

FINANCIAL STATEMENTS
on the date and for the financial year ended
December 31st, 2024

prepared in accordance with the accounting regulations complying with
the International Financial Reporting Standards
approved by the Ministry of Finance Order no.2844/2016

Financial Statements

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I. STATEMENT OF THE FINANCIAL STANDING ON DECEMBER 31, 2024

- RON-			
Name	Note:	December 31, 2024	December 31 st , 2023
ASSETS			
Intangible assets			
Tangible assets	5	664,780,731	670,831,075
Intangible assets	6	3,037,998	5,559,573
Financial Assets	7	535,374	2,522,803
Deferred corporate tax -related receivables	14	2,876,342	(862,397)
Total non-current assets		671,230,445	678,913,451
Current assets			
Inventories	8	6,015,541	6,519,564
Trade receivables and other receivables	9	39,442,129	52,981,332
Cash and cash equivalents	10	136,176,830	107,742,173
Prepaid expenses		687,107	697,600
Total current assets		182,321,607	167,940,669
TOTAL ASSETS		853,552,052	846,854,120
EQUITY AND LIABILITIES			
Equities			
Subscribed and paid-up share capital	11	28,569,842	28,569,842
Legal reserves	11	5,713,968	5,713,968
Revaluation reserves	11	43,539,329	49,838,300
Other reserves	11	558,422,603	547,585,477
Retained earnings	11	45,124,461	36,970,805
Result of the year	11	49,323,047	61,616,539
Total equity		730,693,250	730,294,931
Long-term liabilities			
Long-term liabilities to employees	12	30,236,672	25,764,827
Other long-term liabilities	12	2,423,254	2,792,606
Deferred Tax Liabilities	14	(862,397)	901,503
Total long-term liabilities		32,659,926	29,458,936
Current liabilities			
Trade liabilities	12	26,574,075	33,091,805
Current Corporate Tax	12	(862,397)	1,807,695
Other liabilities	12	33,027,370	28,764,158
Liabilities to employees	12	14,276,429	14,143,449
Short-term provisions	13	16,321,002	9,293,146
Total current liabilities		90,198,876	87,100,253
Total liabilities		122,858,802	116,559,189
TOTAL EQUITIES AND LIABILITIES		853,552,052	846,854,120

These financial statements, from page 2 to page 64, have been authorized for release by the company's management on March 25th, 2025.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**

The attached notes, from 1 to 25, are an integral part of these financial statements.

II. STATEMENT OF PROFIT OR LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT FOR THE FINANCIAL YEAR ENDED DECEMBER 31st, 2024

- RON-			
Name	Note:	December 31, 2024	December 31 st , 2023
Revenues from contracts		533,618,409	485,113,609
Earnings from disposal of assets		-	612,108
Other revenues		72,663,354	55,208,434
Total Operating revenues	16	606,281,763	540,934,151
Expenditure on inventories		6,144,917	6,543,246
Expenses with energy and water		20,915,838	18,596,747
Personnel expenses		210,186,200	194,394,992
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts		79,156,049	61,484,586
Value adjustments for rights of use resulted from leasing contracts		2,140,874	2,051,485
Value adjustments on current assets		7,640,692	(239,459)
Expenses with external services		144,041,293	126,935,543
Loss from disposal of assets		91,590	-
Provisions adjustments		12,192,689	2,446,008
Other expenses		74,286,024	62,357,840
Total Operating Expenses	17	556,796,166	474,570,988
Operating Profit		49,485,597	66,363,163
Financial Revenues		6,384,256	6,689,934
Interests' expenses related to leasing contracts		237,637	175,242
Other financial expenses		93,964	83,799
Financial Expenses		331,601	259,041
Financial profit	18	6,052,655	6,430,893
Profit before corporate tax		55,538,252	72,794,056
Expenses with current corporate tax	14	10,227,235	10,586,561
Expenses with (revenues coming from) deferred corporate tax		(4,012,030)	590,956
PROFIT OF THE YEAR		49,323,047	61,616,539
Actuarial earnings (Loss) from discounted benefits granted upon retirement		1,229,473	531,142
Surplus from revaluation of the tangible assets		-	35,055,317
Other elements of the equities - retained earnings		755,268	-
Total other global result elements that will not be subsequently reclassified as profit or loss		1,984,741	35,586,459
Net increase of the modernization quota reserve		7,844,065	6,869,587
Total other global result elements that will not be subsequently reclassified as profit or loss		7,844,065	6,869,587
TOTAL OTHER ELEMENTS OF THE GLOBAL RESULT		9,828,806	42,456,046
TOTAL GLOBAL RESULT		59,151,853	104,072,585
Result per share		5.70	7.12

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III. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY ON DECEMBER 31st, 2024

- RON-							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance on January 1st, 2024	28,569,842	5,713,968	49,838,300	547,585,477	36,970,805	61,616,539	730,294,931
Net result for the year	-	-	-	-	-	49,323,047	49,323,047
Actuarial gain of the period					1,229,473		1,229,473
Surplus from revaluation	-	-	(6,298,971)	-	6,298,971	-	-
Other elements of the equities - retained earnings	-	-	-	-	755,268	-	755,268
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	2,993,062	732,340	(3,725,402)	-
Net increase of the modernization quota reserve	-	-	-	7,844,065	-	-	7,844,065
Total other global result elements	-	-	(6,298,971)	10,837,127	9,016,052	(3,725,402)	9,828,806
Total global revenues related to the period	-	-	(6,298,971)	10,837,127	9,016,052	45,597,645	59,151,853
Dividends due to shareholders					(862,397)	(57,891,137)	(58,753,534)
Total transactions with the owners directly recognized in equities					(862,397)	(57,891,137)	(58,753,534)
Balance on December 31st, 2024	28,569,842	5,713,968	43,539,329	558,422,603	45,124,461	49,323,047	730,693,250

STATEMENT OF THE CHANGES IN EQUITIES ON DECEMBER 31st, 2023

							- 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 for the year	-	-	-	-	-	61,616,539	61,616,539
Actuarial gain of the period					531,142		531,142
Surplus from revaluation of the tangible assets			33,599,049	1,456,268			35,055,317
Surplus from revaluation	-	-	(862,397)	-	862,397	-	-
Allocation of profit provided by 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	-	-	32,736,652	12,051,257	820,832	(3,152,695)	42,456,046
Total global revenues related to the period	-	-	32,736,652	12,051,257	820,832	58,463,844	104,072,585
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	49,838,300	547,585,477	36,970,805	61,616,539	730,294,931

The position „Other reserves” includes also the reserve representing the modernization quota in amount of 504,511,205 RON on 31.12.2024, namely 496,667,140 RON on 01.01.2024. This reserve is constituted as per GD no.168/1998. The modernization quota is destined exclusively for 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 the reserves on account of the expenses. On a monthly basis is being written back to the modernization quota at the level of depreciation of the fixed assets financed out of this source. On 31.12.2024, the value of the reserve represents the modernization quota that is to be resumed to revenues at the level of the depreciation of fixed assets financed out of this source, of 467.574.762 RON, and the difference of 36,936,443 RON represents the reserve available destined to the modernization and development works related to the goods from public domain.

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IV. CASH-FLOW STATEMENT OF THE YEAR ENDED DECEMBER 31, 2024 (DIRECT METHOD)

- RON-			
	Name of the Item	12 months, 2024 (audited)	12 months, 2023 (audited)
	Cash flows from operating activities:		
+	Proceeds from services supply	582,922,244	520,121,301
+	Proceeds from interests related to banking placements	6,330,776	6,575,548
+	Other proceeds	8,277,472	4,251,235
-	Payments to the suppliers of goods and services	153,460,415	140,225,977
-	Payments to and on behalf of the employees	206,738,812	192,207,154
-	VAT payments	64,996,587	54,308,422
-	Corporate tax payments	12,216,120	10,776,280
-	Other payments regarding the operating activities	54,102,021	46,814,796
A	Net cash from operating activity	106,016,537	86,615,455
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	11,087	620,592
+	Proceeds from modernization quota	67,444,545	58,084,160
-	Payments for tangible/intangible assets	85,402,577	104,205,104
B	Net cash from investment activity	(17,946,945)	(45,500,352)
	Cash-flows from financing activities		
-	Paid dividends	56,893,975	57,664,500
-	Payments on leasing debt account	2,497,018	3,195,528
-	Interest payments	243,943	185,354
C	Net cash from financing activities	(59,634,936)	(61,045,382)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	28,434,656	(19,930,279)
D1	Cash and cash equivalents at the beginning of the period	107,742,173	127,672,452
D2	Cash and cash equivalents at the end of the period	136,176,829	107,742,173

The cash balance and cash equivalents on 31.12.2024 is 26.4% higher compared to December 31st, 2023 (136,176,829 RON compared to 107,742,173 RON), following the increase by 4.9 mRON of the existing cash in bank accounts on 31.12.2024 and also the collection, before maturity, of the equivalent value of several transport services delivered in the month of December 2024.

Of the total cash in balance on 31.12.2024, the party related to the modernization quota amounts to 36.936.443 RON.

The effects of the three activity areas (operation, investment and financing) over the cash in the 12-month period of 2024 reveal the following:

- the operating activity has triggered a cash-flow in the amount of 106,016,537 RON;
- the investment activity ended with a negative cash-flow in the amount of 17,946,945 RON;
- the financing activity has diminished the total cash flow by 59,634,936 RON

The value of net the cash-flow from the operating activity has increased by 19.4% YoY, due to an increase in the proceeds from transport services.

As compared to the previous year, the net cash from the investment activity (cash-flow deficit) increased by 27.6 mRON. The deficit decrease has been determined by a volume of payments of assets less than that registered in the same period of the year 2023.

The net cash from the financing activity in both periods 2024 and 2023 registers negative amounts determined by the payment of dividends to the shareholders and the amounts related to leasing.

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V. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS ON DECEMBER 31, 2024

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. J199100006291 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, agreement approved by GD no.793/25.07.2002.

The company's shares are being traded on the Bucharest Stock Exchange (BVB) market, under "COTE" issuing symbol, having as unique identifier at global level for entities (Legal Entity Identifier - RON) **254900P00DXXOYGGAQ77**.

Currently, CONPET S.A. is included in 6 indices of the total of 10 of the Bucharest Stock Exchange, namely **BET-TR, BET-XT, BET-XT-TR, BET-BK, BET- BET-XT and BET PLUS**. Concurrently, CONPET(COTE) is included in the indices MSCI Frontier IMI and MSCI Romania IMI (Investable Market Indices).

On December 31st, 2024, CONPET S.A. has a market capitalization of 652.7 mRON (131 mEURO), ranking 34 in the "Top 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 31.12.2024, 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 2,083,424 shares with voting rights representing 24.06% of the share capital, and
- c) natural persons, with 1,490,732 shares with voting rights representing 17.22% 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 concessioned 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 a 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 National Transport System of crude oil is part of the public domain of the Romanian State and is under the administration of the National Regulatory Authority in the Mining, Petroleum and Geological Storage of Carbon Dioxide (as per the provisions of the Oil Law). It comprises a pipeline system of approximately 3,800 km, with an overall nominal transport capacity of approximately 27.5 million tons annually, operationally reduced capacity to approximately 18.7 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 Regulatory Authority in the Mining, Petroleum and Geological Storage of Carbon Dioxide (Ro. ANRMPSG) 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, ANRMPSG 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 ANRMPSG are the following:

- negotiates and concludes, on State's behalf, 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 tone along the oil takeover 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 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 quantities installments, being applied the bracket tariff model.

The transport tariffs are established in accordance with the NAMR Order no.53/2008 for the approval of the Instructions on criteria, the methodology and procedure for establishing regulated tariffs for transport through the National Transportation System and are approved by the National Regulatory Authority for Mining, as follows, Oil tanker and Geological Storage of Carbon Dioxide as competent authority.

The transport tariffs are determined by allocation of the transport service value to the crude oil quantities transported to the beneficiaries, by using a methodology based on the determination of the cost of service, defined as all the revenues required to cover the transport system operations, here included:

- the operating cost, which contains material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, gas and water, costs related to the amortization of the fixed assets, royalties and other fees applicable to the carried, the expenses related to the provision of the pipeline guard, the amounts due to landowners, other expenses etc;
- the modernization, development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

These financial statements of the Company were drawn up based on accounting regulations in accordance with the International Financial Reporting Standards ("IFRS") approved by the Order of the Ministry of Public Finances no.2844/2016.

The IFRS standards represent the standards adopted according to the procedure provided by the Regulation (EU) no.1.803/2023 of the Commission from August 13, 2023 and include standards and interpretations approved by the Committee for Accounting International Standards ("IASB"), Accounting International Standards ("IAS") and interpretations issued by the Committee for the Interpretation of the International Financial Reporting Standards ("IFRIC").

The financial statements prepared on the date and for the financial year ended December 31, 2024, have been audited.

(b) Overview of the Financial Statements

The financial statements are being presented in compliance with IAS,1 the *Overview of the Financial Statements*. The company has adopted an overview based on liquidity within the financial standing statement and an overview of the revenues and expenses according to the nature thereof within the statement of profit and loss and other elements of the global result, considering that these methods of presentation offer credible information and more relevant than the information presented based on other methods permitted by IAS 1.

(c) Functional and Presentation Currency

The financial statements are being presented in Romanian Lei (RON), as per the applicable accounting regulations, all amounts being rounded at the closest RON. The Romanian Leu (RON) is also the functional currency of the Company, as it is being defined by IAS,21, *The effects of the variation of the currency*.

(d) Evaluation Grounds

The financial statements are being prepared at historical cost, except for the tangible assets, other than the tangible assets in progress, which are being assessed at re-evaluated value, while the stocks are being assessed at the smallest value between the cost and the net achievable value. The accounting policies defined here-below have been consistently applied for all periods presented in these financial statements.

(e) Business Continuity

Financial statements have been prepared considering the business ongoing concern.

(f) Accounting Estimates and Professional Reasoning

The preparation of the financial statements pursuant to the International Financial Reporting Standards ("IFRS") implies the use, by the Company, 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 2023.

(g) The Use of Estimates and Reasonings

CONPET concluded, in 2002, a concession contract with NAMR according to which the Company is entitled to use public patrimony assets including the goods part of the crude oil National Transport System.

The company CONPET operates as a joint stock company, as per the Law no.31/1990 on the companies, republished, with subsequent amendments, where most of the shares are being held by the State, being a public enterprise as per GEO. 109/2011 on the corporate governance of public enterprises. The services supplied by the company are not public services, as they are being supplied for the benefit of the clients' legal persons, therefore they do not fall under the provisions of *IFRIC 12, Services Concession Agreements*.

3. Accounting Policies

Hereinafter, there are described the significant accounting policies applied consistently by the company on preparation of its financial statements.

(a) Transactions in Foreign Currency

The transactions in foreign currency are being expressed in RON by application of the currency from the transaction date. The monetary assets and the debts expressed in foreign currency at the end of the period are being converted into RON at the currency valid on that date.

The gains and losses generated by the differences in currency, realized or not realized, are being included in the profit and loss statement and other global result elements of the respective financial year.

The foreign exchange of the main foreign currencies was:

	December 31, 2024	31.12.2023
RON/EURO	4.9741	4.9746
RON/USD	4.7768	4.4958
RON/GBP	5.9951	5.7225

(b) Accounting for the Effect of Hyperinflation

In accordance with IAS 29 Financial reporting in hyperinflationary economies, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy shall be presented in the current unit balance-sheet date, i.e. non-monetary items are restated using a general price index from date of acquisition or contribution.

Therefore, the values reported in terms of purchasing power on December 31, 2003, are treated as the basis for the carrying amounts of these financial statements.

As the characteristics of the economic environment in Romania indicate the cessation of hyperinflation, starting January 1, 2004, the Company no longer applies IAS 29.

(c) Financial Instruments

(i) Non-derivative financial assets

The company initially recognizes the financial assets (receivables and deposits) on the date they have been initiated. All other financial assets here included the assets designated at fair value through profit or loss, are recognized initially on the trading date, when the Company becomes part of the contractual terms of the instrument.

Any interest in the financial assets transferred that is created or retained by the Company is recognized separately, as asset or liability.

The financial assets and liabilities are compensated and in the statement of financial standing the net value is presented exclusively when the Company has the legal right to offset the amounts and intends either to settle them on a net basis, or to realize the assets and settle the obligation simultaneously. On 31.12.2024, the company holds the following non-derivative financial assets: cash, cash equivalents and receivables.

Receivables

Receivables are financial assets with fix payments or determinable that are not listed on an active market. The receivables contain trade receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise the amounts recorded in cash accounts, current accounts, deposits redeemable at maturity and other cash equivalents. The liquid assets in foreign currency are reassessed at the exchange rate from the end of the period.

(ii) Non-derivative financial Liabilities

The Company recognizes in accountability the non-derivative financial liabilities on the trade date when the Company becomes party to the contractual terms of the instrument. The Company has the following non-derivative financial liabilities: guarantees retained within contractual transactions, trade liabilities and other liabilities.

