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TIN: RO 1350020; NACE Code 4950; CRN J29/6/22.01.1991  
Subscribed and paid-up share capital 28 569 842.40 RON

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**FINANCIAL STATEMENTS**  
on the date and for the six months period ended  
**June 30, 2022**

**as per the Order of the Ministry of Public Finances no.2844/2016 and with  
the International Accounting Standard no. 34 - „Interim Financial Reporting”**



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

Interim statement of the financial standing	2
Interim statement of profit and loss and other elements of the global result	3
Interim Statement of changes in shareholders equity	4 – 5
Interim Statement of Cash-flow	6 - 7
Explanatory Notes to the interim financial statements	7 - 28

**INTERIM STATEMENT OF THE FINANCIAL STANDING ON JUNE 30, 2022**

- RON-			
Name	Note:	June 30, 2022 (revised)	December 31, 2021 (audited)
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	4	518,279,624	512,823,088
Intangible assets	5	6,960,123	6,941,740
Financial Assets	6	453,237	411,171
Receivables related to the deferred corporate tax	13	4,665,924	4,637,485
<b>Total non-current assets</b>		<b>530,358,908</b>	<b>524,813,484</b>
<b>Current assets</b>			
Inventories	7	5,369,859	5,312,087
Trade receivables and other receivables	8	48,816,741	48,922,158
Cash and cash equivalents	9	175,039,236	191,751,271
Prepaid expenses		2,051,616	623,444
<b>Total current assets</b>		<b>231,277,452</b>	<b>246,608,960</b>
<b>TOTAL ASSETS</b>		<b>761,636,360</b>	<b>771,422,444</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equities</b>			
Subscribed and paid-up share capital	10	28,569,842	28,569,842
Legal reserves	10	5,713,968	5,713,968
Revaluation reserves	10	17,678,682	18,360,121
Other reserves	10	519,835,069	517,047,601
Retained earnings	10	41,324,065	46,288,764
Year's Result	10	34,108,941	51,928,770
<b>Total equities</b>		<b>647,230,567</b>	<b>667,909,066</b>
<b>Long-term liabilities</b>			
Long-term trade liabilities	11	1,287,099	1,287,802
Long-term liabilities to the employees	11	15,895,199	16,628,683
<b>Other long-term liabilities</b>	<b>11</b>	<b>3,396,194</b>	<b>3,458,842</b>
<b>Total long-term liabilities</b>		<b>20,578,492</b>	<b>21,375,327</b>
<b>Current liabilities</b>			
Trade liabilities	11	36,954,167	32,147,560
Current corporate tax	13	2,043,353	2,049,325
Other liabilities	11	32,505,290	27,106,187
Short-term liabilities to employees	11	14,713,681	12,065,900
Short-term provisions	12	7,610,810	8,769,079
<b>Total current liabilities</b>		<b>93,827,301</b>	<b>82,138,051</b>
<b>Total liabilities</b>		<b>114,405,793</b>	<b>103,513,378</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>761,636,360</b>	<b>771,422,444</b>

These interim financial statements and the related notes, from page 1 to page 28, have been authorized for issue and signed by the company management on August 12, 2022.

**Director General**

**Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

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

**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 30, 2022

**INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL  
RESULT FOR THE SIX MONTHS PERIOD ENDED  
ON JUNE 30, 2022**

Name	Note:	June 30, 2022 (revised)	June 30, 2021 (revised)	- RON-
Revenues from contracts		233,157,610	206,666,786	
Other revenues		21,825,164	22,821,078	
Earnings from disposal of assets		5,832,358	181,196	
<b>Total Operating Expenses</b>	15	<b>260,815,132</b>	<b>229,669,060</b>	
Inventories Expenses		3,426,324	2,431,965	
Expenses with energy and water		13,368,133	6,935,348	
Personnel expenses		92,763,219	87,138,453	
Impairments on fixed assets, less impairments related to rights of use resulted from leasing contracts		26,421,964	25,626,967	
Impairments of rights of use resulting from leasing contracts		958,619	882,211	
Impairments on current assets		(500,739)	(29,737)	
Expenses with external services		56,741,965	54,578,933	
Provision adjustments		346,791	(2,587,378)	
Other expenses		30,777,471	23,977,510	
<b>Total Operating Expenses</b>	16	<b>224,303,747</b>	<b>198,954,272</b>	
<b>Operating Profit</b>		<b>36,511,385</b>	<b>30,714,788</b>	
<b>Financial Revenues</b>		<b>4,270,704</b>	<b>1,570,122</b>	
Interest expenses related to leasing contracts		133,723	116,602	
Other financial expenses		74,873	64,079	
<b>Financial expenses</b>		<b>208,596</b>	<b>180,681</b>	
<b>Financial profit</b>	17	<b>4,062,108</b>	<b>1,389,441</b>	
<b>Profit before corporate tax</b>		<b>40,573,493</b>	<b>32,104,229</b>	
Expenses with current corporate tax	13	6,492,991	4,824,496	
Expenses with (revenues coming from) deferred corporate tax	13	(28,439)	(41,070)	
<b>PROFIT OF THE PERIOD</b>		<b>34,108,941</b>	<b>27,320,803</b>	
Other elements of equities - retained earnings:		-	(25,082)	
<i>Total other global result elements that will not be subsequently reclassified as profit or loss</i>		<i>-</i>	<i>(25,082)</i>	
Net increase of the modernization quota reserve		8,270,408	4,046,777	
<i>Total other global result elements that will be subsequently reclassified as profit or loss</i>		<i>8,270,408</i>	<i>4,046,777</i>	
<b>TOTAL OTHER ELEMENTS OF THE GLOBAL RESULT</b>		<b>8,270,408</b>	<b>4,021,695</b>	
<b>TOTAL GLOBAL RESULT</b>		<b>42,379,349</b>	<b>31,342,498</b>	
<b>Earnings per share</b>		<b>3.94</b>	<b>3.16</b>	

These interim financial statements and the related notes, from page 1 to page 28, have been authorized for issue and signed by the company's management on August 12, 2022.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

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

**INTERIM STATE OF THE CHANGES IN EQUITY AT JUNE 30, 2022 (revised)**

- RON-							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total equities
<b>Balance at January 1, 2022</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>18,360,121</b>	<b>517,047,601</b>	<b>46,288,764</b>	<b>51,928,770</b>	<b>667,909,066</b>
<b>Net result of the year</b>	-	-	-	-	-	<b>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 – unachieved profits	-	-	-	-	(1,339,957)	-	(1,339,957)
Retained earnings coming from the adoption, for the first time, of IAS 29 - achieved profits	-	-	-	-	1,339,957	-	1,339,957
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	-	1,484,680	(1,484,680)	-
Net increase of the modernization quota reserve	-	-	-	8,270,408	-	-	8,270,408
<b>Total other global result elements</b>	-	-	<b>(681,439)</b>	<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>			<b>(681,439)</b>	<b>8,270,408</b>	<b>2,166,119</b>	<b>32,624,261</b>	<b>42,379,349</b>
Dividends due to shareholders				(5,482,940)	(7,130,819)	(50,444,090)	(63,057,849)
<b>Total transactions with the owners directly recognized in equities</b>				<b>(5,482,940)</b>	<b>(7,130,819)</b>	<b>(50,444,090)</b>	<b>(63,057,849)</b>
<b>Balance at 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>

The company CONPET S.A.

