

**FINANCIAL STATEMENTS**  
**on the date and for the six months period ended**  
**June 30<sup>th</sup>, 2023**

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

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**INTERIM STATEMENT OF THE FINANCIAL STANDING ON JUNE 30<sup>th</sup>, 2023**

Name	Note:	June 30 <sup>th</sup>	- RON -	
		2023 (unaudited)	December 31 <sup>st</sup> 2022 (audited)	
<b>ASSETS</b>				
<b>Intangible assets</b>				
Tangible assets	4	624,858,549	607,025,461	
Intangible assets	5	5,970,013	6,854,793	
Financial Assets	6	2,563,684	2,537,045	
Deferred corporate tax receivables	13	6,135,970	6,153,054	
<b>Total non-current assets</b>		<b>639,528,216</b>	<b>622,570,353</b>	
<b>Current assets</b>				
Inventories	7	5,874,404	6,867,083	
Trade receivables and other receivables	8	44,443,781	49,186,760	
Cash and cash equivalents	9	82,873,007	127,672,452	
Prepaid expenses		1,556,526	1,252,288	
<b>Total current assets</b>		<b>134,747,718</b>	<b>184,978,583</b>	
<b>TOTAL ASSETS</b>		<b>774,275,934</b>	<b>807,548,936</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equities</b>				
Subscribed and paid-up share capital	10	28,569,842	28,569,842	
Legal reserves	10	5,713,968	5,713,968	
Revaluation reserves	10	16,655,689	17,101,648	
Other reserves	10	541,181,342	533,897,764	
Retained earnings	10	39,748,627	37,149,214	
Result of the period	10	29,482,139	61,663,616	
<b>Total equities</b>		<b>661,351,607</b>	<b>684,096,052</b>	
<b>Long-term liabilities</b>				
Liabilities to employees	11	23,157,883	23,069,134	
Other long-term liabilities	11	2,546,712	2,749,112	
<b>Total long-term liabilities</b>		<b>25,704,595</b>	<b>25,818,246</b>	
<b>Current liabilities</b>				
Trade liabilities	11	29,687,786	43,914,968	
Current Corporate Tax	13	1,026,751	1,997,414	
Other liabilities	11	33,059,681	27,567,948	
Liabilities to employees	11	14,922,988	14,364,317	
Short-term provisions	12	8,522,526	9,789,991	
<b>Total current liabilities</b>		<b>87,219,732</b>	<b>97,634,638</b>	
<b>Total liabilities</b>		<b>112,924,327</b>	<b>123,452,884</b>	
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>774,275,934</b>	<b>807,548,936</b>	

These interim financial statements and the related notes, from page 1 to page 27 have been authorized for issue by the company's management on August 9<sup>th</sup>, 2023.

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

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

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

**The company CONPET S.A.**

Interim statement of profit or loss and other elements of the global result for the period of six months ended June 30th, 2023

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL  
RESULT FOR THE SIX MONTHS PERIOD ENDED  
JUNE 30<sup>th</sup>, 2023**

Name	Note:	June 30 <sup>th</sup> 2023 (unaudited)	June 30 <sup>th</sup> 2022 (revised)	- RON-
Revenues from contracts		241,197,601	233,157,610	
Earnings from disposal of assets		-	5,832,358	
Other revenues		23,164,563	21,825,164	
<b>Total Operating revenues</b>	15	<b>264,362,164</b>	<b>260,815,132</b>	
Stocks Expenses		3,498,632	3,426,324	
Expenses with energy and water		8,345,231	13,368,133	
Personnel expenses		99,651,692	92,763,219	
Value adjustments on fixed assets, less adjustments related to rights of use resulted from leasing contracts		29,353,128	26,421,964	
Value adjustments for rights of use resulted from leasing contracts		1,024,939	958,619	
Value adjustments on current assets		(42,434)	(500,739)	
Expenses with external services		60,307,675	56,741,965	
Provision adjustments		(346,739)	346,791	
Loss from disposal of assets		2,072	-	
Other expenses		31,610,178	30,777,471	
<b>Total Operating Expenses</b>	16	<b>233,404,374</b>	<b>224,303,747</b>	
<b>Operating Profit</b>		<b>30,957,790</b>	<b>36,511,385</b>	
<b>Financial Revenues</b>		<b>3,817,677</b>	<b>4,270,704</b>	
Interest expenses related to leasing contracts		110,434	133,723	
Other financial expenses		29,625	74,873	
<b>Financial Expenses</b>		<b>140,059</b>	<b>208,596</b>	
<b>Financial profit</b>	17	<b>3,677,618</b>	<b>4,062,108</b>	
<b>Profit before corporate tax</b>		<b>34,635,408</b>	<b>40,573,493</b>	
Expenses with current corporate tax	13	5,136,185	6,492,991	
Expenses with (revenues coming from) deferred corporate tax	13	17,084	(28,439)	
<b>PROFIT OF THE PERIOD</b>		<b>29,482,139</b>	<b>34,108,941</b>	
Net increase of the modernization quota reserve		7,283,578	8,270,408	
<b>Total other global result elements that will be subsequently reclassified as profit or loss</b>		<b>7,283,578</b>	<b>8,270,408</b>	
<b>TOTAL OTHER EMENTS OF THE GOLBAL RESULT</b>		<b>7,283,578</b>	<b>8,270,408</b>	
<b>TOTAL GLOBAL RESULT</b>		<b>36,765,717</b>	<b>42,379,349</b>	
<b>Earnings per share</b>		<b>3.41</b>	<b>3.94</b>	

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue by the company's management on August 9<sup>th</sup>, 2023.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Sanda Toader**

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

## INTERIM STATE OF THE CHANGES IN EQUITY ON JUNE 30<sup>th</sup>, 2023 (unaudited)

- RON-							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total equity
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>17,101,648</b>	<b>533,897,764</b>	<b>37,149,214</b>	<b>61,663,616</b>	<b>684,096,052</b>
<b>Net result of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,482,139</b>	<b>29,482,139</b>
Surplus from revaluation	-	-	(445,959)	-	445,959	-	-
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	-	3,152,695	(3,152,695)	-
Net increase of the modernization quota reserve	-	-	-	7,283,578	-	-	7,283,578
<b>Total other global result elements</b>	<b>-</b>	<b>-</b>	<b>(445,959)</b>	<b>7,283,578</b>	<b>3,598,654</b>	<b>(3,152,695)</b>	<b>7,283,578</b>
<b>Total global revenues related to the period</b>	<b>-</b>	<b>-</b>	<b>(445,959)</b>	<b>7,283,578</b>	<b>3,598,654</b>	<b>26,329,444</b>	<b>36,765,717</b>
Dividends distributed to the shareholders					(999,241)	(58,510,921)	(59,510,162)
<b>Total transactions with the owners directly recognized in equities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(999,241)</b>	<b>(58,510,921)</b>	<b>(59,510,162)</b>
<b>Balance on June 30<sup>th</sup>, 2023</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>16,655,689</b>	<b>541,181,342</b>	<b>39,748,627</b>	<b>29,482,139</b>	<b>661,351,607</b>

The company CONPET S.A.

