

Preliminary Report

CONPET S.A.

January – December 2023

CONTENTS

1. COMPANY PRESENTATION	3
1.1 Report and issuer identification data	3
1.2 Main activities	4
1.3 The company's mission, vision and values	4
1.4 Shareholding	4
2. CONPET- EXECUTIVE SUMMARY	5
2.1 Company's Stock Market Indicators	5
2.2. Financial Result Key Indicators	5
2.3 Operating Activity Indicators	6
3. ANALYSIS OF THE FINANCIAL STATEMENT	9
3.1 Statement of the Financial Standing on December 31st, 2023	9
3.2 Profit & Loss Account for the period January - December 2023	10
3.3. Cash-flow	13
4. INVESTMENTS	14
5. OTHER ASPECTS	15
5.1 Tracking and recording procurement contracts activity	15
5.2 The Board of Directors	15
5.3 The Executive Management	16
5.4. RELEVANT CORPORATE EVENTS IN 2023	17

1. COMPANY PRESENTATION

1.1 Report and issuer identification data

Preliminary Report prepared in compliance with	Law no. 24/2017, republished and ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations
Date of the report	28.02.2024
Company's name	CONPET S.A.
Registered Offices	no. 1-3 Anul 1848 Street, Ploiesti, Prahova County, Zip Code 100559,
Telephone/facsimile number	0244 401360/0244 516451
E-mail/Internet	conpet@conpet.ro / www.conpet.ro
Trade Identification Number at the Trade Register Office	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium category
Subscribed and entirely paid-up share capital	28,569,842.40 RON
Main features of the securities	8,657,528 shares with a nominal value of 3.3 RON/share
Total market value	708,185,790 RON (81.80 RON/share on 31.12.2023)
Applied accounting standard	The International Financial Reporting Standards
Auditing	The preliminary Financial Statements concluded at 31.12.2023 have not been audited

1.2 Main activities

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

1.3 The company's mission, vision and values

CONPET mission is the operation of the National Transport System via Pipelines under safety and efficient conditions, free access to the available capacity of the system to all solicitors, authorized legal persons, under equal conditions, in a non-discriminatory and transparent manner.

Vision

CONPET aims at:

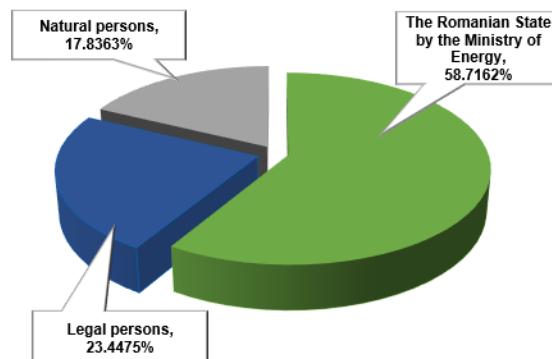
- Operational effectiveness and safety;
- Performance optimization;
- Sustainable development of the company;
- Ongoing training, adaptability and qualitative increase;
- Social responsibility and respect for the environment.

The company's values are: professionalism, efficiency and performance, continuous improvement, adaptability and qualitative growth, social responsibility and respect for the environment.

1.4 Shareholding

The synthetic structure of the shareholding, on reference date 31.12.2023, is as follows:

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



The number of CONPET Shareholders registered at Depozitarul Central S.A. at the end of 2023 is 16,248, higher by 5.5% than the end of 2022 (15,408 shareholders).

The share capital of CONPET on 31.12.2023 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 did not perform transactions having as scope its own shares and, consequently, the company did not hold its own shares.

2. CONPET- EXECUTIVE SUMMARY

2.1 Company's Stock Market Indicators

The market capitalization amounted to 708.19 million RON (81.80 RON/share) on 31.12.2023, respectively 586.98 million RON (67.80 RON/share) on 31.12.2022.

The evolution of COTE share and market capitalization during 2021 - 2023 is as follows:

Indicators	MU	31.12.2021	31.12.2022	31.12.2023
COTE closing price	RON/share	79.00	67.80	81.80
Market capitalization	Million RON	683.94	586.98	708.19
	million Euro	138.21	118.64	142.36

Table 1 - Evolution of COTE share and stock capitalization during 2021-2023

On 31.12.2023, CONPET S.A. ranked 33 according to capitalization, with a value of 708.19 million 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 from March 21st, 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.

In 2023, 13,961 stock transactions have been recorded, with a traded volume of 509,910 shares, the total value of the transactions being 38.96 million RON. During 01.01.2023-31.12.2023, the minimum trading price amounted to 68.8 RON/share and the maximum price to 82.20 RON/share. On average, 2,056 shares/day have been traded, the average value of a trading day amounting to 157,101 RON/day (248 days).

2.2. Financial Result Key Indicators

The key indicators of the preliminary financial results registered in 2023, as compared to the budget and the previous year results, are the followings:

2023		Variation Achieved/Budget	Indicators	Achieved		Variation Achieved 2023/2022
Achieved	Revenues and Expenditure Budget			2023	2022	
485,114	492,784	▼ 1.6%	Turnover (thousand RON)	485,114	472,233	▲ 2.7%
540,756	546,985	▼ 1.1%	Operating Revenues (thousand RON)	540,756	522,060	▲ 3.6%
476,411	493,894	▼ 3.5%	Operating Expenses (thousand RON)	476,411	459,291	▲ 3.7%
64,345	53,091	▲ 21.2%	Operating Profit (thousand RON)	64,345	62,769	▲ 2.5%
11.9%	9.7%	▲ 2.2 p.p.	Operating profit margin (%) (Operating profit/operating revenue)	11.9%	12.0%	▼ 0.1 p.p.
126,503	119,223	▲ 6.1%	EBITDA (thousand RON)	126,503	115,844	▲ 9.2%
98.2%	100.2%	▼ 2.0 p.p.	Operating Expenses /Turnover (%)	98.2%	97.3%	▲ 0.9 p.p.
547,446	550,003	▼ 0.5%	Total Revenues (thousand RON)	547,446	531,899	▲ 2.9%
476,674	494,353	▼ 3.6%	Total Expenses (thousand RON)	476,674	459,760	▲ 3.7%
70,772	55,650	▲ 27.2%	Gross profit (thousand RON)	70,772	72,139	▼ 1.9%
60,238	47,939	▲ 25.7%	Net profit (thousand RON)	60,238	61,664	▼ 2.3%
1,414	1,442	▼ 1.9%	Average number of employees (pers.)	1,414	1,467	▼ 3.6%
382	379	▲ 0.8%	Productivity (thousand RON/employee)	382	356	▲ 7.3%

Table 2 - 2023 economic-financial results vs. BUDGET 2023 and 2022

In 2023 the turnover recorded an increase by 2.7% as compared to the level achieved in 2022. As compared to the budget, was registered a decrease by 1.6% (7,670 kRON).

The operating profit is in the amount of 64,345 thousand RON, above the budgeted level.

Compared to 2022, the operating profit increased by 2.5% (1,576 kRON).

The net profit related to 2023 is of 60,238 thousand RON, 25.7% higher than the budget. Compared to 2022, the net profit decreased by 2.3% (1,426 kRON).

