



REPORT OF THE ADMINISTRATORS

2020, H1

prepared in compliance with Art. 223 of the ASF Regulation no. 5/2018 and Art. 55 of the EGO 109/2011 regarding the corporate governance of the public enterprises

CONTENTS

1.COMPANY PRESENTATION.....	3
1.1. Report and issuer identification data	3
1.2. Main activities.....	4
1.3. The company's mission vision and values	4
1.4. Shareholding	4
1.5. Company Organization	5
1.6. Development Strategic Objectives	5
2. CONPET- EXECUTIVE SUMMARY	6
2.1. Operating activity indicators	6
2.2. Economic-financial indicators.....	7
2.3. Investments	7
2.4. Company's Stock Market Indicators	8
3. ANALYSIS OF THE COMPANY'S BUSINESS	9
3.1. Analysis of the operating activity	9
3.1.1. Regulation Framework.....	9
3.1.2. The crude oil, condensate and rich gas business.....	9
3.1.3. Assessment of the operating activity	13
3.1.4. Legal acts concluded in the conditions of Art.52 Para (1) and (3) of EGO no.109/2011	15
3.1.5. Company mergers and reorganizations, procurements and disposals of assets during 2020 S1	15
3.1.6. Assessment of human resources and social dialog activity	16
3.2. Investments conducted during January- June 2020	20
3.3. Analysis of the Financial Business	26
3.3.1. Basis of the Report.....	26
3.3.2. Statement of the Financial Standing at June 30 th , 2020	27
3.3.3. Profit & Loss Account for the period January - June 2020.....	29
3.3.4. Profitability of the transport subsystems.....	32
3.3.5. The main economic-financial indicators	33

3.3.6. Cash Flow	35
3.3.7. Related party transactions	35
3.4. Other aspects	36
3.4.1. Situation of lands not included in the share capital	36
3.4.2. Litigii	37
3.5. Analysis of the Corporate Activity	44
3.5.1. Capital Market Business	44
3.5.2. Corporate Governance	48
3.5.3. Activity related to the sponsorship concluded in 2020 H1	74
3.5.4. Coronavirus Pandemic Risk Issues (Covid-19)	75
4. 2020 H1 RELEVANT CORPORATE EVENTS	75
5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS	76

1.COMPANY PRESENTATION

1.1. Report and issuer identification data

Quarterly Report prepared in compliance with:	the provisions of Articles 65 of Law no. 24/2017 regarding the issuers of financial instruments and market operations; Annex 14 of Regulation on 5/10.05.2018 on the issuers of financial instruments and market operations; EGO 109/2011 regarding the corporate governance of the public enterprises (amended pursuant to Law no. 111/2016).
Date of the report	14.08.2020
Company's name	CONPET S.A.
Registered Offices	No. 1-3 Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,
Telephone/facsimile number	0244 401360/0244 516451
E-mail/Internet	conpet@conpet.ro / www.conpet.ro
Tax Identification Number at the Trade Register Office	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium category
Subscribed and entirely paid-up share capital	28,569,842.40 RON
Main features of the issued securities	8,657,528 shares with a nominal value of 3.3 RON/hares
Total market value	673,555,678.4 RON (77.80 RON/share at 30.06.2020)
Applied accounting standard	International Accounting Standard no. 34 - „Interim Financial Reporting”
Auditing	The Interim Financial Statements concluded at 30.06.2020 have been revised

1.2. Main activities

CONPET is a strategic company, part of the architecture of the national energy system, being the operator of the crude oil National Transport System via pipelines.

Since 2002, CONPET is the concessionaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, based on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to. GD no. 793/25.07.2002.

The Crude Oil, Rich Gas, Condensate and Ethane National Transport System (NTS) is being defined and regulated by Law no. 238/7.06.2004 - Petroleum Law and the Methodological Norms for the enforcement of the Petroleum Law approved under. 2075/2004 and is part of the state's public property, being of strategic importance.

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

1.3. The company's mission vision and values

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis as well as accessing the related markets corresponding to the segments of the value chain of the oil industry.

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

The company's Values are: professionalism, effectiveness and performance, social awareness and respect for the environment, ongoing training, adaptability and qualitative growth.

1.4. Shareholding

The synthetic structure in the shareholding, at reference date 30.06.2020, is as follows:

- 58.7162%- The Romanian State by the Ministry of Economy, Energy and Business Environment;
- 41.2838% - Other shareholders natural or legal persons.

Shareholder's Name	Number of shares	Percentage%
The Romanian State by the Ministry of Economy, Energy and Business Environment	5,083,372	58.7162%
Legal persons	2,370,768	27.3839%
Natural Persons	1,203,388	13.8999%
Total	8,657,528	100.0000%

Table 1 - CONPET S.A. Shareholding Structure at June 30th, 2020

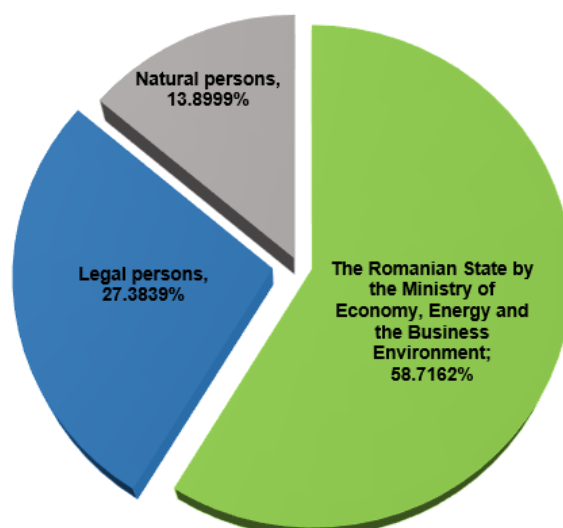


Chart 1 - CONPET S.A. Shareholding Structure at June 30th, 2020

The share capital of CONPET at 30.06.2020 is of 28,569,842.40 RON and is divided into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

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

1.5. Company Organization

CONPET was established in 1990, based on the Government Decree no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiești, being the first company established in the oil industry in Romania, after 1989.

Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, rich gas, condensate and ethane National Transport System.

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

1.6. Development Strategic Objectives

The Administration Plan of the Board of Administration of CONPET, for the period 2018-2022 is based on a detailed analysis of the company's activities, on its business segments.

The formulation of the strategic objectives focused on the conclusions of the diagnostic analysis and strategic analysis of the competitive environment, in view of identification and capitalization of the opportunities and strengthening the strong points existing at the level of the company.