**INTERIM STATEMENT OF CHANGES IN EQUITIES ON JUNE 30<sup>th</sup> (revised)**

<b>- RON-</b>							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total equity
<b>Balance on January 1<sup>st</sup> 2022</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>18,360,121</b>	<b>517,047,601</b>	<b>46,288,764</b>	<b>51,928,770</b>	<b>667,909,066</b>
<b>Net result of the period</b>	-	-	-	-	-	<b>34,108,941</b>	<b>34,108,941</b>
Surplus from revaluation	-	-	(681,439)	-	681,439	-	-
Retained earnings coming from the adoption, for the first time, of IAS 19 - unrealized earnings	-	-	-	-	(1,339,957)	-	(1,339,957)
Retained earnings coming from the adoption for the first time of IAS 29 - realized earnings	-	-	-	-	1,339,957	-	1,339,957
Allocation of profit provided by law - exemption of the reinvested profit	-	-	-	-	1,484,680	(1,484,680)	-
Net increase of the modernization quota reserve	-	-	-	8,270,408	-	-	8,270,408
<b>Total other global result elements</b>	-	-	(681,439)	<b>8,270,408</b>	<b>2,166,119</b>	<b>(1,484,680)</b>	<b>8,270,408</b>
<b>Total global revenues related to the period</b>	-	-	(681,439)	<b>8,270,408</b>	<b>2,166,119</b>	<b>32,624,261</b>	<b>42,379,349</b>
Dividends distributed to the shareholders	-	-	-	(5,482,940)	(7,130,819)	(50,444,090)	(63,057,849)
<b>Total transactions with the owners directly recognized in equities</b>	-	-	-	<b>(5,482,940)</b>	<b>(7,130,819)</b>	<b>(50,444,090)</b>	<b>(63,057,849)</b>
<b>Balance on June 30, 2022</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>17,678,682</b>	<b>519,835,069</b>	<b>41,324,065</b>	<b>34,108,941</b>	<b>647,230,567</b>

Note: The position „Other Reserves” also includes the reserve representing the modernization quota in amount of 495,624,864 RON on 30.06.2023, respectively 488,341,286 RON on 01.01.2023. This reserve has a special use regime, provided in GD no. 168/1998, exclusively destined to the financing of the modernization works and development works related to the goods belonging to the public domain. The modernization quota is being collected at the extent of capitalization and proceeds of the production and is reflected in the reserves on account of the expenses. On a monthly basis, the reserve of modernization quota at the level of depreciation of fixed assets financed from this source is resumed in revenues.

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue by the company management on August 9<sup>th</sup>, 2023.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

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

**INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED June 30<sup>th</sup>, 2023**

- RON -			
	Name of the Item	6 months, 2023 (unaudited)	6 months, 2022 (revised)
	<b>Cash flows from operating activities:</b>		
+	Proceeds from services supply	264,905,266.	255,507,063
+	Proceeds from interests related to banking placements	4,034,022.	3,769,147
+	Other proceeds	2,153,365.	10,323,427
-	Payments to the suppliers of goods and services	65,621,045.	65,018,487
-	Payments to and on behalf of the employees	100,398,242.	92,745,145
-	VAT Payments	24,965,293.	30,199,856
-	Expenses with corporate tax and specific tax	6,106,848.	6,498,963
-	Other payments regarding the operating activity	19,361,918.	21,548,095
<b>A</b>	<b>Net cash from operating activity</b>	<b>54,639,307.</b>	<b>53,589,091</b>
	<b>Cash flows from investment activities:</b>		
+	Proceeds from sale of tangible assets	-	202,243
+	Proceeds from modernization quota	29,672,073.	27,965,593
-	Payments for purchase of tangible/intangible assets	70,170,093	36,375,495
<b>B</b>	<b>Net cash from investing activity</b>	<b>(40,498,020)</b>	<b>(8,207,659)</b>
	<b>Cash-flows from financing activities</b>		
-	Paid Dividends	57,221,082.	60,531,024
-	Payments on the debt related to the leasing	1,608,066	1,432,731
-	Interest payments	111,584.	129,712
<b>C</b>	<b>Net cash from financing activities</b>	<b>(58,940,732)</b>	<b>(62,093,467)</b>
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>(44,799,445)</b>	<b>(16,712,035)</b>
<b>D1</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>127,672,452</b>	<b>191,751,271</b>
<b>D2</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>82,873,007</b>	<b>175,039,236</b>

The cash and cash equivalents on 30.06.2023 have decreased by 35.1% compared to December 31<sup>st</sup>, 2022 (82,873,007 mRON compared to 127,672,452 RON), due to cash outputs for procurement of assets (investments) and dividend payments, higher than the cash surplus obtained from the operating activity and the cash inputs related to the investment activity (modernization quota).

Of the total of 82,873,007 RON availabilities in the balance on 30.06.2023, the share of the modernization quota is of 25,556,862 RON.

The effects of the three activity areas (operation, investment and financing) on the total cash during the 6 months period of 2023 reveal the following:

- the operating activity triggered cash-flow in amount of 54,639,307 RON;
- the investment activity ended with a deficit in amount of 40,498,020 RON;
- the financing activity has decreased the total cash by 58,940,732 RON.

The net cash from the operating activity on June 30<sup>th</sup>, 2023 is similar to that registered in the similar period of the previous year.

The net cash from the investment activity registers a negative value, higher by 32.3 mRON compared to the level registered in Half I 2022, due to the increase of the cash outputs for the investment activity (the increase of the investments related to public domain financed out of the modernization quota).

The company CONPET S.A.

Interim cash-flow statement for the 6 months period ended June 30, 2023

The net cash from the financing activity registers in both compared periods negative amounts determined by the payment of dividends to the shareholders and by amounts paid for leasing contracts.

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Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

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

## **1. Business Description and General Information**

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

The address of the registered offices is Ploiesti City, no. 1-3, Anul 1848 Street, Prahova County.

CONPET S.A. is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired in 2002, following the conclusion, with the National Agency of Mineral Resources (NAMR) - the competent authority representing the State's interests in the oil resources sector - of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

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

The company CONPET SA is included in 7 stock indexes of the total of 9, namely **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG și BET Plus**. Concurrently, starting March 21st, 2022 the company CONPET S.A. has been part of the FTSE Global Micro Cap index composition dedicated to emerging countries.