2.3 Operating Activity Indicators

TRANSPORTED QUANTITIES

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

2023		Variation Achieved/Budget	Indicators (thousand tons)	Achieved		Variation Achieved 2023/2022
Achieved	Revenues and Expenditure Budget			2023	2022	
2,915	2,987	▼ 2.4%	Transported quantities on Domestic subsystem	2,915	3,046	▼ 4.3%
3,072	3,208	▼ 4.2%	Quantities transported on the Import subsystem	3,072	3,944	▼ 22.1%
5,987	6,195	▼ 3.4%	Total transported quantities*	5,987	6,990	▼ 14.4%
307	156	▲ 96.8%	Other transport operations	307	110	▲ 179.0%
6,294	6,351	▼ 0.9%	Total transported quantities	6,294	7,100	▼ 11.4%

*) Transported quantities for which tariffs regulated by NAMR are applied

Tabel 3 - Evolution of the quantity of crude oil, condensate and rich gas transported in 2023 vs. BUDGET 2023 and 2022

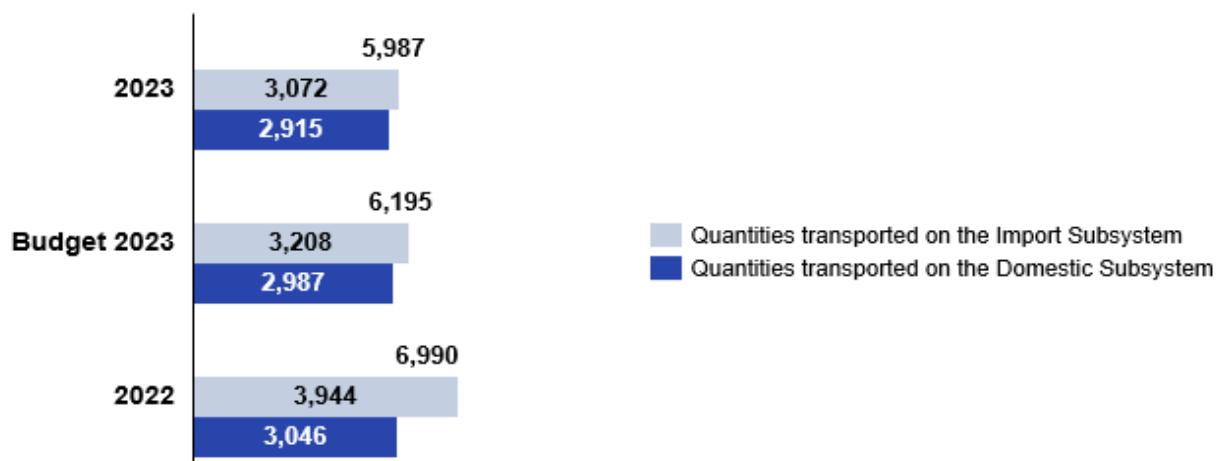


Chart 2 - Evolution of the quantities transported on the domestic and import subsystems in 2023 vs Budget 2023 and year 2022

Out of the total transported quantities of crude oil, condensate and rich gas from domestic production (2,915 thousand tons transported and delivered) were transported by rail 967 thousand tons (33.2%).

Technological consumptions

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

The evolution of the standard technological consumption on products as compared to the levels recorded in 2023 and 2022, is as follows:

Products	2023			2022		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil	0.2602%	0.1945%	-0.07 p.p.	0.2440%	0.1706%	-0.07 p.p.

Domestic crude oil, condensate and light condensate	0.3684%	0.3504%	-0.02 p.p.	0.3680%	0.3605%	-0.01 p.p.
Rich gas	7.3830%	3.1790%	-4.20 p.p.	7.3830%	3.3670%	-4.02 p.p.

Table 4 - The evolution of the standardized technological consumption as compared to achieved 2023 vs.2022

The revenues achieved in 2023 from the supply of transport services increased by 2.8% compared to 2022, amounting to 482.9 million RON, with the following share on customers:

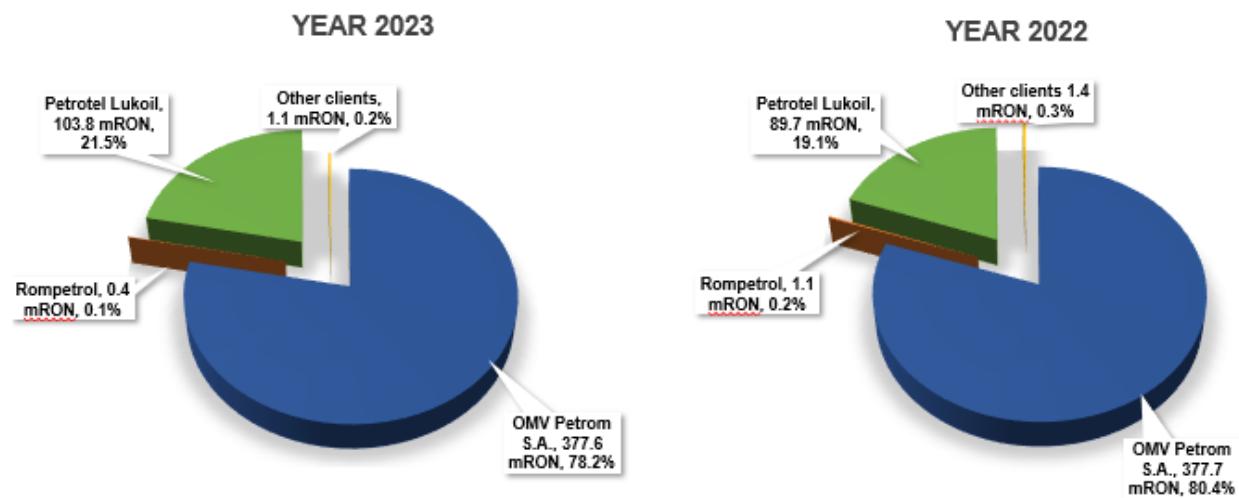


Chart 3 - Share of transport revenues per refineries in total transport revenues in 2023 and 2022

The company holds a monopoly position on the pipeline transport market, not having competitors in its main area.

The transport services are being contracted based on the agreements concluded with the clients, drafted according to the frame contract annually approved by the National Agency for Mineral Resources.

The transport services supplied by the company are addressed to a reduced number of clients; the transported crude oil quantities being closely related to the trade policy they apply.

Transport Tariffs

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

The tariffs applied for the import transport subsystem vary according to the hand-over site (refinery) and the batches of transported quantities, being practiced the bracketing tariff model on each refinery.

Between 2022 -2023, the following tariffs were applied:

➤ Tariffs from transport services on Domestic Subsystem

Period	M.U.	Transport Tariffs	Approved by NAMR Order no.
January 1 st , 2022 - December 31 st , 2022	RON/ton	105.5	229/2021
January 1 st , 2023 - December 31 st , 2023	RON/ton	117.95	364/2022

Table 5– Tariffs from transport services on the Domestic Subsystem

➤ Tariffs for the transport services on the Import Subsystem

Period	Tranches	Arpechim Refinery	Ploiesti Basin *)	Petromidia Refinery	Approved by NAMR Order no.
	thousand tons/month	RON/ton	RON/ton	RON/ton	
January 1 st , 2022 - December 31 st , 2022	<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	
	> 160	21.00	20.55	8.33	
January 1 st , 2023 - December 31 st , 2023	<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	
	> 160	23.51	23.22	9.33	

*) Petrobrazi Refinery and Petrotel Lukoil Refinery

Table 6 – Tariffs from transport services on the Import Subsystem

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

3. ANALYSIS OF THE FINANCIAL STATEMENT

The financial information presented in this report are taken from preliminary financial statements for the period ended December 31st, 2023, prepared in accordance with OMPF 2844/2016, unaudited (Annexes 1 and 2).

3.1 Statement of the Financial Standing on December 31st, 2023

In the synthesis, the statement of the Financial Standing at December 31st, 2023 is as follows:

Name of the Item (Thousand RON)	31.12.2023 (unaudited)	31.12.2022 (audited)	Variation 2023/2022
Intangible assets	648,344	622,570	▲ 4.1%
Current assets	167,419	184,979	▼ 9.5%
Total Assets	815,763	807,549	▲ 1.0%
Equities	699,362	684,096	▲ 2.2%
Total liabilities	116,401	123,453	▼ 5.7%
Total equity and liabilities	815,763	807,549	▲ 1.0%

Table 7 - Summary of the company's financial standing on 31.12.2023 as compared to 31.12.2022

Statement of preliminary financial position on December 31st, 2023, in extended version, is presented in Annex no.1.

The total assets of the company register an increase by 1% (8,214 thousand RON) compared to December 31st, 2022, mainly due to the increase in fixed assets.

The fixed assets recorded 4.1% increase as compared to December 31st, 2022, mainly generated by input of fixed assets representing mainly investments in the NTS, in a value higher than the amortization recorded in 2023.

The current assets decreased by 17,560 thousand RON, from 184,979 thousand RON on 31.12.2022 to 167,419 thousand RON on 31.12.2023.

In structure, the evolution of the main elements is different, the receivables recording an increase by 6.8% (3,344 thousand Ron) and cash availabilities a decrease by 15.6% (19,931 thousand RON).

The decrease in availabilities` was generated by the decrease in cash from the modernization quota existing in bank accounts on 31.12.2023 by approx. 16 million RON compared to 31.12.2022.

