of the provisional administrators of the Company, appointed by the OGMS Resolution no. 1 dated 17.02.2023 was approved (Gheorghe Cristian – Florin, Buică Nicușor – Marian, Kohalmi – Szabo Luminița – Doina, Tănăsică Oana – Cristina, Gavrilă Florin – Daniel, Zaman Andrei – Mihai, Barbu Irina - Mihaela), by a period of 2 months, namely starting from 22.06.2023 until 21.08.2023 (inclusive of).

By the OGMS Resolution dated 18.08.2023, following the progression and completion of the recruitment and selection procedure of administrators as per the provisions of GEO no. 109/ 2011, the election of the following members of the Board of Directors was approved: Mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor – Marian, Ms. Kohalmi – Szabo Luminița– Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin – Daniel, Mr. Zaman Andrei - Mihai, Mr. Dănilă Alin - Mihael.

The mandate duration of the Board of Directors's members is of 4 (four) years, starting on 22.08.2023 until 21.08.2027 (inclusive of).

By the BoD decision dated 18.08.2023, the BoD elected Mr. Gheorghe Cristian - Florin as Chairman of the Board of Directors of CONPET S.A., to exercise this position for a period of 4 years, starting 22.08.2023 until 21.08.2027 (inclusive of).

The structure of the Board of Directors on 30.09.2023 is the following:

- Gheorghe Cristian - Florin, Romanian citizen;
- Gavrilă Florin - Daniel, Romanian citizen;
- Buică Nicușor - Marian, Romanian citizen;
- Kohalmi - Szabo Luminița - Doina, Romanian citizen;
- Tănăsică Oana - Cristina, Romanian citizen;
- Zaman Andrei - Mihai, Romanian citizen;
- Dănilă Alin - Mihael, Romanian citizen.

The structure of the Board of Directors is diverse, the administrators having different professions (engineers, lawyers, economists) and professional experience in the field of energy, banking, investment and consulting. The CVs of the members of the Board of Directors of CONPET SA are available on the company's website, at <https://www.conpet.ro/en/corporate-governance/board-of-directors/>.

The administrators do not own shares in CONPET SA.

In the Articles of Incorporation of CONPET S.A., the attributions, responsibilities and competencies of the Board of Directors are established.

The Board of Directors conducts its activity based on the Organization and Functioning Regulation established under the provisions of Law no. 31/1990 of the companies, republished, with subsequent amendments and additions and in compliance with the Articles of Incorporation of CONPET S.A.

The terms of reference of the Board of Directors can be consulted at:

<https://www.conpet.ro/wp-content/uploads/2015/11/Rules-on-the-Organization-and-Functioning->

## **The Executive Management**

Between: 01.01.2023 – 30.09.2023, the executive management had the following structure:

**The Director General**, Mr. Tudora Dorin, appointed through a recruitment and selection procedure in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, had a mandate of 4 years starting 21.04.2021 until 20.04.2025 (inclusive of). In the meeting of the Board of Directors dated 22.08.2023, the director general decided to reduce the mandate period until 06.11.2023 (inclusive of) or until the completion of the selection procedure.

Following the performance of the recruitment and selection procedure of the **Deputy Director General**, carried out in compliance with the provisions of GEO no. 109/2011 on the corporate governance of the public enterprises, the Board of Directors appointed Ms. Dumitrache Mihaela Anamaria in the position of deputy director general starting 18.02.2019, with a mandate for a period of 4 years, namely until 17.02.2023 (inclusive of).

After this date, the Board of Directors appointed on 14.02.2023 Ms. Dumitrache Mihaela Anamaria in the position of provisional Deputy Director General, with a mandate of 4 months, namely starting on 18.02.2023 until 18.06.2023 (inclusive of), the duration of the mandate being extended by 2 months, by the BoD Decision dated 14.06.2023, namely for the period starting on 19.06.2023 until 19.08.2023 (inclusive of). By the BoD Decision dated 09.08.2023, Ms. Dumitrache Mihaela Anamaria has been appointed provisional Deputy Director General for 4 months, from 20.08.2023 until 20.12.2023.

**The Economic Director**, Mrs. Sanda Toader, was appointed by the BoD Decision dated 06.11.2018, following the recruitment and selection procedure of the Economic Director, according to the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, with a mandate of 4 years, namely starting on 07.11.2018 until 06.11.2022 (inclusive of). By the BoD Decision dated 28.10.2022 she was appointed as provisional Economic Director of CONPET S.A., with a mandate of 4 months, namely starting on 07.11.2022 until 07.03.2023 (inclusive of), the duration of the mandate being extended by 2 months, by the BoD Decision dated 07.03.2023, namely starting on 08.03.2023 until 08.05.2023 (inclusive of); By the BoD Decision dated 05.05.2023 she was appointed as provisional Economic Director of CONPET S.A., starting on 09.05.2023, with a mandate of 4 months, namely until 09.09.2023 (inclusive of); By the BoD Decision dated 05.09.2023 the mandate contract was extended for a period of 2 months, starting 10.09.2023 until 10.11.2023 (inclusive of).

On 22.08.2023, the Board of Directors launched the selection procedure for directors with a mandate contract, respectively for the director general, the deputy director general and the economic director.

On the reporting date, i.e. 30.09.2023, the recruitment and selection procedure of the directors with a mandate contract was ongoing.

On 19.10.2023 the Board of Directors appointed, for a 4-year term, starting from 20.10.2023 until 19.10.2027: Mr. Tudora Dorin as Director General, Mrs. Dumitrache Mihaela Anamaria as Deputy Director General and Mrs. Toader Sanda as Economic Director.

### **3.5.3. Sponsorship activities concluded in the first 9 months 2023**

The company CONPET, through its sponsorship policy, supports both projects that have an important and lasting impact on the community, as well as smaller requests that promote, through ideas and actions, individual performance.

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 company has also maintained in 2023 projects that have become traditional, such as supporting performance school activities (participation in the World Robotics Championship), cultural and educational competitions (National contest of stories with historical theme) and sports activities, for the benefit of children and young people from Prahova County. Also, in the medical field, the company sponsored the Florești - Prahova Pneumophthisiology Hospital for equipping the new Physical Medicine and Respiratory Rehabilitation Department with medical equipment and supported an extensive project dedicated to registered oncology patients or the ones undergoing treatment and post therapy monitoring, which ensures the performance of rehabilitation treatments. At the same time, we supported the organization of scientific events, such as the first edition of IS<sup>2</sup>E<sup>2</sup>R - "International Social, Science, Engineering and Education Romanian Competition".

In the Revenues and Expenditure Budget of CONPET S.A. sponsorship expenses of **800 thousand RON** are provided for the year 2023.

Between January and September 2023, during the meetings of the Board of Directors of CONPET S.A. sponsorship contracts worth **462 thousand RON** were approved and concluded, as follows:

- 207 thousand RON - "Education, schooling, social and sports";
- 145 thousand RON - "Medical care and health";
- 110 thousand RON - "Other actions and activities".

### **3.5.4. The impact Russia - Ukraine conflict on the activity of the company CONPET S.A.**

The company's activity has not been affected by the conflict between Russia and Ukraine, and there are no indications of asset impairment following the effects of Russia's invasion of Ukraine. The medium and long-term impact of this conflict and the sanctions imposed on Russia cannot be accurately anticipated at this time. Considering that the Company's activity is dependent to some extent on the area affected by the sanctions (especially Russia), in terms of sales, we believe that the Company has the capacity and ability to continue its activity for the foreseeable future, so that it is affected as little as possible.

## 4. RELEVANT CORPORATE EVENTS IN THE FIRST 9 MONTHS 2023

### **12<sup>th</sup> of February 2023**

The Ordinary General Meeting of Shareholders approved the Investment Program and the Revenues and Expenditure Budget for 2023.

In the same meeting, the OGMS appoints as provisional administrators for a maximum period of 4 months, starting 22.02.2023 until 21.06.2023 (inclusive of) Mr. Gheorghe Cristian- Florin, Ms. Kohalmi - Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Zaman Andrei – - Mihai, Ms. Barbu Irina - Mihaela.

### **27<sup>th</sup> of April 2023**

The Ordinary General Meeting of Shareholders approved the Annual Financial Statements as of and for the financial year concluded on 31.12.2022. In the same meeting, the OGMS approved the distribution of the net profit for the financial year 2022 and of some amounts of the retained earnings.

### **21<sup>st</sup> of June 2023**

The Ordinary General Meeting of Shareholders approved the extension of the mandate contracts of the provisional administrators for a period of 2 months, starting 22.06.2023 until 21.08.2023 (inclusive of), for Mr. Buică Nicușor- Marian, Ms. Kohalmi - Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin – Daniel, Mr. Zaman Andrei – - Mihai, Ms. Barbu Irina - Mihaela.

### **18<sup>th</sup> of August 2023**

The Ordinary General Meeting of Shareholders appointed the company's administrators with a mandate for a period of four years, starting on 22.08.2023 and ending on 21.08.2027 (inclusive of), as follows: Mr. Gheorghe Cristian- Florin, Mr. Buică Nicușor- Marian, Ms. Kohalmi - Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin – Daniel, Mr. Zaman Andrei - Mihai, Mr. Dănilă Alin - Mihaela.

## 5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements on 30.09.2023 and for the 9-month period concluded on September 30, 2023 were drawn up in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include all the information and elements published in the annual financial statements and must be read in conjunction with the annual financial statements, drawn up on December 31, 2022.

The simplified interim financial statements as of and for the 9-month period concluded on September 30, 2023 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 as those used for the preparation of the financial statements for the year concluded on December 31, 2022.