On 30.06.2023, CONPET S.A. had a market capitalization of 630.3 million RON (127 million Euro), ranking 30 in Top 100 issuers according to capitalization.

### *Company's Set-up*

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

The shareholder structure and number of voting rights on 30.06.2023 is the following:

- a) The Romanian State by the Ministry of Energy, holding 5,083,372 shares with voting rights, representing 58.72% of the share capital,
- b) legal persons, with 1,949,184 shares with voting rights representing 22.51% of the share capital, and
- c) natural persons holding 1,624,972 shares with voting rights representing 18.77% of the share capital.

### *Company's Mission*

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

### *Other Information on the Company's Business*

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines aiming at supplying the refineries with crude oil and derivatives from the domestic production and with imported crude oil (NACE code 4950-“pipeline transports”).

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

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

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

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

#### *The Legal Environment*

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

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

The main responsibilities of NAMR are the following:

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

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

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

The company practices different transport tariffs for the two subsystems belonging to the National Transport System, namely the subsystem for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the subsystem for the transport of the imported crude oil. For the transport on the import subsystem are being settled tariffs per refineries and per transported quantity installments, being applied the bracket tariff model.

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

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

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

## **2. Preparation Grounds**

### **(a) Declaration of Conformity**

These interim financial statements have been prepared pursuant to the Order of the Minister of Public Finances no. 2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards (IFRS) ("OMFP 2844/2016) and IAS 34 - Interim Financial Reporting.

These preliminary financial situations do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared on December 31<sup>st</sup>, 2022. However, certain selected explanatory notes are included to explain the events and transactions that are significant for understanding the changes in the company's financial standing and performance since the last annual financial statements prepared on and for the financial year ended 31<sup>st</sup>, December 2022.

These interim financial statements have not been audited and have not been revised by an independent auditor.

These interim financial statements have been authorized for issue by the company's management on August 10<sup>th</sup>, 2023.

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

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

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2022.

### **3. Accounting Policies**

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company at the date and for the financial period ended on December 31<sup>st</sup>, 2022, except for the adoption of new standards effective from January 1<sup>st</sup>, 2023:

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

#### 4. Tangible Assets

In the first six months of the year 2023, the tangible assets have evolved as follows:

Name	Lands	Buildings and special installations	Operating oil products	Machinery and equipment	Measuring and control devices	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross accounting value on January 1st, 2023</b>	<b>28,693,144</b>	<b>333,355,527</b>	<b>39,541,805</b>	<b>131,103,627</b>	<b>67,450,565</b>	<b>53,187,538</b>	<b>9,551,894</b>	<b>151,716,394</b>	<b>814,600,494</b>
Cumulated depreciation on January 1st, 2023	(3,534,499)	(56,497,335)	-	(61,414,939)	(45,825,088)	(33,002,087)	(7,301,085)	-	(207,575,033)
<b>Net accounting value on January 1st, 2023</b>	<b>25,158,645</b>	<b>276,858,192</b>	<b>39,541,805</b>	<b>69,688,688</b>	<b>21,625,477</b>	<b>20,185,451</b>	<b>2,250,809</b>	<b>151,716,394</b>	<b>607,025,461</b>
Tangible assets inputs	172,883	113,120,020	-	13,749,481	1,081,197	743,294	196,474	(82,341,744)	<b>46,721,605</b>
Outputs of tangible assets at gross value	(46)	(116,888)	-	(186,479)	(9,503)	-	-	-	(312,916)
Cumulated depreciation related to outputs	-	77,041	-	185,585	8,325	-	-	-	270,951
Depreciation registered during the period	(618,097)	(16,598,060)	-	(5,142,239)	(3,647,739)	(2,313,040)	(527,377)	-	(28,846,552)
<b>Gross accounting value on June 30th, 2023</b>	<b>28,865,981</b>	<b>446,358,659</b>	<b>39,541,805</b>	<b>144,666,629</b>	<b>68,522,259</b>	<b>53,930,832</b>	<b>9,748,368</b>	<b>69,374,650</b>	<b>861,009,183</b>
Cumulated depreciation on June 30th, 2023	(4,152,596)	(73,018,354)	-	(66,371,593)	(49,464,502)	(35,315,127)	(7,828,462)	-	(236,150,634)
<b>Net accounting value on June 30th, 2023</b>	<b>24,713,385</b>	<b>373,340,305</b>	<b>39,541,805</b>	<b>78,295,036</b>	<b>19,057,757</b>	<b>18,615,705</b>	<b>1,919,906</b>	<b>69,374,650</b>	<b>624,858,549</b>

On 30.06.2023, the net value of the tangible assets has increased as compared to the end of 2022 by the amount of 17,833,088 RON.

During the first six months of the year 2023 there have been recorded tangible assets amounting to 46,721,605 RON and were commissioned assets in amount of 128,537,499 RON.

During the first Half of 2023 there have been recorded inputs of tangible assets in amount of 46,721,605 RON and have been commissioned assets in amount of 128,537,499 RON.

During the first Half there have been registered also outputs of assets in amount of 41,965, value left to be depreciated.

The depreciation of the tangible assets registered up to June 2023 is of 28,846,552 RON.

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

During the first Half of 2023 there have been registered a decrease of the assets related to the rights of use resulting from the leasing and concession contracts in amount of 523, 343 RON.

In the tangible assets are recognized, as per IFRS 16, the assets related to the rights of use resulting from the leasing and concession contracts, 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 land owners. On these lands are located telecommunication equipment and cathodic protection stations from various work sites in the country. On 30.06.2023 the gross value of these assets is of 6,007,081 RON and the cumulated depreciation of 4,152,596 RON, resulting a net value the rights of use related to the lands of 1,854,485 RON.
- At the element-row "Special buildings and installations" is included the value of the rights of use resulting from the lease and concession contracts concluded with various owners for buildings rented in order to be made available to the gendarmes, as per GD no.1486/2005 on securing the guard and protection of the objectives, goods and values with gendarmes' teams and for the carry out of the administrative activities. The gross value of these assets on the date of 30.06.2023 is of 1,979,338 RON, and the depreciation registered on the same date is of 1,138,093 RON, resulting a net value of the rights of use related to the buildings of 841,245 RON.
- The line item "Means of transport" includes the value of the rights to use the assets acquired in December 2019 in a leasing system, consisting of 30 cars necessary to carry out the company's specific activities and 15 rail tanks. On 30.06.2023, the gross value of these assets is of 3,122,010 RON, the cumulated depreciation of 2,545,636 RON, resulting a net value of the rights of use related to the means of transport of 576,374 RON.