The strategic objectives for the period 2018-2022, established and assumed by the administrative management by the administration component were defined in strong correlation with the strategic directions, the vision and expectations of the tutelary authorities, namely the one of the shareholders and the contextual lines of the Energy Strategy of Romania along 2018-

2030, envisaging the years 2050 and are the followings:

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

2. CONPET- EXECUTIVE SUMMARY

2.1. Operating activity indicators

The evolution of the product volumes– crude oil, condensate and rich gas, transported via the National Transport System (NTS), during January - June 2020, vs. the Revenues and Expenditure Budget and the similar period of 2019, by transport subsystems, is presented below:

Indicators (Thousand tons)	Achieved I 2020	Budget Semester I 2020	Achieved I 2019	Variation%	
				Achieved 2020 Budget 2020	Achieved 2020/2019
Transported quantities on domestic subsystem	1,742	1,740	1,734	▲ 0.1%	▲ 0.5%
Quantities transported on the import subsystem	1,697	1,556	1,695	▲ 9.1%	▲ 0.1%
Total	3,439	3,296	3,429	▲ 4.3%	▲ 0.3%

Table 2 - Evolution of the volumes transported in 2020 H1 as compared to 2018 Budget 2020 and the similar period in 2019

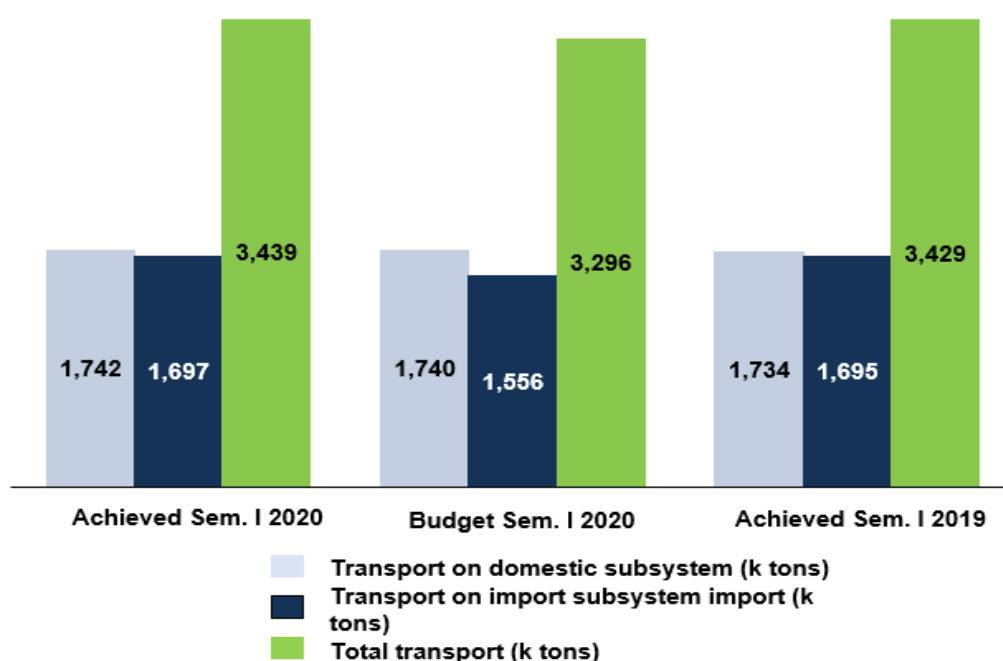


Chart 2 - Evolution of the quantities transported on the domestic and import subsystems (thousand tons)

2.2. Economic-financial indicators

The level of the main economic-financial Indicators of the company achieved in the first Semester 2020, as compared to the similar period of last year and to the Budget is as follows:

Indicators	2020 H1			Achieved Semester I 2019	Variation % Achieved 2020/2019
	Achieved	Budget	Variation (%) Achieved/Budget		
Turnover (thousand RON)	204,036	202,160	▲0.9%	200,617	▲1.7%
Operating Revenues (thousand RON)	220,479	218,902	▲0.7%	216,285	▲1.9%
Operating Expenses (thousand RON)	187,094	198,490	▼5.7%	183,208	▲2.1%
Operating Profit (EBIT) (thousand RON)	33,385	20,412	▲63.6%	33,077	▲0.9%
Operating profit margin (% Operating Revenues)	15.1%	9.3%	▲5.8 p.p.	15.3%	▼0.2p.p.
EBITDA (thousand RON)	57,891	43,786	▲32.2%	55,911	▲3.5%
Operating Expenses (%Turnover)	91.7%	98.2%	▼6.5p.p.	91.3%	▲0.4p.p.
Total Revenues (thousand RON)	224,197	221,794	▲1.1%	220,388	▲1.7%
Total Expenses (thousand RON)	187,357	198,595	▼5.7%	183,250	▲2.2%
Gross profit (thousand RON)	36,840	23,199	▲58.8%	37,138	▼0.8%
Net profit (thousand RON)	31,782	19,788	▲60.6%	31,180	▲1.9%
Average number of employees (pers.)	1,551	1,574	▼1.5%	1,607	▼3.5%
Productivity (thousand RON/employee)	142	139	▲2.2%	135	▲5.2%

Table 3 - The main economic-financial Indicators achieved in 2020 H1 vs Budget 2020 and the ones achieved in the similar period in 2019

2.3. Investments

The investment projects targets both enhancing efficiency of the transport activity as well as operation, under safe conditions, of the National Transport System.

During the six months period ended June 30th, 2020, CONPET S.A. achieved investments in amount of 44,953 thousand RON.

The degree of achievement of investments as compared to programme in the first quarter of 2020 and 2019, by ownership and total, is as follows:

Investments (Thousand RON)	Budget YEAR 2020	2020 H1			2019 H1		
		Achieved	Program	Degree of achievement %	Achieved	Program	Degree of achievement %
Total investments,	97,500	44,953	41,363	108.7%	33,375	28,920	115.4%

out of which:							
Public domain	70,040	38,962	33,597	116.0%	30,473	24,829	122.7%
Operating domain	27,460	5,991	7,766	77.1%	2,902	4,091	70.9%

Table 4 - Evolution of the investments achieved in Sem I 2020 as compared to the program and the same period of the year 2019

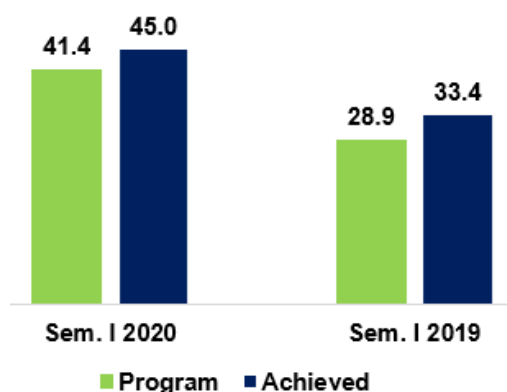


Chart 3 - Evolution of the total investments achieved in 2020, H1 compared to program



Chart 4 - Evolution of the investments in the public domain achieved in semester 1 2020 as compared to program

Chart 5 - Evolution of investments in the operating domain achieved in semester 1 2020 as compared to program

2.4. Company's Stock Market Indicators

At 30.06.2020, CONPET S.A. had a market capitalization of 673.55 million RON (140.3 million Euro), ranking 20 in "Top 25 issuers according to capitalization".

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices of the Bucharest Stock Exchange, respectively *BET*, *BET-TR*, *BET-XT*, *BET-XT-TR*, *BET-BK*, *BET-NG* and *BET Plus indices*.

In the first Semester of 2020, 9,088 stock transactions have been recorded, with a traded volume of 420,391 shares, the total value of the transactions being 31,767,071 RON. All along this time, the minimum trading price amounted to 56.60 RON/share, and the maximum price of 86.00 RON/share. On average, have been traded 3,446 shares/day, the average value of a trading day amounting to 260,386 RON/day (122 days).