## **INTERIM STATEMENT OF CHANGES IN EQUITIES AT JUNE 30, 2021 (revised)**

- RON-							
Name	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Profit or loss of the year	Total shareholders' equities
<b>Balance at January 1, 2021</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>20,931,765</b>	<b>500,269,257</b>	<b>40,678,977</b>	<b>60,846,759</b>	<b>657,010,568</b>
<b>Net result of the year</b>	-	-	-	-	-	<b>27,320,803</b>	<b>27,320,803</b>
Surplus from revaluation	-	-	(1,349,428)	-	1,349,428	-	-
Other elements of the equities - retained earnings	-	-	-	-	(25,082)	-	(25,082)
Allocation of profit provided by law - tax exemption of reinvested profits	-	-	-	-	1,531,818	(1,531,818)	-
Net increase of the modernization quota reserve		-	-	4,046,777			4,046,777
<b>Total other global result elements</b>			<b>(1,349,428)</b>	<b>4,046,777</b>	<b>2,856,164</b>	<b>(1,531,818)</b>	<b>4,021,695</b>
<b>Total global revenues related to the period</b>			<b>(1,349,428)</b>	<b>4,046,777</b>	<b>2,856,164</b>	<b>25,788,985</b>	<b>31,342,498</b>
Dividends due to shareholders					(392,498)	(59,314,941)	(59,707,439)
<b>Total transactions with the owners directly recognized in equities</b>					<b>(392,498)</b>	<b>(59,314,941)</b>	<b>(59,707,439)</b>
<b>Balance at June 30, 2021</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>19,582,337</b>	<b>504,316,034</b>	<b>43,142,643</b>	<b>27,320,803</b>	<b>628,645,627</b>

Note: The position "Other reserves" also contains the reserve representing the modernization quota in amount of 479,202, 268 RON, on 30.06.2022, namely 470,931,860 RON, on 01.01.2022. This reserve has a special use regime, provided in 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 modernization quota is being collected at the extent of capitalization and proceeds of the production and is being reflected in reserves accounts, as expenses. On a monthly basis is being written back to the revenues the modernization quota at the level of depreciation of the fix assets financed out of this source.

These interim financial statements and the related notes, from page 1 to page 28, have been authorized for issue and signed by the company's management on August 12, 2022.

**Director General,  
Enq. Dorin Tudora**

**Economic Director,  
Econ. Sanda Toader**

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

**INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

- RON-			
	Name of the Item	6 months 2022 (revised)	6 months 2021 (revised)
	<b>Cash flows from operating activities:</b>		
+	Proceeds from services supply	255,507,063	221,395,523
+	Proceeds from interests related to banking placements	3,769,147	1,716,873
+	Other proceeds	10,323,427	3,103,789
-	Payments to the suppliers of goods and services	65,018,487	60,372,465
-	Payments to and on behalf of the employees	92,745,145	88,144,100
-	VAT Payments	30,199,856	24,176,690
-	Expenses with corporate tax and specific tax	6,498,963	3,577,689
-	Other payments regarding the operating activities	21,548,095	19,700,304
<b>A</b>	<b>Net cash from operating activity</b>	<b>53,589,091</b>	<b>30,244,937</b>
	<b>Cash flows from investment activities:</b>		
+	Proceeds from sale of tangible assets	202,243	189,590
+	Proceeds from modernization quota	27,965,593	22,485,399
-	Payments for purchase of tangible assets	36,375,495	33,374,918
<b>B</b>	<b>Net cash from investment activities</b>	<b>(8,207,659)</b>	<b>(10,699,929)</b>
	<b>Cash-flows from financing activities</b>		
-	Paid Dividends	60,531,024	57,171,156
-	Payments on the debt related to the leasing	1,432,731	1,180,723
-	Interest payments	129,712	116,714
<b>C</b>	<b>Net cash from financing activities</b>	<b>(62,093,467)</b>	<b>(58,468,593)</b>
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>(16,712,035)</b>	<b>(38,923,585)</b>
<b>D1</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>191,751,271</b>	<b>198,257,333</b>
<b>D2</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>175,039,236</b>	<b>159,333,748</b>

The cash and cash equivalents on 31.06.2022 have decreased by 8.7% compared to December 31, 2021 (175,039,235 RON compared to 191,751,271 RON). The decrease has been determined by the recent payments of dividends in the month of June.

Of the total availabilities in balance on 30.06.2022, the party related to the modernization quota amounts to 126,505,933 RON.

The effects of the three business areas (operation, investment and financing) over the cash in the 6 months period of 2022 reveal the following:

- the operating activity has generated a cash-flow in amount of 53,589,091 RON;
- the investment activity ended with a negative cash-flow in amount of 8,207,659 RON;
- the financing activity has decreased the total cash flow by 62,093,467.

The value the net cash flows from the operating activity register an increase of 23,344,154 RON generated by the the increase of transport inputs and interests for banking investments under 3 months, as well as inputs from other activities.

The net cash from the investment activity register a negative value, lower by 2,492,270 RON compared to the level registered in 2021, due to the increase of the cash inputs from the modernization quota.

The company CONPET S.A.

Interim cash-flow statement for the 6 months period ended June 30, 2022

The net cash from the financing activity records, in both compared periods, negative amounts determined by the payment of dividends to shareholders and the amounts related to leasing.

These interim financial statements and the related notes, from page 1 to page 25, have been authorized for issue and signed by the company's management, on August 12, 2022.

**Director General,  
Eng. Dorin Tudora**

**Economic Director,  
Sanda Toader**

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

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

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

Address of the registered offices is Ploiesti 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, 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.

As of September 5, 2013, CONPET shares are being traded on the Bucharest Stock Exchange (BVB) market, under "COTE" issuing symbol.