The equities recorded an increase by 2.2% (15,266 thousand RON) as compared to December 31st, 2022, reaching 699,362 thousand RON, the increase being mainly determined by the increase of the modernization quota reserves and the reserves from the revaluation of the fixed assets.

The long-term debts record a increase by 2,738 thousand RON as compared to December 31st, 2022.

The current liabilities, in amount of 87,845 thousand RON, are decreasing by 9,790 thousand RON as compared to December 31st, 2022, mainly due to the decrease of the debts to fixed assets suppliers.

3.2 Profit & Loss Account for the period January - December 2023

The preliminary financial results for 2023, as compared to the budget and the achievements of the previous year are as follows:

2023		Variation Achieved/ Budget	Indicators (thousand RON)	Achieved		Variation Achieved 2022/2021
Achieved	Budget			2023	2022	
485,114	492,784	▼ 1.6%	Turnover	485,114	472,233	▲ 2.7%
540,756	546,985	▼ 1.1%	Operating Revenues	540,756	522,060	▲ 3.6%
476,411	493,894	▼ 3.5%	Operating Expenses	476,411	459,291	▲ 3.7%
64,345	53,091	▲ 21.2%	Operating Profit	64,345	62,769	▲ 2.5%
6,690	3,018	▲ 121.7%	Financial Revenues	6,690	9,839	▼ 32.0%
263	459	▼ 42.7%	Financial Expenses	263	469	▼ 43.9%
6,427	2,559	▲ 151.2%	Financial profit	6,427	9,370	▼ 31.4%
547,446	550,003	▼ 0.5%	Total income	547,446	531,899	▲ 2.9%
476,674	494,353	▼ 3.6%	Total expenses	476,674	459,760	▲ 3.7%
70,772	55,650	▲ 27.2%	Gross Profit	70,772	72,139	▼ 1.9%
60,238	47,939	▲ 25.7%	Net Profit	60,238	61,664	▼ 2.3%

Table 8 - The main economic-financial Indicators achieved in 2023, as compared to Budget 2023 and the year 2022

The preliminary statement of the overall result for the year ended December 31st, 2023 is set out in detail in Annex no. 2.

Operating Revenues

As compared to the approved budget and with the same period of the previous year, the total revenues of the operating activity achieved in 2023, is as follows:

2023		Variation Achieved/Budget	Indicators (thousand RON)	Achieved		Variation Achieved 2023/2022
Achieved	Budget			2023	2022	
482,873	490,173	▼ 1.5%	Total revenues from transport services	482,873	469,857	▲ 2.8%
2,241	2,611	▼ 14.2%	Other Turnover Revenues	2,241	2,376	▼ 5.7%
485,114	492,784	▼ 1.6%	Turnover	485,114	472,233	▲ 2.7%
51,215	52,334	▼ 2.1%	Write-back to revenues of reserve constituted based on the expenses with the modernization quota	51,215	39,912	▲ 28.3%
4,427	1,867	▲ 137.1%	Other revenues	4,427	9,915	▼ 55.4%
55,642	54,201	▲ 2.7%	Other operating revenues	55,642	49,827	▲ 11.7%
540,756	546,985	▼ 1.1%	Total Operating Revenues	540,756	522,060	▲ 3.6%

Table 9 - Operating income statement year 2023 compared to Budget 2023 and the year 2022

Transport Revenues

The statement of transport revenues in 2023 compared to the previous budget and year, on transport subsystems, is shown below:

2023		Variation Achieved/Budget	Indicators (thousand tons)	Achieved		Variation Achieved 2023/2022
Achieved	Budget			2023	2022	
343,752	352,317	▼ 2.4%	Revenues on the Domestic transport subsystem	343,752	321,320	▲ 7.0%
130,096	133,811	▼ 2.8%	Revenues on the Import transport subsystem	130,096	144,044	▼ 9.7%
473,848	486,128	▼ 2.5%	Total transported revenues*	473,848	465,364	▲ 1.8%
9,025	4,045	▲ 123.1%	Other income related to transport operations	9,025	4,493	▲ 100.9%
482,873	490,173	▼ 1.5%	Total transported revenues	482,873	469,857	▲ 2.8%

*) Revenues related to Transported quantities for which tariffs regulated by NAMR are applied

Table 10 - Evolution of the revenues from transport in 2023 vs. BUDGET 2023 and 2022

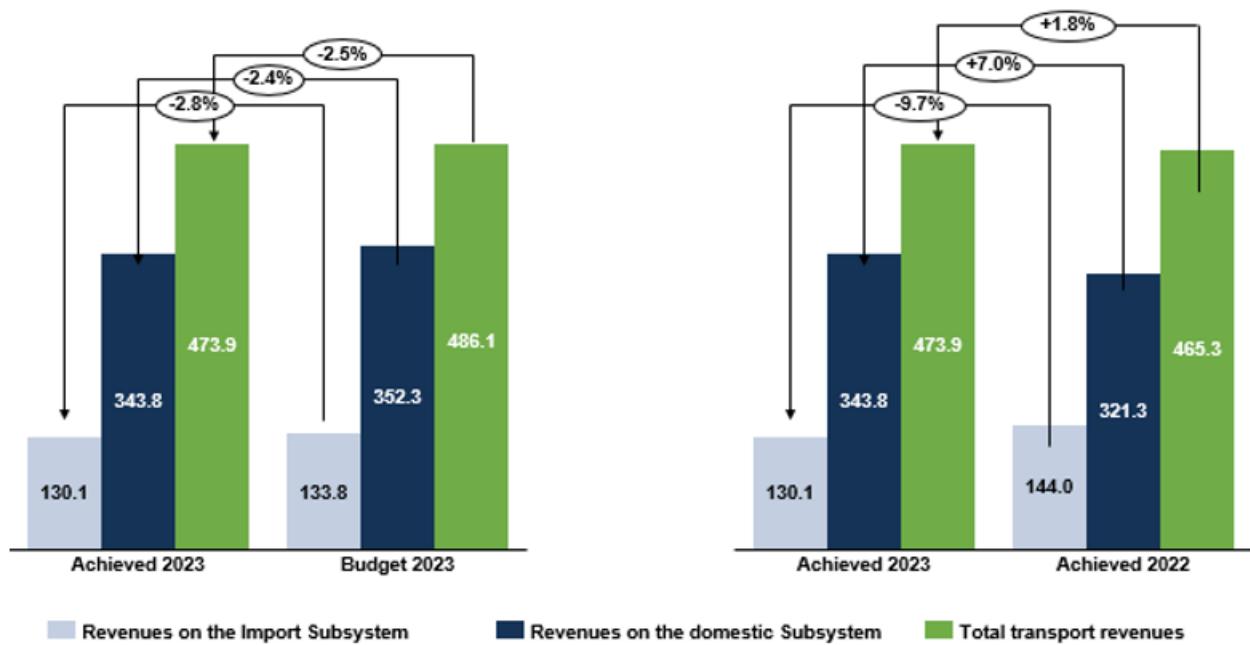


Chart 4 - The evolution of the revenues achieved from the core business on the 2023 sub-systems vs 2023 Budget and achieved 2022

The transport revenues hold a share of 99.5% in turnover, the difference of 0.5% (2,241 thousand RON) representing revenues from other activities: leases of lands and telecommunication equipment, rail shunting, etc.

The company recognizes monthly, in the operating revenues, reserves from the modernization quota at the level of the amortization of the tangible assets financed therefrom. In 2023 the reserve revenues – the modernization quota is 51,215 thousand RON.