During the review period, the share price of CONPET has lowered by 2.26%.

3. ANALYSIS OF THE COMPANY'S BUSINESS

3.1. Analysis of the operating activity

3.1.1. Regulation Framework

CONPET S.A. is the operator of the Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System (NTS) as defined and regulated by Law no. 238/07.06.2004 - Oil Law and the Methodological Norms for the enforcement of the Oil Law approved under GD no. 2075/2004. The transport service is being supplied under the natural monopoly regime based on the tariff set by NAMR.

3.1.2. The crude oil, condensate and rich gas business

CONPET S.A. supplies transport services for its clients both via the National Transport System concessioned according to the Oil Concession Agreement of the National Transport System of crude oil, gasoline, condensate and ethane, as well as via railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

Given the natural distribution of the oil fields spread over the entire Romanian territory, the National Transport System was built as to meet the transport needs from all those fields to the refineries. The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The pipelines transport system is approximately 3,800 km in length, out of which, to date, 3,161 km of pipelines are being used for the transport of crude oil, rich gas, condensate.

The Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System has in composition transport subsystems, grouped according to the transported products, as follows:

- The domestic crude and condensate transport subsystem, having in composition pipelines covering approx. 1,540 km, for the transport of crude oil and condensate from the production units of OMV Petrom operating areas throughout the country, to the refineries. The domestic crude oil and condensate production is transported via pipelines, by railway tanks, or combined (rail and pipelines).
- The rich gas transport subsystem is meant for the rich gas transport from the rich gas separation units in Ardeal (Biled and Pecica) to Petrobrazi refinery. At the present time, actually 2 recovery plants (Abramut and Calacea) are still working and the rich gas produced is transported by rail to Petrobrazi refinery.
- The ethane transport subsystem provides the ethane transport from Turburea ethane separation platform to Arpechim Pitesti refinery. Currently, due to the lack of operability of Arpechim refinery, the subsystem is not used and only one portion of the pipeline is used for the transport of condensate from Totea warehouse to Petrobrazi refinery.
- The subsystem for the import crude transport provides the transport of crude oil from Oil Terminal Constanta to the refineries in Ploiești, Arpechim-- Pitești and Midia.

The crude oil, rich gas, condensate and ethane transport service provides the fulfillment of the tasks incumbent on CONPET from its own program, consequently, easing free access to the system's available throughput, to all petitioners, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The available throughput represents the difference between the total physical throughput of the system and the crude oil scheduled for transport in the given year.

The transport contracts signed with the beneficiaries of the services provides the legal framework for the supply of the transport services.

The crude oil transport throughput is being performed from the sites of delivery by the producers/importers, from the extraction areas, or from Oil Terminal, to the processing plants (refineries) by the use of certain facilities both in the pumping sites, as well as all in the receipt sites.

These facilities are the crude oil and condensate storage tanks from the warehouses, storage tanks for the storage of rich gas, technological pipes from the pumping/receipt warehouses, pumping aggregates (booster pumps, main pumps, actuators), major pipelines, crude oil and rich gas loading and unloading ramps, tank cars.

The state of the transport activity, per types of transported products, in Sem I 2020, as compared to the transport program and the same period of 2019 reveals the followings:

Transport Subsystems	Indicators and products	Achieved I 2020	Achieved I 2019	Variation % 2020/2019
DOMESTIC	Domestic crude oil, condensate and light condensate			
	- programmed quantities (thousand tons)	1,731	1,689	▲2.5%
	- achieved quantities (thousand tons)	1,733	1,724	▲0.5%
	- degree of achievement	100.1%	102.1%	-2.0 p.p.
	- degree of use of the transport throughput	57.08%	56.77%	+0.31 p.p.
	Rich gas			
	- programmed quantities (thousand tons)	9.1	9.8	▼7.1%
	- achieved quantities (thousand tons)	9.2	10.2	▼9.8%
	- degree of achievement	101.1%	104.1%	-3.0 p.p.
	- degree of use of the transport throughput	15.95%	17.63%	-1.68 p.p.
	Total domestic subsystem			
	- programmed quantities (thousand tons)	1,740	1,699	▲2.4%
	- achieved quantities (thousand tons)	1,742	1,734	▲0.5%
	- degree of achievement	100.1%	102.1%	-2.0 p.p.
	- degree of use of the transport throughput	56.31%	56.03%	+0.28 p.p.
	IMPORT	crude oil		
- programmed quantities (thousand tons)		1,556	1,386	▲12.3%
- achieved quantities (thousand tons)		1,697	1,695	▲0.1%
- degree of achievement		109.1%	122.3%	-13.2 p.p.

Transport Subsystems	Indicators and products	Achieved I 2020	Achieved I 2019	Variation % 2020/2019
	- degree of use of the transport throughput	29.00%	28.97%	+0.03 p.p.
TOTAL	- programmed quantities (thousand tons)	3,296	3,085	▲ 6.8%
	- achieved quantities (thousand tons)	3,439	3,429	▲ 0.3%
	- degree of achievement	104.3%	111.2%	-6.9 p.p.
	- degree of use of the transport throughput	38.45%	38.33%	+0.12 p.p.

Table 5 - Transported quantities by types of products and by transport subsystems
In Semester I 2020 as compared to Semester I 2019

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

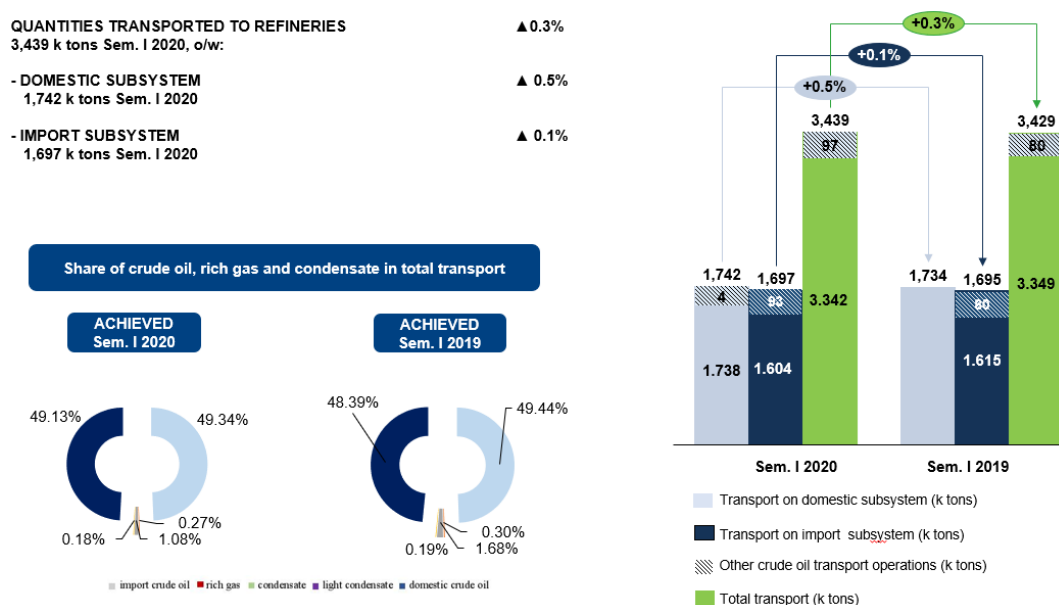


Chart 6 - Quantities transported on the transport subsystems

The total quantity transported during January-June 2020 was bigger with approx. 10 thousand tons as compared to the same period of 2019. In 2020 S1, the quantity transported on the import subsystem transport has increased by 2 thousand tons (0.1%) whereas the quantity transported on the domestic subsystem transport has increased by 8 thousand tons (0.5%).