### **Annexes:**

Annex no. 1 Interim statement of the financial standing on September 30, 2023;

Annex no. 2 Interim statement of profit and loss and other elements of the global result for the nine months period ended September 30, 2023;

Annex no.3 Interim cash-flow statement for the nine months period ended September 30, 2023

Annex no. 4 Statement of works and products procurement contracts with values higher than 500,000 euro, concluded between 01.01.2023 - 30.09.2023

Annex no. 5 Statement of services procurement contracts with values higher than 100,000 euro concluded between 01.01.2023 - 30.09.2023

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

**Director General**  
**Eng. Tudora Dorin**

**Deputy Director General**  
**Jurist Dumitache Mihaela Anamaria**

**Economic Director**  
**Econ. Toader Sanda**

## Annex no. 1

## INTERIM STATEMENT OF THE FINANCIAL STANDING ON SEPTEMBER 30, 2023

| Name                                    | 30.09.2023<br>(unaudited)<br>-RON- | December 31, 2022<br>(audited)<br>-RON- |
|---|------------------------------------|---|
| Tangible assets                         | 619,414,031                        | 607,025,461                             |
| Intangible assets                       | 5,953,361                          | 6,854,793                               |
| Financial Assets                        | 2,561,331                          | 2,537,045                               |
| Deferred corporate tax receivables      | 6,123,686                          | 6,153,054                               |
| <b>Total fixed assets</b>               | <b>634,052,409</b>                 | <b>622,570,353</b>                      |
| Inventories                             | 6,166,734                          | 6,867,083                               |
| Trade receivables and other receivables | 51,072,428                         | 49,186,760                              |
| Cash and cash equivalents               | 99,517,591                         | 127,672,452                             |
| Prepaid expenses                        | 1,059,907                          | 1,252,288                               |
| <b>Total current assets</b>             | <b>157,816,660</b>                 | <b>184,978,583</b>                      |
| <b>TOTAL ASSETS</b>                     | <b>791,869,069</b>                 | <b>807,548,936</b>                      |
| Subscribed and paid-up share capital    | 28,569,842                         | 28,569,842                              |
| Legal reserves                          | 5,713,968                          | 5,713,968                               |
| Revaluation reserves                    | 16,445,204                         | 17,101,648                              |
| Other reserves                          | 542,709,339                        | 533,897,764                             |
| Retained earnings                       | 39,959,113                         | 37,149,214                              |
| Year's Result                           | 49,797,999                         | 61,663,616                              |
| <b>Total equity</b>                     | <b>683,195,465</b>                 | <b>684,096,052</b>                      |
| Debts to employees                      | 23,126,969                         | 23,069,134                              |
| Other long-term liabilities             | 2,385,874                          | 2,749,112                               |
| <b>Total long-term liabilities</b>      | <b>25,512,843</b>                  | <b>25,818,246</b>                       |
| Trade liabilities                       | 26,580,069                         | 43,914,968                              |
| Current Income Tax                      | 3,531,702                          | 1,997,414                               |
| Other liabilities                       | 29,621,083                         | 27,567,948                              |
| Debts to employees                      | 14,429,500                         | 14,364,317                              |
| Short-term provisions                   | 8,998,407                          | 9,789,991                               |
| <b>Total current liabilities</b>        | <b>83,160,761</b>                  | <b>97,634,638</b>                       |
| <b>Total liabilities</b>                | <b>108,673,604</b>                 | <b>123,452,884</b>                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>     | <b>791,869,069</b>                 | <b>807,548,936</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, 2023**

| Name   | September 30, 2023<br>(unaudited)<br>-RON- | September 30, 2022<br>(unaudited)<br>-RON- |
|--|--|--|
| Revenues from contracts  | 365,395,353                                | 351,418,786                                |
| Earnings from disposal of assets   | 612,108                                    | 5,685,118                                  |
| Other revenues   | 38,660,511                                 | 32,438,808                                 |
| <b>Total Operating Expenses</b>  | <b>404,667,972</b>                         | <b>389,542,712</b>                         |
| Inventories Expenses   | 4,955,674                                  | 5,100,688                                  |
| Expenses with energy and water   | 13,139,882                                 | 21,000,228                                 |
| Personnel Expenses   | 146,510,727                                | 135,833,746                                |
| Value adjustments on fixed assets, less<br>adjustments related to rights of use resulted from<br>leasing contracts | 46,976,550                                 | 39,969,518                                 |
| Value adjustments for rights of use resulted from<br>leasing contracts   | 1,534,897                                  | 1,476,274                                  |
| Value adjustments of current assets  | (137,652)                                  | (648,958)                                  |
| Expenses with external services  | 91,730,086                                 | 85,427,459                                 |
| Provisions-related adjustments   | (384,152)                                  | (220,851)                                  |
| Other expenses   | 46,792,683                                 | 46,446,639                                 |
| <b>Total Operating Expenses</b>  | <b>351,118,695</b>                         | <b>334,384,743</b>                         |
| <b>Operating Profit</b>  | <b>53,549,277</b>                          | <b>55,157,969</b>                          |
| <b>Financial Revenues</b>  | <b>5,157,625</b>                           | <b>7,406,119</b>                           |
| Interest expenses related to leasing contracts   | 142,160                                    | 187,864                                    |
| Other financial expenses   | 69,488                                     | 220,090                                    |
| <b>Financial Expenses</b>  | <b>211,648</b>                             | <b>407,954</b>                             |
| <b>Financial profit</b>  | <b>4,945,977</b>                           | <b>6,998,165</b>                           |
| <b>Profit before corporate tax</b>   | <b>58,495,254</b>                          | <b>62,156,134</b>                          |
| Expenses with current corporate tax  | 8,667,887                                  | 9,696,171                                  |
| Expenses with (revenues coming from) deferred<br>corporate tax   | 29,368                                     | (274,446)                                  |
| <b>PROFIT OF THE PERIOD</b>  | <b>49,797,999</b>                          | <b>52,734,409</b>                          |
| Net increase of the modernization quota reserve  | 7,175,119                                  | 12,732,527                                 |
| <b>Total other global result elements that will not<br/>be subsequently reclassified as profit or loss</b>         | <b>7,175,119</b>                           | <b>12,732,527</b>                          |
| <b>TOTAL OTHER GLOBAL RESULT ELEMENTS</b>  | <b>7,175,119</b>                           | <b>12,732,527</b>                          |
| <b>TOTAL GLOBAL RESULT</b>   | <b>56,973,118</b>                          | <b>65,466,936</b>                          |
| <b>Earnings per share</b>  | <b>5.75</b>                                | <b>6.09</b>                                |

## Annex no. 3

**INTERIM CASH-FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2023**

|           | Name of the Item  | 9 months, 2023<br>(unaudited)<br>-RON- | 9 months, 2022<br>(unaudited)<br>-RON- |
|-----------|---|--|--|
|           | <b><i>Cash flows from operating activities:</i></b>                     |  |  |
| +         | Proceeds from services supply   | 391,643,472                            | 382,784,233                            |
| +         | Proceeds from interests related to banking placements                   | 5,243,011                              | 7,341,153                              |
| +         | Other proceeds  | 3,544,219                              | 11,937,169                             |
| -         | Payments to the suppliers of goods and services                         | 102,256,586                            | 100,937,325                            |
| -         | Payments to and on behalf of the employees                              | 145,756,587                            | 134,272,578                            |
| -         | VAT payments  | 40,649,005                             | 39,328,266                             |
| -         | Expenses with corporate tax and specific tax                            | 7,133,599                              | 8,542,316                              |
| -         | Other payments regarding the operating activities                       | 31,960,475                             | 33,156,043                             |
| <b>A</b>  | <b><i>Cash flows from operating expenses:</i></b>                       | <b>72,674,450</b>                      | <b>85,826,027</b>                      |
|           | <b><i>Cash flows from investment activities:</i></b>                    |  |  |
| +         | Proceeds from sale of tangible assets                                   | 620,592                                | 202,243                                |
| +         | Proceeds from modernization quota                                       | 43,852,004                             | 42,639,789                             |
| -         | Payments for purchase of tangible/intangible assets                     | 83,558,794                             | 92,290,829                             |
| <b>B</b>  | <b><i>Net cash from investment activity</i></b>                         | <b>(39,086,198)</b>                    | <b>(49,448,797)</b>                    |
|           | <b><i>Cash-flows from financing activities:</i></b>                     |  |  |
| -         | Paid dividends  | 59,182,515                             | 62,639,719                             |
| -         | Payments on the debt related to the leasing                             | 2,406,258                              | 2,221,274                              |
| -         | Interest payments   | 154,340                                | 181,604                                |
| <b>C</b>  | <b><i>Net cash from financing activities</i></b>                        | <b>(61,743,113)</b>                    | <b>(65,042,597)</b>                    |
|           | <b><i>Net increase of the cash and cash equivalents=A+B+C=D2-D1</i></b> | <b>(28,154,861)</b>                    | <b>(28,665,367)</b>                    |
| <b>D1</b> | <b><i>Cash and cash equivalents at the beginning of the period</i></b>  | <b>127,672,452</b>                     | <b>191,751,271</b>                     |
| <b>D2</b> | <b><i>Cash and cash equivalents at the end of the period</i></b>        | <b>99,517,591</b>                      | <b>163,085,904</b>                     |

## Annex no. 4

**STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500,000 EURO,  
CONCLUDED BETWEEN 01.01.2023 - 30.09.2023**

| Cr t.N o.   | Name of the Contractor        | Scope of the Contract   | Title of the Contract | The applied procurement procedure | Name of the beneficiary (if different from the contracting authority) | Tender notice/invitation 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   | EIFFAGE ENERGIE SYSTEMES MECI | Design, execution, installation and initial metrological verification of four measuring skids in Petrobrazi P3, Poiana Lacului, Videle and Otesti locations | L-CA 27/ 28.02.2023   | Tender                            | -   | 44536/ 29.11.2022               | 19,999,135.00                | 19,999,135.00                          | 21.03.2023            | 36  | 36                                  |
| <b>Total QUARTER I - 1 CONTRACT<br/>VALUE QUARTER I = 19,999,135.00 RON</b>     |                               |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| 2   | STRAL BIG SRL.                | Execution of PSI water tank - Biled crude oil loading ramp, Timiș County  | L-CA 54/ 21.04.2023   | Tender                            | -   | 9521/ 13.03.2023                | 2,965,000.01                 | 2,965,000.01                           | 15.05.2023            | 12  | 12                                  |
| <b>TOTAL QUARTER II - 1 CONTRACT<br/>VALUE QUARTER II = 2,965,000.01 RON</b>    |                               |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| 3   | TALPAC S.R.L.                 | Execution of works to replace the 20-inch Constanța C1 pipeline along 8 sections  | L-CA 156/ 28.02.2023  | Tender                            | -   | 26879/ 28.07.2023               | 39,526,916.81                | 39,526,916.81                          | -                     | 18  | 18                                  |
| <b>Total QUARTER III - 1 CONTRACT<br/>VALUE QUARTER III = 39,526,916.81 RON</b> |                               |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| <b>CUMULATED TOTAL - 3 CONTRACTS<br/>CUMULATED VALUE = 62,491,051.82 RON</b>    |                               |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |

## Annex no. 5

**STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100,000 EURO**  
**CONCLUDED BETWEEN 01.01.2023 - 30.09.2023**

| Cr t.N o.   | Name of the contractor                       | Scope of the Contract   | Title of the Contract | The applied procurement procedure | Name of the beneficiary (if different from the contracting authority) | Tender notice/invitation 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   | GRUP FEROVIAR ROMÂN S.A.                     | Transport services by rail of the crude oil and rich gas from the loading ramps to the destinations set by CONPET   | S-CA 26/23.02.2023    | Negotiation                       | -   | 6866/17.02.2023                 | 298,616,366.00               | 298,616,366.00                         | 01.04.2023            | 48  | 48                                  |
| 2   | LINSCAN ADVANCED PIPE LINES & TANKS SERVICES | In-line inspection (expertise) of the major crude oil transport pipelines: 10 3_4 in L1 Bărbătești - Ploiești Vest and 10 3_4 in L2 Orlești - Ploiești (Petrobrazi) | S-CA 29/08.03.2023    | Tender                            | -   | 43939/25.11.2022                | 2,114,497.92                 | 2,114,497.92                           | -                     | 10  | 10                                  |
| 3   | ASITO KAPITAL SA                             | Voluntary health insurance services for CONPET SA employees   | S-CA 30/10.03.2023    | Tender                            | -   | 3551/26.01.2023                 | 1,411,063.50                 | 1,411,063.50                           | 10.03.2023            | 12  | 12                                  |
| <b>TOTAL QUARTER I - 3 CONTRACTS</b><br><b>VALUE QUARTER I = 302,141,927.42 RON</b> |  |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| 4   | RELOC S.A.                                   | Planned repair type RR and converting into LDE 700 HP with CA-CA electric transmission of the locomotive LDH 700 HP with circulation number 92530850130-1           | S-CA 73/04.05.2023    | Tender                            | -   | 10281/17.03.2023                | 5,000,000.00                 | 5,000,000.00                           | -                     | 6   | 6                                   |
| 5   | IAT ENGINEERING & DESIGN SRL                 | Design services for objective achievement: Solution study and design of new oil transport pipelines from around   | S-CA 74/09.05.2023    | Tender                            | -   | 10125/16.03.2023                | 845,000.00                   | 845,000.00                             | 09.05.2023            | 9   | 9                                   |

| Cr t.N o.   | Name of the contractor               | Scope of the Contract   | Title of the Contract | The applied procurement procedure | Name of the beneficiary (if different from the contracting authority) | Tender notice/invitation 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) |
|---|--------------------------------------|---|-----------------------|-----------------------------------|---|---------------------------------|------------------------------|--|-----------------------|---|-------------------------------------|
|   |                                      | /inside Ploiești municipality   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| <b>Total QUARTER II - 2 CONTRACTS</b><br><b>VALUE QUARTER II = 5,845,000.00 RON</b> |                                      |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| 6   | DIRECTOR SPECIAL TROOPS - D.S.T. SRL | Security, protection and intervention services at five objectives of the company Conpet S.A. (Central Dispatch Headquarters, Administrative Headquarters 2, Voința Sports Base, Ipoșteți Materials Warehouse and Headquarters located on Bulevardul Independenței, No. 7, Ploiești)   | S-CA 150/ 01.09.2023  | Tender                            | -   | 25096/ 13.07.2023               | 2,398,880.00                 | 2,398,880.00                           | 01.09.2023            | 24  | 24                                  |
| 7   | ENVIROTECH SRL                       | Frame agreement concerning services related to the restoration of the geological environment and polluted water courses as a result of the breakdowns occurred along the crude oil, rich gas and ethane transport pipeline routes or in the technological precincts of CONPET S.A. Ploiești, taking over of the soil contaminated with hazardous substances(waste code 170503*) | S-CA 152/ 06.09.2023  | Tender                            | -   | 27203/ 01.08.2023               | 4,097,754.00                 | 4,097,754.00                           | 06.09.2023            | 24  | 24                                  |

| Cr t.N o.   | Name of the contractor | Scope of the Contract   | Title of the Contract | The applied procurement procedure | Name of the beneficiary (if different from the contracting authority) | Tender notice/invitation 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) |
|---|------------------------|---|-----------------------|-----------------------------------|---|---------------------------------|------------------------------|--|-----------------------|---|-------------------------------------|
| 8   | ENVIROTECH S.R.L.      | Subsequent contract Frame agreement concerning services related to the restoration of the geological environment and polluted water courses as a result of the breakdowns occurred along the crude oil, rich gas and ethane transport pipeline routes or in the technological precincts of CONPET S.A. Ploiesti, taking over of the soil contaminated with crude oil (waste code 191301*), as well as the taking over of the soil and stones with content of hazardous substances (waste code 170503*). | S-CA 153/06.09.2023   | -                                 | -   | 27203/01.08.2023                | 2,048,877.00                 | 2,048,877.00                           | 06.09.2023            | 12  | 12                                  |
| <b>Total QUARTER III - 3 CONTRACTS</b><br><b>VALUE QUARTER III = 4,447,757.00 RON</b> |                        |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |
| <b>CUMULATED TOTAL - 8 CONTRACTS</b><br><b>CUMULATED VALUE = 312,434,684.42 RON</b>   |                        |   |                       |                                   |   |                                 |                              |  |                       |   |                                     |

**FINANCIAL STATEMENTS**  
on the date and for the nine months period ended  
**September 30th, 2023**

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

**CONTENT:****Interim Financial Statements**

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**INTERIM STATEMENT OF THE FINANCIAL STANDING ON SEPTEMBER 30th, 2023**

|   |       | - RON-                               |  |
|---|-------|--------------------------------------|--|
| Name                                    | Note: | September, 30<br>2023<br>(unaudited) | December 31 <sup>st</sup><br>2022<br>(audited) |
| <b>ASSETS</b>                           |       |                                      |  |
| <b>Intangible assets</b>                |       |                                      |  |
| Tangible assets                         | 4     | 619,414,031                          | 607,025,461                                    |
| Intangible assets                       | 5     | 5,953,361                            | 6,854,793                                      |
| Financial Assets                        | 6     | 2,561,331                            | 2,537,045                                      |
| Deferred corporate tax receivables      | 13    | 6,123,686                            | 6,153,054                                      |
| <b>Total fixed assets</b>               |       | <b>634,052,409</b>                   | <b>622,570,353</b>                             |
| <b>Current assets</b>                   |       |                                      |  |
| Inventories                             | 7     | 6,166,734                            | 6,867,083                                      |
| Trade receivables and other receivables | 8     | 51,072,428                           | 49,186,760                                     |
| Cash and cash equivalents               | 9     | 99,517,591                           | 127,672,452                                    |
| Prepaid expenses                        |       | 1,059,907                            | 1,252,288                                      |
| <b>Total current assets</b>             |       | <b>157,816,660</b>                   | <b>184,978,583</b>                             |
| <b>TOTAL ASSETS</b>                     |       | <b>791,869,069</b>                   | <b>807,548,936</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    | 16,445,204                           | 17,101,648                                     |
| Other reserves                          | 10    | 542,709,339                          | 533,897,764                                    |
| Retained earnings                       | 10    | 39,959,113                           | 37,149,214                                     |
| Result of the period                    | 10    | 49,797,999                           | 61,663,616                                     |
| <b>Total equity</b>                     |       | <b>683,195,465</b>                   | <b>684,096,052</b>                             |
| <b>Long-term liabilities</b>            |       |                                      |  |
| Long-term liabilities to employees      | 11    | 23,126,969                           | 23,069,134                                     |
| Other long-term liabilities             | 11    | 2,385,874                            | 2,749,112                                      |
| <b>Total long-term liabilities</b>      |       | <b>25,512,843</b>                    | <b>25,818,246</b>                              |
| <b>Current liabilities</b>              |       |                                      |  |
| Trade liabilities                       | 11    | 26,580,069                           | 43,914,968                                     |
| Current Corporate Tax                   | 13    | 3,531,702                            | 1,997,414                                      |
| Other liabilities                       | 11    | 29,621,083                           | 27,567,948                                     |
| Long-term liabilities to employees      | 11    | 14,429,500                           | 14,364,317                                     |
| Short-term provisions                   | 12    | 8,998,407                            | 9,789,991                                      |
| <b>Total current liabilities</b>        |       | <b>83,160,761</b>                    | <b>97,634,638</b>                              |
| <b>Total liabilities</b>                |       | <b>108,673,604</b>                   | <b>123,452,884</b>                             |
| <b>TOTAL EQUITIES AND LIABILITIES</b>   |       | <b>791,869,069</b>                   | <b>807,548,936</b>                             |

These interim financial statements and the related notes, from page 1 to page 26, have been authorized for issue by the company's management on November 14th, 2023.

**Director General,**  
**Dorin Tudora**

**Economic Director,**  
**Econ. Sanda Toader**

The attached notes, from 1 to 20, are an 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 30th, 2023

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL  
RESULT FOR THE NINE MONTHS PERIOD ENDED  
September 30th, 2023**

| Name   | Note: | September, 30th<br>2023<br>(unaudited) | September, 30th<br>2022<br>(unaudited) | - RON- |
|--|-------|--|--|--------|
| Revenues from contracts  |       | 365,395,353                            | 351,418,786                            |        |
| Earnings from disposal of assets   |       | 612,108                                | 5,685,118                              |        |
| Other revenues   |       | 38,660,511                             | 32,438,808                             |        |
| <b>Total Operating Revenues</b>  | 15    | <b>404,667,972</b>                     | <b>389,542,712</b>                     |        |
| Expenditure on inventories   |       | 4,955,674                              | 5,100,688                              |        |
| Expenses with energy and water   |       | 13,139,882                             | 21,000,228                             |        |
| Personnel expenses   |       | 146,510,727                            | 135,833,746                            |        |
| Impairments on fixed assets, less adjustments related to rights of use resulted from leasing contracts     |       | 46,976,550                             | 39,969,518                             |        |
| Value adjustments for rights of use resulted from leasing contracts  |       | 1,534,897                              | 1,476,274                              |        |
| Value adjustments on current assets  |       | (137,652)                              | (648,958)                              |        |
| Expenses with external services  |       | 91,730,086                             | 85,427,459                             |        |
| Provision adjustments  |       | (384,152)                              | (220,851)                              |        |
| Other expenses   |       | 46,792,683                             | 46,446,639                             |        |
| <b>Total Operating Expenses</b>  | 16    | <b>351,118,695</b>                     | <b>334,384,743</b>                     |        |
| <b>Operating Profit</b>  |       | <b>53,549,277</b>                      | <b>55,157,969</b>                      |        |
| <b>Financial Revenues</b>  |       | <b>5,157,625</b>                       | <b>7,406,119</b>                       |        |
| Interests expenses related to leasing contracts  |       | 142,160                                | 187,864                                |        |
| Other financial expenses   |       | 69,488                                 | 220,090                                |        |
| <b>Financial Expenses</b>  |       | <b>211,648</b>                         | <b>407,954</b>                         |        |
| <b>Financial profit</b>  | 17    | <b>4,945,977</b>                       | <b>6,998,165</b>                       |        |
| <b>Profit before corporate tax</b>   |       | <b>58,495,254</b>                      | <b>62,156,134</b>                      |        |
| Expenses with current corporate tax  | 13    | 8,667,887                              | 9,696,171                              |        |
| Expenses with (revenues coming from) deferred corporate tax  | 13    | 29,368                                 | (274,446)                              |        |
| <b>PROFIT OF THE PERIOD</b>  |       | <b>49,797,999</b>                      | <b>52,734,409</b>                      |        |
| Net increase of the modernization quota reserve  |       | 7,175,119                              | 12,732,527                             |        |
| <i>Total other global result elements that will not be subsequently reclassified in the profit or loss</i> |       | <i>7,175,119</i>                       | <i>12,732,527</i>                      |        |
| <b>TOTAL OTHER ELEMENTS OF THE GLOBAL RESULT</b>   |       | <b>7,175,119</b>                       | <b>12,732,527</b>                      |        |
| <b>TOTAL GLOBAL RESULT</b>   |       | <b>56,973,118</b>                      | <b>65,466,936</b>                      |        |
| Earnings per share   |       | 5.75                                   | 6.09                                   |        |

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue by the company's management on November 14th, 2023.