Trade Liabilities and Other Liabilities

Liabilities to the suppliers and other liabilities include the exchange value of the products suppliers' deliveries, works executed and the services supplied.

Leasing-related liabilities

As per IFRS 16, a contract is or contains a leasing contract in case that leasing contract confers the right to control the use of an asset identified for a certain period of time in exchange for a counter value.

For such contracts, on the date of initiation of performance, a lessee must recognize an asset related to the right of use and a debt deriving from the leasing contract, debt generating interest.

The company includes in the item "Other debts" also the debts deriving from the leasing contracts at the present value of the payments of leasing that are not paid at that date.

(iii) Share capital - Common stocks

The share capital consisting of common stocks (ordinary) is recorded at the value established based on the articles of association and addenda.

The company recognizes the amendments to the share capital only after the accomplishment of the legal procedures provided by Law no.31/1990.

(d) Tangible assets

(i) Recognition and Assessment

The tangible assets in the company's patrimony are classified in the following category of assets of same kind and similar use:

- lands;
- constructions;
- operating oil product;
- technological equipment, measuring installations and devices, control and adjustment and means of transport;
- other tangible assets;

- tangible assets in progress.

The tangible assets are initially evaluated at cost by the Company. After initial recognition, the tangible assets are being revealed in the statement of the financial standing at the re-evaluated value, established based on an assessment report drafted by an authorized independent expert. The re-evaluations are made with fair regularity to make sure that the accounting value does not significantly differ from what would have been determined by using the fair value on the date of the reporting period.

The tangible assets are being presented in the statement of the financial standing at the re-evaluated value, diminished by the cumulated depreciation and the loss from cumulated depreciation, except for advance payments and ongoing tangible assets appear at cost.

The cost of an element of tangible assets is made up of the procurement price, here included the import fees or non-recoverable procurement fees, the transport expenses, manipulation, commissions, notary fees, expenses with permits acquirement and other non-recoverable expenses directly related to tangible assets and any other direct costs attributable to bringing the asset to the place and in operating conditions.

The tangible assets in progress stand for the unfinished investments made in-house or under contract. They are being evaluated at the production or procurement cost, as the case may be. Tangible assets in progress pass to the category of tangible assets completed after the reception, putting into operation or commissioning thereof, as the case may be.

The cost of a tangible asset built in-house is being determined by using the same principles as for a purchased asset.

The Company does not recognize in the carrying amount of an element of tangible assets, the current repairs and usual maintenance, these costs are recognized as an expense when incurred. The costs of current maintenance are mainly the workmanship and expandable costs and may include the cost of small components. The purpose of these expenses is often described as being meant for the “repairs and maintenance “of the tangible assets’ element.

(ii) Ulterior costs

Replacements of several components of tangible assets

The components of several elements of tangible assets may need the replacements at time regulated intervals. The company recognizes in the carrying amount of a tangible asset of an element of tangible assets, the cost of the replaced part of such an element, when that cost is borne by the entity, if the validation criteria are being met, for tangible assets.

General Regular Inspections

One condition for the continuation of the exploitation of an element of tangible asset is the performance of a general major regular inspection for detecting defects, notwithstanding whether they are being replaced or not, component parts of the respective assets. When a general regular inspection is being performed, the related cost is recognized in the accounting value of the tangible asset as a replacement, if the recognition criteria are satisfied.

An element of tangible assets and any significant part initially recognized are derecognized in the moment of disposal or when are not being expected future economic benefits from its use or sale. If an element of tangible asset is re-assessed, all other assets in the class are part of, except for the situation when there is no active market for that asset. A class of intangible assets contains assets of the same nature and similar use, being operated by the entity. If the fair value of a tangible asset cannot be determined by reference to an active market, the asset value presented

in the balance sheet is its reassessed value on the date of the last reassessment, wherefrom are being decreased the cumulated value adjustments.

When certain components of a tangible asset have a different useful life, they are being counted as distinct accounting elements (major components) of tangible assets.

The statement related to the evolution of tangible assets of the Company during 2023 and 2022 is detailed in note 5.

Operating Oil Product

The company recognizes in tangible assets the operating oil product evaluated in the balance sheet at determined cost from the re-evaluation performed as per GD no.26 from January 22,1992, updated with inflation rate up to 31.12.2003, when the Romanian economy was inflationary. Since oil operating product of the Company physically renews at every pumping and that the component elements of this product do not bear, therefore, moral or qualitative depreciation, the operation oil product has not useful life, thus is not being depreciated. The company presents the operating oil product at the cost value, here included the effects of restatements registered in the previous years as per application of "IAS29", Financial reporting in the hyper inflationary economies".

The Goods belonging to State Public Domain

The company administers goods belonging to the State public domain, as grantor of the oil concession Agreement concluded with the National Agency for Mineral Resources, approved by GD no.793/2002 for a period of 30 years.

Pursuant to the concession agreement, the objectives assumed by CONPET S.A. in relation to its activity are to ensure the operation of the national transport system via pipelines under maximum safety and economic efficiency conditions, to continuously improve the quality of services and to protect the environment.

The goods resulting in following the investments provided by the rehabilitation, modernization and development programs performed out of own company's financing sources are being capitalized and depreciate on the minimum duration related to the remaining lifespan of the respective asset or the remaining term of the concession agreement. The goods are to be included in the State's public domain on the date of amortization of the investment by the company, namely on the expiry of the normal operation term or cease of the oil agreement, if applicable, as per the legal provisions.

(iii) Reclassification as Investment Property

When an asset is being held more for obtaining revenues out of rentals or for the increase of the capital value or both, rather than for being used in the production or supply of goods and services, for administrative purposes or to be sold during the normal carryout of the business, the asset is being transferred into investment property. Our company transfers an asset into the category of investment property if the latter generates cash flows that are independent of other assets largely held.

The company does not hold investment property in balance on the date of preparation of these financial statements.

(iv) Intangible Assets held in view of Sale

When there is an amendment brought to the use of an intangible asset, meaning that its accounting value is to be recovered mainly by a sale transaction and not by its continuous use, the company records the asset transfer from the tangible assets category to non-current assets held in view of sale.

The non-current assets are classified as assets held for sale when:

- They are available for immediate sale;
- The company's management is engaged in a sales plan;
- There are minimum chances that the sales plan incur significant changes or be withdrawn;
- An active program to find buyers is initiated;
- The assets group is being traded at a reasonable price as compared to the fair value;
- It is expected the sale be concluded within 12 months as of the date of assets classification as held for sale.

Certain events or circumstances may extend the period for the completion of sales by more than one year. An extension of the period does not prevent an asset (or an asset group to be disposed) classified as being held in view of sale in case the delay is caused by events or circumstances outside the management control and there is enough proof that the company remains committed to the plan regarding the asset's sale (or the group destined to disposal).

The intangible assets (or asset group to be disposed) that are classified as being held in view of sale are being assessed by the company at the minimum between the accounting value and the fair value, less the sale costs.

The intangible assets are not being depreciated whilst they are being classified in view of sale.

The company does not have fixed assets in terms of selling, in balance on the date of preparation of these financial statements.

(v) Assets related to the right of use of the assets taken by leasing

On initiation of a contract, the company evaluates if that contract is or includes a leasing. A contract is or contains a leasing whether that contract confers the right to control the use of an asset identified for a certain period in exchange for a counter value.

As per IFRS 16, Leasing Contracts, at the date of starting the performance, the company, as a lessee, recognizes an asset related to the right of use. The cost of the asset related to the right of use includes the value of the initial value of the debt deriving from the leasing contract, any leasing payment being performed at the date of initiation of performance or prior to third date, minus any leasing stimulants received or any direct initial cost borne by the company as lessee. The company re-evaluates whether a contract is or includes a leasing only provided that the terms and conditions of the contract are amended. The company determines the duration of a leasing contract as being the irrevocable period of a leasing contract, along with:

- (a) the periods covered by an option of extension of a leasing contract if the lessee has the reasonable confidence that it will exercise that option; and
- (b) the periods covered by an option of termination of the leasing contract if the lessee has reasonable confidence that it will exercise that option.

In terms of financial standing, the assets related to the right of use are being included in the same element-item as the one where the assets support of the company are being presented.

(vi) Amortization

The amortization is being calculated by using the straight-line method.

The useful lifespans of the tangible assets are settled by a reception commission of the company, named by the decision of the Director General, made up of specialists in the economic and technical domains.

The goods resulting from the investments related to the National Transport System via pipelines are depreciated along the minimum duration between the remaining lifespan of the respective assets or the remaining duration from the concession agreement.

The assets related to the rights of use of the leased assets shall be depreciated on a straight-line basis over the term of the contract.

The lifespans of the tangible assets are being periodically revised and, if applicable, on the date of value increase thereof, due to some expenses subsequently performed.

(vii) Sale/ cessation of Intangible Assets

The tangible assets that are scrapped or sold are being derecognized from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulting from such an operation is included in current profit or loss.

The gain or loss resulting from the derecognition of an element of tangible assets is being determined as the difference between the net proceeds out the net accounting value of the assets.

(e) Intangible assets

(i) Recognition and Assessment

Intangible assets are initially recognized at cost. The cost of intangible assets includes expenses that are not directly attributable to the purchase of the respective elements. The expenditure related to the acquisition of software licenses is capitalized based on the costs of purchase and commissioning of the respective programs. The costs associated with the maintenance of the software programs are recognized as expenses upon occurrence.

(ii) Subsequent Expenditure

The subsequent expenses are capitalized only when they increase the future economic benefits embodied in the value of the assets to which they are intended. All other expenditure, including expenditure on the goodwill and the internally generated brands, are recognized in profit or loss when incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss using the linear method for the useful life estimated for intangible assets other than goodwill, from the date they are available for use.

(f) Depreciation of Assets

The Non-Financial Assets

The carrying value of the Company's assets that are not of a financial nature, other than deferred tax assets, are reviewed at each reporting date to identify the existence of depreciation indices. If such indices exist, it is being estimated the recoverable amount of the said assets.

The recoverable amount of an asset or of a cash-generating unit is the maximum between its value and its fair value, less the costs to sell that asset or units. A cash-generating unit is the smallest identifiable group that generates cash and that independently of the other assets and

other groups of assets could generate cash flows. To determine the use value, the expected future cash flows are discounted using a discount rate before taxation, which reflects the current market conditions and the risks specific to the said asset.

A depreciation loss is recognized when the carrying amount of the asset or cash-generating unit exceeds its estimated recoverable amount of the asset or the cash-generating unit.

The depreciation losses recognized during the previous periods are being assessed at each reporting date to determine whether they have diminished or no longer exist. The depreciation loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Given some internal and external factors, the Company assessed the netbook value registered at the balance sheet date for depreciable tangible assets, to evaluate the possibility of existence of a depreciation thereof, which could attract the record of an adjustment for depreciation.

The Financial Assets

The short-term receivables are not discounted. The recoverable amount of other assets is deemed the highest value between the fair value (less sale costs) and the use value. Estimating the value of use of an asset involves updating the estimated future cash flows using a pre-tax discount rate that reflects current market assessments regarding the time value of money and the risks specific to the asset.

Depreciation losses on financial assets or a receivable recorded at the amortized cost is carried forward if there has been a change in the estimates used to determine the recoverable amount.

(g) Stocks

The main categories of stocks are consumables, spare parts, ongoing services and materials like inventory objects.

The stocks are valued at the lower cost and net achievable value.

The cost of stocks is based on the first in - first out (FIFO) principle and includes costs incurred for the purchase of inventories, production or processing costs and other costs incurred for bringing the inventories in the form and present location.

The net achievable value is the estimated selling price to be obtained in the ordinary course of business, the less estimated costs of completion, when appropriate, and the estimated costs necessary to the sale.

If applicable, there will be value adjustments applied for the obsolete stocks, with slow movement or damaged.

(h) Dividends

The dividends are recognized as a liability in the period in which their distribution is approved. The distribution of dividends is being performed subsequently to the approval of the annual financial statements.

(i) Revaluation reserves

The re-evaluations are performed with sufficient regularity so that the carrying amount does not differ substantially from that which would be determined by using the fair value at the balance sheet date.

The difference between the value resulting after revaluation and the net accounting value of tangible assets is presented either according to its nature (appreciation/depreciation), either at the revaluation reserve as a distinct sub-element in "Equities" or in the "Profit and Loss" account.

If the revaluation result is an increase over the net accounting value, then, it is treated as follows: as an increase of the revaluation reserve presented within the total equity, if there was no previous decrease recognized as an expense related to that asset or as an income to compensate the expense with the decrease previously recognized at that asset.

If the revaluation result is a decrease of the net accounting value, it is treated as an expense with the entire value of the depreciation when in the revaluation reserve is not recorded an amount on the asset (revaluation surplus) or as a decrease of the reserve from the revaluation by the minimum between the value of that reserve and the amount of the decrease and the possible difference remaining uncovered is recorded as an expense.

The revaluation surplus included in the revaluation reserve is transferred to the retained result when this surplus represents an achieved gain. The gain is deemed realized as monthly amortization is being registered and when deleting from the records of the asset for which was established the revaluation reserve. No part of the revaluation reserve can be distributed, directly or indirectly, except for the case when it represents achieved earnings.

A particularity occurs in case of the assets financed out of the modernization quota.

Thus, in case the revaluation result shows an increase compared to the net accounting value, then it is being treated as follows:

- as an increase of the revaluation reserve, if there was no previous decrease written-back as an expense related to that asset,
- as an increase of *the reserve established out of the modernization quota*, up to the set-off of the decrease previously recognized and for which, simultaneously with the depreciation expense was also diminished the quota reserve by writing back to revenues.

In case the result of revaluation is a decrease of the net accounting value, the latter will be treated as an expense when in the revaluation reserve is not registered an amount related to that asset (revaluation surplus) and the reserve formed out of the modernization quota is diminished simultaneously by writing back as revenues.

Starting May 1, 2009, the statutory reserves from the revaluation of fixed assets, including the lands, performed after January 1, 2004, which are deducted from calculation of taxable profit through tax depreciation or from expenditure regarding the assigned and / or squashed assets, shall be taxed concurrently with the deduction of the fiscal depreciation, respectively when deducting from the administration of these fixed assets, as appropriate.

The reserves made are taxable in the future, in case of change of reserve destination, reserve distribution towards the participants in any form, liquidation, division, merger of the taxpayer or of any other reason except for transfer, after May 1, 2009, of the reserves mentioned in the previous paragraph.

(j) Legal reserves

The legal reserves are constituted at a rate of 5% of gross statutory profit, as of the end of the year until the total legal reserves reach 20% of the nominal share capital (statutory) paid-up in compliance with the legal provisions. These reserves are deductible at the calculation of the corporate tax and are distributable exclusively upon liquidation of the Company. During 2024, there have not been distributed amounts to the legal reserves as they are currently constituted within the limit of the quota of 20% of the share capital, as per the provisions of Art.183, Para (1) and (2) of Companies Law no. 31/1990, subsequent amendments and completions.

(k) Other reserves

The company constitutes profit reserves also at the expense of the modernization quota, based on the GD no.168/1998 on setting the quota for the expenses necessary for the development and modernization of crude oil and natural gas production, refining, transport and petroleum distribution, subsequent amendments, presented in GD's no.768 of 7 September 2000 and 1116 of 10th of October 2002 and according to the provisions of Law no.227/2015 on the Fiscal Code. The modernization quota is included in the transport tariffs and the level of the quota is approved by ANRMPSG once with the approval of the transport tariffs.

In other reserves - the modernization quota, as sub-element of the accounts of equities are being included the amounts representing the plus resulting from the revaluation of the tangible assets financed out of modernization quota, until the clearing of the decrease previously acknowledged.

(l) Affiliated parties

The Parties are deemed related in case they are subject to control (or joint control) by the same entity or when an entity can directly or indirectly control or significantly influence the other party, either through ownership, contractual rights, family relationship or otherwise, as defined in IAS 24 *Presentation of Affiliated Party Disclosures*.

(m) The Benefits of the Employees***(i) Benefits granted upon Retirement***

In the normal course of business, the Company makes payments to the Romanian State in the account of his employees, at the statutory rates.

All employees of the company are included in the Romanian State pension plan. These costs are recognized in the statement of global results once with salaries recognition.

The Company recognizes a provision for retirement benefits granted upon retirement and death. The discounted value of the liabilities related to the benefits granted on retirement death is annually determined by an independent actuary. The Company operates no other pensions or post-retirement benefits plan and, consequently, has no other pension-related liabilities.

(ii) Short-term Employees Benefits

The short-term employees' benefits are the ones to be settled in no more than 12 months as of the end of the reporting period when the employees have supplied the said services. These benefits are mainly represented by salaries and contributions of the employer to social insurance, rest and medical leaves, the employees' share of profit. The liabilities related to these benefits are recognized as expense while the services are supplied and are assessed on a non-discounted basis.

The company establishes a fund for the employees' share of profit, as per the provisions of Government Ordinance no.64/August 30, 2001.

(n) Provisions

The provisions are recognized when the Company has a current obligation (legal or implicit) generated by a past event, when it is probable that an outflow of resources be required to settle the obligation, and duty can be estimated reliably.