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus**. Concurrently, starting March 21, 2022 the company CONPET S.A. is part of the FTSE Global Micro Cap index composition dedicated to emerging countries.

At 30.06.2022, CONPET S.A. had a market capitalization of 593.9 mRON (120 mEuro), ranking 26 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 on the reorganization of the public economic units as autonomous administrations and joint stock companies, by taking over all assets and liabilities of the former Crude Oil Pipeline Transport Enterprise (Rom.I.T.T.C.).

The shareholder structure and number of voting rights at 30.06.2022 are:

- a) The Romanian State by the Ministry of Energy, holding 5,083,372 shares with voting rights, representing 58.72% of the share capital;
- b) legal persons holding 1,944,415 shares with voting rights representing 22.46% of the share capital;
- c) natural persons holding 1,629,741 shares with voting rights representing 18.82% of the share capital.

### *Company's Mission*

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

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

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

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

The crude oil National Transport System represents the ensemble of the major interconnected pipelines ensuring the collection of the oil extracted from the exploitation areas or from import, 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 has transport throughput of 18.5 million tons/year.

#### *The Legal Framework*

The activities in the oil sector are being regulated by the Oil Law no. 238/2004.

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

The main responsibilities of NAMR are the followings:

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

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

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

The company practices different transport tariffs for the two subsystems belonging to the National Transport System, namely the subsystem for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the subsystem for the transport of the import crude oil. For the transport on the import subsystem there 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 tariffs 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 revenues required to cover the transportation system operations, here included:

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

## **2. Preparation Grounds**

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

The 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 interim financial statements do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31, 2021. However, certain selected explanatory notes are included to explain the events and transactions that are significant for understanding the changes occurred in the company's financial standing and performance since the last annual financial statements prepared on and for the financial year ended 31 December 2019.

These preliminary financial statements have been authorized for issue and signed by the company management at August 12, 2022.

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

The preparation of these interim 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 permanently 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 values 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 2021.

### **3. Accounting Policies**

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company on the date and for the financial year ended December 31st, 2021.

As from January 1, 2021 there have entered into force the amendments to IAS 16 "Tangible assets", IAS 37 "Provisions, contingents liabilities and contingent assets", IAS 41 "Agriculture", IFRS 1 "the first time adoption of the international financial reporting standards", IFRS 3 "business combination" and IFRS 9 "financial instruments" issued by the Committee for International Accounting Standards (IASB) and adopted by the European Union (EU).

The amendments brought to IAS 16, IAS 37 and IFRS 3 offer additional clarifications for a more consistent enforcement of the standards or update the references. The amendments to IAS 41, IFR 1 and IFRS 9 have been adopted under annual improvements issued by IASB and target the reasoning and clarification of existing standards.

These amendments had no impact on the individual financial statements.

#### 4. Tangible Assets

In the first six months of the year 2022, the tangible assets have evolved as follows:

Name	Lands	Buildings and special installations	Operating oil products	Machinery and equipment	Measuring and control devices	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross accounting value on January 1, 2022</b>	<b>27,964,719</b>	<b>303,550,374</b>	<b>40,889,554</b>	<b>131,697,627</b>	<b>101,241,517</b>	<b>47,403,356</b>	<b>9,301,888</b>	<b>63,589,404</b>	<b>725,638,439</b>
Aggregate depreciation at January 1, 2022	(2,378,876)	(28,213,467)	-	(71,392,237)	(75,139,091)	(29,124,257)	(6,292,151)	-	(212,540,079)
Impairments for depreciation of assets	-	-	-	-	-	-	-	(275,272)	(275,272)
<b>Net accounting value at January 1, 2022</b>	<b>25,585,843</b>	<b>275,336,907</b>		<b>60,305,390</b>	<b>26,102,426</b>	<b>18,279,099</b>	<b>3,009,737</b>	<b>63,314,132</b>	<b>512,823,088</b>
Tangible assets inputs	724,787	8,798,670		17,784,325	1,016,473	5,378,399	145,706	(716,243)	<b>33,132,117</b>
Outputs of tangible assets to the gross value	(276,520)	(4,440)	(1,347,748)	(179,513)	(3,338,184)	(449,858)	(8,821)	-	(5,605,084)
Cumulated depreciation related to outputs	81,836	4,440		170,742	3,323,996	449,858	8,821		4,039,693
Amortization registered during the year	(623,141)	(14,078,680)	-	(4,708,421)	(4,039,974)	(2,149,237)	(511,689)	-	<b>(26,111,142)</b>
<b>Gross accounting value at June 30, 2022</b>	<b>28,412,986</b>	<b>312,344,604</b>	<b>39,541,806</b>	<b>149,302,439</b>	<b>98,919,806</b>	<b>52,331,897</b>	<b>9,438,773</b>	<b>62,873,161</b>	<b>753,165,472</b>
Aggregate depreciation on June 30, 2022	(2,920,181)	(42,287,707)	-	(75,929,916)	(75,855,069)	(30,823,636)	(6,795,019)	-	(234,611,528)
Impairments for depreciation of assets at June 30, 2022	-	-	-	-	-	-	-	(275,272)	(275,272)
<b>Net accounting value on June 30, 2022</b>	<b>25,492,805</b>	<b>270,056,897</b>	<b>39,541,806</b>	<b>73,372,523</b>	<b>23,064,737</b>	<b>21,508,261</b>	<b>2,643,754</b>	<b>62,597,889</b>	<b>518,278,672</b>

At 30.06.2022, the net value of the tangible assets has increased as compared to the end of 2021, by the amount of 5,455,584 RON.

During the first Semester of the year 2022, there have been recorded movements of tangible assets amounting to 33,132,117 RON and outputs of net value of 1,565,391 RON remaining value mainly comprising sold oil product (1347,749 RON), non-depreciable assets.

Depreciation of tangible assets in 2022 amounted to 26,111,142 RON.

The tangible assets put into operation in the first Semester of the year 2022 amounted to 31,813,626 RON.

In Semester 1, 2022 there were recorded increases of assets related to the rights of use resulting from lease and concession contracts amounting to 2,022,734 RON.