From the total of 1,742 tons of crude oil, rich gas and condensate obtained from domestic production, which have been transported and delivered to the refinery in S1 2020, the amount of 587 thousand tons was transported by rail (33.7%).

The evolution of the standardized technological consumption on products in the first quarter of 2020, as compared to the level registered in the same period 2019 is presented as follows:

Products	2020 S1			2019 S1		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil:	0.2633%	0.1694%	-0.09 p.p.	0.2514%	0.1117%	-0.14 p.p.

Domestic crude oil, condensate and light condensate	0.3638%	0.3558%	-0.01 p.p.	0.3667%	0.2976%	-0.07 p.p.
Rich gas	7.3830%	3.3240%	-4.06 p.p.	7.3830%	2.8240%	-4.56 p.p.

Table 6- The evolution of technological standardized consumption as compared to achieved S1 2020 as compared to S1 2019

The transport services of crude oil, rich gas and condensate have been provided under contracts concluded with traditional customers: OMV Petrom S.A., Petrotel LUKOIL S.A., Rompetrol Rafinare S.A. and with new clients: NIS Petrol S.R.L., Standart Logistic d.o.o and Serinius Energy România S.A.

Transport Tariffs

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

The tariffs applied for the import transport subsystem vary according to the installment of transported quantity, being practiced the bracketing tariff model and the refinery- the hand-over site. Between 2019 and 2020, the following tariffs were applied:

- Tariffs from transport services on domestic subsystem

Period	Transport tariff (RON/ton)	Approved by NAMR Order No.
June 19 th , 2018 – December 30 th , 2019	84.37	117/2018
Starting December 31 st , 2019	87.53	427/2019

Table 7 - Import transport tariffs on installments and refineries

- Tariffs for transport services on import subsystem

Period	Installments thousand tons/month	Arpechim Refinery RON/ton	Ploiesti Basin (Petrobrazi and Petrotel Lukoil refineries)		Approved by NAMR Order No.
			Petromidia Refinery RON/ton	Petromidia Refinery RON/ton	
June 19 th , 2018	< 120	38.85	38.00	27.00*	117/2018
December 30 th , 2019	> 120	16.60	16.00	24.74*	
Starting with	< 120	40.40	39.50	15.00	427/2019
December 31 st , 2019	> 120	17.25	17.00	12.85	

*) Starting 14.03.2019 up to 30.12.2019, for the transport relation with Petromidia refinery was applied a tariff of 14.00 RON/ton for installment up to 120 thousand tons and 12.00 RON/ton for installment bigger than 120 thousand tons (approved by NAMR Order no.172/2019).

Table 8 - Transport tariffs import subsystem

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

The company holds a monopoly position on the market of crude oil transport via pipelines, having no competitors in its core business. The transport services are being contracted with the clients, based on a frame contract approved by the National Agency for Mineral Resources.

The total value of the transport services, VAT excluded, invoiced to the beneficiaries between January - June 2020 is amounting 202,783 thousand RON.

The state of transport revenues, in detail, by every beneficiary, as follows:





CLIENTS	Sem. I 2020	Sem. I 2019	VARIATION % 2020/2019
 PETROM <small>Member of OMV Group</small>	162,895	161,688	▲ 0.7%
 LUK PETROTEL LUK OIL	37,977	33,274	▲ 14.1%
 ROMPETROL <small>energie vie</small>	1,562	1,530	▲ 2.1%
 NIS <small>GAZPROM NEFT</small>	349	27	▲ 1.193%
TOTAL TRANSPORT REVENUES	202,783	196,519	▲ 3.2%

Chart 7– The evolution of transport revenues, by beneficiary, achieved S1 2020 as compared to S1 2019

Other activities

Revenues from other activities represent 2% of the company's turnover and are made up of: revenues out of leases of lands and telecommunication equipment, rail shunting services, revenues from sales of pipe material etc.

3.1.3. Assessment of the operating activity

In the table below is being presented the evolution of the transport services supply for S1 2020, as compared to S1 2019 and the budgeted provisions.

Indicators (Thousand RON)	Achieved I 2020	Budget Semester I 2020	Achieved I 2019	Variation%	
				Achieved 2020 Budget 2020	Achieved 2020/2019
Revenues on the domestic transport subsystem	153,482	153,072	146,934	▲ 0.3%	▲ 4.5%
Revenues on the import transport subsystem	49,301	47,154	49,585	▲ 4.6%	▼ 0.6%
Total	202,783	200,226	196,519	▲ 1.3%	▲ 3.2%

Table 9 - Statement of the transport revenues

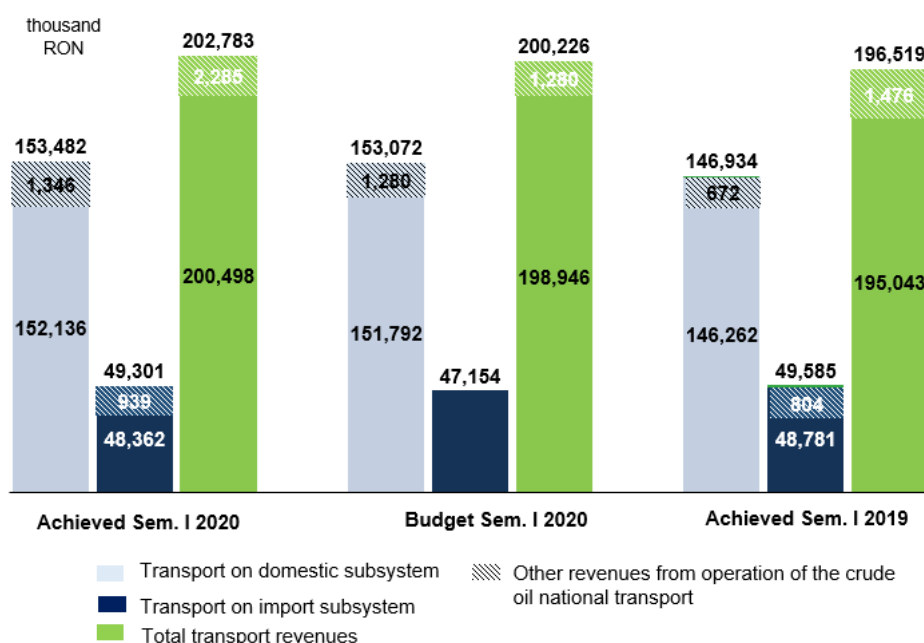


Chart 8 - Evolution of the transport revenues per subsystems

Procurement

The procurement activity

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

Between January- June 2020 have been initiated procedures to achieve a total of 52 procurements required by the entities within the company and have been completed 41 procurement procedures by conclusion of contracts in total amount of 23,588,797.5 RON and 21,928.08 EURO.