On 30.06.2023, as per the latest excerpts from the land book, CONPET registers in the company's patrimony lands with a surface of 733, 677 Sq.m. with an accounting value of 22,858,900 RON, made up of:

- 554,181 Sq.m lands with an accounting value of 12,562,749 RON, held under 48 Certificates of ownership right obtained during 2001-2005, appraised on the date of acquiring the certificates, in accordance with GD 834/1991 on the establishment and appraisal of some lands owned by the state-owned companies, at the value of 26,708,233 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves, without augmenting the share capital by the value thereof.

- 156,469 Sq.m represent lands with an accounting value of 3,215,951 RON held based on 14 Land Ownership Certificates obtained until 2001. The share capital of the company was augmented by the amount of these lands;
- 23,027 Sq.m represent lands with an accounting value of 7,080,200 RON, procured by the Company based several sale-procurement contracts. A part of the purchased lands is related to the administrative buildings and on the other purchased lands are being placed telecommunications towers in different locations over the country.

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

The tangible assets also include the oil operating product (crude oil), evaluated in the statement of the financial standing at the cost determined from revaluation, retreated by the application of IAS 29 "The financial reporting in Hyperinflationary Economies".

On 30.06.2023, the accounting value of the operating oil product has remained unchanged compared to the beginning of the year, being in amount of 39,541,805 RON.

#### *Tangible assets in progress*

On December 30th, 2023, the value of the assets under execution is of 69,374,650 RON, and includes investment objectives stipulated in the "Investment Program 2023", which are composed mainly of replacements of piping portions on different lengths and routes, replacement of connecting wires crossing Danube C1-C2 and Borcea C3-C4 arm, tank upgrades, upgrades of pumping stations, SCADA and telecommunication works, upgrades of cathodic protection systems, locomotive upgrades etc.

## **5. Intangible assets**

The Statement of intangible assets in the first six months of 2023 reveal the following:

- RON-

Name	Licenses and software	Other intangible assets	Total intangible assets
<b>Gross accounting value on January 1st, 2023</b>	<b>12,470,814</b>	<b>3,313,099</b>	<b>15,783,913</b>
Cumulated depreciation on January 1st, 2023	(6,739,288)	(2,189,832)	(8,929,120)
<b>Net accounting value on January 1s, 2023</b>	<b>5,731,526</b>	<b>1,123,267</b>	<b>6,854,793</b>
Inputs of intangible assets	648,213	3,056	651,269
Depreciation registered during the period	(1,162,926)	(373,123)	(1,536,049)
<b>Gross accounting value on June 30th, 2023</b>	<b>13,119,027</b>	<b>3,316,155</b>	<b>16,435,182</b>
<b>Cumulated depreciation on June 30th, 2023</b>	<b>(7,902,214)</b>	<b>(2,562,955)</b>	<b>(10,465,169)</b>
<b>Net accounting value on June 30th, 2023</b>	<b>5,216,813</b>	<b>753,200</b>	<b>5,970,013</b>

The net value of the intangible assets on 30.06.2023 has decreased as compared to the end of 2022 by the amount of 884,780 RON.

In the first six months of the year 2023 there have been recorded inputs of intangible assets amounting to 651,269 RON and depreciation in amount of 1,536,049 RON.

The depreciation method used is the linear one.

The intangible assets comprise: IT programs, soft licenses, vectorial map of Romania, the numeric attitudinal model of the land, orthophoto plan, the expenses borne by the company related to the connection to the electric power network and the water and heat networks recognized in intangible assets as rights of use.

Research and development-related expenses are not being capitalized.

## 6. Financial Assets

Within the first six months of 2023 the financial assets are:

			- RON-	
	Name	Other non-current securities	Fixed claims	Total financial assets
<b>Gross accounting value on January 1st, 2023</b>		5,100	2,852,134	<b>2,857,234</b>
Impairment for depreciation on January 1st, 2023		-	(320,189)	(320,189)
<b>Net accounting value on January 1st, 2023</b>		5,100	2,531,945	<b>2,537,045</b>
Inputs		-	35,378	35,378
Outputs		-	(8,739)	(8,739)
<b>Gross accounting value on June 30th, 2023</b>		5,100	2,878,773	<b>2,883,873</b>
Impairments for depreciation		-	(320,189)	(320,189)
<b>Net accounting value on June 30th, 2023</b>		5,100	2,558,584	<b>2,563,684</b>

The net value of the financial assets, on 30.06.2023, has increased as compared to January 1<sup>st</sup>, 2023 by 26,639 RON, on the expense of the increase of the non-current receivables during the first six months of the year.

The company holds contributions at the share capital of Independent Register Monitor in amount of 5,000 RON and is associate member, along with other companies, in the Romanian National Committee for the Oil International Council (CNR-CMP), participating at the establishment of the patrimony, CNR-CMP, with contribution in amount of 100 RON.

The non-current receivables, in net amount of 2,558,584 RON are made up, mainly, of the warranty related to the electric power supply contract, warrantied refundable paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters, Forests in view of temporary removal of the lands from agricultural use and forest fund for the fulfillment of various investment objectives, as well as from warranties related to the lease contracts of lands and spaces in view of carry out of the production and administrative activities in different locations in the country, warranties for telecommunication equipment and warranties for the electric power supply necessary for the operation of several cathodic protection stations.

## 7. Stocks

				- RON-	
	Name	Consumables	Services in progress	Waste products	Total stocks
<b>Gross accounting value on January 1st, 2023</b>		<b>6,444,829</b>	<b>1,403,434</b>	<b>469</b>	<b>7,848,732</b>
Impairments for depreciation of stocks		(981,649)	-	-	(981,649)
<b>Net accounting value on January 1st, 2023</b>		<b>5,463,180</b>	<b>1,403,434</b>	<b>469</b>	<b>6,867,083</b>
Stocks inputs during the period		3,272,930	4,608,296	345,464	8,226,690
Consumption/outputs of stocks during the period		(3,553,626)	(5,359,311)	(331,384)	(9,244,321)
Revenues from (Expense with) impairments for depreciation of stocks		24,952	-	-	24,952
<b>Gross accounting value on June 30th, 2023</b>		<b>6,164,133</b>	<b>652,419</b>	<b>14,549</b>	<b>6,831,101</b>
Impairments for depreciation of stocks		(956,697)	-	-	(956,697)

<b>Net accounting value on June 30th, 2023</b>	<b>5,207,436</b>	<b>652,419</b>	<b>14,549</b>	<b>5,874,404</b>
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The stocks are made up of materials, spare parts and other materials that are to be used when performing the company's business, including those comprising security and intervention stocks meant for the potential provoked and technical breakdowns.