Pursuant to IFRS 16, within the tangible assets there are being recognized the assets related to the rights of use resulting from the lease 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 the rented lands are located telecommunication equipment and cathodic protection stations in various locations in the country. At 30.06.2022 the gross value of these assets is of 5,554,087 RON, the cumulated depreciation of 2,920,181 RON, resulting a net value the rights of use related to the lands of 2,633,905 RON.
- At the element-row "Special buildings and installations" is included the value of the rights of use resulting from the lease and concession contracts concluded with various owners for buildings rented in order to be made available to the gendarmes, as per GD no.1486/2005 on securing the guard and protection of the objectives, goods and values with gendarmes' teams and for the carry out of the administrative activity. At 30.06.2022, the gross value of these assets is of 1,363,059 RON, the cumulated depreciation of 835,871 RON, resulting a net value of the rights of use related to the buildings of 527,188 RON.
- At element-row "Means of transport" is being included the value of the rights of use of various assets purchased in a leasing system, in December 2019, consisting of 30 vehicles necessary for the performance of the company's specific activities and 15 tank cars. On 30.06.2022, the gross value of these assets is of 3,122,010 RON, the cumulated depreciation of 1,542,735 RON, resulting a net value of the rights of use related to the means of transport of 1,579,275 RON.

On 31.06.2022, CONPET registers in the company's patrimony lands with a surface of 733,601 Sq.m. with an accounting value of 22,858,900 RON, made of:

- 554,373 Sq.m lands with an accounting value of 12,562,749 RON, held under 48 Certificates of ownership right obtained during 2001-2005, appraised on the date of acquiring the certificates, in accordance with GD 834/1991 on the establishment and appraisal of some lands owned by the state-owned companies, at the value of 26,708,233 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves, without augmenting the share capital by the value thereof.
- 155,433 Sq.m represent lands with an accounting value of 3,215,951 RON held based on 14 Land Ownership Certificates obtained until 2001. The share capital of the company was augmented by the amount of these lands;

- 23,831 Sqm represent lands with an accounting value of 7,080,200 RON, acquired by the Company based several sale-purchase contracts. A part of the purchased lands is related to the administrative buildings and on the other purchased lands have been placed telecommunications towers in different locations over the country.

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

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

In January 2022 there has been sold a quantity of oil product that was no longer in operation, in amount of 1,347,748 RON.

On 30.06.2022, the accounting value of the operating oil product is of 39,541,806 RON.

Name	- RON-	
	June, 30 2022	December 31 <sup>st</sup> , 2021
Operating oil product	39,541,806	40,889,554

#### *Tangible assets in progress*

At June 30, 2022 the value of the assets in progress is of 62,597,889 RON and includes investment projects provided in "2022 Investment Program", which are mainly composed of: replacement of pipeline portions on various lengths and routes, tanks modernizations, loading ramps modernizations, SCADA and telecommunication works, cathodic protection modernization systems, modernization of locomotives etc.

#### **5. Intangible assets**

The statement of intangible assets in the first six months of 2022 is the following:

Name	Licenses and software	Other intangible assets	Total intangible assets
<b>Gross accounting value at January 1, 2022</b>	<b>10,231,567</b>	<b>3,004,699</b>	<b>13,236,266</b>
Aggregate depreciation at January 1, 2022	(4,819,624)	(1,474,902)	(6,294,526)
<b>Net accounting value at January 1, 2022</b>	<b>5,411,943</b>	<b>1,529,797</b>	<b>6,941,740</b>
Inputs of intangible assets	1,299,824		1,299,824
Outputs of assets gross value	(1,860)		(1,860)
Cumulated depreciation outputs	1,860		1,860
Depreciation registered during the period	(929,001)	(352,440)	(1,281,441)
<b>Gross accounting value at June 30, 2022</b>	<b>11,529,531</b>	<b>3,004,699</b>	<b>14,534,230</b>
Aggregate depreciation at June 30, 2022	(5,746,765)	(1,827,342)	(7,574,107)
<b>Net accounting value at June 30, 2022</b>	<b>5,782,766</b>	<b>1,177,357</b>	<b>6,960,123</b>

At 30.06.2022 the net value of the intangible assets has increased compared to the end of 2021, by the amount of 18,383 RON.

In the first sixmonths of 2022 there have been registered inputs of intangible assets in amount of 1,299,824 RON and depreciation in amount of 1,281,441 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, orthophotomap, the expenses borne by the company related to the connection to the electric power network and the water network recognized in intangible assets as rights of use.

Research and development-related expenses are not being capitalized.

## 6. Financial Assets

In the first six months of 2022 the financial assets are the following:

			- RON-	
	Name	Other non-current securities	Long-term receivables	Total financial assets
<b>Gross accounting value on January 1, 2022</b>		5,100	726,260	<b>731,360</b>
Impairments for depreciation at January 1, 2022			(320,189)	(320,189)
<b>Net accounting value on January 1, 2022</b>		5,100	406,071	<b>411,171</b>
Inputs		-	42,067	42,067
Outputs		-	-	-
<b>Gross accounting value at June 30, 2022</b>		5,100	768,327	<b>773,427</b>
Impairments for depreciation		-	(320,189)	(320,189)
<b>Net accounting value on June 30, 2022</b>		5,100	448,138	<b>453,238</b>

At 30.06.2022 the net value of the financial assets has increased compared to January 1, 2022, with 42,067 RON, due to the increase, during the first six months, of the long-term receivables. The company holds contributions to the share capital of Independent Register Monitor in amount of 5,000 RON and is associate member, along with other companies, in the Romanian National Committee for the Oil International Council (CNR-CMP), participating at the establishment of the patrimony, CNR-CMP, with contribution in amount of 100 RON.

The long-term receivables, in net amount of 448,138 RON are made up, mainly, of refundable guarantees paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters, Forests in view of temporary removal of the lands from agricultural use and forest fund for the fulfillment of various investment objectives, as well as from guarantees related to the lease contracts of lands and spaces in view of carry out of the production and administrative activities in different locations in the country, guarantees for telecommunication equipment, electric power guarantees related to certain cathodic protection stations.