At the end of June a number of 23 acquisitions were in progress, in the total estimated value of 13,326,059.40 RON and 150,000 EURO, respectively:

- 6 tendering procedures in total estimated amount of 5,375,500 RON and 150,000 Euro;
- 6 simplified procedures in total estimated amount of 7,297,799.4 RON;
- 7 negotiation procedures in total estimated amount of 506,660 RON;
- 3 tendering procedures in total estimated amount of 146,100 RON.

The tracking and recording of the procurement contracts and contract conclusion for realization of revenues

At 30.06.2020, the structure of the contracts in pursuit is as follows:

- 125 works contracts, of which: 34 ongoing and 91 with completed works facing performance security period;
- 165 services contracts, of which: 127 ongoing and 38 with completed works facing performance security period;
- 80 product supply contracts (including 38 in progress, the rest of 42 covered by the guarantee period);
- 82 utilities procurement contracts.

According to EGMS Resolution no.3/23.10.2014, in Annex no.5 and 6 we present the situation of service procurement contracts with values higher than 500,000 Euro and the service procurement contracts with values higher than 100,000 EURO, concluded between 01.01.2020 - 30.06.2020.

3.1.4. Legal acts concluded in the conditions of Art.52 Para (1) and (3) of EGO no.109/2011

At June 19th, 2020 Addendum no.3 to contract S-CA no. 57/28.03.2019 was concluded, having as scope the augmentation of rail transport services of crude and rich gas from the loading ramps to the destinations set out by CONPET S.A., respectively augmentation of the estimated value of the contract by the amount of 7,627,649 RON. The transaction with SNTFM CFR Marfa SA has been approved by the shareholders of the company in the OGMS meeting dated 18.06.2020.

The duration of the contract is of 4 years, starting 01.04.2019 up to 31.03.2023, inclusive of.

The performance guarantee is in quantum of 500,000 RON and the payment term is of 30 days from the invoice receipt. In the contract was provided also the delay penalties calculation in quantum of 0.03%/day. In what concerns the delay penalties, in the contract are being provided the followings:

- Should CONPET S.A. not honor the invoices within the payment deadline provided in the contract, it has the obligation to pay penalties in quantum of 0.03%/day, calculated at the outstanding amount, starting the first day of the maturity date.
- If the provider SNTFM CFR Marfa SA does not provide the rail tanks necessary for the achievement of the respective transport program, for the delay with more than one day compared to the schedule, CONPET S.A. is entitled to claim penalties in quantum of 0.03% per day, calculated at the value of the transport service related to the outstanding quantity, not taken over, starting the first day of delay.

3.1.5. Company mergers and reorganizations, procurements and disposals of assets during 2020 S1

During January - June 2020 there were no mergers.

The company has no open subsidiaries in Romania or abroad.

Purchases of tangible and intangible assets in 2020 S1 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for

deployment and modernization. In S1 2020 there have not been made purchases of assets consisting of buildings and/or lands.

Also, there were no disposals of assets.

3.1.6. Assessment of human resources and social dialog activity

The actual number of employees at June 30th, 2020 was of 1,587 persons.

Following the adoption in 2019 of measures on human capital resizing, the actual number of employees at 30.06.2020, as compared to 30.06.2019 is down 40 people and 12 persons lower as the one recorded at December 31st, 2019.

For the achievement of the objective regarding the *reshaping and ongoing adaptation of the human resources in correlation with the technical - economic requirements and realities of the company*, the adjustment of the human resources necessary is being adapted and monitored, having regard to:

- the efficient use of personnel;
- providing business continuity, within the conditions required by the permanent fluctuations in the production activity;
- providing balance between the personnel number and the real technical-economic and administrative needs of the company.
- flexible redistribution of human resources in order to avoid possible blockage and ensure their most efficient use of personnel.

The personnel structure according to the level of studies and gender, at June 30th, 2020 is presented in the table below:

Studies	Total	% in total employees	Women	% in total employees	Men	% in total employees
General education (8-10 grades)	118	7.4%	12	0.8%	106	6.7%
Secondary education	922	58.1%	81	5.1%	841	53.0%
Higher education	547	34.5%	204	12.8%	343	21.6%
Total	1,587	100.0%	297	18.7%	1290	81.3%

Table 10 - Personnel structure by education level and gender

The number of personnel who graduated higher education represents 34.5% of the total number of employees, of which, 12.8% represent women, and 21.6% men.

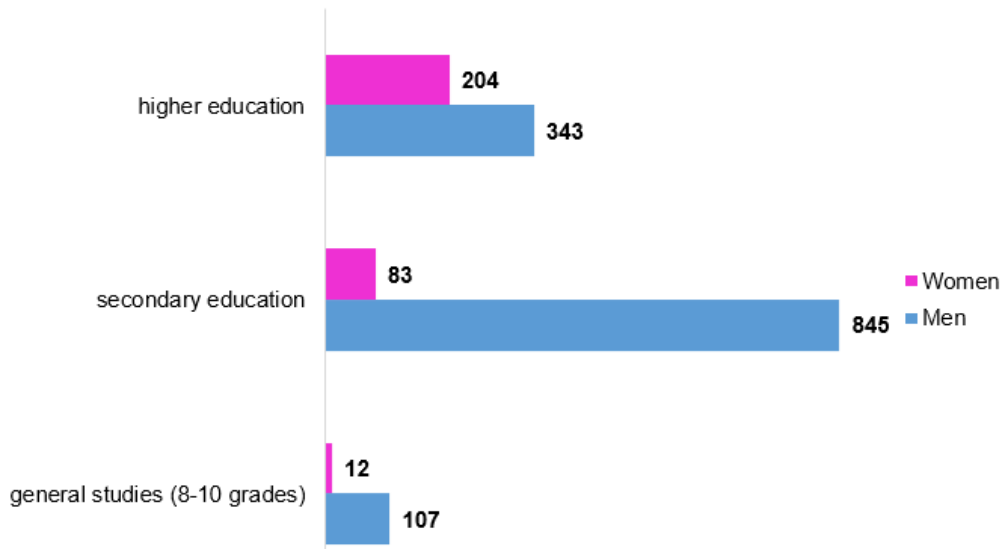


Chart 9 - Level of studies employees (women/men)

The evolution of the staff structure by education categories and gender reveals that the company promotes a non-discriminatory behavior by employing female specialists with higher education and professional skills that contributes to the growth of the company's activity results.

The employees of the company, at a rate of 99.18% are members of the Free Union of Conpet. Between January– June 2020 there were no elements of confrontational nature between the employees and the company's management.

The Personnel Risk and the Waging System

At June 30th, 2020 the age structure is not balanced, the age group between 51-60 years has the highest percentage (48%) and is followed by the age group 41-50 years (31%) and between 31 - 40 (11%).