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

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

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

	- RON-	
<b>Name</b>	<b>June 30th 2023</b>	<b>December 31st, 2022</b>
Clients	39,361,313	45,295,130
Impairments for depreciation of receivables	(206,654)	(222,936)
Other trade receivables	1,419,736	1,419,808
Impairments for the loss of value of other short-term intangible receivables	(122,717)	(122,717)
<b>Subtotal trade receivables (net value)</b>	<b>40,451,678</b>	<b>46,369,285</b>
Other receivables	5,665,088	4,491,660
Impairments for the depreciation of other receivables	(1,672,985)	(1,674,185)
<b>Subtotal other receivables (net value)</b>	<b>3,992,103</b>	<b>2,817,475</b>
<b>Total receivables</b>	<b>44,443,781</b>	<b>49,186,760</b>

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

	- RON-	
	<b>June 30th 2023</b>	<b>December 31st, 2022</b>
Clients- transport activity	38,776,017	44,628,760
Other clients - auxiliary activities	585,296	666,370
<b>Total</b>	<b>39,361,313</b>	<b>45,295,130</b>

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

The main trade receivables in balance on June 30th, 2023 are to be received from: OMV PETROM S.A.– 26,127,223 RON (December 31st, 2022: 39,120,758 RON) and Petrotel Lukoil S.A.– 12,660,642 RON (December 31<sup>st</sup>, 2022: 5,172,855 RON).

*Other receivables* in amount of 5,665,088 RON mainly include: undue VAT related to the unarrived invoices until 30.06.2023 (2,129,976 RON, namely 37.6%) amounts to be recovered from various natural and legal persons, most of them being in dispute before the courts (1,711,118 RON, namely 30.2%) and amounts to be recovered from the budget representing indemnities for medical leaves (678,440 RON, namely 12.0 %).

*Impairments for the depreciation of trade receivables* are recorded for the doubtful clients involved in litigation or insolvency, presenting default of collection thereof. On June 30th, 2023 the value of these impairments amounts to 206,654 RON, lowering the amount of 16,282 RON.

*Impairments for the depreciation of other receivables* are recorded for debits related to the legal files pending before the Law, paid fines and facing dispute. On March 30th, 2023 the value of the impairments amounts to 1,672,985 RON, decreasing by 1,200 RON.

The Company's registers impairments for loss of value of 100% from the value of the receivables, for the clients facing dispute, insolvency and for other debits related to the established legal files or for fines received and appealed.

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

#### **Trade receivables**

		- RON-	
	Name	June 30th 2023	December 31 <sup>st</sup> 2022
<b>Clients, o/w:</b>		39,361,313	45,295,130
<i>Depreciated receivables</i>		206,654	222,936
<i>Non-depreciated receivables, o/w:</i>		39,154,659	45,072,194
- seniority less than 30 days		39,045,975	44,914,134
- seniority between 30 days and 60 days		108,670	147,366
- seniority between 60 days and 90 days		14	4,731
- seniority between 90 days and 270 days		-	5,963
<b>Other trade receivables, out of which:</b>		1,419,736	1,419,808
<i>Depreciated receivables</i>		122,717	122,717
<i>Non-depreciated receivables, o/w:</i>		1,297,019	1,297,091
- seniority less than 30 days		2,101	2,101
- seniority between 30 days and 60 days		293	365
- seniority between 270 days and 1 year		1,294,625	1,294,625

#### **Other receivables**

		- RON-	
	Name	June 30th 2023	December 31, 2022
<i>Depreciated receivables</i>		1,672,985	1,674,185
<i>Non-depreciated receivables, o/w:</i>		3,992,103	2,817,475
- seniority less than 30 days		3,954,752	2,746,967
- seniority between 90 days and 270 days		-	33,631
- seniority between 270 days and 1 year		-	862
- seniority over 1 year		37,351	36,015
<b>Total</b>		<b>5,665,088</b>	<b>4,491,660</b>

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

On June 30<sup>th</sup>, 2023 and December 31<sup>st</sup>, 2022 the cash and cash equivalents look as follows:

		- RON-	
	Name	June 30th 2023	December 31, 2022
Current bank accounts		2,792,151	5,465,205
Bank deposits with maturity ≤ 3 months		80,070,843	122,200,485
Cash on hand		10,013	6,762
<b>Total</b>		<b>82,873,007</b>	<b>127,672,452</b>

On June 30<sup>th</sup>, 2023, the cash from bank accounts and cash office has decreased by 35.1% compared to December 31<sup>st</sup>, 2022 (82,873,007 RON compared to 127,672,452 RON).

The cash accounts on 30.06.2023 also include the cash representing the modernization quota, with special use regime provided by GD no.168/1998, in amount of 25,556,862 RON. The cash representing the modernization quota is exclusively destined to funding the modernization and development works of the goods belonging to public domain.

The company has no restricted cash.

## 10. Equities

### *The Share capital*

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

The structure of CONPET S.A. share capital and shareholding on June 30<sup>th</sup>, 2023 is exposed as follows:

Shareholders	June 30th, 2023			December 31st, 2022		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
Romanian State by the Ministry of Energy	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	1,949,184	6,432,307	22.5143	1,910,238	6,303,785	22.0645
Natural Persons	1,624,972	5,362,407	18.7695	1,663,918	5,490,929	19.2193
<b>Total</b>	<b>8,657,528</b>	<b>28,569,842</b>	<b>100%</b>	<b>8,657,528</b>	<b>28,569,842</b>	<b>100%</b>

### *Legal reserves*

On June 30th, 2023, the value of the legal reserve is of 5,713,968 RON (December 31st, 2022: 5,713,968 RON). The reserve is established at the level of 20% of the share capital, according to Law no. 31/1990 and the Articles of Incorporation.

### *Other reserves*

On June 30th, 2023 "Other reserves" are in amount of 541,181,342 RON, increasing by 7,283,578 RON compared to 1.01.2023, based on the augmentation of the reserve representing the modernization quota.

The reserve related to the modernization quota is in amount of 495,624,864 RON and holds the highest share in total other reserves (91.6%).

### *Revaluation reserves*

On June 30th, 2023, in the financial standing, the revaluation reserves are being presented at the net value of 16,655,689 RON, resulting after the diminution of the gross value by the related deferred tax recognized directly in the equities, as per IAS 12.

### *Retained earnings*

On June 30th, 2023 the retained earnings are in amount of 39,748,627 RON and mainly comprises the difference of value resulting from the application, for the first time, of IAS 29, related to the operating oil product recognized in tangible assets, in amount of 39,302,668 RON.