Director General,

Eng. Dorin Tudora

Economic Director,

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 30<sup>th</sup>, 2023 (unaudited)

| - RON-  |                   |                  |                      |                    |                   |                       |                     |
|---|-------------------|------------------|----------------------|--------------------|-------------------|-----------------------|---------------------|
| Name  | Share capital     | Legal reserves   | Revaluation reserves | Other reserves     | Retained earnings | Year's profit or loss | Total Equities      |
| <b>Balance on January 1<sup>st</sup>, 2023</b>                            | <b>28,569,842</b> | <b>5,713,968</b> | <b>17,101,648</b>    | <b>533,897,764</b> | <b>37,149,214</b> | <b>61,663,616</b>     | <b>684,096,052</b>  |
| <b>Net result of the year</b>   | <b>-</b>          | <b>-</b>         | <b>-</b>             | <b>-</b>           | <b>-</b>          | <b>49,797,999</b>     | <b>49,797,999</b>   |
| Surplus from revaluation  | -                 | -                | (656,445)            | -                  | 656,445           | -                     | -                   |
| Allocation of profit provided by law - exemption of reinvested profit     | -                 | -                | -                    | -                  | 3,152,695         | (3,152,695)           | -                   |
| Net increase of the modernization quota reserve                           | -                 | -                | -                    | 7,175,119          | -                 | -                     | 7,175,119           |
| <b>Total other global result elements</b>                                 | <b>-</b>          | <b>-</b>         | <b>(656,445)</b>     | <b>7,175,119</b>   | <b>3,809,140</b>  | <b>(3,152,695)</b>    | <b>7,175,119</b>    |
| <b>Total global revenues related to the period</b>                        | <b>-</b>          | <b>-</b>         | <b>(656,445)</b>     | <b>7,175,119</b>   | <b>3,809,140</b>  | <b>46,645,304</b>     | <b>56,973,118</b>   |
| Dividends due to shareholders   |                   |                  |                      |                    | (999,241)         | (58,510,921)          | (59,510,162)        |
| Prescribed distributions  |                   |                  |                      | 1,636,456          |                   |                       | 1,636,456           |
| <b>Total transactions with the owners directly recognized in equities</b> | <b>-</b>          | <b>-</b>         | <b>-</b>             | <b>1,636,456</b>   | <b>(999,241)</b>  | <b>(58,510,921)</b>   | <b>(57,873,706)</b> |
| <b>Balance on September 30th, 2023</b>                                    | <b>28,569,842</b> | <b>5,713,968</b> | <b>16,445,204</b>    | <b>542,709,339</b> | <b>39,959,113</b> | <b>49,797,999</b>     | <b>683,195,465</b>  |

**INTERIM STATE OF THE CHANGES IN EQUITY ON SEPTEMBER 30th, 2022 (unaudited)**

| Name  | Share capital     | Legal reserves   | Revaluation reserves | Other reserves     | Retained earnings  | Year's profit or loss | - RON- Total Equities |
|---|-------------------|------------------|----------------------|--------------------|--------------------|-----------------------|-----------------------|
| <b>Balance on January 1st, 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          | -                     | -                     |
| 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          | -                     | 1,339,957             |
| Allocation of profit provided by law - exemption of reinvested profits                      | -                 | -                | -                    | -                  | 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 30th, 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>    |

*Note: The position „Other Reserves” also includes the reserve representing the modernization quota in amount of 495,516,405 RON on 30.09.2023, respectively 488,341,286 RON on 01.01.2023. 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 reflected in the reserves on account of the expenses. On a monthly basis, the reserve of modernization quota at the level of depreciation of fixed assets financed from this source is resumed in revenues.*

These interim financial statements and the related notes, from page 1 to page 26, have been authorized for issue by the company's management on November 14th, 2023.

**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 30th, 2023**

|           |  |                              | - RON-                        |
|-----------|--|------------------------------|-------------------------------|
|           | Name of the Item   | 9 months 2023<br>(unaudited) | 9 months, 2022<br>(unaudited) |
|           | <b>Cash flows from operating activities:</b>                     |                              |                               |
| +         | Proceeds from services supply                                    | 391,643,472                  | 382,784,233                   |
| +         | Proceeds from interests related to banking investments           | 5,243,011                    | 7,341,153                     |
| +         | Other proceeds   | 3,544,219                    | 11,937,169                    |
| -         | Payments to the suppliers of goods and services                  | 102,256,586                  | 100,937,325                   |
| -         | Payments to and on behalf of the employees                       | 145,756,587                  | 134,272,578                   |
| -         | VAT payments   | 40,649,005                   | 39,328,266                    |
| -         | Expenses with corporate tax and specific tax                     | 7,133,599                    | 8,542,316                     |
| -         | Other payments regarding the operating activities                | 31,960,475                   | 33,156,043                    |
| <b>A</b>  | <b>Net cash from operating activity</b>                          | <b>72,674,450</b>            | <b>85,826,027</b>             |
|           | <b>Cash flows from investment activities:</b>                    |                              |                               |
| +         | Proceeds from sale of tangible assets                            | 620,592                      | 202,243                       |
| +         | Proceeds from modernization quota                                | 43,852,004                   | 42,639,789                    |
| -         | Payments for purchase of tangible/intangible assets              | 83,558,794                   | 92,290,829                    |
| <b>B</b>  | <b>Net cash from investment activity</b>                         | <b>(39,086,198)</b>          | <b>(49,448,797)</b>           |
|           | <b>Cash-flows from financing activities</b>                      |                              |                               |
| -         | Paid dividends   | 59,182,515                   | 62,639,719                    |
| -         | Payments on the account on the debt related to the leasing       | 2,406,258                    | 2,221,274                     |
| -         | Interest payments  | 154,340                      | 181,604                       |
| <b>C</b>  | <b>Net cash from financing activities</b>                        | <b>(61,743,113)</b>          | <b>(65,042,597)</b>           |
|           | <b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b> | <b>(28,154,861)</b>          | <b>(28,665,367)</b>           |
| <b>D1</b> | <b>Cash and cash equivalents at the beginning of the period</b>  | <b>127,672,452</b>           | <b>191,751,271</b>            |
| <b>D2</b> | <b>Cash and cash equivalents at the end of the period</b>        | <b>99,517,591</b>            | <b>163,085,904</b>            |

Cash and cash equivalents on 30.09.2023 have decreased by 22.1% as compared to December 31st, 2022 (99,517,591 RON compared to 127,672,452 RON) due to payments of fixed assets (investments) and dividend payments higher than the surplus of cash obtained from the operating activity and cash inflows from the investment activity (modernization quota).

Of the total of 99,517,591 million RON in the balance on 30.09.2023, the share related to the modernization quota is of 26,224,819 RON.

The effects of the three activity areas (operation, investment and financing) on the cash in the 9 months period of 2023 reveal the following:

- the operating activity triggered a cash-flow in amount of 72,674,450 RON;
- the investments activity ended with a negative cash-flow in amount of 39,086,198;
- the financing activity has decreased the total cash flow by 61,743,113 RON.

The net cash from operating activity is lower by 13.15 mRON than the value registered in the similar period of the previous year. The decrease has been generated by the increase in payments to the employees and the suppliers of goods and services.

As compared to the previous year, the investment activity registers a negative value, lower than 10.36 mRON. Along the 9 months period, 2023, the payments of assets were under the level registered during the 9 months of 2022.

The company CONPET S.A.

Interim cash-flow statement for the 9 months period ended September 30th, 2023.

The net cash from the financing activity registers in both periods negative amounts determined by the payment of dividends to the shareholders and the leasing amounts (IFRS, 16).

These interim financial statements and the related notes, from page 1 to page 26, have been authorized for issue by the company's management on November 14th, 2023.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

The attached notes, from 1 to 20, are an 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 at and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

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

CONPET S.A. is the concessionaire of the operating activity of the National Transport System of crude oil, rich gas, condensate and ethane quality acquired in 2002, by conclusion with the National Agency for Mineral Resources (NAMR), the competent authority representing the State interests in the oil resources domain, of the Oil Concession Agreement approved by GD no. 793/25.07.2002.

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

The company CONPET SA is included in 7 stock indexes of a total of 9, namely **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus**. As of March 21st, 2022, the company CONPET S.A. has been part of the FTSE Global Micro Cap indices dedicated to emerging markets, and on September 1st, 2023, following the quarterly review of the indices by the global MSCI index provider, CONPET SA (COTE) has been included in the indices MSCI Frontier IMI and MSCI Romania IMI (Investable Market Indices).

On 30.06.2023, CONPET S.A. had a market capitalization of 661.4 million RON (132.9 million Euro), ranking 33 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 (Rom.I.T.T.C.).

The shareholder structure and number of voting rights at 30.09.2023 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 1,957,981 shares with voting rights representing 22.62% of the share capital, and
- c) natural persons, with 1,616,175 shares with voting rights representing 18.66% of the share capital.

### *Company's Mission*

CONPET mission is the operation of the National Transport System 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 transport of the oil extracted from the exploitation areas or of the imported oil, from the delivery sites to the processing units.

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

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

#### *The Legal Environment*

The activities in the oil domain, where is included also the crude oil transport activity, are 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 following:

- negotiates and concludes, on behalf of the State, oil agreements;
- awards mining concession licenses and exploitation permits;
- issues regulatory acts, norms, instructions, orders and regulations;
- controls the compliance of 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 acts/administration acts;
- approves the tariffs and the frame-contract for the transport of crude oil, rich gas, condensate and ethane.

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

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

The 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 tariffs regulated for the transport via the National Transport System and are being approved by NAMR as competent authority.

The transport tariffs are determined by allocation of the value of the transport service to the crude oil quantities transported to the beneficiaries, using a methodology based on the determination of the service cost, defined as the total revenues necessary for covering the transport operations by the system, including:

- the operating cost including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, costs related to the amortization of the fixed assets, royalties 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;
- a 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 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 31st, 2022. 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<sup>st</sup>, December 2022.

The 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 by the company's management on November 14th, 2023.