## 7. Inventories

				- RON-	
	Name	Consumables	Services in progress	Waste products	Total stocks
<b>Gross accounting value at January 1, 2022</b>		6,014,704	658,743	7,173	<b>6,680,620</b>
Impairments for depreciation of inventories		(1,368,533)	-	-	(1,368,533)
<b>Net accounting value at January 1, 2022</b>		4,646,171	658,743	7,173	<b>5,312,087</b>
Stocks inputs during the period		3,049,242	5,597,798	53,558	8,700,598
Consumption/outputs of stocks during the period		(3,479,387)	(5,460,142)	(60,731)	(9,000,260)
Income from (expense with) impairment for depreciation of stocks		357,434	-	-	357,434
<b>Gross accounting value at June 30, 2022</b>		5,584,559	796,399	-	<b>6,380,958</b>
Impairments for depreciation of inventories		(1,011,099)	-	-	(1,011,099)
<b>Net accounting value at June 30, 2022</b>		4,573,460	796,399	-	<b>5,369,859</b>

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

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

## **8. Trade receivables and Other Receivables**

At June 30, 2022 and December 31, 2021, the trade receivables and other receivables reveal the followings:

	- RON-	
Name	June, 30 2022	December 31 <sup>st</sup> , 2021
Clients	43,732,274	44,266,382
Impairments for depreciation of receivables	(120,537)	(120,337)
Other trade receivables	288,621	285,169
Impairments for the loss of value of other short-term intangible receivables	(282,466)	(282,466)
<b>Subtotal trade receivables (net value)</b>	<b>43,617,892</b>	<b>44,148,748</b>
Other receivables	7,513,608	7,231,675
Impairments for the depreciation of other receivables	(2,314,759)	(2,458,264)
<b>Subtotal other receivables (net value)</b>	<b>5,198,849</b>	<b>4,773,411</b>
<b>Total receivables</b>	<b>48,816,741</b>	<b>48,922,158</b>

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

	- RON-	
	June, 30 2022	December 31, 2021
Clients- transport activity	42,275,819	36,782,001
Other clients - auxiliary activities	1,456,455	7,484,381
<b>Total</b>	<b>43,732,274</b>	<b>44,266,382</b>

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

The main trade receivables in balance on June 30, 2022 are due by: OMV PETROM S.A.– 37,346,532 RON (December 31, 2021: 36,636,619 RON) and Petrotel Lukoil S.A.– 4,718,237 RON (December 31, 2021: 5,538,060 RON).

*Other receivables*, in amount of 7,513,608 RON, are mainly made of: non-exigible VAT related to unarrived invoices until 30.06.2022 (2,864,063 RON, namely 38,1%), amounts recoverable from various natural and legal persons, most of which in court. (1,997,063 RON, namely 26.6%), as well as the interest receivable related to under 3 months maturity deposits (992,311 RON, namely 12,4%).

*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 30, 2022 the value of these impairments amounts to 120,537 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 June 30, 2022 the value of the impairments amounts to 2,314,759 RON, decreasing by 143,505 RON as compared to December 31, 2021.

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

### **Statement of Receivables according to Age**

#### **Trade receivables**

		- RON-	
	Name	June, 30 2022	December 31 <sup>st</sup> , 2021
<b>Clients, o/w:</b>		<b>43,732,274</b>	<b>44,266,382</b>
<i>Depreciated receivables</i>		120,537	120,337
<i>Non-depreciated receivables, o/w:</i>		43,611,737	44,146,045
- seniority less than 30 days		43,551,936	44,049,307
- seniority between 30 days and 60 days		14,980	75,712
- seniority between 60 days and 90 days		4,697	14,736
- seniority between 90 days and 270 days		38,643	6,090
- seniority between 270 days and 1 year		1,480	200
<b>Other trade receivables, out of which:</b>		<b>288,621</b>	<b>285,169</b>
<i>Depreciated receivables</i>		282,466	282,466
<i>Non-depreciated receivables</i>		6,155	2,703

#### **Other receivables**

		- RON-	
	Name	June, 30 2022	December 31, 2021
<i>Depreciated receivables</i>		2,314,759	2,458,264
<i>Non-depreciated receivables, o/w:</i>		5,198,849	4,773,411
- seniority less than 30 days		5,198,849	4,388,713
- seniority between 30 days and 60 days		-	129,570
- seniority between 60 days and 90 days		-	112,384
- seniority between 90 days and 270 days		-	142,744
<b>Total</b>		<b>7,513,608</b>	<b>7,231,675</b>

#### **9. Cash and Cash Equivalents**

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

	Name	June, 30 2022	December 31, 2021
Current bank accounts		7,399,443	4,821,361
Bank deposits with maturity ≤ 3 months		167,619,506	186,926,898
Cash on hand		20,287	3,012
Other cash equivalents		-	-
<b>Total</b>		<b>175,039,236</b>	<b>191,751,271</b>

On June 30, 2022, the cash in the cashier and banks accounts has decreased by 8.7% compared to December 31, 2021 (175,039,235 RON compared to 191,751,271 RON).

The cash accounts at 31.06.2022 also include the cash representing the modernization quota, with special use regime provided by GD no.168/1998, in amount of 126,506,933 RON. This is intended exclusively for funding the modernization and development works of the goods public property. The company has not restricted number.

## **10. Equities**

### *The Share Capital*

*During the reporting period, the share capital of the company has remained unchanged, namely 28,569,842 RON, being divided into 8,657,528 ordinary shares, with a nominal value of 3.3 RON/share and corresponds with that registered at the Trade Register.*

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

Shareholders	June 30, 2022			31.12.2021		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
Romanian State by the Ministry of Energy	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	1,944,415	6,416,569	22.4592	2,292,221	7,564,329	26.4766
Natural Persons	1,629,741	5,378,145	18.8246	1,281,935	4,230,385	14.8072
<b>Total</b>	<b>8,657,528</b>	<b>28,569,842</b>	<b>100%</b>	<b>8,657,528</b>	<b>28,569,842</b>	<b>100%</b>

### *Legal reserves*

On June 30, 2022 the value of the legal reserve is 5,713,968 RON (December 31, 2021: 5,713,968 Lei). 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 30, 2022 the value of the "Legal reserve" amounts to 5,713,968 RON.

Other reserves have increased by the amount of 2,787,468 RON, in the first six months of 2022, given the increase of the reserve representing modernization quota, by the amount of 8,270,408 RON and the distribution as dividends of the reserves representing distributions to shareholders (dividends) unclaimed in 3 years from the maturity date, in amount of 5,482,940 RON.

The reserve related to the modernization quota is in amount of 479,202,268 RON and holds the highest share in total other reserves (92.2%).

### *Revaluation reserves*

On June 30, 2022, in the financial standing, the revaluation reserves are being presented at the net value of 17,678,682 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 30, 2022 the retained earnings amounts to 41,324,065 RON and contains mainly the difference in value of tangible assets, operating oil product resulting from the application of IAS 29, for the first time, amounting to 40,642,625 RON.

### *Profit of the Period*

The year's profit realized in the first six months of the year 2022 is of 34,108,941 RON, increasing by 24.8% compared to the profit registered in the first six months of the year 2021 amounting to 27,320,803 RON.