### *Profit of the period*

The profit of the financial year registered in the first the six three months of 2023 amounts to 29,482,139 RON, decreasing by 13.6% as compared to the profit realized in the same period of the previous year (34,108,941 RON).

## 11. Trade Liabilities and Other Liabilities

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

Liabilities	December 31st, 2022	June 30th 2023	Maturity date for the balance on June 30th, 2023			- RON-
			Under 1 year	1-5 years	Over 5 years	
Trade liabilities	43,914,968	29,687,786	29,687,786	-	-	
Liabilities to the employees	37,433,451	38,080,871	14,922,988	3,212,270	19,945,613	
Other liabilities, here- included fiscal debts and social insurances related debts	32,314,474	36,633,144	34,086,432	1,688,370	858,342	
<b>Total</b>	<b>113,662,893</b>	<b>104,401,801</b>	<b>78,697,206</b>	<b>4,900,640</b>	<b>20,803,955</b>	

The trade liabilities related to the purchase of goods and services for the operating activity have a share of 81.4% in total trade liabilities, while those representing the procurement of assets have a share of 18.6%.

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

Liabilities	December 31st, 2022	June 30th 2023	Maturity date for the balance on June 30th, 2023			- RON-
			Under 1 year	1-5 years	Over 5 years	
Salaries contributions	6,372,957	5,185,096	5,185,096	-	-	
Current corporate tax	1,997,414	1,026,751	1,026,751	-	-	
Royalty due to the State Budget	9,371,188	8,520,434	8,520,434	-	-	
VAT payable	2,688,197	4,312,243	4,312,243	-	-	
Other taxes and debts - State Budget	1,202,034	5,683,510	5,683,510	-	-	
Payable Dividends	5,234,071	7,523,682	7,523,682	-	-	
Leasing related liabilities	4,457,905	3,589,171	1,702,799	1,354,198	532,174	
Deferred revenues	833,329	731,119	81,729	323,222	326,168	
Other liabilities	157,380	61,138	50,188	10,950	-	
<b>Total</b>	<b>32,314,474</b>	<b>36,633,144</b>	<b>34,086,432</b>	<b>1,688,370</b>	<b>858,342</b>	

On 30.06.2023, leasing related debts comprise future leasing related debts payment obligations for 30 cars necessary for the performance of company-specific activities and debts concerning rights of use recognized for land, buildings and wagons lease and concession contracts (note 4).

The debts 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 credit rate for real estate loans.

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

Liabilities	December 31st, 2022	June 30th 2023	Maturity date for the balance on June 30, 2023			- RON-
			Under 1 year	1-5 years	Over 5 years	
Salaries and assimilated debts	6,975,973	6,702,667	6,702,667	-	-	
Liabilities for benefits granted on retirement	19,779,263	19,834,814	732,381	3,021,993	16,080,440	
Liabilities for the benefits granted in case of death	3,890,637	4,070,223	14,773	190,277	3,865,173	
Liabilities for the employees share of profit	6,387,655	2,849,654	2,849,654	-	-	
Liabilities for untaken annual leaves	359,923	4,623,513	4,623,513	-	-	
Liabilities for other benefits due to the employees	40,000	-	-	-	-	
<b>Total</b>	<b>37,433,451</b>	<b>38,080,871</b>	<b>14,922,988</b>	<b>3,212,270</b>	<b>19,945,613</b>	

The Company comprises, at this chapter, mainly salaries and assimilated liabilities, as well as future liabilities for benefits granted on retirement or death, for untaken leaves and employees share of profit, recognized as provisions.

The highest share in the liabilities to employees' benefits is being held by the liability for the benefits granted upon retirement, in amount of 19,834,814 RON, of which 19,102,433 RON stands for long-term obligations and 732,381 RON stands for short-term obligations.

On 31.06.2023, the debt related to employees share of profit in in quantum of 2,849,654 RON, and includes the amount left to be paid from the participation fund related to 2022 and the amounts related to the service supplied by the employees in the first six months of 2023 constituted at the level of the provisions in the revenues and expenses budget for this period.

Within the liabilities to the employees is also included the liability for the untaken annual leaves which, at the end of Half I, 2023 is in amount of 4,623,513 RON.

## 12. Provisions

Name	June 30 <sup>th</sup> , 2023	December 31st, 2022	- RON-
Provisions for litigations	6,763,543	6,450,149	
Provisions related to mandate contracts	516,166	2,157,211	
Other provisions for risks and expenses	1,242,818	1,182,631	
<b>Total provisions</b>	<b>8,522,526</b>	<b>9,789,991</b>	

### ***Provisions for litigations***

In detail, the provisions for litigations are:

Name	June 30th 2023	December 31, 2022	- RON-
Litigations for civil compensations	5,106,320	4,785,250	
Litigations for third parties failure to respect certain contractual clauses	70,609	118,314	
Other litigations	1,586,614	1,546,585	
<b>Total</b>	<b>6,763,543</b>	<b>6,450,149</b>	

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides indemnities, they request the payment of an annuity due to the exercising,

by the company, of the legal easement right on the plaintiff's lands, or the decommission of the pipelines and installations located on their fields.

Following the restitution of their property rights, they are bringing proceedings in Court against the Company, invoking the lack of land use due to the fact that they are being crossed by the crude oil transport pipelines belonging to the public domain.

On 30.06.2023 there are registered provisions related to litigations for civil compensations in amount of 5,106,320 RON, increasing by 321,070 RON, compared to the value from the date of 31.12.2022.

On 30.06.2023, the position "Litigations for non-compliance by third parties with certain contractual clauses" is in the amount of 70,609 RON, down by 47,705 RON as compared to 31.12.2022, following the completion of a litigation in the first Half of the year 2023.

In the position "Other litigations", in the amount of 1,586,614 RON, represents the exchange value of the provision constituted for the litigation opened during 2018 by Fondul Proprietatea, the latter requesting the payment of the net value of the dividends for the financial year 2006, related to a 6% quota held by the plaintiff in CONPET S.A share capital, as well as the legal interest calculated for the requested amount, starting with the maturity date thereof.

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

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

- 130,490 RON represent liability for rest leave not performed by the directors with mandate contract, corresponding to the year 2022 and the first six months of the year 2023;
- 385,676 RON representing liability for the variable component due to the directors with mandate contract, related to the first six months of the year 2023.

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

On June 30, 2023 the balance of the position "Other provisions" in amount of 1,242,818 RON represents provision for environment expenses and for the lack of use of the land on which the sports base "Vointa" is being placed (1,142,818 RON), land owned by the Municipality of Ploiești. The land was subject of case 1474/105/2019 before the Prahova Tribunal and the lack of use was calculated for the period passed from the date up to which the lack of use has been paid, according to judgment no. 1205/13.07.2020, respectively as of 16.11.2019 until June 30<sup>th</sup>, 2023.