The amount recognized as a provision is the best estimate at the balance sheet date of the costs required to settle this obligation.

The best estimate of the costs required to settle current debt is the amount that the Company would pay, reasonably, to settle the obligation on the balance sheet date or for the transfer thereof to a third party at that time.

Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate used reflects current market assessments of the time-value of money and the risks specific to the liability.

Gains from the expected disposal of assets should not be considered in measuring a provision.

If estimated that one or all expenses related to a provision will be reimbursed by a third party, the reimbursement is recognized only when it is certain that it will be received. The reimbursement is considered as a separate asset.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If an outflow of resources is no longer likely to settle an obligation, the provision shall be canceled by reversal of revenues.

(o) Subsidies

The subsidies for assets, here included the non-monetary subsidies to fair value, are registered in the accountancy as subsidies for investments and are recognized by the method of approach based on capital, in compliance with the subsidies for investments are recognized outside the profit and loss, by deduction of the value of the subsidy from the assets cost.

(p) Revenues

Revenues related to Services Supply

The revenues from the services supply are recognized in the period in which they were provided in correspondence with the stage of execution.

As per IFRS 15 Revenues from clients' contracts, the value of the trade price allocated to an obligation of execution is recognized in revenues when (or gradually) an execution measure in being fulfilled.

To determine the trade price the terms of the contract and the usual business practices are being considered. The price of the transaction represents the value of the consideration to which the company expects to have the right in exchange of the transfer of goods or services promised to a client, not including the collected amounts on behalf of some third parties.

Revenues from royalties, rentals and interests

Recognition rules:

- - interests are recognized periodically, proportionally, upon generation of the said income, on an accrual-based accounting;
- - royalties and rentals on short-term are recognized based on an accrual accounting basis, under the contract.

(q) Financial Revenues and Expenses

The financial revenues comprise interest revenues related to the funds invested and other financial revenues. The interest revenues are recognized in profit or loss on the accrual-based accounting, using the effective interest method.

The financial expenses mainly contain expenses with interests related to leasing contracts and the expenses related to currency differences.

The interest expenses generated by the debts coming from the leasing contracts are being registered in the loss and profit account along the leasing contract period, calculated at the outstanding balance of the debt related to the leasing, for each stage. This will determine higher expenses at the beginning of the leasing contract.

(r) Corporate Tax

The corporate tax expenses comprise the current corporate tax and the deferred tax.

The corporate tax is recognized either in the profit and loss of the period, or outside the profit and loss, in other elements of the global result or straight in the equities.

(i) Current Tax

The current tax is the tax payable on the profit realized in the current period, determined using tax rates enacted on the reporting date and any adjustment for prior periods.

For the financial year ended December 31, 2024, the corporate tax rate, under the Fiscal Code, was 16%.

(ii) Deferred Tax

The deferred tax is determined by the Company using the balance sheet method for those temporary differences arising between the tax calculation base on assets and liabilities and their book value, used for the individual financial statements reporting.

The deferred tax is calculated using the tax rates that are expected to apply to the temporary differences upon the write-back thereof, under the legislation in force on the reporting date.

The receivables and debts related to deferred tax are offset only if there is a legally enforceable right to offset liabilities and current tax receivables and whether they are related to the tax collected by the same tax authority on the same entity subject to taxation or different tax authorities but willing to achieve settlement of current receivables and payables by the tax, using a net basis or the related assets and liabilities will be realized simultaneously.

The deferred tax receivable is recognized by the Company only to the extent where the achievement of future profits is likely to happen, which can be used to cover the tax loss. The deferred tax related receivable is reviewed at the end of each financial year and is reduced to the extent that the corresponding tax benefit is unlikely to be realized. The additional taxes that arise from the distribution of dividends are recognized, at the same date, with the obligation of dividends' payment.

(iii) Tax Exposures

For the determination of current and deferred tax, the Company considers the impact of uncertain fiscal positions and the possibility of the occurrence of additional taxes and interests. This assessment is based on estimates and assumptions and may involve a series of judgments about future events. New information may become available, thus determining the Company to change its judgment regarding the accuracy in estimating the existing fiscal liabilities; such changes of fiscal obligations bear effect over the tax expenditure in the period when such determination is made.

(s) Earnings per share

The earnings per share are determined by dividing the profit or loss attributable to the Company's ordinary shareholders to the weighted average number of ordinary shares related to the period under review.

(t) Business Segments Reporting

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products and services in a particular geographical environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The company CONPET has a single reportable segment, namely transport services supply for its clients both via the National Transport System and by railway.

(u) Contingent Assets and Liabilities

The contingent liabilities are not recognized in the statement of the financial standing and in the profit and loss account. They are disclosed in the notes to the financial statements, except for the possibility of an outflow of resources representing economic benefits being removed.

A contingent asset is not recognized in the financial statements and in the profit and loss account but disclosed when an inflow of economic benefits is likely to happen.

(v) Ulterior Events

The financial statements reflect subsequent events after the year-end events that provide additional information on the Company's standing on the reporting date or those that indicate a possible violation of the going-concern principle (events causing adjustments). Events following the end of the year that are not adjusting events are disclosed in notes when they are considered significant.

(w) Comparative Figures

The statement of the financial standing for the year ended December 31, 2024 shows comparability with the statement of the financial standing for the financial year ended December 31, 2023.

(x) New Standards and Interpretations

The implications of the new Financial Reporting International Standards (IFRS EU)

The following new standards and amendments of the existing standards issued by the International Accounting Standards Committee (IASB) and adopted by the EU are in force for the current reporting period:

Norm/Interpretation <i>[IAS 8.31 (a), 8.31(c)]</i>	Nature of imminent amendment of the accounting policy <i>[IAS 8.31 (b)]</i>	The possible impact on the financial statements <i>[IAS 8.31 (e)]</i>
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities in short-term and long-term liabilities, issued by IASB on 23 January 2020, and Amendments to IAS 1 „Presentation of financial statements” - Long-term liabilities with financial indicators issued by IASB on October 31, 2022	The amendments issued in January 2020 offer a more general approach to the classification of liabilities provided by IAS 1, starting from the contractual agreements existing on the reporting date. The amendments issued in October 2022 clarify the way an entity must respect, within twelve months from the reporting period affect the classification of a liability and set the effective date of both amendments to the annual periods starting with or after January 1, 2024.	The adoption of the amendments did not have a significant impact on the financial statements.

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of imminent amendment of the accounting policy [IAS 8.31 (b)]	The possible impact on the financial statements [IAS 8.31 (e)]
Amendments to IAS 7 Cash flow statements and IFRS 7 Financial instruments: information to be provided – Financing agreements in relation to suppliers issued by IASB on 25 May 2023.	According to the amendments, it adds requirements on the information needed to be presented, as well as indications within the existing requirements on the information to be provided for providing qualitative and quantitative information on financing agreements in relation to suppliers.	The adoption of the amendments did not have a significant impact on the financial statements.
Amendments to IFRS 16 leasing Contracts in a sale and leaseback transaction issued by IASB on 22 September 2022	The amendments provide that the seller-lessee subsequently assesses the lease liabilities arising from a leaseback transaction so as not to recognize any gains or losses related to the right of use retained. The new requirements do not prevent the seller-tenant from recognizing in the profit or loss account gains or losses from the partial or total termination of a leasing contract.	The amendments did not have a significant impact on the financial statements.

The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that have not yet entered into force for the annual financial reporting period ending 31 December 2024 and have not impacted or been applied to the preparation of these financial statements: [IAS 8.31 (a)]

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Natura of imminent amendment of the accounting policy [IAS 8.31 (b)]	The possible impact on the financial statements [IAS 8.31 (e)]
Amendments to IAS 21 Effects of exchange rate variation – Lack of convertibility issued by IASB on 15 August 2023, effective from January 1, 2025	Amendments provide guidance for entities to mention when a currency is convertible and how to determine the exchange rate when it is not convertible	The adoption of these amendments will not have a significant impact on the financial statements in the future.

On the time of approval of these financial statements, the following existing standards were issued by the IASB but have not yet been adopted by the EU:

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Natura of imminent amendment of the accounting policy [IAS 8.31 (b)]	The possible impact on the financial statements [IAS 8.31 (e)]
Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and evaluation of financial instruments issued by IASB on May 30, 2024	The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date on which an asset or financial liability is derecognized and introduce additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent characteristics	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a significant impact on the performance of the Company in the future
Amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associated entities and joint ventures - Sale of or contribution of assets between an investor and associated entities or its joint ventures issued by IASB on 11 September 2014	The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognized when assets sold or contributed are an undertaking. This change could only be applied if the entity had not developed an accounting policy for this purpose	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a significant impact on the performance of the Company in the future
IFRS 19 Branches without public liability: information to be provided issued by IASB on 9 May 2024	The standard allows subsidiaries to provide limited information when applying IFRS Accounting Standards to financial statements. IFRS 19 is optional for eligible subsidiaries and sets out information	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a significant

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Natura of imminent amendment of the accounting policy [IAS 8.31 (b)]	The possible impact on the financial statements [IAS 8.31 (e)]
	requirements for subsidiaries that choose to apply for it.	impact on the performance of the Company in the future
IFRS 14 Deferral accounts related to regulated activities issued by IASB on January 30, 2014	This standard aims to enable entities that first adopt IFRS, and currently recognize deferral accounts for regulated activities under generally accepted previous accounting policies, to continue to do so when switching to IFRS	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a significant impact on the performance of the Company in the future
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards – Volume 11 issued by IASB on July 18, 2024	These amendments include clarifications, simplifications, corrections and modifications in the following areas: (a) hedge accounting adopted by an entity adopting the standards for the first time (IFRS 1); (b) gain or loss on discharge (IFRS 7); (c) presentation of the deferred difference between fair value and trading price (IFRS 7); (d) introduction and disclosures of credit risk information (IFRS 7); (e) removal of lease liabilities by the lessee (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a „de facto“ representative (IFRS 10); (h) cost-based method (IAS 7).	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a significant impact on the performance of the Company in the future
IFRS 18 Presentation and information to be provided in the financial statements issued by IASB on April 9, 2024 will replace IAS 1 Presentation of the financial statements	The standard introduces three sets of new requirements for companies to improve their financial performance reporting and give investors a better basis for analyzing and comparing companies. The main changes in the new standard to IAS 1 relate to: (a) the introduction of categories (operating, investment, financing, corporate tax related and discontinued) and defined sub-totals in the situation of profit or loss; (b) the introduction of requirements for improving aggregations and disaggregation; (c) the introduction of information on the performance measures established by management (MPCs) in the notes to the financial statements. Although IFRS 18 does not affect the recognition or measurement of items in financial statements, its impact on the presentation is significant, especially in terms of the financial performance status and the inclusion of performance measures defined by management in financial statements	The Company anticipates that the adoption of these amendments to existing accounting standards will not have a significant impact on the performance of the Company in the future

4. Determination of Fair Value

Certain Company's accounting policies and requests of information supply require the determination of the fair value for financial and non-financial assets and liabilities.

Determination of Fair Value

Fair values are multi-level classified in the fair value hierarchy based on the input data used in the assessment techniques, as follows:

Level 1: Prices quoted on active markets for identical assets and liabilities.

Level 2: Input data, other than the prices included at Level 1 containing observable values for assets or liabilities, directly or indirectly.

Level 3: Inputs for assets or liabilities that are not grounded on the data observable on the market.

The fair values of the tangible assets have been determined in view of assessment and/or presentation of the information based on the methods described below.

The reevaluated value of the lands, buildings and equipment was established beginning with the fair value based on the market method and on the cost using quoted market prices for similar items, when they are available, or the replacement cost when appropriate. The depreciated replacement cost reflects adjustments for physical deterioration, wear and tear, functional and economical obsolescence. The reevaluated value of lands, buildings and equipment was determined by authorized appraisers.

Where applicable, additional information regarding the hypothesis used in the determination of fair value is presented in the notes specific to the named asset or liability.

In the following chart the fair values are presented classified on the 3 level in the hierarchy of fair values, structured on a group of tangible assets:

- RON-				
	Level 1:	Level 2:	Level 3:	Fair value on December 31, 2024
Lands	-	-	32,143,553	32,143,553
Constructions;	-	-	471,812,398	471,812,398
Machinery and equipment	-	-	75,125,494	75,125,494
Measuring and control devices	-	-	22,371,494	22,371,494
Means of transport	-	-	26,772,094	26,772,094
Other assets	-	-	1,204,907	1,204,907
TOTAL			629,429,940	629,429,940

- RON-				
	Level 1:	Level 2:	Level 3:	Fair value on December 31, 2023
Lands	-	-	32,264,052	32,264,052
Constructions	-	-	469,508,287	469,508,287
Machinery and equipment	-	-	77,168,919	77,168,919
Measuring and control devices	-	-	19,425,309	19,425,309
Means of transport	-	-	20,532,598	20,532,598
Other assets	-	-	1,595,738	1,595,738
TOTAL			620,494,903	620,494,903

5. Tangible assets

In 2024, compared to 2023, intangible assets have evolved as follows:

Name	Lands*	Buildings and special installations*	Operating oil products	Equipment	Instrumentation and control equipment	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross accounting value on January 1, 2024	37,035,595	431,298,546	39,541,805	149,000,722	72,076,378	57,325,681	9,747,338	50,336,171	846,362,236
Cumulated amortization on January 1, 2024	(4,771,543)	(1,332,063)	-	(71,831,803)	(52,651,069)	(36,793,083)	(8,151,600)	-	(175,531,161)
Net accounting value on January 1, 2024	32,264,052	429,966,483	39,541,805	77,168,919	19,425,309	20,532,598	1,595,738	50,336,171	670,831,075
Inputs of tangible assets	1,157,096	56,685,732	-	10,225,945	8,840,133	10,706,770	119,800	(14,985,380)	72,750,096
Outputs of tangible assets at gross value	(8,404)	(86,580)	-	(517,346)	(573,753)	(894,562)	(200,234)	-	(2,280,879)
Cumulative amortization of outputs	4,562	23,767	-	492,427	563,060	894,562	195,982	-	2,174,360
Amortization recorded during the period	(1,273,753)	(54,318,809)	-	(12,244,451)	(5,883,255)	(4,467,274)	(506,379)	-	(78,693,921)
Gross accounting value on December 31, 2024	38,184,287	487,897,698	39,541,805	158,709,321	80,342,758	67,137,889	9,666,904	35,350,791	916,831,453
Amortization cumulated December 31, 2024	(6,040,734)	(55,627,105)	-	(83,583,827)	(57,971,264)	(40,365,795)	(8,461,997)	-	(252,050,722)
Net accounting value on December 31, 2024	32,143,553	432,270,593	39,541,805	75,125,494	22,371,494	26,772,094	1,204,907	35,350,791	664,780,731

Name	Lands*	Buildings and special installations*	Operating oil products	Equipment	Instrumentation and control equipment	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross accounting value on January 1, 2023	28,693,144	333,355,527	39,541,805	131,103,627	67,450,565	53,187,538	9,551,894	151,716,394	814,600,494
Cumulated amortization on January 1, 2023	(3,534,499)	(56,497,335)	-	(61,414,939)	(45,825,088)	(33,002,087)	(7,301,085)	-	(207,575,033)
Net accounting value on January 1, 2023	25,158,645	276,858,192	39,541,805	69,688,688	21,625,477	20,185,451	2,250,809	151,716,394	607,025,461
Tangible assets inputs	1,206,066	154,381,431	-	18,404,935	5,095,756	4,995,207	196,474	(101,380,223)	82,899,646
Inputs of tangible assets at gross value	(3,955)	(121,048)	-	(507,840)	(469,943)	(857,064)	(1,030)	-	(1,960,880)
Cumulated amortization related to outputs	3,041	81,201	-	505,947	463,351	857,064	1,030	-	1,911,634
Diminution of tangible assets up to the net value for the registration of the assets re-evaluation	-	(94,048,384)	-	-	-	-	-	-	(94,048,384)
Amortization annulled from the accounting value as effect of net method application for the registration of assets re-evaluation.	-	94,048,384	-	-	-	-	-	-	94,048,384
Amortization registered during the year	(1,240,085)	(38,964,313)	-	(10,922,811)	(7,289,332)	(4,648,060)	(851,545)	-	(63,916,146)
Re-evaluation appreciations	7,154,203	37,744,306	-	-	-	-	-	-	44,898,509
Re-evaluation depreciations	(13,863)	(13,286)	-	-	-	-	-	-	(27,149)
Gross accounting value on December 31, 2023	37,035,595	431,298,546	39,541,805	149,000,722	72,076,378	57,325,681	9,747,338	50,336,171	846,362,236
Amortization cumulated on December 31, 2023	(4,771,543)	(1,332,063)	-	(71,831,803)	(52,651,069)	(36,793,083)	(8,151,600)	-	(175,531,161)
Net accounting value on December 31, 2023	32,264,052	429,966,483	39,541,805	77,168,919	19,425,309	20,532,598	1,595,738	50,336,171	670,831,075

* Note: Including rights of use resulting from rental and concession contracts

On 31.12.2024 the net value of the tangible assets decreased as compared to the end of 2023 by the amount of 6,050,344 RON.