### **(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 2022.

### **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 period ended December 31<sup>st</sup>, 2022, except for the adoption of new standards effective from January 1<sup>st</sup>, 2023:

- The adoption of IFRS 17 "Insurance Contracts" (in force for the annual periods starting January 1, 2023, or ulterior to this date). The objective of IFRS 17 is to ensure the fact that a company presents in its financial statements relevant information to precisely represent insurance contracts. The named information offers the users of the financial statements a solid basis to evaluate the effect of the insurance contracts on the financial position, of the financial performance and the cash flows of the company. The adoption of the IFRS 17 will have no impact on the individual financial statements, as this standard is not applicable at the date of preparation of these financial statements.
- Amendments to IFRS 17 "Insurance Contracts" (in force for the annual periods starting January 1<sup>st</sup>, 2023, or ulterior to this date). The amendment of the requirements regarding the transitions provided by IFRS 17 allows the companies that apply for the first time IFRS 17 and IFRS 9, *Financial Instruments*, to solve the problem of punctual differences of classification in connection with the comparative information within the previous reporting period. The adoption of the amendments to IFRS 17 had no impact on the individual financial statements, as this standard is not applicable on the preparation date of these financial statements.
- Amendments to IAS 12 "Corporate Tax" (in force for the annual periods starting January 1<sup>st</sup>, 2023, or ulterior to this date). The amendments clarify how companies must account for deferred taxes on transactions such as leases and decommissioning obligations and aim to reduce diversity in reporting receivables and debts related to the deferred tax, related to leasing contracts and decommissioning obligations. The adoption of Amendments to IAS 12 had no impact on the financial statements.
- Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "accounting Policies, changes in the accounting estimates and errors" (effective for annual periods from or after January 1<sup>st</sup>, 2023 or ulterior to this date). These amendments clarify the differences between accounting policies and accounting estimates to ensure a more consistent application of the accounting standards and comparability of the financial statements. The adoption of Amendments to IAS 1 and IAS 8 had no impact on the financial statements.

#### 4. Tangible Assets

In the first 9 months of the year 2023, 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 1st, 2023</b>    | <b>28,693,144</b> | <b>333,355,527</b>                  | <b>39,541,805</b>      | <b>131,103,627</b>      | <b>67,450,565</b>             | <b>53,187,538</b>  | <b>9,551,894</b>      | <b>151,716,394</b>          | <b>814,600,494</b>    |
| Cumulated depreciation on January 1st, 2023           | (3,534,499)       | (56,497,335)                        | -                      | (61,414,939)            | (45,825,088)                  | (33,002,087)       | (7,301,085)           | -                           | (207,575,033)         |
| <b>Net accounting value on January 1st, 2023</b>      | <b>25,158,645</b> | <b>276,858,192</b>                  | <b>39,541,805</b>      | <b>69,688,688</b>       | <b>21,625,477</b>             | <b>20,185,451</b>  | <b>2,250,809</b>      | <b>151,716,394</b>          | <b>607,025,461</b>    |
| Inputs of tangible assets                             | 190,404           | 151,141,049                         | -                      | 17,358,322              | 2,085,546                     | 743,294            | 196,474               | (113,075,420)               | <b>58,639,669</b>     |
| Outputs of tangible assets at gross value             | (3,955)           | (121,048)                           | -                      | (507,840)               | (469,943)                     | (857,064)          | (1,030)               | -                           | (1,960,880)           |
| Cumulated depreciation related to outputs             | 3,041             | 81,201                              | -                      | 505,947                 | 463,351                       | 857,064            | 1,030                 | -                           | 1,911,634             |
| Depreciation registered during the period             | (927,292)         | (27,609,074)                        | -                      | (8,013,476)             | (5,475,867)                   | (3,483,999)        | (692,145)             | -                           | (46,201,853)          |
| <b>Gross accounting value on September 30th, 2023</b> | <b>28,879,593</b> | <b>484,375,528</b>                  | <b>39,541,805</b>      | <b>147,954,109</b>      | <b>69,066,168</b>             | <b>53,073,768</b>  | <b>9,747,338</b>      | <b>38,640,974</b>           | <b>871,279,283</b>    |
| Cumulated depreciation on September 30th, 2023        | (4,458,750)       | (84,025,208)                        | -                      | (68,922,468)            | (50,837,604)                  | (35,629,022)       | (7,992,200)           | -                           | (251,865,252)         |
| <b>Net accounting value on September 30th, 2023</b>   | <b>24,420,843</b> | <b>400,350,320</b>                  | <b>39,541,805</b>      | <b>79,031,641</b>       | <b>18,228,564</b>             | <b>17,444,746</b>  | <b>1,755,138</b>      | <b>38,640,974</b>           | <b>619,414,031</b>    |

The net value of the tangible assets on 30.09.2023 has increased as compared to the end of 2022 by the amount of 12,388,570 RON.

During the first nine months of the year 2023, there have been recorded inputs of tangible assets in amount of 58,639,669 RON and there have been commissioned assets amounting to 170,915,412 RON and outputs of tangible assets at a net value of 49,246 RON.

The amortization of the tangible assets recorded in the 9 months of 2023 amounts to 46,201,853 RON.

The amortization method used in case of tangible assets is the linear one.

During the first nine months of the year 2023, there has been registered a decrease of the assets related to the rights of use resulting from leasing and concession contracts, in amount of 1,001,949 RON.

As for IFRS 16, the assets representing rights of use resulting from lease and concession contracts are recognized in tangible assets, as follows:

- At element-row "Lands" is included the value of the rights of use resulting from the lease and concession contracts concluded with various landowners. The rented lands are located telecommunication equipment and cathodic protection stations in various locations in the country. On 30.09.2023 the gross value of these assets is 6,020,693 RON and the cumulated depreciation is of 4,458,750 RON, resulting a net value the rights of use related to lands, of 1,561,943 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. On the date of 30.09.2023, the gross value of these assets is of 2,001,754 RON, and the amortization thereof on the same date is of 1,234,898 RON, the net value of the rights of use related to the buildings being of 766,856 RON.
- To the position "Means of transport" there are included 30 means of transport purchased in a leasing system in the month of December 2019, necessary for the performance of the activities specific to the company and the value of the right of use of 15 rail tanks. On 30.09.2023, the gross value of these assets is of 3,122,010 RON, the cumulated amortization of 2,796,599 RON, resulting a net value of the rights of use related to the means of transport of 325,411 RON.

On 30.09.2023, CONPET holds in property lands in a surface of 733,677 Sq.m. with an accounting value of 22,858,900 RON, made of:

- 554,181 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's patrimony at the expense of other equity reserves, without augmenting the share capital by the value thereof.

- 156,469 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;
- 23,027 Sq.m represent lands with an accounting value of 7,080,200 RON, acquired by the Company based several sale-purchase contracts. Administrative buildings are located on one side of the purchased lands and on the rest of it are to be found telecommunications towers, which are intended for transport.

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 (crude oil), 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 Hyperinflationary Economies". On 30.09.2023, the accounting value of the operating oil product remained unchanged compared to the beginning of the year, being in amount of 39,541,805 RON.

#### *Tangible assets in progress*

The value of the assets in progress on September 30th, 2023, is of 38,640,974 RON and includes investment projects provided in "2023 Investment Program", which are mainly composed of: replacement of pipeline portions on various lengths and routes, 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 2023 is the following:

|   | - RON-                |                         |                         |
|---|-----------------------|-------------------------|-------------------------|
| Name  | Licenses and software | Other intangible assets | Total intangible assets |
| <b>Gross accounting value on January 1st, 2023</b>    | <b>12,470,814</b>     | <b>3,313,099</b>        | <b>15,783,913</b>       |
| Cumulated amortization on January 1st, 2023           | (6,739,288)           | (2,189,832)             | (8,929,120)             |
| <b>Net accounting value on January 1st, 2023</b>      | <b>5,731,526</b>      | <b>1,123,267</b>        | <b>6,854,793</b>        |
| Inputs of intangible assets                           | 1,417,356             | 3,056                   | 1,420,412               |
| Output of intangible assets                           | (2,894,937)           | -                       | (2,894,937)             |
| Cumulated amortization to outputs                     | 2,894,937             | -                       | 2,894,937               |
| Amortization registered during the period             | (1,763,733)           | (558,111)               | (2,321,844)             |
| <b>Gross accounting value on September 30th, 2023</b> | <b>10,993,233</b>     | <b>3,316,155</b>        | <b>14,309,388</b>       |
| <b>Cumulated depreciation on September 30th, 2023</b> | <b>(5,608,084)</b>    | <b>(2,747,943)</b>      | <b>(8,356,027)</b>      |
| <b>Net accounting value on September 30th, 2023</b>   | <b>5,385,149</b>      | <b>568,212</b>          | <b>5,953,361</b>        |

The net value of the intangible assets on 30.09.2023 has decreased as compared to the end of 2022, by the amount of 901,432 RON.

In the first nine months of 2023 there have been registered inputs of intangible assets in the amount of 1,420,412 RON and amortization in amount of 2,321,844 RON.

The method of depreciation used is the straight-line 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

Within the first nine months of 2023, the financial assets have evolved as follows:

|   | - RON-                       |                       |                         |
|---|------------------------------|-----------------------|-------------------------|
| Name  | Other non-current securities | Long-term receivables | Total intangible assets |
| <b>Gross accounting value on January 1st, 2023</b>    | <b>5,100</b>                 | <b>2,852,134</b>      | <b>2,857,234</b>        |
| Impairment for depreciation on January 1st, 2023      | -                            | (320,189)             | (320,189)               |
| <b>Net accounting value on January 1st, 2023</b>      | <b>5,100</b>                 | <b>2,531,945</b>      | <b>2,537,045</b>        |
| Inputs  | -                            | 35,615                | 35,615                  |
| Outputs   | -                            | (11,329)              | (11,329)                |
| <b>Gross accounting value on September 30th, 2023</b> | <b>5,100</b>                 | <b>2,876,420</b>      | <b>2,881,520</b>        |
| Impairments for depreciation                          | -                            | (320,189)             | (320,189)               |
| <b>Net accounting value on September 30th, 2023</b>   | <b>5,100</b>                 | <b>2,556,231</b>      | <b>2,561,331</b>        |

On 30.09.2023 the value of the financial assets has increased as compared to January 1st, 2023, at the expense of the increase of the non-current receivables in the first nine months of the year. The company holds contributions to 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 2,556,231 RON represent guarantees granted to third-parties and are mainly made up of: the guarantee related to the electric power supply contract, refundable guarantees paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters, Forests in view of temporary removal of the lands from agricultural use and forest fund for the fulfillment of various investment objectives, as well as from guarantees related to the lease contracts of lands and spaces in view of carry out of the production and administrative activities in different locations in the country, guarantees for telecommunication equipment, electric power guarantees related to certain cathodic protection stations.

## 7. Stocks

|  | - RON-           |                      |                |                  |
|--|------------------|----------------------|----------------|------------------|
| Name   | Consumables      | Services in progress | Waste products | Total stocks     |
| <b>Gross accounting value on January 1st, 2023</b>                 | <b>6,444,829</b> | <b>1,403,434</b>     | <b>469</b>     | <b>7,848,732</b> |
| Impairments for depreciation of stocks                             | (981,649)        | -                    | -              | (981,649)        |
| <b>Net accounting value on January 1st, 2023</b>                   | <b>5,463,180</b> | <b>1,403,434</b>     | <b>469</b>     | <b>6,867,083</b> |
| Stocks inputs during the period                                    | 4,828,415        | 7,043,833            | 446,791        | 12,319,039       |
| Consumption/outputs of stocks during the period                    | (5,023,595)      | (7,686,367)          | (435,339)      | (13,145,301)     |
| Revenues from (expense with) impairment for depreciation of stocks | 125,913          | -                    | -              | 125,913          |

|   |                  |                |               |                  |
|---|------------------|----------------|---------------|------------------|
| <b>Gross accounting value on September 30th, 2023</b> | <b>6,249,649</b> | <b>760,900</b> | <b>11,921</b> | <b>7,022,470</b> |
| Impairments for depreciation of inventories           | (855,736)        | -              | -             | (855,736)        |
| <b>Net accounting value on September 30th, 2023</b>   | <b>5,393,913</b> | <b>760,900</b> | <b>11,921</b> | <b>6,166,734</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" cost of the supplied services but unreceived by the beneficiaries until the end of the period.