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

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

Name	June 30th 2023	June 30th 2022
Expense with corporate tax and specific tax	5,136,185	6,492,991
The expense with /(revenues from) the deferred corporate tax	17,084	(28,439)
<b>Total</b>	<b>5,153,269</b>	<b>6,464,552</b>

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

Name	June 30th 2023	June 30th 2022
Profit before tax	34,635,408	40,573,493
- Corporate tax at a statutory rate of 16%	5,541,665	6,491,759
<b>Effect on the corporate tax of:</b>		
- Non-deductible expenses	1,642,097	2,077,768
- Non-taxable revenues	(1,522,598)	(1,870,941)
- Elements similar to the revenues	85,380	345,106
- Elements similar to the expenses	(129,340)	(130,931)
- Spared corporate tax	(246,019)	(131,756)
-Amounts representing sponsorship falling under the limits provided by law	(235,000)	(292,000)
- Specific tax	-	3,986
<b>Expenses with current corporate tax and specific tax</b>	<b>5,136,185</b>	<b>6,492,991</b>

*The deferred corporate tax*

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

Statement of movements regarding the receivable/debt with the deferred income during the first six months of the year 2023, reveals the followings:

2023	Net value on the 1 <sup>st</sup> of January	Deferred corporate tax recognized in the profit and loss account	Deferred corporate tax recognized in the equity	- RON-	
				Receivable related to the deferred corporate tax	Debt related to the deferred corporate tax
Reevaluation of tangible assets	299,582	84,332	-	3,352,732	(2,968,818)
Provisions	5,396,741	(94,792)	-	5,301,949	-
Adjustments of current assets	456,731	(6,624)	-	450,107	-
<b>Deferred corporate tax before offsetting</b>	<b>6,153,054</b>	<b>(17,084)</b>	<b>-</b>	<b>9,104,788</b>	<b>(2,968,818)</b>
Receivable/liability offsetting				(2,968,818)	2,968,818
<b>Deferred net corporate tax - recoverable</b>					<b>6,135,970</b>

Deferred corporate tax payable, recognized on account of equity items on 30.06.2023 amounts to 2,968,818 RON and the deferred corporate tax to be recovered on 30.06.2023 in the statement of the global result is of 9,104,788 RON.

**14. Result per Share**

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

Name	June 30th 2023	June 30th 2022
Profit of the Financial Year	29,482,139	34,108,941
The number of ordinary shares at the beginning and the end of the period	8,657,528	8,657,528
<b>Basic and diluted earnings per share (RON/share)</b>	<b>3.41</b>	<b>3.94</b>

## 15. Operating Revenues

### a) Revenues from contracts

Name	June 30th 2023	June 30th 2022	- RON-
Revenues from transport service, of which:	240,080,839	231,895,051	
<i>Revenues from transport services on domestic subsystem</i>	176,006,016	163,686,936	
<i>Revenues from transport services on import subsystem</i>	64,074,823	68,208,115	
Revenues from rents	1,048,495	946,792	
Other revenues from contracts	68,267	315,767	
<b>Total contracts revenues</b>	<b>241,197,601</b>	<b>233,157,610</b>	

The transport revenues are achieved out of the services supplied to clients for the transport of the crude oil, rich gas and condensate volumes, at the tariffs approved by Order of the President of the National Agency for Mineral Resources.

In the first six months of 2023, the quantities transported on subsystems, as compared to the same period of the previous year are the following:

Name	June 30th 2023	June 30th 2022
Domestic Subsystem	1,474,106	1,542,975
Import Subsystem	1,581,605	1,872,864
<b>Total quantities (tons)</b>	<b>3,055,711</b>	<b>3,415,839</b>

The total quantity of transported quantities has decreased by 10.5% in the first six months of the year 2023, compared to the same period of the previous year, given the 4.5% decrease of the quantity transported on the domestic transport subsystem and 15.6% of the quantity transported on the import transport subsystem.

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

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

During the reporting period, the following tariffs have been applied:

Tariffs from transport services on domestic subsystem:

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

Tariffs for transport services on import subsystem:

Period	Batches	Arpechim Refinery	Ploiesti Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order no.
	Thousand tons/month	RON/ton	RON/ton	RON/ton	
January 1, 2022 - December 31, 2022	Up to 80	46.65	45.66	18.51	
	80-120	37.32	36.53	14.81	

	120-160	27.99	27.39	11.11	229/2021
starting January 1st, 2023	Over 160	21.00	20.55	8.33	
	up to 80	52.25	51.60	20.73	
	80-120	41.80	41.28	16.59	
	120-160	31.35	30.96	12.44	
	Over 160	23.51	23.22	9.33	364/2022

### b) Other Operating Revenues

- RON-

Name	June 30th 2023	June 30th 2022
Revenues out of modernization quota consumption	22,388,495	19,695,185
Earnings from disposal of assets	-	5,832,358
Other revenues	776,068	2,129,979
<b>Total other operating expenses</b>	<b>23,164,563</b>	<b>27,657,522</b>

**The revenues from reserves representing the modernization quota hold 96.7% from other operating expenses, registering an increase of 13.7% in the first six months of the year 2023 YoY.**

On a monthly basis is being written back to reserve related to the modernization quota at the level of depreciation of the fixed assets financed out of this source.

## 16. Operating Expenses

### a) Stocks and Utilities Expenses

- RON-

Name	June 30th 2023	June 30th 2022
Expenses with consumables	3,132,772	3,002,072
Other material expenses	365,860	424,252
Other Expenses with Energy and Water	8,345,231	13,368,133
<b>Total Stocks and Utilities related Expenses</b>	<b>11,843,863</b>	<b>16,794,457</b>

### b) Personnel expenses

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

- RON-

Name	June 30th 2023	June 30th 2022
Salary expenses	77,263,730	71,438,793
Obligations regarding employees' bonuses	14,940,304	12,500,675
Other personnel expenses	39,600	1,603,780
Expenses with the remuneration of the Directors with mandate contract and of the Administrators	3,457,400	3,543,145
Expenses with contributions due by the employer	3,950,658	3,676,826
<b>Total personnel expenses</b>	<b>99,651,692</b>	<b>92,763,219</b>

The personnel expenses are detailed as follows:

### Salaries expenses

Name	June 30th 2023	June 30th 2022	- RON-
Expenses with basic salaries and related spores	76,653,005	69,907,738	
Premiums	-	999,119	
Retirement supports	578,153	509,772	
Marriage supports	32,572	22,164	
<b>Total salary- related expenses</b>	<b>77,263,730</b>	<b>71,438,793</b>	

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

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

### Obligations regarding employees' bonuses

Name	June 30th 2023	June 30th 2022	- RON-
Employees share of profit	6,000,000	5,517,801	
Meal vouchers	4,798,590	3,355,240	
Social expenditure under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions	2,710,855	2,297,214	
Other expenses as per the Collective Labor Agreement	1,430,859	1,330,420	
<b>Total</b>	<b>14,940,304</b>	<b>12,500,675</b>	

The value of bonuses granted to employees has an increase of 2,439,629 RON in the first Half of 2023, compared to Half I of 2022, mainly due to the increase of the value of the meal voucher starting 15.12.2022, from 20 RON to 30 RON.