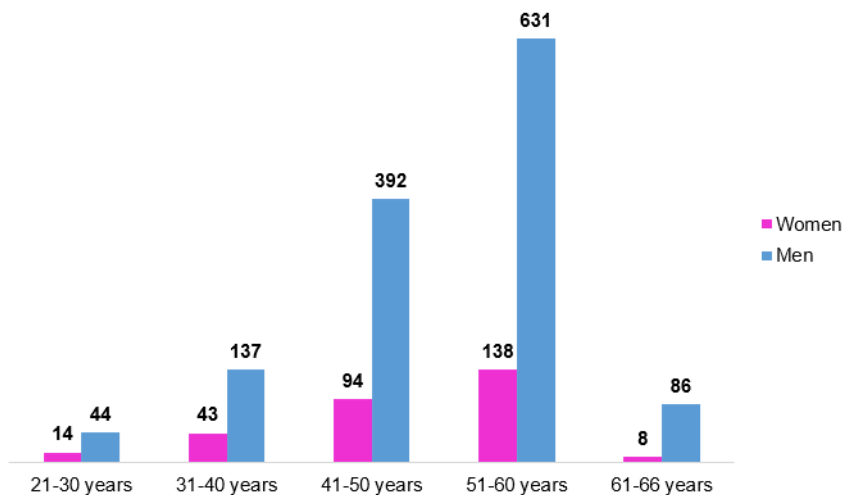


Chart 10 - Personnel structure by age groups 30.06.2020

The average age of CONPET personnel is rather high (49.34 years old), the advantage being that 55.45% of the personnel has over 20 years of experience in the company, which stands for the stability and professionalism of the employees, but also accumulation of knowledge and skills, some taking many years of experience to be gained.

The average age of the personnel employed in the last two years is 41 years, with an average work experience of 13 years.

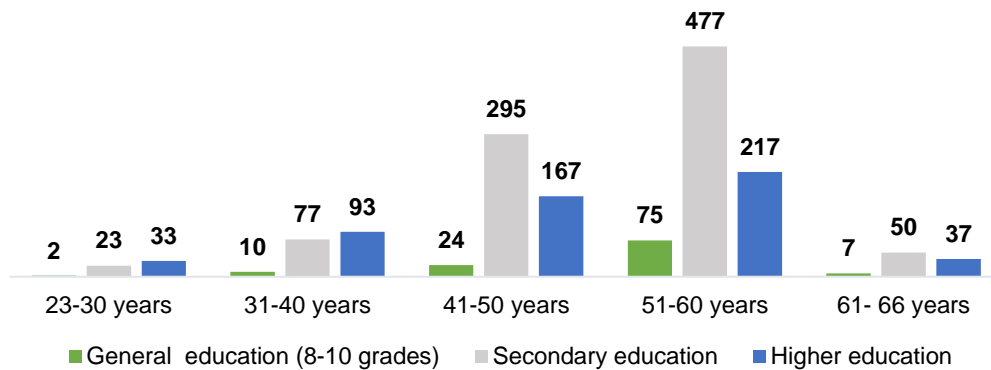


Chart 11 - Personnel structure by level of studies and age 30.06.2020

In the chart above it can be noted that the highest share of employees is represented by personnel aged between 51-60 years and 41-50 years with secondary and higher education.

The risk of personnel is that, in the future he company shall deal with staff shortages due to experienced staff departures, by natural causes.

The level of this analyzed risk was low; this is a high tolerability risk and for the control thereof have been set medium and long-term measures by way of the personnel policy and the monitoring of the personnel fluctuations (personnel input/output in/from the company).

It is also considered that the age group 41-50 years is well represented by the tier of employees who will meet the retirement conditions at the standard age in about 15 years, staff with a rich background of knowledge and professional experience, with a seniority in the company of over 10 years (81%).

The Collective Labor Agreement

The Collective Labor Agreement, applicable starting 01.01.2019, for a period of 2 years, has been approved by the Board of Administration by Decision no.33/18.12.2018 and was registered at Prahova Labor Inspectorate, under no.341/27.12.2018.

The rights of the employees existing in the labor agreement have been negotiated so that a balance between the interests of the two Parties, the Management and the Union, be ensured, considering that the interests of the employees and the company's management cannot be divergent, as well as the fact that the most important resource of the company is the human resource.

The Activity of Professional Training and Authorization

In order to maintain and/or develop specific skills and basic abilities of the human capital, the training activities are carried out on an ongoing and planned basis, based on the professional training and authorization programs of the company, as a result of the conduct of a comprehensive process of identification and priorities setting of the CONPET SA staff training needs.

Training of company personnel is achieved mainly through participation in external courses, organized in collaboration with certified trainers for all fields of activity within the company. Also, training is conducted internally by trainers and/or experts of the company, with a good knowledge and experience relevant to the activity of the company. They hold training sessions and trainings to update knowledge and skills specific to the job.

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

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

The preparation of the annual training/professional authorization programs (no. 8041/27.02.2020 – vocational training and no. 8122/27.02.2020 – professional authorization) was carried out after analysis of the primary requests identified at the level of organizational entities, following identification and prioritization of training needs and authorization, where appropriate, of the company personnel, in line with their tasks, skills and responsibilities in the job descriptions of employees.

In the first semester of 2020, on the basis of authorization and vocational training programs, as well as on the requests by the heads of organizational entities or employees with responsibilities in specific fields of activity, concerning the need for and motivation for employee participation in vocational training and authorization programs, as well as following further examination of the requests by the Office for personal training, the following activities were carried out:

- Various fields authorizations (specific of activity) - 11 employees;
- CF Authorizations (railways) - 123 employees;
- Training - 83 employees;
- Internal authorizations - 242 employees.

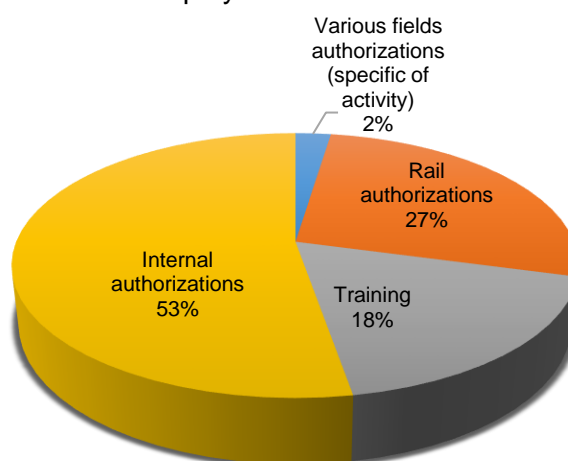


Chart 12 - Type of professional training and authorization

In the first six months of 2020 the training and authorization activities of the employees of the company were carried out according to the approved Budget.

Training

A total of 83 employees participated in the professional training (improvement) courses organized in the first 6 months of 2020, with training sessions organized in different fields of activity in order to acquire, improve, expand and strengthen acquired knowledge and skills.

In order to ensure the protection of employees, in the context of the evolution of COVID – 19 pandemic, in the second quarter of 2020, the representatives of the Human Resources Department worked with the training/authorization providers to ensure the participation of CONPET employees in interactive on-line sessions.

Internal and external professional authorization

In view of the evolution of the epidemiological situation in Romania, due to the spread of SARS-CoV-2 corona virus, INSEMEX organized an on line authorization session for working in the environment EX.