During 2024 there were recorded inputs of tangible assets in the amount of 72,750,096 RON and outputs of tangible assets at a net value 106,519 RON.

The depreciation of tangible assets registered in 2024 amounted to 78,693,921 RON.

During 2024 tangible assets have been commissioned in the amount of 85,340,481 RON.

In 2024 there have been registered also increases to the assets related to the rights of use resulting from leasing contracts, in amount of 246,470 RON.

According to IFRS 16, the assets representing rights of use resulting from rental 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.
On the rented lands are located telecommunication equipment and cathodic protection stations in various locations in the country. On 31.12.2024, the gross value of these assets is 8,134,184 RON, the cumulated depreciation of 6,040,734 RON, resulting a net value of the rights of use related to the lands of 2,093,450 RON.
- In the position "Buildings and special installations" is recognized the value of the rights of use resulting from rental and concession contracts concluded with different owners for buildings that are rented for being made available to the gendarmes, according to GD no.1486/2005 on the insurance of security and objectives protection, the goods and values with gendarmes, and for the performance of administrative activities. On the date of 31.12.2024, the gross value of these assets is 2,361,789 RON, the depreciation thereof on the same date being of 1,733,006 RON, resulting in a net value of the rights of use related to the buildings of 628,783 RON.
- At the position "Means of transport" is included the value of the rights of use of 15 rail tanks necessary for the development of the activities specific to the company. On 31.12.2024, the gross value of these assets is 949,290 RON, the cumulative amortization of 395,537 RON, resulting in a net value of the rights of use related to the means of transport of 553,753 RON.

CONPET holds on December 31, 2024, lands with an area of 733,697 Sq.m, with an accounting value of 30,050,103 RON, which consists of:

- 554,201Sq.m., lands with an accounting value of 16,293,210RON. The lands held based on 48 Land Ownership Certificates obtained during 2001-2005, appraised on the date of obtaining of the certificates, in compliance with GD no.834/1991 on the settlement and appraisal of various lands held by the state-owned commercial companies, at the value of 26,708,233 RON. These lands have been obtained in the company patrimony at the expense of other equity reserves, without augmenting the share capital by the value thereof;
- 155.401Sq.m lands with an accounting value of 4.168.765 RON, held based on 14 Certificates of attestation of the property right obtained until 2001. The share capital of the company was augmented by the amount of these lands;

- 28.690 Sq.m land with an accounting value of 9.588.127 RON, purchased by the Company based on sale-purchase agreements. On one side of the purchased lands are located administrative buildings, and on the rest are telecommunication towers, which are intended for the transport activity. In 2024 it was acquired from OMV Petrom, through a sale-purchase contract, a built-in land having the categories of use courtyards-constructions, with a measured area of 4,820 sq. m., on which is located an industrial railway line, with a built area on the ground of 630 sq. m. for the crude oil transport activities from the loading ramp located in the locality of Suplacul de Barcau.

The lands held by the Company are in Ploiesti, at the company's administrative offices, and in the 24 counties covered by the transport pipelines or where the crude oil tanks loading ramps are being located.

The tangible assets also include the oil operating product, evaluated in the statement of the financial standing at the cost determined from re-evaluation, retreated by the application of IAS 29 "The financial reporting in Hyper inflationary Economies". On 31.12.2024, 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

On December 31, 2024, the value of the assets in progress is 35,350,791 RON and includes investment projects provided in "2024 Investment Program", which are mainly composed of: replacement of pipeline portions on various lengths and routes, tanks modernizations, loading ramps modernizations, pumping stations modernizations, SCADA works, cathodic protection modernization systems etc.

Re-evaluation of tangible assets

After initial recognition, the tangible assets are being reappraised.

The tangible assets for which the company has adopted the allowed alternative treatment, namely those submitted to re-evaluation, are being presented in the financial statements at the re-evaluated value (the fair value at the re-evaluation value), less the ulterior depreciation cumulated and the ulterior losses from depreciation. The re-evaluations have been performed with sufficient regularity, at least once at 3 years, the most recent being on 31.12.2023. On December 31st, 2023 there were re-evaluated, by the ANEVAR authorized appraiser, the lands and goods from Group I represent "special buildings and constructions."

The tangible assets re-evaluated at fair value less depreciation, at 31.12.2024, compared to 31.12.2023, reveal the following:

- RON-				
Crt. No.	Class	Value on 31.12.2023	Value at 31.12.2024	Amendment during the year 2024
1	Lands	29,999,240	30,050,103	50,863
2	constructions;	429,276,229	431,641,810	2,365,581
TOTAL		459,275,469	461,691,913	2,416,444

6. Intangible assets

In 2024, compared to 2023, the intangible assets evolved as follows:

- RON-			
Name	Licenses and software	Other intangible assets	Total intangible assets
Gross accounting value on January 1, 2024	11,088,077	3,584,901	14,672,978
Cumulated depreciation on January 1, 2024	(6,183,962)	(2,929,443)	(9,113,405)
Net accounting value on January 1, 2024	4,904,115	655,458	5,559,573
Inputs of intangible assets	34,229	51,008	85,237
Outputs of tangible assets in gross value	(1,860)	-	(1,860)
Outputs cumulated depreciation	1,860	-	1,860
Depreciation registered during the period	(2,182,442)	(424,370)	(2,606,812)
Gross accounting value on December 31, 2024	11,120,446	3,635,909	14,756,355
Cumulated depreciation on December 31, 2024	(8,364,544)	(3,353,813)	(11,718,357)
Net accounting value on December 31, 2024	2,755,902	282,096	3,037,998

- RON-			
Name	Licenses and software	Other intangible assets	Total intangible assets
Gross accounting value on January 1, 2023	12,470,814	3,313,099	15,783,913
Cumulated depreciation on January 1, 2023	(6,739,288)	(2,189,832)	(8,929,120)
Net accounting value on January 1, 2023	5,731,526	1,123,267	6,854,793
Inputs of intangible assets	1,512,200	271,802	1,784,002
Outputs of intangible assets in gross value	(2,894,937)	-	(2,894,937)
Outputs cumulated depreciation	2,894,937	-	2,894,937
Depreciation registered during the period	(2,339,611)	(739,611)	(3,079,222)
Gross accounting value on December 31, 2023	11,088,077	3,584,901	14,672,978
Cumulated depreciation on December 31, 2023	(6,183,962)	(2,929,443)	(9,113,405)
Net accounting value on December 31, 2023	4,904,115	655,458	5,559,573

On 31.12.2024 the net value of the intangible assets has decreased as compared to the end of 2023, by the amount of 2,521,575 RON.

In 2024 there were registered intangible assets inputs of 85,237 RON and depreciation in amount of 2,606,812 RON.

The depreciation method used is the linear one.

The intangible assets include IT programs, soft licenses, electricity connection costs, water network and district heating network, borne by the company and recognized in intangible assets as the rights of use.

Research and development-related expenses are not capitalized.

7. Financial Assets

Comparative statement of the financial assets for the two reporting periods reveals the following:

- RON-			
Name	Other non-current securities	Fixed receivables	Total financial assets
Gross accounting value on January 1, 2024	5,100	2,837,892	2,842,992

Impairment on January 1, 2024	-	(320,189)	(320,189)
Net accounting value on January 1, 2024	5,100	2,517,703	2,522,803
Inputs	-	31,476	31,476
Outputs	-	(2,100,794)	(2,100,794)
Gross accounting value on December 31, 2024	5,100	768,574	773,674
Impairment on December 31, 2024	-	(238,300)	(238,300)
Net accounting value on December 31, 2024	5,100	530,274	535,374

- RON-			
Name	Other non-current securities	Fixed receivables	Total financial assets
Gross accounting value on January 1, 2023	5,100	2,852,134	2,857,234
Impairments for depreciation on January 1, 2023	-	(320,189)	(320,189)
Net accounting value on January 1, 2023	5,100	2,531,945	2,537,045
Inputs	-	36,590	36,590
Outputs	-	(50,832)	(50,832)
Gross accounting value on December 31, 2023	5,100	2,837,892	2,842,992
Impairments on December 31, 2023	-	(320,189)	(320,189)
Net accounting value on December 31, 2023	5,100	2,517,703	2,522,803

On 31.12.2024, the net value of the financial assets decreased compared to the end of 2023, by 1,987,429 RON, mainly due to the collection of guarantees granted to third parties.

The company owns holdings to the share capital of the Independent Monitor Registry in amount of 5,000 RON and is associate member, along with other enterprises, in the Romanian National Committee of the World Petroleum Council (Ro. CNR-CMP), participating in the formation of the CNR-CMP patrimony with contribution in the amount of 100 RON.

The long-term receivables, in net amount of 530.274 RON, represent guarantees granted to third parties and consist mainly of: returnable guarantees paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters and Forests for the temporary removal of land from the agricultural circuit and the forest fund for the achievement of various investment objectives, including, as well as guarantees related to land and premises leases for the performance of production and administrative activities in different locations in the country and guarantees for the telecommunications equipment.

8. Inventories

- RON-				
Name	Materials and Consumables	Services in progress	Waste products	Total stocks
Gross accounting value on January 1, 2024	6,467,315	872,224	33,332	7,372,871
Impairments for depreciation of inventories	(853,307)	-	-	(853,307)
Net accounting value on January 1, 2024	5,614,008	872,224	33,332	6,519,564
Stock input during the period	5,931,870	10,034,299	350,525	16,316,694
Consumption/outputs of stocks during the period	(6,298,097)	(10,245,432)	(306,334)	(16,849,863)
Revenues from (Expense with) impairment for depreciation of stocks	29,146	-	-	29,146
Gross accounting value on December 31, 2024	6,101,088	661,091	77,523	6,839,702
Impairments of inventories	(824,161)	-	-	(824,161)
Net accounting value on December 31, 2024	5,276,927	661,091	77,523	6,015,541

- RON-				
Name	Materials and Consumables	Services in progress	Waste products	Total stocks
Gross accounting value on January 1, 2023	6,444,829	1,403,434	469	7,848,732
Impairments for depreciation of inventories	(981,649)	-	-	(981,649)
Net accounting value on January 1, 2023	5,463,180	1,403,434	469	6,867,083
Stock input during the period	6,859,181	9,020,306	536,770	16,416,257
Consumption/outputs of stocks during the period	(6,836,695)	(9,551,516)	(503,907)	(16,892,118)
Revenues from (Expense with) impairment for depreciation of stocks	128,342	-	-	128,342
Gross accounting value on December 31, 2023	6,467,315	872,224	33,332	7,372,871
Impairments for depreciation of inventories	(853,307)	-	-	(853,307)
Net accounting value on December 31, 2023	5,614,008	872,224	33,332	6,519,564

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 likely provoked and technical breakdowns.

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

9. Trade receivables and other receivables

On December 31, 2024 and December 31, 2023, the trade receivables and other receivables reveal the following:

- RON-		
Name	December 31, 2024	December 31, 2023
Clients	34,369,148	48,321,481
Impairments for receivables	(206,618)	(208,618)
Other trade receivables	286,806	280,366
Impairments for the loss of value of other short-term intangible receivables	(1,404)	(1,404)
Subtotal trade receivables (net value)	34,447,932	48,391,825
Other receivables	14,446,624	6,288,206
Impairments for other receivables	(9,452,427)	(1,698,699)
Subtotal other receivables (net value)	4,994,197	4,589,507
Total receivables	39,442,129	52,981,332

The clients' structure per activity is the following:

- RON-		
Name	December 31 st , 2024	December 31 st , 2023
Clients- transport activity	33,176,229	47,617,013
Other clients - auxiliary activities	1,192,919	704,468
Total	34,369,148	48,321,481

Trade receivables are no interest bearer and have an average day collection of 28 days.

The main trade receivables in balance on December 31, 2024, are to be received from: OMV PETROM S.A.– 26,620,231 RON (December 31, 2023: 40,006,967 RON), Petrotel Lukoil S.A. - 6,535,041 RON (December 31, 2023: 6,551,650 RON), Rompetrol Rafinare SA– 765,868 RON (December 31, 2023: 1,072,969 RON).

The revenues from the transport services supplies performed to the clients hold a significant share (over 99 %) in the Company's turnover.

The Company's client, OMV PETROM SA, holds approximately 68% of the total short-term receivables registered on December 31, 2024.

Other receivables, amounting to 14,446,624 RON, mainly include: amounts to be recovered from various natural and legal persons, amounts recorded on the basis of sentences handed down by the courts of law (9,449,927 RON, respectively 65.4 %), amounts to be recovered from the budget representing allowances for medical leave (968,126 lei, respectively 6.7 %), amounts to be recovered from the State budget from the capitalization of goods belonging to the public domain/private state (2,775,267 RON, 19.2% respectively) and non-exigible VAT related to the invoices unrarried until 31.12,2024 (595,612 lei, respectively 4.1%).

Impairments for trade receivables are recorded for the doubtful clients, involved in litigation or insolvency, presenting default of collection. On December 31, 2024 the value of these impairments amounts to 206,618 RON.

The impairments of other receivables are registered for the debits to be recovered related to the final sentences pronounced in the legal files. On December 31, 2024 the value of these impairments amounts to 9,452,427 RON, decreasing by 7,753,728 RON as compared to December 31st, 2021, following the passing on the accounting records of such debits.

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

Statement on receivables seniority

Trade receivables

Name	- RON-	
	December 31 st , 2024	December 31 st , 2023
Clients, o/w:	34,369,148	48,321,481
<i>Depreciated receivables</i>	206,618	208,618
<i>Non-depreciated receivables, o/w:</i>	34,162,530	48,112,863
- seniority less than 30 days	34,129,909	48,007,876
- seniority between 30 days and 60 days	33	98,106
- seniority between 60 days and 90 days	-	2,098
- seniority between 90 days and 270 days	26,780	4,782
- seniority between 270 days and 1 year	2,051	-
- seniority over 1 year	3,757	-
Other trade receivables, out of which:	286,806	280,366
<i>Depreciated receivables</i>	1,404	1,404
<i>Non-depreciated receivables, o/w:</i>	285,402	278,962
- seniority less than 30 days	4,485	1,597
- seniority between 30 days and 60 days	-	-
- seniority between 90 days and 270 days	-	277,365
- seniority between 270 days and 1 year	-	-
- seniority over 1 year	280,917	-

Other receivables

Name	- RON-	
	December 31 st , 2024	December 31 st , 2023
<i>Depreciated receivables</i>	9,452,427	1,698,699
<i>Non-depreciated receivables, o/w:</i>	4,994,197	4,589,507

- seniority less than 30 days	2,086,664	2,282,700
- seniority between 30 days and 60 days	874,423	196,453
- seniority between 60 days and 90 days	-	334,117
- seniority between 90 days and 270 days	788,551	1,111,809
- seniority between 270 days and 1 year	-	307,091
- seniority over 1 year	1,244,559	357,336
Total	14,446,624	6,288,206

10. Cash and cash equivalents

On December 31, 2024 and December 31, 2023 the cash and cash equivalents are revealed as follows:

Name	- RON-	
	December 31 st , 2024	December 31 st , 2023
Current bank accounts	2,626,831	2,020,616
Bank deposits with maturity ≤ 3 months	133,546,037	105,716,195
Cash on hand	3,962	5,362
Total	136,176,830	107,742,173

The cash and cash equivalents on December 31, 2024 are increasing by 26.4% (28.5 million RON), compared to December 31, 2023 due to the increase of cash from the modernization quota, cash existing in bank accounts on 31.12.2024, increase by 4.9 mRON compared to 31.12.2023, but also to the collection, prior to maturity, of the exchange value of some invoices issued in the month of December 2024.

The liquid assets representing the modernization quota (in amount of 36,936,443 RON on 31.12.2024) has a special use regime provided by GD no.168/1998, being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

The company does not have restricted numbers.

11. 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 corresponds to the one registered at the Trade Register Office.

The structure of CONPET S.A. share capital and shareholding on December 31, 2024 is exposed as follows:

Shareholders	December 31, 2024			December 31, 2023		
	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	2,083,424	6,875,299	24.0649	2,029,972	6,698,907	23.4475
Natural Persons	1,490,732	4,919,415	17.2189	1,544,184	5,095,807	17.8363
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

On December 31, 2024 the value of the legal reserve is 5.713,968 RON and represents the 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 are in amount of 558,422,603 RON.

Other reserves have increased by the amount of 10,837,126 RON in the year 2024, made up of: 7,844,065 RON, growth of reserves representing the modernization quota and 2,993,062 RON growth from the reserve constituted for the reinvested profit.

The reserve related to the modernization quota is in amount of 504,511,205 RON and holds the highest share in total other reserves (90.35%).

Revaluation reserves

In the statement of the financial standing, the revaluation reserves are presented at the net value of 43,539,329 RON, resulting after the diminution of the gross value by the related deferred tax directly recognized in the equities, as per IAS 12.