## 11. Trade Liabilities and Other Liabilities

At June 30, 2022 and December 31, 2021, the trade receivables and other receivables look as follows:

Liabilities	31.12.2021	June, 30 2022	Maturity date for the balance at June 30, 2022		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	33,435,362	38,241,266	36,954,167	1,287,099	
Liabilities to the employees	28,694,583	30,608,880	14,713,681	2,923,052	12,972,147
Other liabilities, here-included fiscal debts and social insurances related debts	32,614,354	37,944,837	34,548,643	2,483,176	913,018
<b>Total</b>	<b>94,744,299</b>	<b>106,794,983</b>	<b>86,216,491</b>	<b>6,693,327</b>	<b>13,885,165</b>

The value of procurements from the suppliers destined to the operating activity, in the first Semester of 2022 has a weight of 64.20% in total procurements and the assets procurements have a weight of 35.80%.

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

Liabilities	31.12.2021	June, 30 2022	Maturity date for the balance at June 30, 2022		
			Under 1 year	Over 1 year	Over 5 years
Salaries contributions	5,280,452	4,734,286	4,734,286	-	-
Current corporate tax	2,049,325	2,043,353	2,043,353	-	-
Royalty due to the State Budget	7,561,083	8,954,297	8,954,297	-	-
VAT payable	4,503,551	4,470,099	4,470,099	-	-
Other interests and debts - State Budget	966,308	2,300,540	2,300,540	-	-
Dividends Payable	6,812,350	9,339,175	9,339,175	-	-
Leasing related liabilities	4,398,574	5,013,027	2,359,693	2,065,984	587,350
Accrued revenues	859,308	814,683	85,007	404,008	325,668
Other liabilities	183,403	275,376	262,192	13,184	
<b>Total</b>	<b>32,614,354</b>	<b>37,944,837</b>	<b>34,548,643</b>	<b>2,483,176</b>	<b>913,018</b>

At 30.06.2022, the leasing related liabilities comprise the future payment obligations related to the leasing contract for 30 vehicles and liabilities related to the rights of use resulting from the lease and concession contracts of lands and buildings (Note 4).

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

At debts to employees, in balance at the date of 31.06.2022, are also included the future debts for the benefits granted to employees on retirement and the debt for the employees share of profit and for the untaken leaves and for monetary compensations related to layoffs, debts that are not recognized as provisions.

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

Liabilities	31.12.2021	June, 30 2022	Maturity date for the balance at June 30, 2022		
			Under 1 year	Over 1 year	Over 5 years
Salaries and assimilated debts	5,873,302	6,282,539	6,282,539		
Liabilities for benefits granted on retirement	16,834,462	16,379,857	484,658	2,923,052	12,972,147
Debts for employees share of profit	5,642,547	2,834,370	2,834,370		
Debts for untaken leaves	344,272	4,381,854	4,381,854		
Debts related to layoffs	-	730,260	730,260	-	-
<b>Total</b>	<b>28,694,583</b>	<b>30,608,880</b>	<b>14,713,681</b>	<b>2,923,052</b>	<b>12,972,147</b>

The highest percentage in the debts to employees is being held by the debt for the benefits granted upon retirement, in amount of 16,379,857 RON.

At 30.06.2022, the debt related to the employees share of profit amounts for 2,834,370 RON related to the supplied service by the employees in the first six months of the year 2022, here included the employment insurance contribution, constituted within the limit of the amount provided in the Budget constituted for the first Semester of 2022.

Within the debts to employees there is included the debt for untaken annual leave, which, on 30.06.2022 is in amount of 4,381,854 RON and the debt for monetary compensations that are to be paid in Semester 2 of the year 2022, related to the layoffs for which there have been issued decisions of termination of individual labour contracts on 30.06.2022, in amount of 730, 260 RON.

## 12. Provisions

<b>- RON -</b>		
Name	June, 30 2022	December 31, 2021
Provisions for litigations	5,055,589	6,021,541
Provisions related to mandate contracts	1,340,206	2,503,645
Other provisions for risks and expenses	1,215,015	243,893
<b>Total provisions</b>	<b>7,610,810</b>	<b>8,769,079</b>

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

In detail, the provisions for litigations are:

<b>- RON -</b>		
Name	June, 30 2022	December 31, 2021
Litigations for civil compensations	3,301,425	3,172,718
Litigations for third parties failure to respect certain contractual clauses	93,919	97,286
Other litigations	1,660,245	2,751,537
<b>Total</b>	<b>5,055,589</b>	<b>6,021,541</b>

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides indemnifications, 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 30.06.2022 there are registered provisions related to litigations for civil compensations in amount of 3,301,425 RON, increasing by 128,707 RON compared to the value on 31.12.2021.

At 30.06.2022, the position "Litigations for third parties failure to respect certain contractual clauses" is in amount of 93,919 RON, decreasing by 3,367 RON compared to 31.12.2021, and the position "Other litigations" is in amount of 1,660,245 RON, decreasing by 1,091,292 RON compared to 31.12.2021. The decrease of the position "Other litigation" is mainly due to the completion of the litigation carried on in the file number 1474/105/2019 before Prahova Tribunal, by which Ploiesti municipality has requested the exchange value of the lack of use and the lease of the land held in property on which are being located CONPET buildings composing the sports base Vointa, starting March 2013 and up to the completion of a contractual form with the defendant CONPET S.A. Based on judgment no.1205/13.07.2020, handed down by the Prahova Tribunal in the case 1474/105/2019, which remained final, Conpet was ordered to pay to the Municipality of Ploiesti the value of the lack of use of the land for the period 30.03.2016-15.11.2019, updated amount with inflation rate until the actual payment date.

In the position "Other litigations" is included also the provision constituted for the litigation opened during 2018 by Fondul Proprietatea, by which is being requested the payment of the net value of the dividends for the financial year 2006, related to a 6% quota held by the plaintiff in CONPET S.A share capital, as well as the legal interest calculated for the requested amount, starting with the maturity date thereof. The present value of the provision on 30.06.2022 is 1,510,245 RON.

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

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

- 111,598 RON represents debt for rest leave not performed by the directors with mandate contract, corresponding to the first six months of the the year 2022;
- 1,228,608 RON is debt for the variable component related to the first six months of 2022, of which 479,340 RON debt for allowances granted to the members of the Board of Directors and 749,268 RON debt for allowances granted to directors.

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

On June 30, 2022 the balance of the position "Other provisions" in amount of 1,215,015 RON represents provision for environment expenses and other provizioane.

The increase of the position "Other provisions" by the amount of 971.122 RON compared to the value recorded at 31.12.2021 is mainly due to the establishment of the provision for the value of the non-use of the land owned by the Municipality of Ploiesti, which was the subject of the case 1474/105/2019 before Prahova Tribunal, calculated in the continuation of the period for which it was paid according to sentence no.1205/13.07.2020, respectively as from 16.11.2019.