The assessment of the professional performance of the employees

The action for evaluating the professional performance of employees for the activity carried out in 2019 took place between February 12th - March 31st, 2020, in accordance with the Regulation for evaluating the performance of employees - Annex 1 to the Internal Regulation, valid for the activity performed by employees during the evaluated period.

In accordance with the provisions of the same Regulation on the evaluation of employees' performance and the Decision of the Director General, 1,547 employees out of a total of 1,599 employees existing on 31.12.2019 were assessed.

The assessment process were not included employees with suspended individual employment contracts, including the ones who were temporarily unfit for work and did not have at least six months of activity in 2019, and employees who, during the period under assessment, ceased their individual employment by voluntary departure or other causes.

The results of the evaluation were included in the Report on the evaluation of the professional performances of the employees of CONPET SA for the activity carried out in 2019.

Starting 2020, a new system of assessment of employees is in place, including the setting of individual performance targets and indicators for employees in management positions.

The new Regulation on the assessment of the professional performance of CONPET SA employees is in line with OGSG no. 600/20.04.2018 approving the Code of Internal Control Management and Law no.53/2003 - The Labor Code and focuses on the individual professional performance.

The new evaluation criteria, individual objectives, performance indicators, target values and weights associated thereof, for the activity carried out in 2020 of the employees in management positions, were subject to conclusion addenda to individual employment contracts of the employees, as laid down in each entity.

3.2. Investments conducted during January- June 2020

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

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

In the first semester of 2020 were achieved investments amounting 44,953 thousand RON, as compared to programmed 41,363 thousand RON.

As compared to the annual program of 97,500 thousand RON, the investments achieved in 6 months represent 46.1%.

The value of the investment objectives achieved in the first 6 months of 2020, on assets belonging, as compared to the program and the same period of 2019, is as follows:

Investments (Thousand RON)	Budget YEAR 2020	2020 S1			Budget YEAR 2019	2019 S1		
		Achieved	Program	Level of Achievement %		Achieved	Program	Level of Achievement %
Total investments, out of which:	97,500	44,953	41,363	108.7%	86,000	33,375	28,920	115.4%
Public domain	70,040	38,962	33,597	116.0%	70,420	30,473	24,829	122.7%
Operating domain	27,460	5,991	7,766	77.1%	15,580	2,902	4,091	70.9%

Table 11 - Investments achieved in 2020 H1 as compared to Budget 2020 and the similar period in 2019

The investments achieved in S1 2020, as compared to the program and the same period of the previous year, on financing sources, are being presented in the chart below:

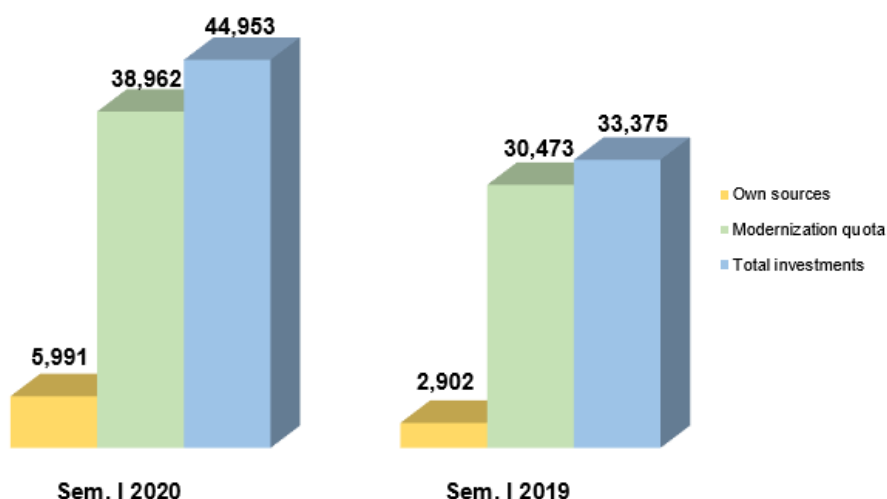


Chart 13 - Investments achieved by financing sources

The statement of the main investments ongoing in the first semester of 2020 is the following:

I. PUBLIC DOMAIN

Sistemization of technological keyboards of the Ø10^{3/4}" F1 and Ø10^{3/4}" F2 pipelines Siliste-Ploiesti, respectively Ø8"+Ø10" Ploiesti Beltway and mounting of the cleaners reception installation on the Ø10^{3/4}"F1 Siliste-Ploiesti crude oil pipeline in the area of Gara de Vest Railway Station, Ploiesti city, Prahova

The execution works have been completed and the actions are in progress to make the reception of the works and commissioning.

Replacement of Ø10^{3/4}" F1 + F2 Siliştea-Ploieşti crude oil pipeline, L= 2 x 3481m, in the areas Ilfoveni-Iuda forest, Racovita valley way, Habeni-Comisani, Mija.

The pipes on both wires have been replaced, with a total pipe length of 6948 ml. Reception and commissioning are due.

Replacement of the crude oil pipeline Ø10^{3/4}" F2-Siliştea-Ploieşti, in the area Brazi Stadium - interior Petrobrazi Refinery, Prahova County, on a length of approx. 1170 m and replacement of the cleaning installation.

The common platform for the smart pigging stations, filters and SKIDs and the foundations of smart pigging stations and filters were developed, and the 10^{3/4}" pipeline was mounted on about the same 800 m SKID 10'.

Replacement of the crudeoil pipeline of 14 inch Bărăganu - Călăreţi on a length of 15972 m.

The assembly works were completed at section no. 1 (388 m), section no. 8 (1943 m), section no. 11 (1210 m), section no. 12 (3995 m), section no. 9 (1802 m) and section no. 13 (97 m). Pressure samples were taken in sections no. 1, no. 8, no. 11 and no. 12. The execution works for section no. 2 (2654 m) are ongoing.

Replacement of a section of about 500 m length pipeline 59/16 Copăceni - Vega Refinery and smart pigging stations.

The design stages, obtaining permits/agreements, endorsement of technical papers in the Technical - Economic Board of Conpet were completed, the building permit was obtained, the site handover report was signed for execution and the construction site was started.

Replacement of crude oil pipeline Ø 24" Călăreţi – Pietroşani (7 sections) in total length of 5.9 km

The execution and design contract is ongoing. In the first semester of 2020, the pressure tests were completed at section 2 (494 m) and section 3 (1654 m); the assembly at section 4 (954 m) was completed. In July, pressure tests will be carried out on section 4 and the couplings on Section 2, Section 3 and Section 4 and the execution will start on Section 1 Ialomita county (358 m).

Replacement of crude oil pipelines 10 "F1 and F2 Siliştea-Ploieşti, on a length of about 300 m, located in Ariceşti Rahtivani, Prahova County

Design and execution contract in progress. The Urbanism Certificate was obtained and the documentation for obtaining the approvals/agreements was submitted from the entities mentioned in it.

Stage I of the contract has been completed.