## **8. Trade receivables and other receivables**

On September 30th, 2023 and December 31st, 2022, the trade receivables and other receivables reveal the following:

|  |                              | <b>- RON-</b>                  |
|--|------------------------------|--------------------------------|
|  | <b>September 30<br/>2023</b> | <b>December 31st,<br/>2022</b> |
| Clients  | 47,140,026                   | 45,295,130                     |
| Impairments for depreciation of receivables                                  | (206,654)                    | (222,936)                      |
| Other trade receivables  | 124,251                      | 1,419,808                      |
| Impairments for the loss of value of other short-term intangible receivables | (122,717)                    | (122,717)                      |
| <b>Subtotal trade receivables (net value)</b>                                | <b>46,934,906</b>            | <b>46,369,285</b>              |
| Other receivables  | 5,816,251                    | 4,491,660                      |
| Impairments for the depreciation of other receivables                        | (1,678,729)                  | (1,674,185)                    |
| <b>Subtotal other receivables (net value)</b>                                | <b>4,137,522</b>             | <b>2,817,475</b>               |
| <b>Total receivables</b>   | <b>51,072,428</b>            | <b>49,186,760</b>              |

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

|                                      |                                 | <b>- RON-</b>                  |
|--------------------------------------|---------------------------------|--------------------------------|
|                                      | <b>September 30th,<br/>2023</b> | <b>December<br/>31st, 2022</b> |
| Clients- transport activity          | 46,460,006                      | 44,628,760                     |
| Other clients - auxiliary activities | 680,020                         | 666,370                        |
| <b>Total</b>                         | <b>47,140,026</b>               | <b>45,295,130</b>              |

*Trade receivables* are no interest bearer and have an average collection time of 27 days.

The main trade receivables in balance on September 30th, 2023 are due by: OMV PETROM S.A. – 40,103,804 RON (December 31st, 2022: 39,120,758 RON) and Petrotel Lukoil S.A. – 6,272,153 RON (December 31<sup>st</sup>, 2022: 5,172,855 RON).

*Other receivables*, in amount of 5,816,251 RON include mainly: amounts to be recovered from various natural and legal persons, the majority thereof pending before law courts as litigations (1,702,769 RON, namely 29.3%), undue VAT related to the unarrived invoices until 30.09.2023 (1,523,390 RON, namely 26.2%), and amounts to be recovered from the budget representing sick leave allowances (1,239,182 RON, namely 21.3%).

Impairments for the depreciation of trade receivables are recorded for the doubtful clients involved in litigation or insolvency, presenting default of collection. On September 30th, 2023, the value of these impairments amounts to 206,654 RON, lowering by 16,282 RON as compared to the end of the 2022 year.

*Impairments for the depreciation of other receivables* are recorded for debits related to the legal files pending before the Law, paid fines and facing dispute. On September 30th, 2023, the value of these impairments amounts to 1,678,729 RON.

The Company's registers impairments for loss of value of 100% from the value of the receivables, for the clients facing dispute, 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<br>2023 | December 31 <sup>st</sup><br>2022 |
| <b>Clients, o/w:</b>                          | <b>47,140,026</b>    | <b>45,295,130</b>                 |
| Depreciated receivables                       | 206,654              | 222,936                           |
| Non-depreciated receivables, o/w:             | 46,933,372           | 45,072,194                        |
| - seniority less than 30 days                 | 46,792,859           | 44,914,134                        |
| - seniority between 30 days and 60 days       | 133,791              | 147,366                           |
| - seniority between 60 days and 90 days       | 5,096                | 4,731                             |
| - seniority between 90 days and 270 days      | 1,626                | 5,963                             |
| <b>Other trade receivables, out of which:</b> | <b>1,419,736</b>     | <b>1,419,808</b>                  |
| Depreciated receivables                       | 122,717              | 122,717                           |
| Non-depreciated receivables, o/w:             | 1,297,019            | 1,297,091                         |
| - seniority less than 30 days                 | 2,101                | 2,101                             |
| - seniority between 30 days and 60 days       | 293                  | 365                               |
| - seniority between 270 days and 1 year       | 1,294,625            | 1,294,625                         |

#### **Other receivables**

|  | - RON-                               |                        |
|--|--------------------------------------|------------------------|
| Name                                     | September 30 <sup>th</sup> ,<br>2023 | December 31st,<br>2022 |
| Depreciated receivables                  | 1,678,729                            | 1,674,185              |
| Non-depreciated receivables, o/w:        | 4,137,522                            | 2,817,475              |
| - seniority less than 30 days            | 3,828,994                            | 2,746,967              |
| - seniority between 60 days and 90 days  | 144,707                              | -                      |
| - seniority between 90 days and 270 days | 163,821                              | 33,631                 |
| - seniority between 270 days and 1 year  | -                                    | 862                    |
| - seniority over 1 year                  | -                                    | 36,015                 |
| <b>Total</b>                             | <b>5,816,251</b>                     | <b>4,491,660</b>       |

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

On September 30th, 2023, and December 31st, 2022 the cash and cash equivalents look as follows:

|  | - RON-                                  |                        |
|--|---|------------------------|
| Name                                   | September<br>30 <sup>th</sup> ,<br>2023 | December<br>31st, 2022 |
| Current bank accounts                  | 2,179,594                               | 5,465,205              |
| Bank deposits with maturity ≤ 3 months | 97,329,659                              | 122,200,485            |
| Cash on hand                           | 8,338                                   | 6,762                  |
| <b>Total</b>                           | <b>99,517,591</b>                       | <b>127,672,452</b>     |

At the end of Quarter III, 2023, the cash from bank accounts and cash office decreased by 22.1% compared to December 31st, 2022 (99,517,591 RON compared to 127,672,452 RON).

The cash accounts on 30.09.2023 also include the cash representing the modernization quota, with special use regime provided by GD no.168/1998, in amount of 26,224,819 RON.

The cash representing modernization quota is intended exclusively for funding the modernization and development works of public property goods.

The company has no restricted number.

## 10. Equities

### *The Share capital*

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

The structure of share capital and shareholding of CONPET SA on September 30th, 2023 is the following:

| Shareholders                             | September 30th, 2023 |                   |             | December 31st, 2022 |                   |             |
|--|----------------------|-------------------|-------------|---------------------|-------------------|-------------|
|  | 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                            | 1,957,981            | 6,461,337         | 22.6159     | 1,910,238           | 6,303,785         | 22,0645     |
| Natural Persons                          | 1,616,175            | 5,333,377         | 18.6679     | 1,663,918           | 5,490,929         | 19,2193     |
| <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 30th, 2023, the value of the legal reserve is 5,713,968 RON and represents reserve constituted at the level of 20% of the share capital, as per the Law no.31/1990 and the Articles of Incorporation.

### *Other reserves*

Other reserves amounting to 542,709,339 RON.

Other reserves have increased by the amount of 811,575 RON in the first nine months of the year 2023, made up in: 7,175,119 RON, growth of reserves representing the modernization quota and 1,636,456 RON representing prescribed dividends recognized in equities.

The reserve related to the modernization quota amounts 495,516,405 RON and holds the highest share in total other reserves (91.3%).

### *Revaluation reserves*

In the financial standing, the revaluation reserves are being presented at the net value of 16,445,204 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*

The retained earnings amounts to 39,959,113 RON and contains mainly the difference in value of fixed assets, operating oil product resulting from the application of IAS 29 for the first time, amounting to 39,302,668 RON.

*Profit of the period*

The year's profit realized in the first nine months of the year 2023 is of 49,797,999 RON, decreasing by 5.6% compared to the profit registered YoY, in amount of (52,734,409 RON).

## **11. Trade Liabilities and Other Liabilities**

On September 30th, 2023 and December 31st, 2022, the trade liabilities and other liabilities look as follows:

| Liabilities   | Maturity date for the balance on September 30th, 2023 |                   |                                   |                  |                   | - RON-    |   |
|---|---|-------------------|-----------------------------------|------------------|-------------------|-----------|---|
|   | December 31st, 2022                                   |                   | September 30 <sup>th</sup> , 2023 |                  | Under 1 year      | 1-5 years |   |
|   |   |                   |                                   |                  |                   |           |   |
| Trade liabilities   | 43,914,968  | 26,580,069        | 26,580,069                        | -                | -                 | -         | - |
| Liabilities to the employees  | 37,433,451  | 37,556,469        | 14,429,500                        | 3,037,283        | 20,089,686        |           |   |
| Other liabilities, here-<br>included fiscal debts and<br>social insurances related<br>debts | 32,314,474  | 35,538,659        | 33,152,785                        | 1,563,189        | 822,685           |           |   |
| <b>Total</b>  | <b>113,662,893</b>                                    | <b>99,675,197</b> | <b>74,162,354</b>                 | <b>4,600,472</b> | <b>20,912,371</b> |           |   |

The trade liabilities related to the purchase of goods and services for the operating activity have a share of 79.5% in total trade liabilities, while those representing the procurement of assets have a share of 20.5%.

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

| Liabilities                             | Maturity date for the balance on September 30th, 2023 |                   |                                   |                  |                | - RON-    |   |
|---|---|-------------------|-----------------------------------|------------------|----------------|-----------|---|
|   | December 31st, 2022                                   |                   | September 30 <sup>th</sup> , 2023 |                  | Under 1 year   | 1-5 years |   |
|   |   |                   |                                   |                  |                |           |   |
| Salaries contributions                  | 6,372,957   | 5,154,202         | 5,154,202                         | -                | -              | -         | - |
| Current corporate tax                   | 1,997,414   | 3,531,702         | 3,531,702                         | -                | -              | -         | - |
| Royalty due to the State Budget         | 9,371,188   | 9,855,163         | 9,855,163                         | -                | -              | -         | - |
| VAT payable                             | 2,688,197   | 5,712,985         | 5,712,985                         | -                | -              | -         | - |
| Other taxes and debts - State<br>Budget | 1,202,034   | 1,098,197         | 1,098,197                         | -                | -              | -         | - |
| Dividends Payable                       | 5,234,071   | 5,562,775         | 5,562,775                         | -                | -              | -         | - |
| Leasing related liabilities             | 4,457,905   | 2,964,991         | 1,219,190                         | 1,229,278        | 516,523        |           |   |
| Prepaid revenues                        | 833,329   | 710,594           | 81,471                            | 322,961          | 306,162        |           |   |
| Other liabilities                       | 157,380   | 948,050           | 937,100                           | 10,950           | -              |           |   |
| <b>Total</b>                            | <b>32,314,474</b>                                     | <b>35,538,659</b> | <b>33,152,785</b>                 | <b>1,563,189</b> | <b>822,685</b> |           |   |

On 30.09.2023, leasing related liabilities comprise future leasing related liabilities payment obligations for 30 cars necessary for the performance of company-specific activities and liabilities concerning rights of use recognized for lands, buildings and wagons lease and concession contracts

(note 4).