Operating Expenses

The operating expenses achieved in 2023, as compared to 2022 and the budget provisions is as follows:

2023		Variation Achieved/Budget	Indicators (thousand RON)	Achieved		Variation Achieved 2023/2022
Achieved	Budget			2023	2022	
6,543	7,407	▼ 11.7%	Material expenses, out of which:	6,543	6,934	▼ 5.6%
3,489	3,937	▼ 11.4%	-expenses with consumables	3,489	3,629	▼ 3.9%
2,102	2,400	▼ 12.4%	- fuel expenses	2,102	2,253	▼ 6.7%
18,315	26,323	▼ 30.4%	Other external expenses (with energy and water)	18,315	33,739	▼ 45.7%
194,395	194,952	▼ 0.3%	Personnel Expenses	194,395	180,923	▲ 7.4%
62,158	66,132	▼ 6.0%	Impairments on fixed assets, less impairments related to rights of use resulted from leasing contracts	62,158	53,075	▲ 17.1%
2,051	2,064	▼ 0.6%	Value adjustments for rights of use resulted from leasing contracts	2,051	1,987	▲ 3.2%
127,430	133,324	▼ 4.4%	Expenses with external services, out of which:	127,430	114,242	▲ 11.5%

2023		Variation Achieved/ Budget	Indicators (thousand RON)	Achieved		Variation Achieved 2023/2022
Achieved	Budget			2023	2022	
2,532	3,116	▼ 18.7%	- maintenance (maintenance, current repairs):	2,532	2,789	▼ 9.2%
71,645	75,015	▼ 4.5%	- expenses with crude oil transport by rail	71,645	61,430	▲ 16.6%
296	1,661	▼ 82.2%	- expenses with decontamination works	296	1,939	▼ 84.7%
38,519	37,899	▲ 1.6%	- oil royalty	38,519	36,511	▲ 5.5%
14,438	15,633	▼ 7.6%	- other services performed by third parties	14,438	11,573	▲ 24.8%
3,288	(141)	-	Provisions and value adjustments on current assets	3,288	5,986	▼ 45.1%
62,231	63,833	▼ 2.5%	Other operating expenses, out of which:	62,231	62,405	▼ 0.3%
58,084	59,214	▼ 1.9%	- modernization quota expenses	58,084	57,321	▲ 1.3%
476,411	493,894	▼ 3.5%	Total operating expenses	476,411	459,291	▲ 3.7%

Table 11 - Operating expenses 2023 vs. BUDGET 2023 and 2022

The operating expenses achieved in 2023, amounting to 476,411 thousand RON, record an increase of 3.7% as compared to those recorded in 2022, mainly due to increases in personnel expenses, crude oil transport by rail related expenses, value adjustments on fixed assets (amortization), oil royalty and modernization quota expenses.

In 2023 were recorded savings compared to the budgeted level for the following categories of expenses:

- utility expenses 8,008 thousand Ron;
- value adjustments regarding fixed assets (depreciation) 3,974 thousand Ron;
- decontamination expenses 1,365 thousand Ron;
- maintenance expenses 584 thousand Ron.

The operating profit achieved in 2023, in amount of 64,345 thousand RON, increased by 1,576 thousand RON as compared to 2022 and by 11,254 thousand RON as compared to the budgeted amount.

The financial profit achieved in 2023 is higher by 3,868 thousand RON compared to budget. As compared to 2022, the financial profit recorded a decrease of 2,943 thousand RON due to lower interests from the income received by the company.

The net profit amounted to 60,238 thousand RON, is by 12,299 thousand RON higher than budgeted and by 1,426 thousand RON below the level recorded in 2022.

3.3. Cash-flow

The cash flow statement (direct method) on 31.12.2023, is the following:

	Name of the element (thousand RON)	January - December 2023	January - December 2022
A	Net cash from operating activity	88,252	116,514
B	Net cash from investment activity	(45,500)	(114,514)

C	Net cash from financing activities	(62,682)	(66,079)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	(19,930)	(64,079)
D1	Cash and cash equivalents at the beginning of the period	127,672	191,751
D2	Cash and cash equivalents at the end of the period	107,742	127,672

Table 12 - Summary statement of cash flows in 2023 vs. 2022

Cash and cash equivalents on December 31, 2023 are down by 15.6% (19.9 million RON) compared to December 31, 2022, due to the decrease in cash from operating activity (mainly the decrease in receipts from other operations related to operating activity).

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

4. INVESTMENTS

The investment program related to 2023 included works for rehabilitation of major transport pipelines and investment works for installations and related equipment to the Crude Oil National Transport System.

The investment projects target both enhancing efficiency of the transport activity as well as operation, under safe conditions, of the National Transport System. The annual investment program was carried out in proportion of 74% and 65,847 thousand RON lower than in 2022.

The comparative evolution of the achieved level of investment as compared to the programmed level for 2023 and 2022 by ownership of assets, is as follows:

2023		Degree of achievement	Investments (thousand RON)	2022		Degree of achievement
Program	Achieved			Program	Achieved	
112,000	82,865	74.0%	Total investments, o/w:	152,000	148,712	97.8%
90,000	71,371	79.3%	Public domain	140,000	137,008	97.9%
22,000	11,494	52.2%	Operating domain	12,000	11,704	97.5%

Table 13 - Investments achieved and programmed during 2023 and 2022

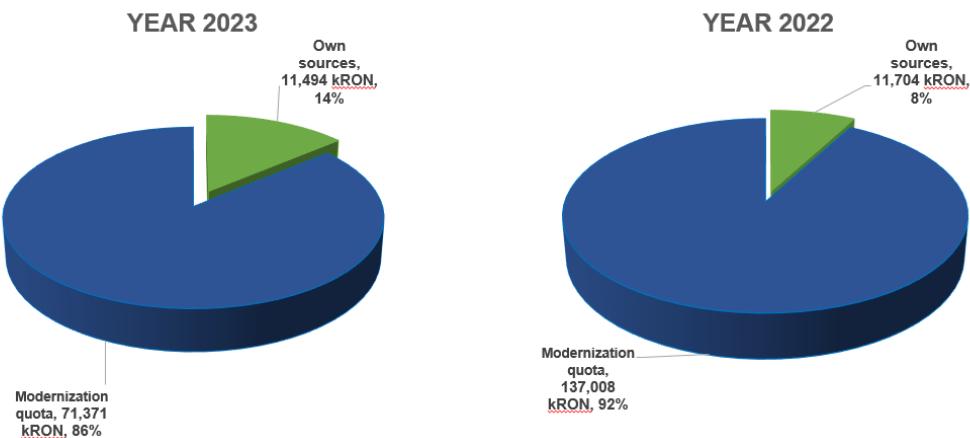


Chart 5 - Share of investments achieved by financing sources in 2023 and 2022

In 2023, commissionings amounting to 183,684 thousand RON were carried out, as follows:

- 173,114 thousand RON financed out of the modernization quota;
- 10,570 thousand RON financed out of own sources;

5. OTHER ASPECTS

5.1 Tracking and recording procurement contracts activity

According to the EGMS Resolution no.3/23.10.2014, in Annexes no. 4 and 5 are presented the works and products procurement contracts with values higher than 500,000 Euro and the services procurement contracts with values higher than 100,000 EURO, concluded between 01.01.2023 - 31.12.2023.

5.2 The Board of Directors

In 2023, CONPET SA has been administered by a Board of Directors (BoD), made up of 7 (seven) administrators elected by the Ordinary General Meeting of Shareholders. The Board of Directors is ruled by a Chairman. The Chairman is elected by the Board of Directors, among its members.

By OGMS Resolution no. 7/14.12.2022 has been approved the extension, based on the provisions of art. 64¹ Para. (5) of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, subsequent amendments and additions by Law no. 111/2016, of the duration of the mandate contracts of the provisional administrators of the company, appointed according to the GMS Resolution no. 4 dated 18.08.2022 and respectively GMS Resolution no. 6 dated 28.10.2022, with a period of 2 months, respectively from 22.12.2022 until 21.02.2023 (inclusive of), as follows: Mr. Gheorghe Cristian - Florin, Mr. Albulescu Mihai - Adrian, Mr. Buică Nicușor- Marian, Mrs. Kohalmi- Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin - Daniel, Mr. Zaman Andrei - Mihai.

By the OGMS Resolution no. 1/17.02.2023:

- have been appointed in the capacity of provisional administrators of the company, starting 22.02.2023 and until 21.06.2023 (inclusive of), namely the following persons (secret vote): Mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor- Marian, Mrs. Kohalmi - Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin - Daniel, Mr. Zaman Andrei - Mihai, Mrs. Barbu Irina - Mihaela.

By OGMS Resolution no. 3/21.06.2023 has been approved the extension, based on the provisions of art. 64¹ Para. (5) of the GEO no. 109/2011 *on the corporate governance of public enterprises*, subsequent amendments and additions by Law no. 111/2016, of the duration of the mandate contracts of the provisional administrators of the company, appointed according to the OGMS Resolution no. 1 dated 17.02.2023 (Mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor – Marian, Mrs. Kohalmi – Szabo Luminița – Doina, Mrs. Tănăsică Oana – Cristina, Mr. Gavrilă Florin - Daniel, Mr. Zaman Andrei - Mihai, Mrs. Barbu Irina - Mihaela), by a period of 2 months, respectively starting from 22.06.2023 to 21.08.2023 (inclusive of), or until the completion of the selection procedure provided for in GEO no. 109/2011 *on the corporate governance of public enterprises*, approved with amendments and additions by Law no. 111/2016, should this take place earlier than the expiry date of the administrator's mandate.