Retained earnings

The retained earnings is in the amount of 45,124,461 RON and contain:

- The retained earnings representing actuarial loss from the discount of benefits granted upon retirement: 1,760,616 RON;
- The retained earnings representing surplus achieved out of revaluation reserves: 6,298,971 RON
- The retained earnings derived from the first adoption of IAS 29 related to fixed assets representing oil operating product recognized in tangible assets, in amount of 39,301,668 RON;
- Other elements of the equities - retained earnings: 755,268 RON

The retained earnings are diminished by the amount of the reinvested profit in 2024, in amount of 2,993,062 RON, for which one has benefited from an exemption from the corporate tax, as per the provisions of Art.22 of Law no.227/2015 on the Fiscal Code, the amount being registered in the "Allocation of Profit" profit distributed to other reserves.

Profit for the year

The year's profit of the year 2024 is 49,323,047 RON, decreasing by 20% compared to the year's profit of the year 2023 (61,616,539 RON).

The proposal to distribute the accounting profit left following the deduction of the corporate tax on December 31, 2024:

Along 2024, there have not been distributed dividends based on the interim financial statements. The accounting profit left after the deduction of the income tax, on December 31, 2024 is in amount of 49,323,047 RON.

The distribution proposal on legal destinations of the remaining accounting profit after the deduction of the corporate tax to be distributed, to which was added the provision for the employees' share of profit in amount of 5,057,858 RON, resulting in a total amount to be distributed of 54,380,905 RON, is the following:

- RON-			
Crt. No.	Element	GD provision no. 64/2001	Amount
1	The net profit for the year 2024, reported based on the audited annual financial statements	-	49,323,047
2	The employee share of profit up to a limit of 10% of net profit: but no more than the level of a monthly average basic salary at the level of the company in the financial year 2024, recognized in the provisions account	-	5,057,858
3	The net profit reinstated with the provision for the employees' share of profit (1+2):	-	54,380,905
a	Other allocations stipulated by law - exemption from the payment of the reinvested corporate tax (account 1068), Art 22 of Law no. 227/2015 on the fiscal code	Art. 1, para. (1), letter b)	2,993,062
b	Employees' share of profit within the limit of 10% of the net profit but not more than the monthly average base salary achieved at the level of the economic operator reported in the financial reference year	art. 1, para. (1), letter e)	5,057,858
c	Dividends due to shareholders	art. 1, para. (1), letter f)	46,329,985

The retained earnings that may be allocated, in the amount of 8,814,854 RON, is proposed to be distributed as dividends. The statement of retained earnings distributable and the distribution thereof is the following:

- RON-		
Crt. No.	Destination	Amount
1.1.	The retained earnings representing surplus achieved out of revaluation reserves	6,298,970
1.2.	The retained earnings represent actuarial loss from discount of benefits granted upon retirement	1,760,616
1.3.	Retained earnings from the correction of various elements that have affected the profit of the previous years	755,268
1	Total retained earnings, distributed for:	8,814,854
a	Dividends due to shareholders	8,814,854

Other reserves in the amount of 3,407,439 RON, representing prescribed dividends, unclaimed within three years from the due date (prescribed dividends), are proposed to be allocated for the distribution as dividends due to shareholders.

- RON-		
Crt. No.	Destination	Amount
1	Other reserves representing distributions to owners, unclaimed within three years from the maturity date (prescribed dividends)	3,407,439
1	Total other reserves, distributed for:	3,407,439
a	Dividends due to shareholders	3,407,439

12. Trade Liabilities and Other Liabilities

On December 31, 2024 and December 31, 2023, the trade liabilities and other liabilities look as follows:

- RON-

Liabilities	December 31, 2023	December 31, 2024	Maturity date for the balance on December 31, 2024		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	33,091,805	26,574,075	26,574,075	-	-
Liabilities to the employees	39,908,276	44,513,101	14,276,429	4,763,532	25,473,140
Deferred Tax Liabilities	901,503	-	-	-	-
Liabilities-provisions	9,293,146	16,321,002	16,321,002	-	-
Other liabilities	33,364,459	35,450,624	33,027,370	1,717,012	706,242
Total	116,559,189	122,858,802	90,198,876	6,480,544	26,179,382

The trade liabilities related to the purchase of goods and services for the operating activity have a share of 73.9% in total trade liabilities, while those representing the procurement of assets have a share of 26.1%.

The liabilities to employees, in balance on the date of 31.03.2024, also include the future liabilities for the benefits granted to employees on retirement or death, for the employees' share of profit, for the untaken leaves of the employees, debts that are recognized as provisions.

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

- RON-

Liabilities	December 31, 2023	December 31, 2024	Maturity date for the balance on December 31, 2024		
			Under 1 year	1-5 years	Over 5 years
Salaries contributions	6,221,902	6,689,289	6,689,289	-	-
Current corporate tax	1,807,695	-	-	-	-
Royalty due to the State Budget	10,270,414	11,681,659	11,681,659	-	-
VAT payable	4,111,198	5,060,670	5,060,670	-	-
Other interests and debts– State Budget	1,221,041	1,909,707	1,909,707	-	-
Dividends Payable	5,444,333	5,717,931	5,717,931	-	-
Leasing related debts	3,346,757	3,620,927	1,741,696	1,380,297	498,934
Accrued revenues	695,643	613,523	81,977	324,238	207,308
Other liabilities	245,476	156,918	144,441	12,477	-
Total	33,364,459	35,450,624	33,027,370	1,717,012	706,242

On 31.12.2024, the debts related to the leasing contain the rights of use recognized for the lease and concession contracts of some lands, buildings and tank cars (note 5).

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

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

- RON-

Liabilities	December 31, 2023	December 31, 2024	Maturity date for the balance on December 31, 2024		
			Under 1 year	1-5 years	Over 5 years
Salaries and assimilated debts	7,140,257	8,043,908	8,043,908	-	-
Liabilities for benefits granted on retirement	22,089,977	26,478,421	581,129	4,564,389	21,332,903
Liabilities for the benefits granted in case of death	4,155,542	4,339,380	-	199,143	4,140,237
Liabilities for employees' share of profit	6,002,879	5,064,129	5,064,129	-	-
Debts for untaken leaves	519,621	432,937	432,937	-	-
Liabilities for other benefits granted to the employees	-	154,326	154,326	-	-
Total	39,908,276	44,513,101	14,276,429	4,763,532	25,473,140

On December 31, 2024, the Company mainly comprises at this chapter the salaries and assimilated liabilities, as well as future liabilities for benefits granted upon retirement or death and for the employees' share of profit, recognized as provisions.

The largest share in the liabilities to the employees is held by the liability for the benefits granted upon retirement in the amount of 26,478,421 RON, out of which 25,897,292 RON represent long-term liabilities, and 581,129 RON represent short-term liabilities and the liability for benefits in case of death, in amount of 4,339,380 RON, representing long-term liabilities.

These liabilities were recorded based on the Actuarial Report on the evaluation of the obligations related to the benefit on retirement and death provided by the CLA for Conpet S.A. employees, drawn up on 31.12.204 by Ovidiu-Virgil Racoveanu, certified actuary based on the service contract concluded with CONPET S.A.

As per the Labor Contract in force, the company must pay the employees, upon retirement, a benefit equals to a certain number of salaries, according to the seniority and company job history, and in case of the death of the employee it is awarded equal help for a certain number of salaries.

The present value of the liability related to the benefits granted upon retirement was determined by using the projected unit credit Method (IAS 19). This method starts with the principle that the benefit payable upon retirement is built up for each year of service to the employer, so that each employee be compensated at the appropriate time.

The benefit upon retirement received by an employee at the legal retirement age has been updated considering the discount factor for the period remaining until the employee's retirement, the proportion of the benefit related to the elapsed period and the probability that the employee remain with the company until the retirement age (and retire at that age), given that the person could die, leave the company or suffer an invalidity.

The benefit granted in the event of the death of an employee was determined as product of the projected death benefit up to retirement age, the present value of the death obligation during the service to the employer and the share of the benefit for the elapsed period.

The main actuarial hypotheses used for the calculation on December 31, 2024 were the following:

- **The discount rate.** The discount rate was set at the risk-free rate investments, less adjustments of the variations (risk free rate spot no volatility adjustment) published by EIOPA at the end of December 2024.
- **Rate of Inflation.** At the time of the evaluation, according to the National Institute of Statistics, the annual inflation rate in December 2024 compared to December 2023 was 5.1%. An estimate of the evolution of the consumer price index is published by the National Commission for Strategy and Prognosis. These estimates are like those of the International Monetary Fund. Similar projections are to be found also on the official site of the European Union.
- **The rate of increase of the monthly gross average salary per company.** To achieve the long-term projection, the average wage increase was estimated to be equal to inflation, to which a percentage of 0.15% per year was added. For the year 2024 the percentage of salary increase was taken into consideration, of 8%.
- **The statutory retirement age** was 65 years for men and for women, in accordance with Law no. 360/2023, on the unitary pension system. These data were corroborated with the information on the retirement age communicated by the employer.
- The mortality **rate among the employees** is based on the Life Table of the Romanian population men/women 2022.
- **Migration of the workforce.** To model departures from the company, an average workforce migration in percentage of 5.5% was estimated annually, with a progressive downward trend toward zero according to age.
- **Duties and Taxes.** All duties valid on 31.12.2022 were included in the calculation of retirement obligations. Since the benefits in the event of the death of the employee are paid from the employer's social security fund, it results that these benefits do not involve the payment of duties and taxes.

During 2024, the movement in the liabilities for the benefits upon retirement and death granted to the employees is exposed in the table below:

Name	Benefits on retirement	Death-related benefit	Total benefits
Present value of the obligation on 01.01.2024	22,089,977	4,155,542	26,245,519
Cost of the interest	1,402,289	195,444	1,597,733
Cost of the current service	4,055,471	1,214,177	5,269,648
Payments from provisions during the year	(596,895)	(234,545)	(831,440)
Actuarial gain/loss	(472,421)	(991,238)	(1,463,659)
Present value of the obligation on 31.12.2024	26,478,421	4,339,380	30,817,801
Variation from the beginning of the year	4,388,444	183,838	4,572,282
Percentage variation	20%	4%	17%

The analysis of the sensitivity of the liability for the benefits on retirement due to the employees on the date of 31.12.2024 is presented in the following table:

- RON-

Hypotheses	Benefits granted upon Retirement	Death-related benefit	Total benefits
December 31, 2024	26,478,421	4,339,380	30,817,801
The discount rate +1%	24,377,692	4,123,480	28,501,172
The discount rate -1%	28,846,481	4,567,160	33,413,641
Salaries increase rate +1%	28,825,710	4,564,688	33,390,398
Salaries increase rate -1%	24,356,770	4,121,805	28,478,575
Attrition rate +1%	25,823,148	4,319,213	30,142,361
Attrition rate -1%	27,226,373	4,317,852	31,544,225
The increase of life expectancy at birth with 1 year	26,849,022	4,040,890	30,889,912

The liability for the employees' share of profit is constituted in compliance with the Ordinance no.64/2001 and Order of the Ministry of Public Finances no.144/2005. Ordinance no. 64 from August 30, 2001 establishes that the accounting profit remaining after the deduction of the corporate tax and other distributions provided by law to companies with full or majority state capital to be distributed within 10% of the net profit, but not more than the level of an average monthly basic salary realized at the level of the economic agent, in the financial year of reference.

On 31.12.2024, of the total value of 5.064.129 RON, 5.057.858 RON represent a liability constituted in the period, for the employees share of profit of the 2024, within the legal limits.

Within the liabilities to employees is included also the liability for the untaken leaves, which, on 31.12.2024, is in the amount of 432.937 RON.

The company does not register overdue payments at the end of 2024.

13. Provisions

Name	- RON-	
	December 31, 2024	December 31, 2023
Provisions for litigations	7,683,828	7,156,937
Provisions related to mandate contracts	4,805,545	1,824,068
Other provisions for risks and expenses	3,831,629	312,141
Total provisions	16,321,002	9,293,146

Provisions for litigations

In detail, the provisions for litigations are:

Name	- RON-	
	December 31, 2024	December 31, 2023
Litigations for civil compensations	5,867,819	5,458,971
Litigations for third parties' failure to respect certain contractual clauses	47,100	70,609
Other litigations	1,768,909	1,627,357
Total	7,683,828	7,156,937

The company is involved in various litigations for compensation and 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 31.12.2024, there are registered provisions for such litigations amounting to 5,867,819 RON, increasing with 408,848 RON compared to 31.12.2023.

The position "Other litigations", amounting to 1,768,909 RON, represents the value of the provision constituted for the litigation opened in the course of 2018 by Fondul Proprietatea, requesting the payment of net dividends distributed from the profit of the financial year 2006, related to a share of 6% held by the plaintiff in the share capital of CONPET S.A., as well as the legal interest calculated for the requested amount starting with the due date.

Provisions related to the contracts of mandate

Debts were set up for the allowances granted to the directors, according to the mandate contracts and provisions of the Government Ordinance no.109/2011 on corporate governance, including the related contributions, as follows:

- 128,700 RON represents liability for rest leave not performed by the directors with mandate contract;
- 4,676,845 RON represents liability for the variable component related to 2024, of which 1,837,874 RON liability for the allowances granted to the members of the Board of Administrators and
- 2,838,971 RON liability for the allowances granted to the directors.

Other provisions

On December 31, 2024 the balance of the position "Other provisions" in amount of 3,831,629 RON is composed of:

- provision for environmental expenses (160,000 RON);
- provision for the lack of use related to 2024 of the land on which is being located Voința Sports Base, land owned by the municipality of Ploiesti (402,716 RON);
- provision for tariffs f use of the public domain, in view of crossing/overcrossing of goods managed by the Romanian Waters National Administration, due based on the Emergency Ordinance no.52 from 31.05.2023 for the amendment and completion of some water normative acts, between July 2023 - December 2024 (3,268,913 RON).

14. Current and Deferred Corporate Tax

The expense with the current and deferred corporate tax of the company in 2024 and 2023 is determined by a statutory rate of 16%.

- RON-		
Name	December 31, 2024	December 31, 2023
Expenses with current corporate tax	10,227,235	10,586,561
The expense with /(revenues from) deferred corporate tax	(4,012,030)	590,956
Total	6,215,205	11,177,517

Reconciliation of the effective rate of taxation:

- RON-		
Name	December 31, 2024	December 31, 2023
Profit before taxation	55,538,252	72,794,056
- Corporate tax at a statutory rate of 16%	8,886,120	11,647,049
Effect on the corporate tax of:		
- Non-deductible expenses	5,602,540	3,465,398
- Non-taxable revenues	(2,427,162)	(3,173,270)
- Elements like the revenues	1,199,769	1,586,576
- Elements like the expenses	(250,935)	(245,677)
- Spared corporate tax	(478,890)	(596,064)
- Amounts representing sponsorship falling under the limits provided by law	(776,000)	(789,000)
- Corporate tax reduction as per GEO 153/2020	(1,528,207)	(1,308,451)
Expenses with current corporate tax	10,227,235	10,586,561

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 for in the equities.

The statement of the movements related to the receivable/debt with the deferred tax during the year 2024 reveals the following:

- RON-					
2024	Net value on the 1 st of January	Deferred corporate tax recognized in the profit and loss account	Deferred corporate tax recognized in the equity	Net value on December 31, 2024	
				Receivable related to the deferred corporate tax	Debt related to the deferred corporate tax
Re-evaluation of tangible assets	(6,923,808)	546,529	1,198,704	2,875,258	(8,053,833)
Provisions	5,584,626	1,398,208	234,185	7,217,019	-
Impairments of current assets	437,679	400,219	-	837,898	-
Deferred corporate tax before compensation	(901,503)	2,344,956	1,432,889	10,930,175	(8,053,833)
Compensation receivable/debt				(8,053,833)	8,053,833
Deferred net corporate tax - to be recovered					2,876,342

The debt representing the deferred tax, in the balance on 31.12.2022, is in the amount of 8,053,833 RON and is recognized on the expense of equities, and the deferred tax receivable recognized in the statement of global result, in balance on the same date, is 0,930,175 RON. The net amount of the deferred tax represents deferred corporate tax to be recovered, in amount of 2,876,342 RON.

15. Result per Share

The results per share for the last two years are:

- RON-		
Name	December 31, 2024	December 31, 2023
Profits of the Financial Year	49,323,047	61,616,539
The number of ordinary shares at the beginning and the end of the period	8,657,528	8,657,528
Basic and diluted earnings per share (RON/share)	5.70	7.12

16. Operating Revenues

a) Revenues from contracts

- RON-		
Name	December 31, 2024	December 31, 2023
Revenues from transport service, of which:	531,391,168	482,872,798
<i>Revenues from transport services domestic subsystem*</i>	358,670,022	343,751,792
<i>Revenues from transport services import subsystem*</i>	167,786,041	130,095,692
<i>Other revenues associated with the transport operations</i>	4,935,105	9,025,314
Revenues from rents	1,906,210	2,078,272
Other revenues from contracts	321,031	162,539
Total contracts revenues	533,618,409	485,113,609

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

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 2024, the quantities transported on subsystems, compared to the previous years:

Name	December 31, 2024	December 31, 2023
Quantities transported on the Domestic subsystem*	2,802,110	2,914,386
Quantities transported on the import subsystem*	4,206,142	3,072,090
Other transport operations	123,169	307,065
Total quantities (tons)	7,131,421	6,293,541

The total quantity of transported products has increased by 13.3% in 2024 compared to the previous year, given the increase of the quantities transported on the import subsystem by 36.9% and the decrease of the quantities transported on the domestic transport subsystem by 3.9% and of those related to other transport operations by 59.9%.