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

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

Name	June, 30 2022	June, 30 2021
Expenses with corporate tax	6,492,991	4,824,496
Expense with/(the income from) the deferred corporate tax	(28,439)	(41,070)
<b>Total</b>	<b>6,464,552</b>	<b>4,783,426</b>

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

	June, 30 2022	June, 30 2021
Profit before taxation	40,573,493	32,104,229
- Corporate tax at a statutory rate of 16%	6,491,759	5,136,677
<b>Effect on the corporate tax of:</b>		
- Non-deductible expenses	2,077,768	1,881,326
- Non-taxable revenues	(1,870,941)	(2,100,441)
- Elements similar to the revenues	345,106	257,944
- Elements similar to the expenses	(130,931)	(153,337)
- Spared corporate tax	(131,756)	(24,444)
-Amounts representing sponsorship falling under the limits provided by law	(292,000)	(173,350)
- Specific tax	3,986	121
<b>Expenses with the ordinary corporate tax</b>	<b>6,492,991</b>	<b>4,824,496</b>

*The deferred corporate tax*

The deferred payable and recoverable tax was calculated based on the temporary taxable and/or deductible differences determined for assets and liability as differences between the accounting value of the asset and/or the liability 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 2022, reveals the following:

2022	Net value at 1 <sup>st</sup> of January	Deferred corporate tax recognized in the profit and loss account	Deferred corporate tax recognized at the expense of equity	-RON-	
				Receivable related to the deferred corporate tax	Liability related to the deferred corporate tax
Revaluation of tangible assets	61,088	129,190	-	3,352,734	(3,162,456)
Provisions	4,068,628	50,418	-	4,119,046	-
Impairments of current assets	507,769	(151,169)	-	356,600	-
<b>Deferred corporate tax before offsetting</b>	<b>4,637,485</b>	<b>28,439</b>	<b>-</b>	<b>7,828,380</b>	<b>(3,162,456)</b>
Receivable/liability offsetting				(3,162,456)	3,162,456
<b>Net deferred corporate tax - recoverable</b>					<b>4,665,924</b>

The deferred payable tax recognized on account of equity items on 06/30/22 amounts to 3,162,456 RON and the deferred corporate tax to be recovered on 06/30/22 in the statement of comprehensive income is of 7,828,380 RON.

In conclusion, on 30.06.2022 the company has a net receivable related to the deferred corporate tax reaching 4,665,924 RON.

## 14. Result per Share

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

Name	June, 30 2022	June, 30 2021	- RON -
Profit of the Financial Year	34,108,941	27,320,803	
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>3.94</b>	<b>3.16</b>	

## 15. Operating Revenues

### a) Revenues from contracts

Name	June, 30 2022	June, 30 2021	- RON -
Revenues from transport service, of which:			
<i>Revenues from transport services on domestic subsystem</i>	231,895,051	205,507,288	
<i>Revenues from transport services on import subsystem</i>	163,686,936	148,780,690	
Revenues from rents	68,208,115	56,726,598	
Other contract revenues	946,792	804,576	
<b>Total contracts revenues</b>	<b>233,157,610</b>	<b>206,666,786</b>	

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

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

Name	June, 30 2022	June, 30 2021
Domestic Subsystem	1,542,975	1,632,781
Import Subsystem	1,872,864	1,686,442
<b>Total quantities (tons)</b>	<b>3,415,839</b>	<b>3,319,223</b>

The total quantity of transported quantities has increased by 2.9% in the first six months of the year 2022, compared to the same period of the previous year, given the 5.5% decrease of the quantity transported on the domestic transport subsystem and 11.1% increase 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 per 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.
December 31, 2019 - February 7, 2021	87.53	427/2019
February 8 <sup>th</sup> , 2021 - December 31 <sup>st</sup> , 2021	91.03	19/2021
starting January 01, 2022	105.50	229/2021

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	
December 31, 2019 - February 7, 2021	<120	40.40	39.50	15.00	427/2019
	> 120	17.25	17.00	12.85	
February 8 <sup>th</sup> , 2021 - December 31 <sup>st</sup> , 2021	<120	42.00	40.90	16.50	19/2021
	> 120	17.90	17.60	14.40	
starting January 01, 2022	no more than 80	46.65	45.66	18.51	229/2021
	80-120	37.32	36.53	14.81	
	120-160	27.99	27.39	11.11	
	Over 160	21.00	20.55	8.33	

**b) Other Operating Revenues**

Name	June, 30 2022	June, 30 2021
Revenues out of modernization quota consumption	19,695,185	18,438,622
Other revenues	2,129,979	181,196
Earnings from disposal of assets	5,832,358	4,382,456
<b>Total other operating expenses</b>	<b>27,657,522</b>	<b>23,002,274</b>

The revenues representing the modernization quota registered an increase by 71.2% from other operating expenses, registering an increase of 6.8% in the first six months of the year 2022 YoY.

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

The earnings from disposal of assets, registered mainly from the sale of oil product holds a share of 21.1% of other operating revenues.

**16. Operating Expenses**

**a) Stocks and Utilities Expenses**

Name	June, 30 2022	June, 30 2021	- RON -
Expenses with consumables	3,002,072	2,141,905	
Other material expenses	424,252	290,060	
Other Expenses with Energy and Water	13,368,133	6,935,348	
<b>Total Stocks and Utilities related Expenses</b>	<b>16,794,457</b>	<b>9,367,313</b>	

**b) Personnel expenses**

Personnel expenses include expenses with salaries, bonuses for employees, other personnel expenses, allowances related to the contracts of mandate of the members of the Board of Directors and the Directors with mandate and expenses related to contributions due by the employer.

Name	June, 30 2022	June, 30 2021	- RON -
Salary expenses	71,438,793	66,275,387	
Obligations regarding employees' bonuses	12,500,675	12,930,817	
Other personnel expenses	1,603,780	1,798,440	
Expenses on Remuneration of Directors with mandate contract and Administrators	3,543,145	3,613,186	
Expenses with contributions due by the employer	3,676,826	2,520,623	
<b>Total personnel expenses</b>	<b>92,763,219</b>	<b>87,138,453</b>	

The personnel expenses are detailed as follows:

### Salary expenses

	-RON-	
Name	June, 30 2022	June, 30 2021
Salary and related contributions expenses	69,907,738	65,634,929
Quarterly bonuses	999,119	-
Retirement support	509,772	619,344
Marriage support	22,164	21,114
<b>Salary related expenses</b>	<b>71,438,793</b>	<b>66,275,387</b>

The expenses with the basic salaries of the personnel and the related bonuses have increased in the first Half of the year 2022, compared to the same period of the year 2021, mainly due to the 7% indexation of the salaries on average, starting of 15.12.2021.