By the OGMS Resolution no. 4/18.08.2022:

- has been approved the election of the members of CONPET S.A. Board of Directors, with a duration of the mandate of 4 years, starting 22.08.2023 and until 21.08.2027 (inclusive of), in accordance with the provisions of GEO no. 109/2011, via the cumulative vote method, of the

following persons: Mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor- Marian, Mrs. Kohalmi - Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin - Daniel, Mr. Zaman Andrei - Mihai, Mr. Dănilă Alin - Mihael.

The constituency of the Board of Directors on 31.12.2023 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.

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

- The Nomination and Remuneration Committee is made out of 5 independent, non-executive administrators: Zaman Andrei - Mihai - President: members: Gheorghe Cristian – Florin, Tănăsică Oana - Cristina, Dănilă Alin - Mihael, Kohalmi - Szabo Luminița - Doina.
- The Audit Committee is made out of 3 non-executive, independent administrators: Gavrilă Florin - Daniel - President; members: Buică Nicușor - Marian, Gheorghe Cristian – Florin.
- The Risk Management Committee is made out of 3 non-executive, independent administrators: Kohalmi - Szabo Luminița - Doina - President; members: Dănilă Alin - Mihael, Buică Nicușor- Marian.
- The Committee for Development and Relation with the Investors and Authorities is made up of 3 non-executive independent administrators: Tănăsică Oana - Cristina - President; Members: Gavrilă Florin- Daniel, Zaman Andrei - Mihai.

5.3 The Executive Management

Between: 01.01.2023 - 31.12.2023, the executive management had the following composition:

The Director General, Mr. Tudora Dorin, appointed by recruitment and selection procedure in accordance with the provisions of GEO nr. 109/2011 on corporate governance of public enterprises, had a mandate of 4 years starting 21.04.2021 until 20.04.2025 (inclusive of). At 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 procedure for recruitment and selection of the **Deputy Director General** carried out in compliance with the provisions of GEO no. 109/2011 on corporate governance of the public enterprises, the Board of Directors appointed Mrs. Dumitrache Mihaela Anamaria in the capacity of deputy director general starting 18.02.2019, for a 4 years' mandate, respectively until 17.02.2023 (inclusive of).

After this date, the Board of Directors appointed Mrs. Dumitrache Mihaela Anamaria on 14.02.2023 in the capacity of provisional Deputy Director General, with a mandate of 4 months, respectively as of 18.02.2023 until 18.06.2023 (inclusive of), the duration of mandate being extended by two months, pursuant to the BoD Decision dated 14.06.2023, respectively during 19.06.2023 - 19.08.2023 (inclusive of). By BoD Decision dated 09.08.2023 Mrs. Dumitrache Mihaela Anamaria has been appointed in the capacity of provisional Deputy Director General for a period of 4 months, between 20.08.2023 - 20.12.2023.

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

On 19.10.2023, the Board of Directors appointed, for a term of office of 4 years, starting with 20.10.2023 until 19.10.2027, Mr. Tudora Dorin, in the capacity of Director General, Mrs. Dumitracă Mihaela Anamaria in the capacity of Deputy Director General and Mrs. Toader Sanda in the capacity of Economic Director.

5.4. RELEVANT CORPORATE EVENTS IN 2023

February 12th, 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 in the capacity of provisional administrators on a period of maximum 4 months, starting 22.02.2023 until 21.06.2023 (inclusive of) Mr. Gheorghe Cristian-Florin, Mrs. Kohalmi - Szabo Luminița - Doina, Mrs. Tănăsică Oana - Cristina, Mr. Zaman Andrei - Mihai, Mrs. Barbu Irina - Mihaela.

April 27th, 2023

The Ordinary General Meeting of Shareholders approved the Annual Financial Statements on the date and for the financial year ended at 31.12.2022. At 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.

June 21st, 2023

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

August 18th, 2023

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

December 19th, 2023

The Ordinary General Meeting of Shareholders approved the financial and non-financial performance indicators, resulting from the company's Administration Plan.

ANNEXES:

- Annex no. 1** Statement of the Financial Standing on December 31st, 2023 – preliminary data;
- Annex no. 2** Statement of profit or loss and other elements of the global result for the year ended on December 31st, 2023 - preliminary data;
- Annex no. 3** Cash-flow Statement on December 31st, 2023 – preliminary data
- Annex no. 4** Statement of services procurement contracts with values higher than 100.000 Euro, concluded during 01.01.2023 - 31.12.2023;
- Annex no. 5** Statement of works and products procurement contracts with values higher than 500.000 Euro, concluded during 01.01.2023 - 31.12.2023.

CHAIRMAN OF THE BOARD OF DIRECTORS**Gheorghe Cristian - Florin****Director General****Eng. TUDORA Dorin****Deputy Director General****Legal expert DUMITRACHE Mihaela - Anamaria****Economic Director****Econ. TOADER Sanda**

Annex no. 1

Statement of the Financial Standing on December 31st, 2023
- PRELIMINARY DATA -

Name	- RON-	
	December 31 st , 2023 (unaudited)	December 31 st , 2022 (audited)
ASSETS		
Intangible assets		
Tangible assets	635,223,347	607,025,461
Intangible assets	5,559,573	6,854,793
Financial Assets	2,522,802	2,537,045
Deferred corporate tax receivables	5,038,620	6,153,054
Total fixed assets	648,344,342	622,570,353
Current assets		
Inventories	6,448,176	6,867,083
Trade receivables and other receivables	52,530,970	49,186,760
Cash and cash equivalents	107,742,173	127,672,452
Prepaid expenses	697,600	1,252,288
Total current assets	167,418,919	184,978,583
TOTAL ASSETS	815,763,261	807,548,936
EQUITY AND LIABILITIES		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	21,740,468	17,101,648
Other reserves	546,129,209	533,897,764
Retained earnings	36,970,805	37,149,214
Result of the year	60,237,506	61,663,616
Total equity	699,361,798	684,096,052
Long-term liabilities		
Liabilities to employees	25,764,827	23,069,134
Other long-term liabilities	2,791,210	2,749,112
Total long-term liabilities	28,556,037	25,818,246
Current liabilities		
Trade liabilities	32,964,703	43,914,968
Current Income Tax	1,736,413	1,997,414
Other liabilities	28,745,911	27,567,948
Debts to employees	14,140,570	14,364,317
Short-term provisions	10,257,829	9,789,991
Total current liabilities	87,845,426	97,634,638
Total liabilities	116,401,463	123,452,884
TOTAL EQUITIES AND LIABILITIES	815,763,261	807,548,936

Annex no. 2
**STATEMENT OF PROFIT OR LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31ST, 2023**
- PRELIMINARY DATA -

Name	- RON-	
	December 31 st 2023	December 31 st (audited)
	(unaudited)	2022
Revenues from contracts	485,113,609	472,232,577
Earnings from disposal of assets	612,108	5,401,508
Other revenues	55,030,415	44,425,417
Total Operating Expenses	540,756,132	522,059,502
Inventories Expenses	6,543,251	6,934,300
Expenses with energy and water	18,314,714	33,739,188
Personnel expenses	194,394,992	180,922,733
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	62,157,894	53,074,898
Value adjustments for rights of use resulted from leasing contracts	2,051,485	1,986,489
Impairments of current assets	(120,109)	(766,860)
Expenses with external services	127,429,721	114,242,161
Provision adjustments	3,407,811	6,753,310
Other expenses	62,231,648	62,404,440
Total Operating Expenses	476,411,407	459,290,659
Operating Profit	64,344,725	62,768,843
Financial Revenues	6,689,934	9,839,428
Interest expenses related to leasing contracts	175,243	236,174
Other financial expenses	87,087	233,103
Financial Expenses	262,330	469,277
Financial profit	6,427,604	9,370,151
Profit before income tax	70,772,329	72,138,994
Expenses with current income tax	10,515,279	11,686,338
Expenses with (revenues coming from) deferred corporate tax	19,544	(1,210,960)
PROFIT OF THE PERIOD	60,237,506	61,663,616
Actuarial Earnings (Loss) from discounted benefits granted upon retirement	531,142	(1,599,191)
Surplus from revaluation of the tangible assets	5,501,217	-
Total other global result elements that will not be subsequently reclassified as profit or loss	6,032,359	(1,599,191)
Net increase of the modernization quota reserve	6,869,587	17,409,426
Total other global result elements that will not be subsequently reclassified as profit or loss	6,869,587	17,409,426
TOTAL OTHER GLOBAL RESULT ELEMENTS	12,901,946	15,810,235
TOTAL GLOBAL RESULT	73,139,452	77,473,851
Earnings per share	6.96	7.12