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 1, 2023 - December 31, 2023	117.95	364/2022
starting January 1, 2024	128.00	340/2023

Tariffs for transport services on import subsystem:

Period	Batches	Arpechim Refinery	Ploiesti Basin (Petrobrazî and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order no.
	thousand tons/month	RON/ton	RON/ton	RON/ton	
	up to 80	52.25	51.60	20.73	364/2022

January 1 st , 2023 - December 31, 2023	80 -120	41.80	41.28	16.59	
	120 -160	31.35	30.96	12.44	
	Over 160	23.51	23.22	9.33	
starting January 1, 2024	up to 80	55.00	39.85	26.50	340/2023
	80 -120	54.79	39.70	26.40	
	120 -160	54.59	39.55	26.30	
	Over 160	54.38	39.40	26.20	

b) Other Operating Revenues

- RON-

Name	December 31, 2024	December 31, 2023
Revenues out of modernization quota consumption	59,600,480	51,226,184
Earnings from disposal of assets	-	612,108
Other revenues	13,062,874	3,982,250
Total other operating expenses	72,663,354	55,820,542

The revenues representing the modernization quota hold 82% of other operating revenues, registering an increase by 16.4% in the year 2024, as compared to the previous year, due to the increase of the revenues from the reserve related to the modernization quota, revenues registered at the level of amortization of fixed assets financed out of this quota.

17. Operating Expenses

a) Stocks and Utilities Expenses

- RON-

Name	December 31, 2024	December 31, 2023
Expenses with consumables	5,382,297	5,591,136
Other material expenses	762,620	952,110
Other Expenses with Energy and Water	20,915,838	18,596,747
Total Stocks and Utilities related Expenses	27,060,755	25,139,993

b) Personnel expenses

The personnel expenses include salary expenses, bonuses granted to the employees, other personnel expenses, allowances related to mandate contracts of the members of the Board of Directors and the directors with mandate contracts and expenses related to contributions due by the employer.

- RON-

Name	December 31, 2024	December 31, 2023	December 31, 2022
Salary expenses	164,820,510	155,824,484	143,346,066
Obligations for employees' bonuses	28,281,535	25,284,285	21,171,116
Other personnel expenses	2,640,630	39,600	3,912,090
Expenses with the remuneration of the directors with mandate contract and of the administrators	6,211,903	5,251,280	4,848,193
Expenses with contributions due by the employer	8,231,622	7,995,343	7,645,268
Total personnel expenses	210,186,200	194,394,992	180,922,733

The personnel expenses are detailed as follows:

Salary expenses

	- RON-		
Name	December 31, 2024	December 31, 2023	December 31, 2022
Salary and related contributions expenses	162,824,465	152,998,317	139,049,643
Premiums	1,298,137	1,450,000	3,129,119
Retirement supports	596,895	1,294,737	1,115,588
Marriage support	101,013	81,430	51,716
Total salary related expenses	164,820,510	155,824,484	143,346,066

Expenditure with basic personnel salaries and the related bonuses have increased in 2024, compared to 2023 due to the salaries indexation, following the negotiations, with the Syndicate for the compliance with the provisions of the Collective Labor Agreement, related to salaries increases by the rate of inflation.

According to the provisions of the Collective Labor Agreement in force, the Company has also provided its employees with the following benefits: bonuses, retirement support, marriage support.

Obligations regarding employees' bonuses

	- RON-		
Name	December 31, 2024	December 31, 2023	December 31, 2022
Employees share of profit	5,996,608	6,384,812	5,517,801
Meal vouchers	12,118,640	9,137,465	6,474,030
Social expenditure under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions	6,979,523	6,871,405	6,442,781
Other expenses as per the Collective Labor Agreement	3,186,764	2,890,603	2,736,504
Total	28,281,535	25,284,285	21,171,116

The value of the bonuses granted to the employees has a growth of 2,997,250 RON in 2024, compared to 2023, growth that is mainly due to the increase of the meal vouchers from 30 RON in 2023 up to 40 RON as of 01.01.2024.

In compliance with the provisions from the Collective Labor Agreement, the Company has granted to its employees bonuses as social expenses provided at Art.25 from Law no.277/2015 on the Fiscal Code, consisting of leisure and treatment vouchers, here included the transport, gifts offered to the employees, birth aids, funeral aids, serious diseases, humanitarian and other social expenses as per the Collective Labor Agreement.

Other personnel expenses

	- RON-		
Name	December 31, 2024	December 31, 2023	December 31, 2022
Expenditure on compensatory payments relating to personnel layoffs	2,640,630	39,600	3,912,090
Expenditure with the rights of the personnel due base on certain court orders.	-	-	-
Total	2,640,630	39,600	3,912,090

The position "Other personnel expenses" includes severance indemnities, provided under CLA, related to personnel layoffs conducted during the year.

Expenses on remuneration of directors with mandate contracts and of the administrators
- RON-

Name	December 31, 2024	December 31, 2023	December 31, 2022
Allowance of the directors with mandate	3,767,006	3,283,560	2,785,516
Allowances of the members of the Board of Directors	2,444,897	1,967,720	2,062,677
Total	6,211,903	5,251,280	4,848,193

The expenditure related to allowances for the mandate contracts of the directors and administrators are higher in 2024, by 960,623 RON representing fix allowance of the Deputy Director General 3.

Expenses with contributions due by the Employer

- RON-

Name	December 31, 2024	December 31, 2023	December 31, 2022
Company's contribution to voluntary pension funds	2,722,063	2,774,495	2,871,425
Company's contribution to voluntary health insurance	1,395,666	1,383,314	1,188,747
Labor insurance contribution and other contributions	4,113,893	3,837,534	3,585,096
Total	8,231,622	7,995,343	7,645,268

The company's contribution to voluntary pension funds and voluntary health insurance is similar in 2024 compared to 2023.

In 2024, because of salary growth, the labor insurance contribution has increased proportionally.

Employees

During 2024, 2023 and 2022, the average number of employees evolved as follows:

Name	December 31, 2024	December 31, 2023	December 31, 2022
Employees with leading positions	79	80	81
Employees with execution positions	1,308	1,334	1,386
Total	1,387	1,414	1,467

c) Expenses related to External Services

- RON-

Name	December 31, 2024	December 31, 2023
Rail transport expenses	78,209,040	71,644,555
Expenses with royalties and rentals	48,897,991	39,836,266
Third-party pumping expenses	5,004,680	4,901,236
Maintenance and repair expenses	3,103,983	2,532,439
Expenses with the decontaminations, monitoring of the environmental factors	563,195	296,301
Travel, secondment and transfer expenses	691,367	703,619
Expenses related to the transport of goods and personnel	10,083	5,238
Postal and telecommunication expenses	687,196	699,305
Other expenses with services performed by third parties	6,873,758	6,316,584

Total expenses related to external services	144,041,293	126,935,543
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The expenses with royalties and rents mainly include the oil royalty due to the State budget by the company, as holder of the petroleum agreement, for the use of state public property assets in petroleum operations.

It is being calculated according to the Oil Law no. 238/2004, by application of a quota of 10% up to the date of 26.10.2023, respectively of 11.5% as of 27.10.2023 on the value of gross revenues achieved out of oil transport operations via the national oil transport systems

d) Other expenses

- RON-		
Name	December 31, 2024	December 31, 2023
Taxes, fees and similar levies related expenses	5,565,359	2,953,003
Compensation, fines and penalties expenses	196,356	102,099
Donations granted (sponsorships)	776,000	789,000
Environmental protection expenses	63,391	15,544
Expenses with the establishment of the modernization quota	67,444,545	58,084,160
Other operating expenses	240,373	414,034
Other expenses	74,286,024	62,357,840

In 2024, the expenses incurred with other taxes, duties and similar payments contain, largely, the local tax expenses and the expenses with the contribution to the special handicap fund due under Law no. 448/2006 on the protection and promotion of the rights of people with disabilities.

The chapter "Other reserves" constitutes also the reserve regarding the modernization quota constituted on accounts of the 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.

18. Net Financial Result

- RON-		
Name	December 31, 2024	December 31, 2023
Revenues from interests	6,365,712	6,652,665
Other financial revenues	18,544	37,269
Total financial revenues	6,384,256	6,689,934
Interest expenses related to leasing contracts	237,637	175,242
Other financial expenses	93,964	83,799
Total financial expenses	331,601	259,041
Net financial result	6,052,655	6,430,893

The financial revenues have decreased by 4.6% in 2024 compared to 2023, and the financial expenses have increased by 28% this year, compared to the previous year, maintaining a much lower level than the financial revenues. Based on this evolution, the net financial result has decreased by 5.9% in 2024, compared to 2023.

19. Fiscal Legislative Framework

The tax returns are subject to revisions and corrections of fiscal authorities, generally for a period of five years after completion thereof.

The fiscal legislation in Romania is very complex and is permanently reforming according to the internal and international economic-financial context, being regulated by a multitude of normative

acts: laws, government decisions of approval of the application norms, simple ordinances and emergency ordinances, orders, instructions, circulars, clarifications etc.

One cannot talk about an easy approach thereof by taxpayers, especially since there is generally an ongoing abusive practice of the tax authorities regarding the interpretation of the legal provisions which are enshrined by the law itself.

The modernization of the fiscal legislation in Romania does not yet provide clarity and accessibility in the application of the provisions of the fiscal Code, by restructuring, on systematic basis, of the fiscal norms, as well as those on fiscal procedure and there still exists the risk that the fiscal authorities adopt different positions in connection with the interpretation of these aspects with consequence in the calculation of additional obligations and interests/penalties payment, augmentations and delay fines.

By Law no.207/2015 on the fiscal procedure code, there have been amended certain principles regarding the interpretation of law, meaning that in the interpretation of the fiscal legislation is being applied the principle "*in dubio contra fiscum*", therefore in case of doubt related to the fiscal norm it is being applied the interpretation in favor of the taxpayer.

However, before this interpretation has been given, each public servant must clarify the respective text, by appealing to the good will of the legislator and the meaning of law, verify the points of view expressed in the substantiation notes, in reasons exposures (...). Thus, it should be noticed the spirit of the law as a whole and the purpose for which this law has been created. Only if by these norms the meaning of the norm has not been clarified, will the rule of interpretation in favor of the taxpayer apply, which envisages the protection of the taxpayer against an abusive application of the law by the fiscal body, as well as for the improvement of the relation between the fiscal administration and the taxpayer, for avoiding some potential conflicts.

On 15.01.2025, the Organization of Large Taxpayer Administration within ANAF started the tax inspection aiming to verify the legality and conformity of tax returns and/or transactions relevant for tax inspection, the correctness and accuracy of the fulfillment of obligations related to the establishment of tax bases and the main tax obligations on value added tax and corporate tax, for the period 01.01.2018-31.12.2021.

The management considers having adequately registered the fiscal obligations in the financial statements.

20. Commitments and Contingencies

Capital commitments

The company does not have any granted capital commitment.

Guarantees granted to third parties

The guarantees granted to third parties are presented in the table below:

- RON-		
Name	December 31, 2024	December 31, 2023
Non-current Receivables (Note 7)	768,574	2,730,504
Other receivables (Note 9)	282,321	278,769
Total	1,050,895	3,009,273

Guarantees granted to third parties are separately presented at:

- financial assets line (Note 7)
- the line other receivables, those to be recovered within less than 12 months (Note 9)

At the end of 2024, the Company has no record of other commitments granted to third parties.

Received Guarantees

The guarantees granted to third parties are presented in the table below:

- RON-		
Name	December 31, 2024	December 31, 2023
Performance guarantees transferred to the company's accounts	20,143	20,616
Performance guarantee received from the clients	19,499,907	18,593,982
Performance guarantee received from suppliers	13,832,810	17,863,332
Performance guarantees constituted by the beneficiaries in separate accounts at CONPET disposal.	11,100,065	10,708,291
Total	44,452,925	47,186,221

Contingencies

Charges

Our company considers that all amounts due for fees and taxes have been paid and registered on the balance date.

21. Litigations

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

File no.5413/204/2017 – Prahova Tribunal (Conpet SA – defendant, NAMR – defendant, Dobrogeanu Dumitru – plaintiff, Dobrogeanu Paun Ioan – plaintiff) requesting the court to order by Court decision:

The payment of an annual rent for the land plots occupied by the two oil products pipelines (crude oil) starting 01.07.2014 and in the future for the entire lifespan of the pipelines;

Obliging the defendants to pay the losses incurred by failing to achieve economic objectives on the remaining area between the two pipelines after their restriction thereof and the area along DN1 (E60);

- Payment of legal fees.

The first head of claim was estimated by the plaintiffs in the amount of 48,000 Euro/year (220,000 RON), and the second in the amount of 25,000 RON/year.

Court hearing: First instance-retrial

Term: 22.05/22/25

File no. 5212/105/2018 – Court of Appeal Ploiesti (Conpet SA – defendant, Fondul Proprietatea SA – plaintiff) by which it is requested the payment of the net amount of dividends for the financial year 2006, related to a rate of 6% held by the plaintiff in the share capital of Conpet S.A., as well as the legal interest calculated for the requested amount, starting with its maturity.

Court hearing: First instance-retrial

Term:

File no. 32294/299/2020 – Sector 1 Bucharest District Court (Conpet S.A. – defendant - Bob Mihăiță - plaintiff-defendant, NAMR - defendant), by which the Court is asked that, by the decision that will be pronounced, order:

Obligation of Conpet SA and NAMR to divert the oil pipeline that crosses the plaintiff's property land located in Cernavoda, field 1, plot A6/2, Constanta county;

- settlement of the counter value of the lack of use, for a period of three years, prior to the sue petition, amounting to 150,000 RON;

Subsidiary, the obligation of Conpet SA to pay an annual rent for the use of the land owned by the plaintiff, from the date of the filing of the sue petition, amounting to 5 Euro/sqm/year for the area of 14,645 Sq.m, land affected by the area of protection and safety, during the existence of legal servitude;

The payment of court charges.

Procedural status: Merits

Court hearing: 05/13/25

File no.3451/108/2016, ATU, Pecica City - Arad Tribunal (Conpet S.A. – defendant, Unit of Pecica City - plaintiff), by which the instance is requested that, that by decision that will be pronounced, to order:

the obligation of Conpet to divert the oil pipeline which crosses a number of 22 parcels of built-in land for the construction of dwellings owned by the applicant, in the total area of 20,287 sqm.

the obligation of the defendant Conpet S.A. to pay the amount of 65,000 Euro representing the value of the house located in the parcel no. A141.7760/5/174, registered in C.F. no. 306869 because it can no longer be redeemed by the subscriber. According to the report of judicial expertise majoring in in evaluation carried out in question at the request of the applicant UAT Pecica, the overall amount of compensation for affecting the construction right proposed by the expert is 137,045.69 Euro.

Merits: Second appeal

Court hearing: 05/21/25

File no. 4395/270/2020 - Onești Courthouse - Municipality of Onești - plaintiff; Local Council of Onești Municipality - plaintiff, CONPET S.A. – defendant)

By which the instance is requested that, by the decision that will be pronounced, order:

Obligation of the defendant to conclude the convention for the exercise of the right of legal servitude on lands in the area of 11,474.5 sq. m., under-crossed and affected by the crude oil pipelines within the area of Onesti, against the payment of an annual rent, along the pipelines lifespan, to the local budget of Onesti municipality, determined according to the principle of the slightest infringement to the right of ownership and calculated taking into account the value of movement of the affected real estate, established under the law, at the time of damage.

The obligation of the defendant to pay material compensations, representing the equivalent value of the lack of land use of lands in the area of 11,474.5 Sq. m. sub-crossed and affected by the crude oil pipelines across the area of Onesti municipality, established according to the Market Study approved by the Local Council Decision no.199 of 29.11.2018, respectively according to the Updated Market Study approved by the Local Council Decision no.122 of 29.06.2020, calculated starting 2017 and until the date of conclusion of the convention for exercising the right of legal servitude over these lands, plus late payment increases, interest and late payment penalties in the amount provided for by the Fiscal Procedures Code applicable during this period. Forcing the defendant to pay the costs incurred by this trial.

Merits: First instance**Court hearing: 13.05.2025**

File no. 5971/2/2022 - Bucharest Court of Appeal (OMV Petrom SA- plaintiff, NAMR - defendant, CONPET - defendant) by which the instance is requested that, by decision that will be pronounced, to order:

The cancellation in part of Article 1 of Order 229/2021 regarding the tariffs set out in Annex 1 and Annex 3 and, accordingly, of Annexes 1 and 3 of Order 229/2021 and, consequently, the obligation of NAMR to issue a new order for the approval of the transport tariffs via the national transport System of crude oil, rich gas, condensate and ethane for the year 2022 including tariffs amended accordingly in respect of tariffs in the COUNTRY (Annex 1) and import tariffs for refineries in the Ploiesti Basin (Annex 3).