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

### Obligations regarding employees' bonuses

	- RON -	
Name	June, 30 2022	June, 30 2021
Employees share of profit	5,517,801	6,655,473
Meal vouchers	3,355,240	3,470,560
Social expenditures under art. 25 of Law no. 227/2015 on the Fiscal Code, further amendments and completions	2,297,214	1,929,998
Other expenses as per the Collective Labor Agreement	1,330,420	874,786
<b>Total</b>	<b>12,500,675</b>	<b>12,930,817</b>

The value of bonuses granted to employees shows a decrease of 430,142 RON in 2022 compared to 2021, mainly due to the granting the share of profit to the employees, in an amount lower by 1,137,672 RON, while Other expenses according to the CLA increased by 455.634 RON, due to the increase of both the value of the subscriptions settled to the employees caused by the increase of the fuel price and other personnel expenses: settlement of nurseries, kindergartens, daily overrun, advantages according to the CLA, due to the completion of the period in which the employees carried out their activity in a telework regime and resumption of activity at the company's headquarters.

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

### Other Personnel Expenses

	-RON-	
Name	June, 30 2022	June, 30 2021
Expenditure on compensatory payments related to staff layoffs	1,603,780	1,798,440
<b>Total</b>	<b>1,603,780</b>	<b>1,798,440</b>

The position "Other personnel expenses" includes the expenses of compensatory payments, granted under CLA, related to the layoffs made in March and April of 2021, namely in March of 2022.

### Expenses on Remuneration of Directors with mandate and the Administrators

Name	June, 30 2022	June, 30 2021	- RON -
Allowances of the directors with mandate	2,025,649	1,972,414	
Allowances of the members of the Board of Directors	1,517,496	1,640,772	
<b>Total</b>	<b>3,543,145</b>	<b>3,613,186</b>	

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

### Expenses with the Contributions due by the Employer

Name	June, 30 2022	June, 30 2021	- RON -
The company's contribution to facultative pension schemes	1,332,840	-	
Company's contribution to voluntary health insurance	477,998	753,155	
Labor insurance contribution and other contributions	1,865,988	1,767,468	
<b>Total</b>	<b>3,676,826</b>	<b>2,520,623</b>	

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

In 2022, following the salary increases from December 2021, the labor insurance contribution has proportionally increased.

### c) Expenses related to External Services

Name	June, 30 2022	June, 30 2021	- RONv -
Rail transport expenses	30,340,868	32,020,790	
Expenses with royalties and rentals	18,086,815	15,957,229	
Third-party pumping expenses	2,350,111	2,294,662	
Maintenance and repair expenses	1,495,027	1,328,921	
Expenses with the decontamination, monitoring of the environmental factors	1,289,085	250,104	
Travel, secondment and transfer expenses	343,638	244,837	
Expenses related to the transport of goods and personnel	19,143	18,000	
Postal and telecommunication expenses	328,864	288,958	
Other expenses with services performed by third parties	2,488,414	2,175,432	
<b>Total expenses related to external services</b>	<b>56,741,965</b>	<b>54,578,933</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, for the use of the goods public property of the State within the oil operations.

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

**d) Other expenses**

- RON-

Name	June, 30 2022	June, 30 2021
Taxes, fees and similar levies related expenses	1,218,575	1,150,645
Compensations, fines and penalties expenses	1,133,941	11,773
Donations granted (sponsorships)	292,000	173,350
Environmental protection expenses	11,041	22,558
Expenses with the establishment of the modernization quota	27,965,593	22,485,399
Other operating expenses	156,321	133,785
<b>Other expenses</b>	<b>30,777,471</b>	<b>23,977,510</b>

In the first Half of 2022, the expenses incurred with other taxes, fees and similar payments comprise, in large part, the expenses with local taxes and the expenses with the contribution to the special fund, due under Law no. 448/2006 on the protection and promotion of the rights of persons with disabilities.

The chapter "other expenses" also includes the reserve regarding the modernization quota constituted on account of the operating expenses, in accordance with the provisions of GD no.168/1998 as amended and with the provisions of the fiscal Code approved by Law no. 227/2015, with subsequent amendments and updates.

**17. Net Financial Result**

- RON -

Name	June, 30 2022	June, 30 2021
Revenues from interests	4,260,876	1,551,082
Other financial revenues	9,828	19,040
<b>Total financial revenues</b>	<b>4,270,704</b>	<b>1,570,122</b>
Interest expenses on leasing contracts	133,723	116,602
Other financial expenses	74,873	64,079
<b>Total financial expenses</b>	<b>208,596</b>	<b>180,681</b>
<b>Net Financial Result</b>	<b>4,062,108</b>	<b>1,389,441</b>

The financial revenues have increased by 172% in the first Half of 2022 YoY and the financial expenses have increased by 15.5% during the analyzed period, as compared to the same period in 2021.

Based on this evolution, the net financial result has increased by 192.4% in the first Semester of the year 2022 YoY.

**18. Related Parties**

In 2022, the Company has performed related party transactions, out of which, significant are the procurements from SNTFM CFR Marfa and SPEEH HIDROELECTRICA S.A. (over 95 %).

**Procurement from related parties**

- RON -

Partner	Unsettled amounts at 31.12.2021	Procurements during 01.01.2022- 30.06.2022	Settlements during 01.01.2022- 30.06.2022	Unsettled amounts at June 30, 2022
SNTFM CFR Marfa S.A.	5,792,599	36,800,590	36,022,760	6,570,429
HIDROELECTRICA S.A.	0	14,241,678	7,284,843	6,956,835

\*The amounts are VAT exclusive

## **19. The Impact of the conflict between Russia and Ukraine on the Company's activity**

In the short term, the activity of the company is not affected and there are no indications of depreciation of assets following the effects of the Russian invasion of Ukraine. The medium and long-term impact of this conflict and the sanctions imposed on Russia cannot be predicted at this time with sufficient accuracy. Given that the company has a certain activity somehow dependent on the area affected by sanctions (especially Russia), in terms of sales, we believe that the Company has the capacity and ability to continue its activity in the foreseeable future, so that it be affected the least possible.

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

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

These interim financial statements and the related notes, from page 1 to page 28, have been authorized for issue and signed by the company management at August 12, 2022.

**Director General,**  
**Eng. Dorin Tudora**  
**S. s. illegible**

**Economic Director,**  
**Econ. Sanda Toader**  
**S.s. illegible**