CASH-FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31ST, 2023
- PRELIMINARY DATA -

- RON-

	Name of the Item	12 months 2023 (unaudited)	12 months 2022 (audited)
	Cash flows from operating activities:		
+	Proceeds from services supply	520,121,301	509,861,226
+	Proceeds from interests related to banking placements	6,575,548	9,871,618
+	Other proceeds	4,251,235	13,518,902
-	Payments to the suppliers of goods and services	140,225,977	140,569,215
-	Payments to and on behalf of the employees	192,207,154	176,585,009
-	VAT payments	54,308,422	42,221,918
-	Expenses with corporate tax and specific tax	10,776,280	11,738,249
-	Other payments regarding the operating activities	45,178,339	45,623,034
A	Net cash from operating activity	88,251,912	116,514,321
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	620,592	303,344
+	Proceeds from modernization quota	58,084,160	57,321,207
-	Payments for purchase of tangible assets	104,205,104	172,138,320
B	Net cash from investment activity	(45,500,352)	(114,513,769)
	Cash-flows from financing activities:		
-	Paid dividends	59,300,957	62,865,146
-	Payments on the debt related to the leasing	3,195,528	3,015,346
-	Interest payments	185,354	198,879
C	Net cash from financing activities	(62,681,839)	(66,079,371)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	(19,930,279)	(64,078,819)
D1	Cash and cash equivalents at the beginning of the period	127,672,452	191,751,271
D2	Cash and cash equivalents at the end of the period	107,742,173	127,672,452

Annex no. 4
**STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100,000 EURO, CONCLUDED
BETWEEN 01.01.2023 - 31.12.2023**

Crt .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-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 pipeline: 10 3_4 in L1 Bărbătești - Ploiești Vest and 10 3_4 in L2 Orlești - Ploiești (Petrobrazi)	S-CA 29/08.03.2023	Tender	-	43939/25.1.2022	2,114,497.92	2,114,497.92	09.05.2023	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
TOTAL QUARTER I - 3 CONTRACTS VALUE QUARTER I = 302,141,927.42 RON											
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	19.07.2023	6	6
5	IAT ENGINEERING & DESIGN SRL.	Design services for objective achievement: Solution study and design of new oil transport pipelines from around /inside Ploiești municipality	S-CA 74/09.05.2023	Tender	-	10125/16.03.2023	845,000.00	845,000.00	09.05.2023	9	9
Total QUARTER II - 2 CONTRACTS VALUE QUARTER II = 5,845,000.00 RON											

Crt . 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/invit ation number	Initial contract value (RON)	Contract value after potential addenda	Start of the contract	Initially set- duration (in months)	Final contract duration (in months)
6	DIRECTOR SPECIAL TROOPS - D.S.T. S.R.L.	Security, protection and intervention services at five objectives of the company Conpet S.A. (Central Dispatch Headquarters, Administrative Headquarters 2, Voința Sports Base, Ipotești 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 S.R.L.	Framework agreement for services for the restoration of the geological environment and water courses polluted as a result of damages produced on the route of the crude oil, rich gas and ethane transport pipelines or in the technological premises of CONPET S.A. Ploiești, taking over land contaminated with crude oil (waste code 191301*), as well as taking over land and stones containing dangerous 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
Total QUARTER III - 2 CONTRACTS VALUE QUARTER III = 6,496,634.00 RON											
8	CON METAL CF SRL.	Overhaul, current maintenance and repair of industrial rail lines - CONPET SA	S-CA 175/ 25.10.2023	Tender	-	33582/ 26.09.2023	995,930.02	995,930.02	28.11.2023	24	24

Crt .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-duration (in months)	Final contract duration (in months)
9	ROMFLEX SISTEM SRL.	Maintenance services and technical support for the Integrated IT System (Ro. S.I.I.)	S-CA 158/03.10.2023	Tender	-	30184/28.08.2023	679,500.00	679,500.00	26.10.2023	36	36
Total QUARTER IV - 2 CONTRACTS VALUE QUARTER IV = 1,675,430.02 RON											
CUMULATED TOTAL - 9 CONTRACTS CUMULATED VALUE = 316,158,991.44 RON											

Annex 5
**STATEMENT OF WORKS AND PRODUCTS OF PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500,000 EURO, CONCLUDED
BETWEEN 01.01.2023 – 31.12.2023**

Crt .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-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 Otești 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
TOTAL QUARTER I - 1 CONTRACT VALUE QUARTER I = 19,999,135.00 RON											
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
TOTAL QUARTER II - 1 CONTRACT VALUE QUARTER II = 2,965,000.01 RON											
3	TALPAC S.R.L.	Execution of works to replace the 20 inch Constanța C1 pipeline along 8 sections	L-CA 156/ 28.09.2023	Tender	-	26879/ 28.07.2023	39,526,916.81	39,526,916.81	-	18	16
TOTAL QUARTER III - 1 CONTRACT VALUE QUARTER III = 39,526,916.81 RON											
4	EYE MALL S.R.L.	Electricity supply to CONPET consumption locations	P-CA 235/ 20.12.2023	NEGOCIATION WITHOUT ANNOUNCEMENT	-	44239/ 08.12.2023	17,680,579.21	17,680,579.21	01.01.2024	12	12
5	STRAL BIG SRL.	Relocatable PSI tank execution with R1 tank cooling ring Independence buffer storage	L-CA 206/ 28.11.2023	Tender	-	36060/ 11.10.2023	4,930,392.38	4,930,392.38	-	12	12

Crt .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-duration (in months)	Final contract duration (in months)
6	STRAL BIG SRL.	Rehabilitation works for CONPET buildings related to Călăreti Pumping Station	L-CA 174/24.10.2023	Tender	-	30813/01.09.2023	4,439,630.54	4,439,630.54	07.11.2023	24	24
7	SITAN GRUP SRL.	Additional design and execution with 2 pumping units Constanta South Station - rel.	L-CA 210/07.12.2023	Tender	-	30251/28.08.2023	3,610,000.00	3,610,000.00	-	24	24
8	RUXO SERVICE CONSTRUCT.	Execution of replacement works for the section of crude oil transport pipeline 6 5/8 Petrom Warehouse Orzoaia de Sus - Urlați crude oil station CONPET, on a distance of approximately 1,600 m	L-CA 223/15.12.2023	Tender	-	35353/05.10.2023	2,500,152.86	2,500,152.86	-	4	4
TOTAL QUARTER IV - 5 CONTRACTS VALUE QUARTER IV = 33,160,754.99 RON											
CUMULATED TOTAL - 8 CONTRACTS CUMULATED VALUE = 95,651,806.81 RON											

PRELIMINARY FINANCIAL STATEMENTS
on the date and for the financial year ended on
December 31st, 2023

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

CONTENT:	Page
Preliminary financial statements on the date of December 31st, 2023	
Statement of the financial position 1	
Statement of the global result	2
Statement of the changes in shareholders' equity 3 - 4	
Cash-flow Statement 5	
Explanatory Notes to the financial statements	6 - 11