The cancellation in part of art. 3-8 of the Annex to Order no. 53/2008, as well as the obligation of NAMR to issue a new order to duly complete Order no. 53/2008.

Obligation to pay the court charges.

For the cause, on the deadline of 14.03.2023, the plaintiff OMV PETROM has requested, in proving the claims, the documentary evidence and the judicial accounting expertise.

On the deadline of 25.04.2023, Conpet has opposed to the documentary evidence with documents and the judicial accounting expertise, both requested by the plaintiff OMV Petrom SA.

On the deadline of 09.05.2023, the Court approved for the plaintiff and for the defendants the documentary evidence.

Orders the obligation of the defendant ANRM to submit to the case file the administrative documentation related to the ANRM Order no. 229/2021 amending the ANRM Order no. 13/2010 and Order no. 13/2010 and the ANRM Order no.53/2008, under the conditions provided by Law no.182/2002 on the protection of classified information. Rejects as useless the case resolution the consent of the evidence with technical accounting expertise.

On 31.05.2023, the defendant NAMR submitted to the Classified Documents Department of the Court of Appeal of Bucharest the documentation requested by the Court with the mention that some documents are confidential according to Art.4, Para.4, of the Petroleum Law no.238/2004 and others have the character „secret service”.

On the deadline of 06.06.2024, the Court ordered that the defendant the NATIONAL AGENCY FOR MINERAL RESOURCES, submit a written opinion on the application for the administration of the evidence formulated by the plaintiff, on the legal nature of the confidential documents provided by the Petroleum Law no.238/2004 on how to consult these documents and on the declassification thereby of documents constituting State secret, respectively service secret, according to the provisions contained in Law no. 182 of April 12, 2002. That the defendant CONPET SA submits a written opinion on the application for admission of evidence made by the applicant, on the legal nature of the confidential documents provided for by the Petroleum Law no. 238/2004, on how to consult these documents.

The plaintiffs CONPET and NAMR have submitted to the court instance the points of view requested for the term dated 05.09.2023. The court has postponed the ruling.

By the Resolution of 14.09.2023, the Court of justice finds that the unclassified documents submitted by the defendant NAMR to the Classified Information Department of the Bucharest Court of Appeal are not confidential and do not fall within the scope of the provisions of Article 4 of Petroleum Law no. 238/2004 of June 7, 2004, with the related legal consequences regarding the evidentiary matters of these documents.

Grant the parties' access to the content of confidential, non-classified information submitted by the NAMR defendant to the Classified Information Department of the Court.

On the deadline of 14.11.2023, the plaintiff OMV Petrom applied for access of OMV Petrom to classified documents and additional evidence. The Court was requested the obligation of CONPET to issue access permits to classified information in this case for Mr. Marius Davitoiu and Mr. Marian Nita (employees of OMV PETROM who benefit from authorizations for access to secret service documents within the Company, also in relation to NAMR) as well as the completion of the probation with new documents and with Conpet interrogation.

The Court has ordered the adjournment of the case so that the defendants of NAMR and Conpet formulate a point of view on the request made by the plaintiff, related to the access of its legal representatives to the contents of the classified information "Secret of Service" and concerning the on the evidence of interrogating the defendants requested by the plaintiff.

Conpet has submitted to the case file the point of view requested by the Court.

On the deadline of 12.03.2024, the Court rejects as unfounded the applicant's request to grant access to its employees, Marius Davitoiu and Marian Nita, to classify secret service documents filed with the classified information department of the Court. Approves for the plaintiff the evidence with documents and asks the parties to submit to the case file the documents that substantiated the issuance of the administrative act whose annulment is requested, other than those submitted to the case file and to the classified information department of the court, regarding the structure of operational costs, the modernization quota, as well as any other financial-accounting documents that justified the issuance of the challenged administrative act. Rejects as useless the resolution of the case the consent of the evidence with the interrogation of the defendant Conpet. By decision no.898/ 28.05.2024, the Bucharest Court of Appeal rejects the request. Rejects as unfounded the exception of the plaintiff's lack of interest. Rejects as unfounded the exception of the lack of the capacity to be sued of the defendant CONPET SA. Rejects as unfounded sue petition, as it was amended. Rejects as unfounded the plaintiff's request for the obligation of the defendants to pay the costs of the trial. With appeal after communication.

Merits Court of first instance

Court hearing: -

File no.7035/2/2022 - Bucharest Court of Appeal (OMV Petrom SA- plaintiff, NAMR. - plaintiff, CONPET, - plaintiff), by which is requested the instance that by the decision that will be pronounced, to order:

Partial cancellation of the Addenda no.2-9 to the transport contract no.BC OMV 108/25.03.2020 concluded between OMV Petrom and CONPET, respectively of the articles regarding the tariffs on the DOMESTIC subsystem and the IMPORT subsystem, charged for transport services provided by CONPET and settled by NAMR no.229/2021, within the limit of the tariffs to be established following the contentious administrative endeavors carried out by OMV Petrom regarding the tariffs with NAMR and, consequently, the obligation of CONPET to pay compensation to OMV Petrom representing the difference between the amount of the tariffs adopted by the order of NAMR no. 229/2021, paid by OMV Petrom during 01.01.2022-31.08.2022 and the amount of tariffs to be established in file no.5971/2/2022, updated with the inflation index, as well as the related legal interest.

Payment to OMV Petrom of the difference between the number of tariffs paid by OMV Petrom for the transport of marine oil, through the DOMESTIC subsystem, from the Midia Terminal, and the amount of tariffs through the IMPORT subsystem depending on the subsystem used, updated with the inflation index, as well as the related legal interest.

Obliging CONPET to pay any other amounts representing civil fruits that CONPET has acquired or could have acquired in connection with the amounts charged from the OMV PETROM based on the tariffs.

Obligation to pay the Court costs.

Merits: Court of first instance – suspended until the final settlement of the case forming the object of the file no.5971/2/2022 of the Court of Appeal of Bucharest, section IX of the fiscal and Contentious Administrative.

File no.4988/2/2023– Court of Appeal Bucharest (OMV Petrom SA - plaintiff, NAMR - defendant, Conpet S.A defendant), by which is requested the instance that, by decision that will be pronounced, order:

Partial annulment of Articles 1 and 3 of the Additional Acts no. 10, no.11 and no.13, respectively of Articles 1 and 4 of the Addendum no.12, by which was extended the duration of the Transport Contract.

Obligation of Conpet to pay to OMV Petrom, as damages, of the amounts representing:

- i. the difference between the quantum of tariffs provided in the Additional Act No 2 to the transport contract and the number of tariffs to be determined as legal, as well as the related statutory interest calculated from the date of payment of the difference in tariff;
- ii. difference between the quantum of tariffs paid by OMV Petrom for the transport of crude oil and the quantum of the tariffs settled proportionally, by reference to the domestic and import tariffs depending on the effectively used subsystem, as well as the legal interest;
- lii. any other amounts of civil fruit that Conpet has acquired or may have acquired in relation to the amounts unlawfully collected from OMV Petrom based on the tariffs;

Obligation to pay the court costs

Merits: Court of first instance - suspended until the final resolution of the final settlement of the case subject to file no.7035 of the Court of Appeal of Bucharest.

File no. 5559/2/2023– Court of Appeal Bucharest (OMV Petrom SA - plaintiff, NAMR - defendant, Conpet S.A. - defendant), by which is the Court is requested that, by the decision that will be pronounced, to dispose:

Annulment in part of Article 1 of Order no.364/2022 in respect of the tariffs set out in Annex 1 and Annex 3 and, accordingly, of Annexes 1 and 3 of Order no. 364/2022, as regards the tariffs for the domestic subsystem and the import subsystem, within the limit of the quantum of tariffs to be established as legal.

Obligation to pay the court fees.

Merits: Court of first instance - suspended until the final settlement of the case subject to file no.5971/2/2022 of the Court of Appeal of Bucharest, section IX of the fiscal and Contentious Administrative

File no. 8213/2/2023– Court of Appeal Bucharest (OMV Petrom SA - plaintiff, Conpet SA - defendant, NAMR - defendant), by which the instance is requested that, by the decision that will be pronounced dispose:

The annulment in part of art.1 and art.3 of Addendum no.14 of Addenda no.15, no.16, no.17, namely of art.1 and 5 of Addendum no.18, by which the duration of the Transport Contract was successively extended.

Partial annulment of Article 2 of the Addenda no. 14-18 for the purpose of removing some quantities transported from the Midia Terminal from the quantities transported via the domestic subsystem and the inclusion thereof in the quantities transported via the import subsystem.

Obligation of Conpet to pay to OMV Petrom, as compensation, the amounts representing:

i. The difference between the number of tariffs provided for in the Additional Acts no. 14 - 18 to the Transport Contract and the number of tariffs to be determined as legal, as well as the related legal interest calculated from the date of payment of the difference in tariff.

ii. the difference between the number of tariffs paid by OMV Petrom for the transport of crude oil and the number of tariffs established proportionally, in relation to the domestic and import tariffs according to the subsystem actually used, as well as the legal interest;

iii. any other amounts of civil fruit that Conpet has acquired or may have acquired in relation to the amounts unlawfully collected from OMV Petrom on tariffs basis.

Obligation of the to pay the Court costs

Merits: Court of first instance - suspended until final settlement of case no. 5559/2/2023 of the Bucharest Court of Appeal.

File no. 5071/2/2024 - Bucharest Court of Appeal (OMV Petrom SA- plaintiff, CONPET S.A. - defendant, National Regulatory Authority in the Mining, Petroleum and Geological Storage of Carbon Dioxide - (Ro. A.N.R.M.P.S.G.) - defendant), by which the instance is requested that, by the decision that will be pronounced, to order:

The annulment in part of Article 1 of Order no. 340/2023 in respect of the tariffs set out in Annex 1 and Annex 3 and, accordingly, of Annexes 1 and 3 of Order no. 340/2023, as regards the tariffs for the DOMESTIC subsystem and the IMPORT subsystem, within the amount of the tariffs that will be established as legal as a result of the recalculation thereof in a transparent and non-discriminatory manner in accordance with the constitutional and primary and secondary oil and competition law provisions, as they are exposed by means of this sue petition. ;

Obligation to pay legal fees.

Merits Court of first instance - suspended until the final settlement of the case subject to file no.5971/2/2022 of Bucharest Court of Appeal.

22. Affiliated parties

In the year 2024, the Company performed the following significant transactions with related parties:

Procurement from related parties

- RON-							
Partner	Unsettled amounts on December 31, 2022	Procurements during 01.01.2023-31.12.2023	Settlements during 01.01.2023-31.12.2023	Unsettled amounts on December 31, 2023	Procurements during 01.01.2024-31.12.2023	Settlements during 01.01.2024-31.12.2023	Unsettled amounts on December 31, 2024
SPEEH HIDROELECTRICA S.A.	-	20,377,225	13,843,888	6,533,337	-	6,376,121	157,216

! The amounts are also VAT inclusive

Prepayments awarded to affiliated parties

- RON-

<i>Partner</i>	12/31/24	12/31/23
SPEEH HIDROELECTRICA S.A.	-	1,989,045
ELECTRICA FURNIZARE S.A.	282,378	277,365

23. The Audit Committee

The Company's audit for the year 2024 has been provided by the company PKF Finconta S.R.L. By the OGMS Resolution no. 6/28.10.2022, the appointment of PKF Finconta S.R.L. as financial auditor of CONPET S.A for a period of 3 years was approved (2022, 2023, 2024).

The fees are established based on the contract concluded between the two parties.

24. Risk Management

At the level of CONPET S.A., the internal management control system has been implemented and is being developed, which includes the 16 standards contained in the Code of internal management control of public entities. Implementation of Standard 8 requirements "Risk Management" was a priority in the organization by documentation and application of provisions of PS-MI-18 "Risk management" system procedure (sheet process, flow diagram and system procedure). During 2024, there were identified, assessed/re-assessed and documented the risks that can affect the achievement of the settled objectives. At the level of CONPET, a Register of significant risk was elaborated and an Annual Plan including measures to control significant risks, responsibilities and deadlines for the implementation of measures.

The comprehensive processes and activities carried out within CONPET S.A. may generate risks from various areas, such as:

(a) Exchange Rate Risk

The company may be exposed to currency exchange rate fluctuations through cash and cash equivalents, receivables, short-term investments, long-term loans or trade debts denominated in foreign currency.

The functional currency of the company is the Romanian Leu. Currently, the Company is being exposed to currency risk through cash and cash equivalents, as well as through purchases made in a currency other than the functional one. The currencies exposing the Company to such a risk are mainly EUR, USD and GBP. The foreign currency debts are subsequently expressed in Lei, at the exchange rate on the balance sheet date, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account, but do not affect the cash flow up to the moment of the liquidation of the debt.

The Company's exposure to the currency risk expressed in RON was insignificant, as shown in the following statements:

December 31, 2024	Value	RON	EUR	USD	- RON- GBP
Monetary Assets					
Cash and cash equivalents	136,176,830	136,158,157	8,838	8,422	1,413
Trade receivables and other receivables in the short and long term	39,972,403	39,972,403	-	-	-
Monetary debts					
Various suppliers/creditors	(30,351,892)	(27,230,145)	(3,011,731)	(110,016)	-
Net exposure in the statement of the financial standing	145,797,341	148,900,415	(3,002,893)	(101,594)	1,413

					- RON- GBP
December 31, 2023	Value	RON	EUR	USD	
Monetary Assets					
Cash and cash equivalents	107,742,173	107,712,907	22,135	6,082	1,049
Trade receivables and other receivables in the short and long term	55,499,035	55,499,035	-	-	-
Monetary debts					
Various suppliers/creditors	(36,664,385)	(33,815,517)	(2,742,023)	(106,844)	-
Net exposure in the financial standing position	126,576,823	129,396,425	(2,719,888)	(100,762)	1,049

(b) Credit risk

The credit risk is the risk that the Company may incur a financial loss because of a default by a client or a counterpart to a financial instrument, and this risk results mainly from the Company's trade receivables, cash and cash equivalents and short-term investments.

Maximum exposure to the collection risk at the reporting date was:

		- RON-
Name	December 31, 2024	December 31, 2023
Trade receivables and other receivables for short and long term (net value)	39,972,403	55,499,035
Total	39,972,402	55,499,035

The company carries out trade relations only on a contractual basis with recognized third parties, that justifies credit financing. The company is closely monitoring the exposure to commercial credit risk.

The financial assets that may put the Company at risk of collection are mainly trade receivable.

The company has implemented a series of policies that ensure that the sale of services is done to the clients with rapid collection. The value of net receivables (less impairments) represents the maximum amount at risk of collection.

On December 31, 2024 the Company holds cash and cash equivalents in amount of 136,176,830 RON (on December 31, 2023: 107,742,173 RON). The liquid assets are held in banks, among which we list BCR, Banca Transilvania. Raiffeisen Bank, BRD Groupe Societe Generale, CEC Bank, Unicredit Bank, Exim Bank, Garanti Bank, Credit Europe Bank, Vista Bank etc.)