In accordance with the Collective Labor Agreement in force, the Company has paid to the employees' bonuses as social expenses under art. 25 of Law no. 227/2015 regarding the Fiscal Code consisting of tickets for rest and treatment, including the transport, gifts to employees, aids for birth, funeral, serious illness, humanitarian and other social expenses as per the CLA.

### Other personnel expenses

Name	June 30th 2023	June 30th 2022	- RON-
Expenditure with compensatory payments related to personnel layoffs	39,600	1,603,780	
<b>Total</b>	<b>39,600</b>	<b>1,603,780</b>	

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

### Expenses with the remuneration of the Directors with mandate contract and of the Administrators

Name	June 30th 2023	June 30th 2022	- RON-
Allowance of the directors with mandate	2,295,688	2,025,649	
Allowances of the members of the Board of Directors	1,161,712	1,517,496	
<b>Total</b>	<b>3,457,400</b>	<b>3,543,145</b>	

The expenses with the allowances related to the mandate contracts of the directors register an increase of 270,039 RON in the first six months of 2023, compared to the same period of 2022, due to the increase of the allowance level of the economic director and the deputy director general calculated based on the average on 12 months of the national average wage reported by NIS.

### Expenses with contributions due by the Employer

Name	June 30th 2023	June 30th 2022	- RON-
The company's contribution to facultative pension schemes	1,275,166	1,332,840	
Company's contribution to voluntary health insurance	692,054	477,998	
Labor insurance contribution and other contributions	1,983,438	1,865,988	
<b>Total</b>	<b>3,950,658</b>	<b>3,676,826</b>	

The expense with the company's contribution to voluntary health insurance in the first Half of 2023 is lower compared to the same period of the previous year, due to the decrease of the number of employees, from 1505 down to 1448, on 30.06.2023.

In the first six months of 2023, following the salaries increase that happened in December 2022, the work insurance contribution has proportionally increased.

### c) Expenses related to External Services

Name	June 30th 2023	June 30th 2022	- RON-
Rail transport expenses	34,560,723	30,340,868	
Expenses with royalties and rentals	18,438,409	18,086,815	
Third-party pumping expenses	2,472,050	2,350,111	
Maintenance and repair expenses	1,012,582	1,495,027	
Expenses with the decontaminations, monitoring of the environmental factors	209,970	1,289,085	
Travel, secondment and transfer expenses	293,548	343,638	
Expenses related to the transport of goods and personnel	4,286	19,143	
Postal and telecommunication expenses	346,315	328,864	
Other expenses with services performed by third parties	2,969,792	2,488,414	
<b>Total expenses related to external services</b>	<b>60,307,675</b>	<b>56,741,965</b>	

The expenses with royalties and rents contain mainly the oil royalty due by the company to the State budget, as holder of the oil agreement, under the law, for the use of the goods public property of the State within the oil operations.

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

### d) Other expenses

Name	June 30th 2023	June 30th 2022	- RON-
Taxes, fees and similar levies related expenses	1,568,262	1,218,575	
Compensations, fines and penalties expenses	13,211	1,133,941	
Donations granted (sponsorship)	235,000	292,000	
Environmental protection expenses	9,918	11,041	
Expenses with the establishment of the modernization quota	29,672,073	27,965,593	
Other operating expenses	111,714	156,321	
<b>Other expenses</b>	<b>31,610,178</b>	<b>30,777,471</b>	

Within the first six months of 2023, the expenses recorded with other taxes, fees and similar levies mainly include the expenses with the local taxes and expenses with the contribution to the special

fund, due under the Law no. 448/2006 regarding the protection and promotion of the disabled persons.

The chapter "Other expenses" also contains the reserve related to the modernization quota constituted based on 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.

## 17. Net Financial Result

Name	June 30th 2023	June 30th 2022	- RON-
Revenues from interests	3,795,303	4,260,876	
Other financial revenues	22,374	9,828	
<b>Total financial revenues</b>	<b>3,817,677</b>	<b>4,270,704</b>	
Interest expenses related to leasing contracts	110,434	133,723	
Other financial expenses	29,625	74,873	
<b>Total financial expenses</b>	<b>140,059</b>	<b>208,596</b>	
<b>Net Financial Result</b>	<b>3,677,618</b>	<b>4,062,108</b>	

The financial revenues have decreased by 10.6% in the first Half of 2023 compared to the same period of 2022 and the financial expenses have decreased by 32.9% during the analyzed period, compared to the same period of the previous year. Based on this evolution the net financial result has decreased by 9.5% in the first six months of the year 2023 as compared to the same period of the year 2022.

## 18. Related Parties

Between 01.01- 31.06.2023, the Company performed the following significant transactions with affiliated parties:

### Procurement from affiliated parties

Partner	Unsettled amounts on December 31, 2022	Procurements during 01.01.2023- 30.06.2022	Settlements during 01.01-30.06.2023	Unsettled amounts on June 30, 2023	- RON-
SNTFM CFR Marfă S.A.	9,008,826	18,314,374	27,320,851	2,349	
ELECTRICA FURNIZARE S.A.	3,397,416	1,842,860	3,938,789	1,301,487	
SPEEH HIDROELECTRICA S.A.	-	10,702,904	-	10,702,904	

\*The amounts are VAT exclusive

### Advance payments granted to the affiliated parties

Partner	30.06.2023	31.12.2022	- RON-
ELECTRICA FURNIZARE S.A.	1,540,604	1,540,604	

\*The amounts are VAT exclusive

### Guarantees awarded to affiliated parties

Partner	30.06.2023	31.12.2022	- RON-
SPEEH HIDROELECTRICA S.A.	1,989,045	1,989,045	

## **19. The Impact of the conflict Rusia - Ukraine on the business activity of CONPET SA**

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

## **20. Ulterior Events and other Mentions**

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

These interim financial statements and the related notes, from page 1 to page 27 have been authorized for issue by the company's management on August 9<sup>th</sup>, 2023.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**