STATEMENT OF THE FINANCIAL STANDING ON DECEMBER 31st, 2023 - PRELIMINARY DATA

		- RON-	
Name		December 31st, 2023 (unaudited)	December 31st, 2022 (audited)
ASSETS			
Fixed assets			
Tangible assets		635,223,347	607,025,461
Intangible assets		5,559,573	6,854,793
Financial Assets		2,522,802	2,537,045
Deferred corporate tax receivables		5,038,620	6,153,054
Total fixed assets	4	648,344,342	622,570,353
Current assets			
Inventories		6,448,176	6,867,083
Trade receivables and other receivables		52,530,970	49,186,760
Cash and cash equivalents		107,742,173	127,672,452
Prepaid expenses		697,600	1,252,288
Total current assets	5	167,418,919	184,978,583
TOTAL ASSETS		815,763,261	807,548,936
EQUITY AND LIABILITIES			
Equities			
Subscribed and paid-up share capital		28,569,842	28,569,842
Legal reserves		5,713,968	5,713,968
Revaluation reserves		21,740,468	17,101,648
Other reserves		546,129,209	533,897,764
Retained earnings		36,970,805	37,149,214
Result of the year		60,237,506	61,663,616
Total equity	6	699,361,798	684,096,052
Long-term liabilities			
Liabilities to employees		25,764,827	23,069,134
Other long-term liabilities		2,791,210	2,749,112
Total long-term liabilities	7	28,556,037	25,818,246
Current liabilities			
Trade liabilities		32,964,703	43,914,968
Current Corporate Tax		1,736,413	1,997,414
Other liabilities		28,745,911	27,567,948
Liabilities to employees		14,140,570	14,364,317
Short-term provisions		10,257,829	9,789,991
Total current liabilities	7	87,845,426	97,634,638
Total liabilities		116,401,463	123,452,884
TOTAL EQUITIES AND LIABILITIES		815,763,261	807,548,936

These financial statements and the related notes, from page 1 to page 11, have been authorized for issue by the company's management on February 28th, 2024.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**

The attached notes, from 1 to 10, are integral part of these financial statements.

The company CONPET S.A.

Statement of profit or loss and other elements of the global result for the year ended on December 31st, 2023 - preliminary data

**STATEMENT OF PROFIT OR LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st, 2023 - PRELIMINARY DATA**

Name	December 31, 2023 (unaudited)	December 31, 2022 (audited)	- RON-
Revenues from contracts	485,113,609	472,232,577	
Earnings from disposal of assets	612,108	5,401,508	
Other revenues	55,030,415	44,425,417	
Total Operating Revenues	8	540,756,132	522,059,502
Expenditure on inventories	6,543,251	6,934,300	
Expenses with energy and water	18,314,714	33,739,188	
Personnel expenses	194,394,992	180,922,733	
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts	62,157,894	53,074,898	
Value adjustments for rights of use resulted from leasing contracts	2,051,485	1,986,489	
Value adjustments on current assets	(120,109)	(766,860)	
Expenses with external services	127,429,721	114,242,161	
Provisions adjustments	3,407,811	6,753,310	
Other expenses	62,231,648	62,404,440	
Total Operating Expenses	9	476,411,407	459,290,659
Operating Profit		64,344,725	62,768,843
Financial Revenues		6,689,934	9,839,428
Interests' expenses related to leasing contracts	175,243	236,174	
Other financial expenses	87,087	233,103	
Financial Expenses		262,330	469,277
Financial profit		6,427,604	9,370,151
Profit before corporate tax		70,772,329	72,138,994
Expenses with current corporate tax	10,515,279	11,686,338	
Expenses with (revenues coming from) deferred corporate tax	19,544	(1,210,960)	
PROFIT OF THE YEAR		60,237,506	61,663,616
Actuarial Earning (Loss) from discounted benefits granted upon retirement and death	531,142	(1,599,191)	
Surplus from revaluation of the tangible assets	5,501,217	-	
Total other global result elements that will not be subsequently reclassified as profit or loss		6,032,359	(1,599,191)
Net increase of the modernization quota reserve	6,869,587	17,409,426	
Total other global result elements that will be subsequently reclassified as profit or loss		6,869,587	17,409,426
TOTAL OTHER ELEMENTS OF THE GLOBAL RESULT		12,901,946	15,810,235
TOTAL GLOBAL RESULT		73,139,452	77,473,851
Earnings per share		6.96	7.12

These financial statements and the related notes, from page 1 to page 11, have been authorized for issue by the company management on February 28th, 2024.

**Director General, Economic Director,
Eng. Dorin Tudora Econ. Sanda Toader**

The attached notes, from 1 to 10, are integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY ON DECEMBER 31st, 2023 (unaudited) – PRELIMINARY DATA

- RON-							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance on January 1st, 2023	28,569,842	5,713,968	17,101,648	533,897,764	37,149,214	61,663,616	684,096,052
Net result of the year	-	-	-	-	-	60,237,506	60,237,506
Actuarial gain of the year					531,142		531,142
Surplus from revaluation of the tangible assets			5,501,217				5,501,217
Surplus realized from revaluation	-	-	(862,397)	-	862,397	-	-
Allocation of profit provided by the law - exemption of reinvested profit	-	-	-	3,725,402	(572,707)	(3,152,695)	-
Net increase of the modernization quota reserve	-	-	-	6,869,587	-	-	6,869,587
Total other global result elements	-	-	4,638,820	10,594,989	820,832	(3,152,695)	12,901,946
Total global revenues related to the period	-	-	4,638,820	10,594,989	820,832	57,084,811	73,139,452
Dividends due to shareholders					(999,241)	(58,510,921)	(59,510,162)
Prescribed distributions				1,636,456			1,636,456
Total transactions with the owners directly recognized in equities				1,636,456	(999,241)	(58,510,921)	(57,873,706)
Balance on December 31st, 2023	28,569,842	5,713,968	21,740,468	546,129,209	36,970,805	60,237,506	699,361,798

The company CONPET S.A.

STATEMENT OF THE CHANGES IN SHAREHOLDERS' EQUITIES ON DECEMBER 31st, 2022 (AUDITED)

Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	- RON- Total Equities
Balance on January 1st, 2022	28,569,842	5,713,968	18,360,121	517,047,601	46,288,764	51,928,770	667,909,066
Net result of the year	-	-	-	-	-	61,663,616	61,663,616
Actuarial loss of the year	-	-	-	-	(1,599,191)	-	(1,599,191)
Surplus from revaluation	-	-	(1,258,474)	-	1,258,474	-	-
Retained earnings coming from the adoption, for the first time, of IAS 29 – not achieved earnings	-	-	-	-	(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 profit	-	-	-	3,152,695	(1,668,015)	(1,484,680)	-
Net increase of the modernization quota reserve	-	-	-	17,409,426	-	-	17,409,426
Total other global result elements	-	-	(1,258,474)	20,562,121	(2,008,732)	(1,484,680)	15,810,235
Total global revenues related to the year	-	-	(1,258,474)	20,562,121	(2,008,732)	60,178,936	77,473,851
Dividends due to shareholders	-	-	-	(5,482,940)	(7,130,819)	(50,444,090)	(63,057,849)
Prescribed distributions	-	-	-	1,770,982	-	-	1,770,982
Total transactions with the owners directly recognized in equities	-	-	-	(3,711,958)	(7,130,819)	(50,444,090)	(61,286,867)
Balance on December 31st, 2022	28,569,842	5,713,968	17,101,648	533,897,764	37,149,214	61,663,616	684,096,052

Note: The position „Other Reserves” also includes the reserve representing the modernization quota in amount of 495,210,873 RON on 31.12.2023, respectively 488,341,286 RON on 01.01.2023. This reserve is constituted as per GD no.168/1998. The modernization quota is exclusively destined to the financing of the modernization works and development of the goods in public domain. The modernization quota is being collected at the extent of capitalization and proceeds of the production and is reflected in reserves account, on account of the expenses. On a monthly basis, is written-back to revenues the reserve of modernization quota at the level of depreciation of fixed assets financed from this source. On 31.12.2023, the value of the reserve representing the modernization quota that is to be written-back to revenues at the level of depreciation of fixed assets financed out of this source is of 463,169,624 RON, and the difference of 32,041,249 RON represents reserve available destined to the financing of the development and modernization works of the goods belonging to the public domain.

These financial statements and the related notes, from page 1 to page 11, have been authorized for issue by the company management on February 28th, 2024.

Director General,
Dorin Tudora

Economic Director,
Econ. Sanda Toader

The company CONPET S.A.