The liabilities related to the rights of use recognized for the lease and concession contracts of various lands, buildings and wagons have been assessed at the value of rent /royalties' payments along the remaining contractual period, discounted with the borrowing rate for real estate loans.

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

| Liabilities  | December 31st,<br>2022 | September<br>30 <sup>th</sup> ,<br>2023 | Maturity date for the balance on<br>September 30th, 2023 |                  |                   | - RON- |
|--|------------------------|---|--|------------------|-------------------|--------|
|  |                        |   | Under 1<br>year  | 1-5 years        | Over 5<br>years   |        |
| Salaries and assimilated debts                           | 6,975,973              | 6,691,558                               | 6,691,558  | -                | -                 |        |
| Liabilities for benefits granted on<br>retirement        | 19,779,263             | 19,633,770                              | 638,317  | 2,868,296        | 16,127,157        |        |
| Liabilities for the benefits granted<br>in case of death | 3,890,637              | 4,146,968                               | 15,452   | 168,987          | 3,962,529         |        |
| Debts for the employees share of<br>profit               | 6,387,655              | 4,080,656                               | 4,080,656  | -                | -                 |        |
| Debts for untaken leaves                                 | 359,923                | 3,003,517                               | 3,003,517  | -                | -                 |        |
| Debts for other benefits due to the<br>employees         | 40,000                 | -                                       | -  | -                | -                 |        |
| <b>Total</b>   | <b>37,433,451</b>      | <b>37,556,469</b>                       | <b>14,429,500</b>  | <b>3,037,283</b> | <b>20,089,686</b> |        |

The company includes in this chapter: salaries and assimilated debts, unpaid, debts for benefits granted on retirement or in case of death, the amounts related to the untaken leaves and for the employees share of profit, recognized as provisions.

The highest rate in the debts to employees is held by the benefits granted on retirement (19,633,770 RON).

On 30.09.2023, the debt related to employees share of profit is in quantum of 4,080,656 RON and includes the amount left unpaid from the share of profit related to 2022 and the amounts related to the service supplied by the employees in the first nine months of 2023 constituted at the level of the amounts provided in the revenues and expenditure budget for the first nine months of the year 2023, established at the level of the amounts provided for this period.

The debts for the untaken annual leaves represent, mainly, the provision for the untaken leaves related to the period of 9 months, 2023.

## 12. Provisions

| Name                                    | September<br>30 <sup>th</sup><br>2023 | December 31st,<br>2022 | - RON- |
|---|---------------------------------------|------------------------|--------|
| Provisions for litigations              | 6,956,378                             | 6,450,149              |        |
| Provisions related to mandate contracts | 675,774                               | 2,157,211              |        |
| Other provisions for risks and expenses | 1,366,255                             | 1,182,631              |        |
| <b>Total provisions</b>                 | <b>8,998,407</b>                      | <b>9,789,991</b>       |        |

### **Provisions for litigations**

In detail, the provisions for litigations are:

| Name   | September<br>30th<br>2023 | December 31st,<br>2022 | - RON- |
|--|---------------------------|------------------------|--------|
| Litigations for civil compensations  | 5,278,784                 | 4,785,250              |        |
| Litigations for third parties failure to respect certain contractual clauses | 70,609                    | 118,314                |        |
| Other litigations  | 1,606,985                 | 1,546,585              |        |
| <b>Total</b>   | <b>6,956,378</b>          | <b>6,450,149</b>       |        |

The company is involved in various litigations for compensations and annual annuities requested by various owners, natural and legal persons, following the exercise by the company of the right to legal right of way on their lands.

On 30.09.2023, there are registered provisions related to such litigations in amount of 5,278,784 RON, increasing by 493,534 RON compared to 31.12.2022.

The position "Other litigations", in the amount of 1,606,985 RON, represents the exchange value of 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 distributed from the profit of the financial year 2006, related to a 6% quota held by the plaintiff in CONPET SA share capital, as well as the legal interest calculated for the requested amount, starting with the maturity date thereof.

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

There have been settled debts for the allowances given to directors, in accordance with the contracts of mandate and GEO 109/2011 on corporate governance, including the related contributions, as follows:

- 127,030 RON represents liabilities for rest leaves not performed by the directors with mandate contract, corresponding to the year 2022 and the first nine months of the year 2023;
- 548,744 RON representing liability for the variable component due to the directors with mandate contract, related to the first nine months of the year 2023.

#### ***Other provisions***

On September 30th, 2023, the balance of the position „Other provisions”, in the amount of 1,366,255 RON represents a provision for environmental expenses and for lack of use of the land on which the Voința Sports Base is located (1,237,255 RON), land owned by Ploiești Municipality. The land was subject to file 1474/105/2019 pending before Prahova Tribunal, and the amount of 1,237,255 RON represents the lack of use for the period elapsed after the date until which the lack of use has been paid according to sentence no. 1205/13.07.2020, respectively starting 16.11.2019 and September 30th, 2023.

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

The expense with the current and deferred corporate tax of the company on September 30th, 2023 and September 30th, 2022 is being determined by a statutory rate of 16%.

| Name  | September<br>30th<br>2023 | September 30th<br>2022 | - RON- |
|---|---------------------------|------------------------|--------|
| Expense with corporate tax and specific tax             | 8,667,887                 | 9,696,171              |        |
| The expense with (revenues from) deferred corporate tax | 29,368                    | (274,446)              |        |
| <b>Total</b>  | <b>8,697,255</b>          | <b>9,421,725</b>       |        |

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

| Name   | September 30 <sup>th</sup> ,<br>2023 | September 30 <sup>th</sup> ,<br>2022 | - RON - |
|--|--------------------------------------|--------------------------------------|---------|
| Profit before tax  | 58,495,254                           | 62,156,134                           |         |
| - Corporate tax at a statutory rate of 16%                                 | 9,359,241                            | 9,944,981                            |         |
| <b>Effect on the corporate tax of:</b>                                     |                                      |                                      |         |
| - Non-deductible expenses  | 2,101,085                            | 2,631,786                            |         |
| - Non-taxable revenues   | (1,894,171)                          | (2,466,747)                          |         |
| - Elements similar to the revenues   | 14,200                               | 407,999                              |         |
| - Elements similar to the expenses   | (187,230)                            | (186,417)                            |         |
| - Spared corporate tax   | (313,238)                            | (139,664)                            |         |
| -Amounts representing sponsorship falling under the limits provided by law | (412,000)                            | (507,000)                            |         |
| - Specific tax   | -                                    | 11,233                               |         |
| <b>Expense with current corporate tax and specific tax</b>                 | <b>8,667,887</b>                     | <b>9,696,171</b>                     |         |

*The deferred corporate tax*

The deferred corporate tax payable and recoverable 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 for 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 2023 reveals the following:

| 2023  | Net value on<br>the 1 <sup>st</sup> of<br>January | Deferred<br>corporate tax<br>recognized in<br>the profit and<br>loss account | Deferred<br>corporate tax<br>recognized in<br>the equity | Net value at 30 <sup>th</sup> of June                     |  | - RON - |
|---|---|--|--|---|--|---------|
|   |   |  |  | Receivable<br>related to the<br>deferred<br>corporate tax | Debt related to<br>the deferred<br>corporate tax |         |
| Reevaluation of<br>tangible assets          | 299,582   | 124,123  | -  | 3,352,734   | (2,929,030)                                      |         |
| Provisions                                  | 5,396,741   | (131,631)  | -  | 5,265,110   | 0  |         |
| Impairments of<br>current assets            | 456,731   | (21,859)   | -  | 434,872   | 0  |         |
| Deferred corporate<br>tax before offsetting | 6,153,054   | (29,367)   | -  | 9,052,716   | (2,929,030)                                      |         |
| Receivable/liability offsetting             |   |  |  | (2,929,030)   | 2,929,030  |         |
| Net deferred corporate tax - recoverable    |   |  |  |   | 6,123,686  |         |

On 30.09.2023, the deferred payment tax, recognized on behalf of the equity elements is in the amount of 2,929,030 RON and the deferred tax to be recovered recognized in the statement of the overall result is 9,052,716 RON.

In conclusion, on 30.09.2023, the company has a net receivable related to the deferred corporate tax of 6,123,686 RON.

**14. Result per Share**

The result per share in the first nine months of the year 2023, as compared to the same period of the previous year is the following:

| Name | September<br>30th,<br>2023 | September<br>30th,<br>2022 | - RON - |
|------|----------------------------|----------------------------|---------|
|      |                            |                            |         |

|  |             |             |
|--|-------------|-------------|
| Profit of the Financial Year   | 49,797,999  | 52,734,409  |
| The 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>5.75</b> | <b>6.09</b> |

## 15. Operating Revenues

### a) Revenues from contracts

| Name  | - RON-                  |                         |
|---|-------------------------|-------------------------|
|   | September 30th,<br>2023 | September 30th,<br>2022 |
| Revenues from transport service, of which:                    |                         |                         |
| <i>Revenues from transport services on domestic subsystem</i> | 363,700,435             | 349,578,283             |
| <i>Revenues from transport services on import subsystem</i>   | 261,035,491             | 243,372,273             |
| Revenues from rents   | 102,664,944             | 106,206,010             |
| Other revenues from contracts                                 | 1,562,961               | 1,457,605               |
|   | 131,957                 | 382,898                 |
| <b>Total contracts revenues</b>                               | <b>365,395,353</b>      | <b>351,418,786</b>      |

The 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 2023, the quantities transported on subsystems, as compared to the same period of the previous year are the following:

| Name                           | September 30th,<br>2023 | September, 30<br>2022 |
|--------------------------------|-------------------------|-----------------------|
| Domestic Subsystem             | 2,187,481               | 2,295,280             |
| Import Subsystem               | 2,570,980               | 2,921,557             |
| <b>Total quantities (tons)</b> | <b>4,758,461</b>        | <b>5,216,837</b>      |

The total quantity of transported quantities has decreased by 8.8% in the first nine months of the year 2023, compared to the same period of the previous year, namely the quantities transported on the domestic subsystem, by 4.7% and those transported on the import subsystem by 12%.

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

The tariffs applied for the import transport subsystem vary according to the installment of transported quantity, being practiced the bracketing tariff model and the refinery- the hand-over site.