The credit risk related to trade receivables is reduced due to the regular collection of transport services. Even though there is significant concentration, the clients base being extremely low, the management considers that the commercial credit risk is reduced.

the statement of the seniority of **clients'** receivables on the date of preparation of the statements of financial standing is the following:

			- RON-
Name	Gross value December 31, 2024	Adjustment December 31, 2024	Net value on December 31, 2021 December 31, 2024
Seniority less than 30 days	2,086,664	-	2,086,664

Seniority between 30-60 days	874,423	-	874,423
Seniority between 60-90 days	-	-	-
Seniority between 90 days -270 days	788,551	-	788,551
Seniority between 270 days -1 year	7,735,781	7,735,781	-
More than 1 year	2,961,205	1,716,646	1,244,559
Total	14,446,624	9,452,427	4,994,197

- RON-

Name	Gross value December 31, 2023	Adjustment December 31, 2023	Net value on December 31, 2023
Seniority less than 30 days	48,007,876	-	48,007,876
Seniority between 30-60 days	98,106	-	98,106
Seniority between 60-90 days	4,062	1,964	2,098
Seniority between 90-270 days	7,092	2,309	4,783
Seniority between 270 days -1 year	3,845	3,845	-
More than 1 year	200,500	200,500	-
Total	48,321,481	208,618	48,112,863

The statement of seniority of **other receivables** on the date of drawing up the statement of financial standing is:

- RON-

Name	Gross value on December 31, 2024	Adjustment December 31, 2024	Gross value on December 31, 2023	Net value on December 31, 2023
Seniority less than 30 days	2,086,664	-	2,282,700	-
Seniority between 30-60 days	874,423	-	196,453	-
Seniority between 60-90 days	-	-	334,117	-
Seniority between 90-270 days	788,551	-	1,111,809	-
Seniority between 270 days -1 year	7,735,781	7,735,781	312,836	5,744
More than 1 year	2,961,205	1,716,646	2,050,291	1,692,955
Total	14,446,624	9,452,427	6,288,206	1,698,699

Name	Gross value on December 31, 202e	Adjustment December 31, 2023	Net value on December 31, 2023
Seniority less than 30 days	2,282,700	-	2,282,700
Seniority between 30-60 days	196,453	-	196,453
Seniority between 60-90 days	334,117	-	334,117
Seniority between 90-270 days	1,111,809	-	1,111,809
Seniority between 270 days -1 year	312,836	5,744	307,092
More than 1 year	2,050,291	1,692,955	357,336
Total	6,288,206	1,698,699	4,589,507

The statement of seniority of **long-term receivables and other trade receivables** on the date of preparation of the financial statements is:

- RON -

Name	Gross value on December 31, 2024	Adjustment on December 31, 2024	Net value December 31, 2024
Other long-term receivables >1 year	282,321	1,404	280,917
Long-term receivables <1 an	80,341	-	80,341
Long-term receivables >1 an	688,233	238,300	449,933

Total	1,050,895	239,704	811,191
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- RON -

Name	Gross value on December 31, 2023	Adjustment December 31, 2023	Net value on December 31, 2023
Other long-term receivables >1 year	278,769	1,404	277,365
Long-term receivables >1 an	2,730,504	320,189	2,410,315
Total	3,009,273	321,593	2,687,680

The statement of the seniority of **advances for services** on the time of preparation of the financial standing statement is:

- RON -

Name	Gross value on December 31, 2024	Adjustment December 31, 2024	Net value on December 31, 2024
Seniority less than 30 days	4,485	-	4,485
Total	4,485	-	4,485

- RON -

Name	Gross value on December 31, 2024	Adjustment December 31, 2024	Net value on December 31, 2024
Seniority less than 30 days	1,597	-	1,597
Total	1,597	-	1,597

The movements in the clients receivables impairments were the following:

- RON-

Name	2024	2023
Balance on January 1	208,618	222,936
Growths during the year	-	8,118
Writebacks during the year	(2,000)	(22,436)
Balance on December 31	206,618	206,618

The movements in the other receivables impairments were the following:

- RON -

Denumire	2024	2023
Balance on January 1	1,698,699	1,674,185
Growths during the year	7,871,289	30,443
Writebacks during the year	(117,561)	(5,929)
Balance on December 31	9,452,427	1,698,699

The movements in **long-term impairments and other trade receivables** were the following:

- RON -

Denumire	2024	2023
Balance on January 1	321,593	442,906
Growths during the year	-	-
Writebacks during the year	(81,889)	(121,313)
Balance on December 31	239,704	321,593

(c) Liquidity Risk

The liquidity risk is the Company's risk to face difficulties in the achievement of the liabilities associated with the financial debts that are being settled in cash or by the transfer of another financial asset. The Company's approach in managing liquidity is to ensure, as much as possible,

that it will always have sufficient liquidity to meet its due obligations, both under normal conditions and under stress, without incurring unacceptable losses or jeopardizing the Company's reputation.

The liquidity risk is managed by the Company's management by applying a policy of permanent liquidity insurance aimed at covering the settlement of outstanding financial liabilities.

- RON-				
2024	Contractual cash flows	<1	Over 1 year	Over 5 years
Trade liabilities	26,574,075	26,574,075	-	-
Liabilities to the employees	44,513,101	14,276,429	4,763,532	25,473,140
Other liabilities	35,450,624	33,027,370	1,717,012	706,242
Total	106,537,800	73,877,874	6,480,544	26,179,382

- RON-				
2023	Contractual cash flows	<1	Over 1 year	Over 5 years
Trade liabilities	33,091,805	33,091,805	-	-
Liabilities to the employees	39,908,276	14,143,449	2,878,921	22,885,906
Other liabilities	33,364,459	30,571,853	2,007,577	785,029
Total	106,364,540	77,807,107	4,886,498	23,670,935

(d) The Personnel Risk and the Waging System

On December 31, 2024, the structure according to age is not balanced, the age categories with the highest rate ratio in the company are between 51 - 60 years old (53.65%) and between 41-50 years old (24.89%).

The average age of the company CONPET personnel is high (50.2 years old) and the advantage it brings is the work experience accumulated by employees within the company, which indicates stability and professionalism. The average age of the personnel employed in the last 2 years is 40.4 years, with an average work experience of about 14.6 years.

However, the risk of personnel in the future is the company to deal with personnel shortages due to departures of the employees reaching retirement age.

The level of this analyzed risk was low; being a high tolerability risk and for the control thereof have been set medium and long-term measures by way of the personnel policy and the monitoring of the personnel fluctuations (personnel input/output). In this respect, the immediate employment needs of the vacancies are carefully monitored, in relation to the needs requested by the organizational entities, the complexity and diversity of activities, the necessary professional skills, as well as the responsibilities related to the positions.

(e) The Risk related to the Evolution of the Global Market

The geopolitical tensions in the Middle East, amplified by conflicts between Israel and Iran, as well as groups supported by this State, such as Hamas and Hezbollah, add a significant risk to oil prices. In addition, the uncertainties generated by Donald Trump's re-election to the leadership of the United States are intensifying the volatility of the oil market. While there is no certainty as to what concrete policy measures could be implemented following his campaign speech, some of them could have conflicting effects on oil supply and prices.

Oil prices fell by about 3% in 2024, marking the second consecutive year of decline, as the return of global post-pandemic demand experienced difficulties.

The causes of the oil price decline in 2024 were due to weak global demand, mostly due to the slowdown in demand in China and the increase in oil production in the United States and other countries outside the Organization of Petroleum Exporting Countries (OPEC).

In parallel, the global transition to renewable energy sources, such as solar and wind power, is putting increasing emphasis on developing efficient energy storage solutions. These sources are intermittent and require advanced technologies to ensure a continuous and stable supply. Energy storage technologies, including batteries, hydrogen and thermal storage, will play a crucial role in balancing supply and demand, ensuring the reliability of electricity grids.

The sanctions imposed on Russia have had a profound impact on the global oil market, with significant implications for trade flows and prices.

In particular, the sanctions imposed by the G7 and other Western states in response to the conflict in Ukraine have reshaped the structure of the global energy market.

The impact of the Russia-Ukraine conflict has led to a considerable review of global energy strategies and policies, prompting states and companies to reassess their dependence on traditional energy sources and accelerate the transition to more sustainable alternatives. In Southeast and Southern Europe, the ban on the transport of oil via the Drujba pipeline did not have a significant impact on refineries in Ploiesti and Burgas, which continue to be powered exclusively through Black Sea terminals.

CONPET SA continues to carefully monitor the evolution of the conflict in Ukraine and the impact of the associated sanctions and countersanctions. The company is constantly analyzing the possible effects on its operations, considering the current volatility and geopolitical risks. Continued disruption or escalation of goods flows from Russia to Europe could generate further price increases in the European region, and this remains a major concern.

In the short term, the company's activity did not register significant disruptions and the transport and delivery infrastructure were adapted to maintain operational stability. However, the medium and long-term impact of the conflict and the sanctions imposed on Russia remains difficult to accurately estimate. Given that some of the operations of CONPET S. A. depend on the areas affected by sanctions, including activities related to Russia, the company continuously analyzes possible scenarios and risks.

At the same time, CONPET S.A. identifies factors that suggest a stable continuation of business, even in the face of external uncertainties. Adaptability and diversification of operations are key elements for maintaining stability in the face of economic and geopolitical change. In this context, the company anticipates that the impact will be minimal, and the adjustment plans will allow the continuation of the activity in an efficient and sustainable way in the long run.

(f) Capital Market Risk

The Romanian capital market registered a positive evolution during 2024, continuing the positive upward trend started at the time of the evolution to the emerging market status. The daily average liquidity for all types of financial instruments has recorded an upward trend during the period analyzed. Romania's representativity within the indexes of Emerging Markets has materially

increased every year. Given that the company CONPET S.A. is included in the composition of the FTSE Global Microcap index, the risk of reduced liquidity is reduced.

(g) Legislative-related Risks

The frequent amendment of the normative acts here included those that bear direct impact on CONPET business may trigger risks for the company.

The effort of the company CONPET to constantly adapt to changing legislative requirements may generate additional costs and possible future changes in the legislative framework could have negative effects on the activity and profitability of CONPET (increased taxes, introduction of new taxes and duties, reduction or suspension of tax concessions, etc.).

Specifically, the changes occurred at the end of 2023 in the fiscal legislation, consisting in increasing the level of the royalty paid for the use of the National Transport System and paying an additional tax on the revenues achieved by oil companies, have led to the increase of the transport tariffs and, subsequently, the consequences can also be found on the pump price of finished products resulting from the processing of crude oil.

An important risk is being represented by the loss of the facility regarding the expenses borne by the Romanian State to provide the guard and protection of the pipelines by gendarmes, regulated by GD no. 1107 dated November 14, 2012, which amends and complements GD no. 1468/2005.

(h) Risk of litigations

The risk related to litigation is one of the important risks to which the company is currently exposed, as concessionaire of the National Crude Oil, Rich gas, Ethane and Condensate Transport System, having as source the legal regime of the lands under/over crossed by the major transport pipelines established by the provisions of the Petroleum Law no. 238/2004. The number of private properties under/over crossed by pipelines is very high and there is a possibility that more and more owners bring proceedings in Court against the Company to obtain substantiated compensations based on the simple presence of the pipelines on their lands. Due to the defective way in which the legal regime of the lands under/over crossed by the transport major pipelines has been regulated, CONPET was and currently is engaged in a series of trials where the owners of those lands claim for the transport pipelines be either lifted, or moved to other sites (and the expense be borne by CONPET), or be granted annual compensations representing consisting amounts of money. Moreover, even some public authorities have laid pecuniary claims about the presence of components belonging to the NTS on the land owned or managed by them.

Within the last years, the Company has prepared various legislative proposals to amend Law no 238/2004 - Petroleum Law, hoping for a coherent and clear regulation of the legal regime of lands crossed under/over by the transport major pipelines. Essentially, these proposals are based on the following assumptions:

- Public property (of the major pipelines) must coexist with private ownership of land, which leads to the conclusion that the state must acknowledge the exercise, free of charge, of certain categories of real rights (servitudes etc.) for the presence of the pipes on the ground;
- CONPET shall compensate the owner of the land in full for any action that would involve temporary occupation of the land for the purpose of repair or damage suffered by the owners because of breakdowns.

(i) Risk related to the regulation and authorization

The risk related to the regulatory framework and authorizations is identified as the company must obtain and renew periodically a series of opinions, authorizations, obtain certificates, attestations. The company is subject to a large range of regulations in various fields, which can lead to additional expenses and delays in starting or completing work, with possible negative effects on achieving objectives.

The regulatory framework for environmental protection applicable to CONPET S.A. is complex due to the activity of transport of crude oil/condensate/rich gas via pipeline and by railway and, for good compliance, all applicable legal requirements and how to implement them in separate registers, developed by environmental factors (water, soil-basement, air, protected areas), regulations (authorizations), SEVESO, waste.

The risk related to the regulatory framework, respectively obtaining and complying with the requirements of the environmental permits and water management is significant given that the company has to obtain and renew periodically 22 environmental permits and 38 water management authorizations (in May, the authorization to manage waters for the 2nd premises was waived - the drilling was sealed by the representatives of S.G.A. Prahova, the latter being nonfunctional).

Controlling the risk related to the regulatory framework is done by closely monitoring newly emerged legal requirements or changes in applicable regulations, as well as by implementing the necessary actions to comply with them. It is also considered to develop and submit proposals for amendments appropriate to the framework in which CONPET operates, when draft regulations are under public debate.

(j) The Market Risk

The market risk comes from the fact that the company is not interconnected to other transport systems in the region, being strictly dependent on the level of crude oil processing in the refineries in Romania.

With the support of the main shareholder, the Ministry of Energy and the Regulatory Authority for Activity (National Regulatory Authority for Mining, Oil and Geological Storage of Carbon Dioxide – A.N.R.M.P.S.G.), CONPET is working to identify new opportunities to increase the use of the system, while getting involved in regional projects started in its field of activity as well as in the development of activities related to the basic activity (provision of oil/oil products storage services, provision of crude oil transport services with own tankers etc.)

(k) Operational risk

Operational risk comes from the Degradation of the National Pipeline Transport System (NTS) due to the low level of utilization (small quantities, reduced frequency) and the potential escalation of criminal acts related to pipeline attacks bearing significant impact on the National Transport System via pipelines and the environment and the impossibility to carry out railway transport schedules for reasons exclusively related to the railway operator.

To control these risks, measures were established such as: redefining the transport infrastructure according to the demand perspective, extending the implementation of the pipeline leak detection and localization system, and calculation of penalties under contract or procurement of the rail

transport service with another railway operator for routes on which the transport program is not carried out.

(I) Environmental aspects

• *Identification of environmental aspects and environmental impact assessment*

The activity of environmental impact assessment is carried out in the production sectors whenever there are changes in the system that involve activities with environmental impact, the list of aspects with significant impact identified at the level of the company being the basis of the elaboration of the Environmental management program and the Action Plan for the achievement of environmental objectives.

During 2024, environmental aspects have been reviewed at the site level, focusing on identifying environmental aspects, including how risks and opportunities related to environmental aspects are treated to prevent and limit their consequences on human health and the environment, using opportunities both for the benefit of the organization, as well as the environment. The following documents have been reviewed:

Records of the legal environmental requirements for water and air

Records of the legal environmental requirements - regulations

Records of the legal environmental requirements - waste

Records of the legal environmental requirements - protected areas.

The Environmental Management and Actions Program, which includes: environmental policy commitments, general objectives and measurable environmental targets, environmental performance indicators, functions responsible for achieving environmental targets, as well as actions to achieve environmental objectives, which took into account the significant environmental aspects identified at the level of CONPET S.A., the measures in the inspection reports/minutes-authorities on compliance with legal requirements and other applicable requirements;

- List of significant environmental aspects and associated impacts generated at the level of CONPET S.A.

Records of the environmental opportunities.

The stage of achievement of the objectives and targets set and the stage of implementation of the actions set for the achievement of the environmental objectives are analyzed annually by the executive management, in the framework of the analysis carried out by the management.

• *Assessments of compliance with legal requirements and other environmental requirements*

The assessment of compliance with the legal requirements or other applicable environmental requirements is carried out by:

- inspections carried out by the environmental authorities (representatives of central and local environmental and water management authorities),

- inspections performed by OHS officials and personnel of the Environmental Protection Department,

- external audits carried out by bodies certifying the environmental management system integrated in the company's management system.

internal audits carried out by internal auditors within the Management Systems Department and the Internal Management Control Department and the Public Internal Audit Office.

Regulatory and control authorities in the field of environment and water management perform scheduled, unexpected and thematic controls at CONPET S. A. on compliance with legal

requirements and other environmental regulations, no major non-conformities being found.

To verify the compliance with the legal requirements, at the level of 2024, 48 external inspections of the environmental authorities from the counties in which CONPET S. A. performs its activity were registered.

The personnel of the sectors, respectively the OSH managers, carry out scheduled inspections according to the annual inspection chart on compliance with the applicable legal requirements and other requirements, as well as unscheduled inspections, according to the duties of the job description.

During 2024, an external audit was carried out by the BUREAU VERITAS certification body to verify compliance with the requirements of ISO 14001:2015 referring to the environmental management system. No non-conformities/deviations were found, and no comments were made regarding the compliance obligations in this field.

Following the internal audits established in the annual internal audit program, the nonconformities identified in the environmental management system were identified and corrected in time.

- ***Pollution is having a significant impact on the environment***

During the pumping of crude oil, accidental pollution can occur on the transport pipelines, from internal or external causes, generating pollution of the geological environment that can have a significant impact. Therefore, in 2024 there have been reported accidental pollutions in the areas: Lukoil, Tatarani, Lipanesti (county of Prahova), Ciresu (county of Braila), Lumina - 46 (county of Constanta), Malul Spart (county of Giurgiu), Hurezani (county of Gorj), Corbu, Milcov (county of Olt), overcrossing left bank of Cateasca, Oarja (county of Arges)

In 2024, the expenses incurred with the remediation of the affected areas amounted to 374.55 thousand le RON.

25. Subsequent events and other mentions

Starting 19.02.2025, by the Order of the President of the National Regulatory Authority for Mining, Oil and Geological Storage of Carbon Dioxide no. 99/14.02.2025 regarding the modification of the transport tariffs, published in the Official Gazette of Romania, Part I, no. 146 of 19.02.2025, the new transport tariffs via the National System of crude oil, gas, condensate and ethane transport have been approved.

In the Revenues and Expenditure Budget for 2025 a reduction of the number of employees by 75 was provided through the individual dismissal procedure. The layoffs will be made in three stages after their approval by the Board of Directors.

Both the change in tariffs and the measures to reduce personnel planned for 2025 do not have an impact on the amounts recognized in these financial statements.

These financial statements and the related notes, from page 1 to page 65, have been authorized for release by the company's management on March 25, 2025.

**Director General,
Eng. Dorin Tudora**

**Economic Director,
Econ. Sanda Toader**