Statement of the cash flow for the financial year ended December 31st 2023 - preliminary data

**- PRELIMINARY DATA
(DIRECT METHOD)**

	Name of the Item	12 months 2023 (unaudited)	12 months 2022 (audited)	- RON-
	Cash flows from operating activities:			
+	Proceeds from services supply	520,121,301	509,861,226	
+	Proceeds from interests related to banking investments	6,575,548	9,871,618	
+	Other proceeds	4,251,235	13,518,902	
-	Payments to the suppliers of goods and services	140,225,977	140,569,215	
-	Payments to and on behalf of the employees	192,207,154	176,585,009	
-	VAT payments	54,308,422	42,221,918	
-	Expenses with income tax and specific tax	10,776,280	11,738,249	
-	Other payments regarding the operating activities	45,178,339	45,623,034	
A	Net cash from operating activity	88,251,912	116,514,321	
	Cash flows from investment activities:			
+	Proceeds from sale of tangible assets	620,592	303,344	
+	Proceeds from modernization quota	58,084,160	57,321,207	
-	Payments for purchase of tangible/intangible assets	104,205,104	172,138,320	
B	Net cash from investment activity	(45,500,352)	(114,513,769)	
	Cash-flows from financing activities			
-	Paid dividends	59,300,957	62,865,146	
-	Payments on the account on the debt related to the leasing	3,195,528	3,015,346	
-	Interest payments	185,354	198,879	
C	Net cash from financing activities	(62,681,839)	(66,079,371)	
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	(19,930,279)	(64,078,819)	
D1	Cash and cash equivalents at the beginning of the period	127,672,452	191,751,271	
D2	Cash and cash equivalents at the end of the period	107,742,173	127,672,452	

These financial statements and the related notes, from page 1 to page 11, have been authorized for issuance by the company's management on the date of February 28th, 2024.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**

1. Business Description and General Information

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

The registered offices is in 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.

The company's shares have been traded on the Bucharest Stock Exchange (BVB) under "COTE" symbol. 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**. Starting from 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 S.A. (COTE) has been included in the indices MSCI Frontier IMI and MSCI Romania IMI (Investable Market Indices).

On December 31st, 2023, CONPET SA has a market capitalization of approximately 708.18 mRON (142.36 mEuro), ranking 33 in Top 100 issuers after 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.).

- 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 2,029,972 shares with voting rights representing 23.45% of the share capital, and
- c) natural persons, with 1,544,184 shares with voting rights representing 17.83% of the share capital.

Company's Mission

CONPET mission is the operation of the National Transport System via pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

Other Information on the Company's Business

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines aiming at supplying the refineries with crude oil and

derivatives out of domestic production, as well as with imported crude oil (NACE code 4950 - "transports via pipelines").

CONPET supplies transport services for its clients both via the National Transport System concession based on the Oil Concession Agreement of the National Transport System of Crude Oil, Rich Gas, Condensate and Ethane via pipelines, as well as by rail, from the loading ramps to the refineries, for the oil areas not connected to the major transport pipelines.

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

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

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

The Legal Environment

The activities in the oil sector, where the crude oil transport activity is included, are 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 no. 238/2004. As per the Oil Law, the National Agency for Mineral Resources entitles as Concession Provider of the goods belonging to the public domain, concessioned to the operators acting in the oil industry.

The main responsibilities of NAMR are the followings:

- negotiates and concludes, on behalf of the State, oil agreements;
- awards mining concession licenses and exploitation permits;
- issues regulatory acts, norms, instructions, orders and regulations;
- controls the compliance, by the holders of the concession agreements, with the concession licenses and exploitation permits conditions;
- manages the crude oil and natural gas National Pipeline Transport Systems and regulates the exploitation activities thereof by 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 regulated for the transport via the National Transport System and are being approved by NAMR as competent authority.

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

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, costs related to the amortization of the fixed assets, the royalty and other taxes applicable to the transporter, expenses related to the provision of pipeline guard, amounts due to the land owners, other expenses;
- modernization and development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

These preliminary financial statements have been prepared pursuant to the Order of the Minister of Public Finances no. 2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards ("IFRS") ("OMPFI 2844/2016").

These preliminary financial statements do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31st, 2022. Nevertheless, certain selected explanatory notes have been included in order to explain the events and transactions significant for the understanding of the changes occurred in the financial standing and company performance since the last annual financial statements completed on the date and for the financial year ended December 31st, 2022.

The preliminary financial statements are not being audited and have not been revised by an independent auditor.

These preliminary financial statements have been authorized for issue by the company management on February 28th, 2024.

(b) Accounting Estimates and Professional Reasoning

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

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 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 at the date and for the financial year ended at December 31st, 2022, except for the adoption of new standards effective from January 1st, 2023.

4. Intangible assets

Fixed assets have increased by 4.1% at the end of December 2023 compared to December 31st 2022 (648.3 mRON as compared to 622.6 mRON), mainly due to the realization of a volume of investments higher than the depreciation recorded and to the surplus from revaluation on 31.12.2023 of tangible assets such as lands and constructions.

On December 31st, 2023 the company "Estimatori Group" S.R.L. evaluated the goods from group I - buildings and lands in the company's patrimony. Pursuant to the results contained in the revaluation report, the fair value on 31.12.2023 related to the tangible assets representing lands and constructions, registers a total net increase of 9.3 mRON compared to the accounting value thereof on 31.12.2023.

Moreover, within fixed assets it is recognized the oil operating product amounted to 39.5 mRON. The oil product is determined at the cost of revaluation performed according to GD no. 26 from January 22nd, 1992, restated by applying IAS 29, "Financial reporting in hyperinflationary economies".

5. Current assets

Trade receivables and other receivables

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

	December 31st, 2023	December 31st, 2022
Trade receivables	48,003,343	46,369,285
Other receivables	4,527,626	2,817,475
Overall receivables	52,530,970	49,186,760

Over 76% of the total short-term receivables in balance on December 31st, 2023 represents the countervalue to be collected from the main client of the Company, OMV Petrom, in amount of 40 mRON.

Cash and Cash Equivalents

Cash and cash equivalents on December 31st, 2023 are down 15.6% (19.9 million RON), compared to December 31st, 2022, due to cash outflows for procurement of assets (investments) and dividend payments, higher than the surplus of cash from operating activity and cash inflows related to investment activity (modernization quota).

6. Shareholders' Equities

The shareholders' equities recorded a value of 2.2% higher on December 31st, 2023 compared to December 31st, 2022 (699.4 million RON versus 684.1 million RON), particularly as a result of the increase of the reserve representing modernization quota and the revaluation reserves.

Share capital

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

Other reserves

On December 31st, 2023 the value of other reserves increased by 2.3%, compared to December 31st, 2022 (546.1 million RON versus 533.9 million RON).

The reserve related to the modernization quota is in amount of 495.2 mRON and holds the highest share total of other reserves (90.7%).

Retained Earnings

On 31st of December, 2023, the major share in the retained earnings is the result of the first-time adoption of IAS 29, related to the fixed assets representing an operating petroleum product recognized in tangible assets: 39.3 mRON.

Profit of the Year

The profit of the exercise has decreased by 2.3%, compared to December 31st, 2022 (60.2 million RON, compared to 61.7 million RON).

7. Liabilities

Long-term liabilities

Long-term liabilities registered a value of 10.6%, higher at the end of December 2023, compared to December 31st, 2022 (28.6 million RON versus 25.8 million RON), mainly due to the increase in long-term provisions, updated on the basis of the Actuarial Report on the assessment of the pension and death benefit obligations provided for in the Collective Labor Agreement for Conpet S.A employees, drawn up on 31.12.2023 by the company Proficarie S.R.L.

Short-term liabilities

Short-term liabilities registered a value of 10% lower at the end of December 2023, compared to December 31st, 2022 (87.8 million RON versus 97.6 million RON), mainly due to the decrease of commercial debts representing assets suppliers.

8. Revenues

The company's revenues are achieved, mainly, out of transport services supply via the National Transport System of crude oil and by rail transport.

Operating Revenues

The operating revenues register a value higher by 3.6% in 2023, as compared to 2022 (540.8 mRON compared to 522.1 mRON).

9. Expenses

The operating expenses hold a share of 97.8% in total expenses and have registered a value 3.7% higher in 2023, compared to 2022 (476.4 mRON compared to 459.3 mRON), over the level of the revenues increase index.

10. Ulterior events and other mentions

There have not been registered significant events ulterior to the conclusion of the financial year.

These financial statements and the related notes, from page 1 to page 11, have been authorized for issue by the company's management on the date of February 28th, 2024.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**