In the reporting period, the following tariffs were applied:

Tariffs from transport services on domestic subsystem:

| Period                                  | Transport tariff (RON/ton) | Approved by NAMR Order no. |
|---|----------------------------|----------------------------|
| January 1st, 2022 - December 31st, 2022 | 105.50                     | 229/2021                   |
| starting January 1st, 2023              | 117.95                     | 364/2022                   |

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             |                            |
| January 1st, 2022 - December 31st, 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                |                            |
| Starting January 1st, 2023              | up to 80            | 52.25             | 51.60  | 20.73               | 364/2022                   |
|   | 80 -120             | 41.80             | 41.28  | 16.59               |                            |
|   | 120 -160            | 31.35             | 30.96  | 12.44               |                            |
|   | Over 160            | 23.51             | 23.22  | 9.33                |                            |

### b) Other Operating Revenues

- RON-

| Name  | September 30th, 2023 | September 30th, 2022 |
|---|----------------------|----------------------|
| Revenues out of modernization quota consumption | 36,676,886           | 29,907,262           |
| Earnings from disposal of assets                | 612,108              | 5,685,118            |
| Other revenues                                  | 1,983,625            | 2,531,546            |
| <b>Total other operating expenses</b>           | <b>39,272,619</b>    | <b>38,123,926</b>    |

The revenues from the reserves representing the modernization quota hold 93.4% of other operating revenues, registering an increase by 22.6% in the first nine months of the year 2023 as compared to the same period of the year 2022, due to the increase fixed assets depreciation financed out of the quota.

On a monthly basis, is being written back to revenues the modernization quota at the level of depreciation of the fix assets financed out of this source.

## 16. Operating Expenses

### a) Stocks and Utilities Expenses

- RON-

| Name   | September 30th, 2023 | September 30th, 2022 |
|--|----------------------|----------------------|
| Expenses with consumables                          | 4,445,561            | 4,482,925            |
| Other material expenses                            | 510,113              | 617,763              |
| Other Expenses with Energy and Water               | 13,139,882           | 21,000,228           |
| <b>Total Stocks and Utilities related Expenses</b> | <b>18,095,556</b>    | <b>26,100,916</b>    |

### b) Personnel expenses

The personnel expenses include salary expenses, bonuses granted to the 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.

- RON-

| Name  | September 30th, 2023 | September 30th, 2022 |
|---|----------------------|----------------------|
| Salary expenses   | 115,764,770          | 106,251,736          |
| Obligations regarding employees' bonuses  | 20,580,409           | 17,649,192           |
| Other personnel expenses  | 39,600               | 2,238,010            |
| Expenses on the remuneration of the directors with mandate contract and of the administrators | 4,281,584            | 4,180,120            |

|   |                    |                    |
|---|--------------------|--------------------|
| Expenses with contributions due by the employer | 5,844,364          | 5,514,688          |
| <b>Total personnel expenses</b>                 | <b>146,510,727</b> | <b>135,833,746</b> |

The personnel expenses are detailed as follows:

### Salary expenses

- RON-

| Name  | September 30th,<br>2023 | September 30th,<br>2022 |
|---|-------------------------|-------------------------|
| Basic salaries and related bonuses expenses | 114,641,036             | 104,395,609             |
| Premiums                                    | -                       | 999,119                 |
| Retirement supports                         | 1,058,590               | 820,068                 |
| Marriage support                            | 65,144                  | 36,940                  |
| <b>Salary related expenses</b>              | <b>115,764,770</b>      | <b>106,251,736</b>      |

The expenses with the basic salaries of the personnel and the related bonuses have increased in the first three months of the year 2023, compared to the same period of the year 2022, mainly following the indexation of the salaries by 12% in average, as of 29.12.2022.

In accordance with the provisions of the Collective Labor Agreement in force, the Company has also provided benefits for the employees consisting in retirement support and marriage support.

### Obligations regarding employees' bonuses

- RON-

| Name  | September 30<br>2023 | September, 30<br>2022 |
|---|----------------------|-----------------------|
| Employees share of profit   | 6,000,000            | 5,517,801             |
| Meal vouchers   | 7,012,260            | 4,902,720             |
| Social expenditure under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions | 5,495,270            | 5,222,642             |
| Other expenses as per the Collective Labor Agreement  | 2,072,879            | 2,006,029             |
| <b>Total</b>  | <b>20,580,409</b>    | <b>17,649,192</b>     |

The value of bonuses granted to employees has increased with 2,931,217 RON during 01.01 - 30.09.2023, compared to the similar period of 2022, mainly due to the increase of the value of the food voucher starting 15.12.2022, from 20 RON to 30 RON.

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 holiday and treatment tickets, including travel, gifts to employees, aids for birth, funeral, serious illness, humanitarian and other social expenses as per the CLA.

### Other personnel expenses

- RON-

| Name  | September 30<br>2023 | September, 30<br>2022 |
|---|----------------------|-----------------------|
| Expenditure with compensatory payments related to personnel layoffs | 39,600               | 2,238,010             |
| <b>Total</b>  | <b>39,600</b>        | <b>2,238,010</b>      |

The position "Other personnel expenses" includes expenses for severance payments, provided under CLA, related to personnel layoffs conducted in 2022.

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

- RON-

| Name                                    | September 30<br>2023 | September, 30<br>2022 |
|---|----------------------|-----------------------|
| Allowance of the directors with mandate | 2,763,222            | 2,392,039             |

|   |                  |                  |
|---|------------------|------------------|
| Allowances of the members of the Board of Directors | 1,518,362        | 1,788,081        |
| <b>Total</b>  | <b>4,281,584</b> | <b>4,180,120</b> |

The expenses with the allowances related to the mandate contracts of the directors register an increase of 371,183 RON in the first nine months of 2023, compared to the same period of 2022, due to the increase of the allowance level of the economic director and the deputy director general calculated based on the average on 12 months of the national average wage reported by the National Institute of Statistics.

### Expenses with contributions due by the employer

| Name  | - RON-                  |                         |
|---|-------------------------|-------------------------|
|   | September 30th,<br>2023 | September 30th,<br>2022 |
| The company's contribution to facultative pension schemes | 1,906,609               | 1,985,865               |
| Company's contribution to voluntary health insurance      | 1,037,045               | 834,367                 |
| Labor insurance contribution and other contributions      | 2,900,710               | 2,694,456               |
| <b>Total</b>  | <b>5,844,364</b>        | <b>5,514,688</b>        |

### c) Expenses related to External Services

| Name  | - RON-                  |                            |
|---|-------------------------|----------------------------|
|   | September 30th,<br>2023 | September<br>30th,<br>2022 |
| Rail transport expenses   | 52,581,340              | 45,892,383                 |
| Expenses with royalties and rentals   | 28,317,014              | 27,285,601                 |
| Third-party pumping expenses  | 3,675,979               | 3,444,592                  |
| Maintenance and repair expenses   | 1,469,252               | 2,310,088                  |
| Expenses with the decontaminations, monitoring of the environmental factors | 223,842                 | 1,761,459                  |
| Travel, secondment and transfer expenses                                    | 587,698                 | 549,975                    |
| Expenses related to the transport of goods and personnel                    | 4,286                   | 26,286                     |
| Postal and telecommunication expenses                                       | 522,085                 | 511,023                    |
| Other expenses with services performed by third parties                     | 4,348,590               | 3,646,052                  |
| <b>Total expenses related to external services</b>                          | <b>91,730,086</b>       | <b>85,427,459</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 income achieved out of oil transport operations via the oil national transport system.

### d) Other expenses

| Name   | - RON-                     |                         |
|--|----------------------------|-------------------------|
|  | September<br>30th,<br>2023 | September 30th,<br>2022 |
| Taxes, fees and similar levies related expenses            | 2,265,693                  | 1,826,769               |
| Compensations, fines and penalties expenses                | 15,011                     | 1,223,692               |
| Donations granted (sponsorships)                           | 412,000                    | 507,000                 |
| Environmental protection expenses                          | 15,136                     | 12,338                  |
| Expenses with the establishment of the modernization quota | 43,852,004                 | 42,639,789              |
| Other operating expenses                                   | 232,839                    | 237,051                 |
| <b>Other expenses</b>                                      | <b>46,792,683</b>          | <b>46,446,639</b>       |

Within the first nine months of 2023, the expenses recorded with other taxes, fees and similar levies mainly include the expenses with the local taxes and expenses with the contribution to the special fund, due under the Law no.448/2006 regarding the protection and promotion of the disabled persons.

The chapter "Other expenses" also contains the reserve related to the modernization quota through other operating expenses, in compliance with the provisions of GD no.168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no.227/2015, further amendments and completions.

## 17. Net Financial Result

- RON-

| Name   | September 30th,<br>2023 | September 30th,<br>2022 |
|--|-------------------------|-------------------------|
| Revenues from interests                              | 5,122,613               | 7,329,963               |
| Other financial revenues                             | 35,012                  | 76,156                  |
| <b>Total financial revenues</b>                      | <b>5,157,625</b>        | <b>7,406,119</b>        |
| Expenses with interests related to leasing contracts | 142,160                 | 187,864                 |
| Other financial expenses                             | 69,488                  | 220,090                 |
| <b>Total financial expenses</b>                      | <b>211,648</b>          | <b>407,954</b>          |
| <b>Net Financial Result</b>                          | <b>4,945,977</b>        | <b>6,998,165</b>        |

The financial revenues have decreased by 30.4% in the first nine months 2023, compared to the same period of 2022, and the financial expenses have decreased by 48.1% during the analyzed period, compared to the same period of the previous year. Based on this evolution, the net financial result has decreased by 29.3% in the first nine months of the year 2023 as compared to the same period of the year 2022.

## 18. Related Parties

Between 01.01- 31.09.2023, the Company has performed the following significant transactions with affiliated parties:

### Procurement from affiliated parties

- RON-

| Partner                      | Unsettled amounts<br>on<br>December 31st,<br>2022 | Procurements<br>during 01.01.-<br>30.09.2023 | Settlements during<br>01.01-30.09.2023 | Unsettled amounts<br>on<br>September 30th,<br>2023 |
|------------------------------|---|--|--|--|
| SNTFM CFR Marfă S.A.         | 9,008,826   | 20,959,066                                   | 29,963,456                             | 4,436  |
| ELECTRICA FURNIZARE<br>S.A.  | 3,397,416   | 424,029                                      | 3,938,789                              | (117,344)  |
| SPEEH HIDROELECTRICA<br>S.A. | -   | 15,621,646                                   | 4,612,698                              | 11,008,948   |

\*The amounts are VAT exclusive

### Warranties awarded to affiliated parties

- RON-

| Partner                   | December 31st,<br>2022 | September 30th,<br>2023 |
|---------------------------|------------------------|-------------------------|
| SPEEH HIDROELECTRICA S.A. | 1,989,045              | 1,989,045               |

## 19. The Impact of the Conflict Rusia - Ukraine on the activity of the Company CONPET SA

The company's business was not affected by the conflict between Russia and Ukraine and there are no indications in what concerns the depreciation of the assets following Russia's invasion of 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.

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

There have not been registered significant events ulterior to the reporting period.

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue by the company's management on November 14th, 2023.

**Director General,**  
**Eng. Dorin Tudora**

**Economic Director,**  
**Econ. Sanda Toader**