Safe disposal works for the over crossing of Prahova river with the 12^{3/4}" and 14^{3/4}" pipelines Cartojani-Ploieşti, Stejaru village, Brazi commune, Prahova County

The building permit was obtained and the site was handed over in February 2020 in order to start the execution works. Works were carried out upstream the crossing at the sub-merable thresholds. Updated supporting memo and general estimate for additional calibration works of downstream riverbed and upstream crossing have been prepared.

The works were slowed and interrupted due to heavy rains during June, which led to increased flows of the Prahova River in the crossing area, affecting deposits of alluvial and floating material.

The rainwater that leaked from the slopes caused erosion of the banks, jeopardizing the operation of the hydro technical works carried out;

Smart pigging, pipe condition detection 12"F1 and 12"F2 Călăreți - Petrotel

The site was handed over in early March 2020, but the works were soon suspended due to the spread of the new COVID-19 corona virus and as a preventive measure to ensure the maximum safety of CONPET and LIN SCAN personnel.

The modernization of the cathodic protection system of the pipelines part of NTS (National Transport System) domestic and import stage II

The design and execution contract was signed in December 2019, for 30 SPCs and their integration in the monitoring system in operation. The hand over of the site in view of the design was done for all 30 locations. The technical project is being implemented, with agreements obtained from some of the land owners (8 town halls and the Ministry of Transport), with agreement to be obtained from two more private owners, and for five locations the owners have not yet been found. The rest of the locations are situated on Conpet or OMV Petrom lands.

Crude oil tank R3 Calareti station

Ongoing execution contract. Tank completed, calibrated. The external works (the gutter, the perimeter pavement of the tank, the pipe vat and the tank pier) were also carried out. The remaining work to be carried out includes: installation of power cables and PSI system control.

Crude oil tank Poiana Lacului station

Ongoing execution contract. The bottom of the tank and the jacket were made and the access ladder was mounted on the tank and PSI installation manhole. The Dom-type cap with a floating membrane was executed and fitted. The old pipes owned by OMV were decommissioned and the route of the filling/empty pipes of the tank was redesigned.

Orlesti crude oil tank station

The execution contract is ongoing. The bottom, the tank mantle and the ladder were fitted and the interior painting was carried out. The dome cover and floating membrane were executed and taken to the site. The contract was suspended at the request of the manufacturer during the state of emergency, 16.03-30.04.2020.

Modernization of the thermal power plant and heating network - Baicoi Centru Crude oil station

The execution contract was signed in December 2019, the physical stage of the work at June 30th, 2020 is of 90%.

Modernization of the thermal power plant - Calareti crude oil station

The execution contract was signed in December 2019, the works being completed at June 30.

Modernization of Ciresu ramp

Approvals and permits for construction and demolition have been obtained.

At 02.04.2020 the site was handed over. The dismantling of the proposed metal shack for scrapping was completed and work was carried out on the industrial sewerage.

Modernization of Berca ramp

Ongoing execution contract. At June 30, the works were executed in proportion of 75%.

Modernization of Imeci ramp

The execution contract is ongoing. The assembly works of the metal structure and the repair works for the buildings in the project are completed.

Modernization of Marghita ramp

The execution contract is ongoing. The works were executed in proportion of 30%.

Rehabilitation of Baicoi station building

The execution and design contract is ongoing. At the date of the report the works are completed and the reception at the buildings - PSI hall and Pompe hall is in process of performing.

Modernization of locomotive parking shed Biled Ramp

The design and execution contract is in progress. The design works are ongoing. The technical project is under approval by the Economic Technical Council of Conpet.

Optimization of SCADA system and upgrade of Hardware and Software of the remotes transmission units (RTU)

In September, 2017 has been initiated the implementation of the SCADA System optimization and the Hard and Soft upgrade of the data and automation Transmission System. At June 30, 2020 Stages I, II, III, IV and V_A and V_B are completed. Estimated stage is of 81%, equipment being installed and functional tests performed in 25 locations, and commissioning in 21 locations, out of a total of 29.

Geographical patrimonial inventory system

Stage 1 of the contract has been completed.

Implementation stage is estimated at 81%.

At the moment the project is affected by the pandemic crisis, with the contractual deadline to be extended by 30 days.

II. OPERATOR FIELD

In S1 2020 have been achieved investments in the operator domain amounting to 5,991 thousand RON, representing 77.1% of the program for this period and 21.8% of the annual program, as follows:

Replacement of Ø8^{5/8}" crude oil pipeline Vega-Brazi Refinery, in Petrobrazi Refinery-SKIDs keyboard area, Prahova County, on a length of approximately 800 m and replacement of cleaning installation

The execution contract is ongoing. There have been executed:

- Common platform related to the smart pigging stations, filters and SKIDs;
- Foundations of smart pigging stations, filters and the 8" SKIDs;
- Pipe installation 8" on approx. 100m.

Upgrade of the Conpet SA headquarters building in Ploiesti, 7 Independentei Avenue.

The execution contract is ongoing. The work is carried out according to the graph. There have been executed:

- Body 1: Ground floor - demolition of existing floor; reinforcement of the proposed beams; forming of beams; reinforcement of walls;
- Body 2: Basement - reinforcement and forming of pillars; existing floor demolition;
- Ground floor - façade plaster cover; partial demolitions of masonry and plate for the construction of pillars; reinforcement and forming of pillars; reinforcement walls;
- Floor - façade plaster cover; reinforcement and forming of pillars; partial demolitions of masonry and plate for the construction of pillars.
- Body 3: reinforcement and forming of pillars; partial demolitions of masonry and plate for the construction of pillars.

Headquarters 2, CONPET - Electric Power Supply - power addition

The execution and design contract was signed in August 2019. The design is completed. Building permits were obtained for user installation works and connection works to the electrical grid. The handover of the site for execution was made in January 2020 – 6 months' execution deadline. The works in the user installation are completed. The new transformer post was switched to the new position in June. The formalities for the reception at the end of the work are ongoing. The connection work is completed.

LDH 1250 HP transformation

The execution contract is ongoing. The technical reception of the LEA locomotive has been made, and is due to be put into service in the third quarter of 2020.

LDH 700 HP transformation

The execution and design contract is ongoing.

A number of 18 design works are in the work within the Maintenance Development Department, of which, in the first half of 2020, a number of 6 works with a total value of 14,687,425 RON were approved in the Economic Technical Council of Conpet, as follows:

- Execution of technological sewerage modernization works at crude oil tanks R2 and R3 – Baicoi Station, with an estimated designer value of 254,834 RON;
- Execution of water supply works from underground at Pecica crude oil loading ramp, Arad County", with an estimated designer value of 273,000 RON;
- Replacement of a section in pipe length of 3,530 m with diameter of Ø 12 3/4" and Ø 14 3/4" Cartojani - Ploiești in the tributary of the Neajlov River and the forest of St. Gheorghe", with an estimated designer value of 3,703,419 RON;
- Replacement a pipeline section, about 3,436 m in length 10/4" in diameter, from the pipeline 10 4" Icoana – Cartojani necessary to be replaced, which has as starting point the entry to the forest from park 4 Roata ending to the exit part of forest park 4 Roata", with an estimated value by the designer of 3,455,879 RON;
- Powering the charging station electric locomotive batteries Ramp discharge of Barbatesti crude oil, with an estimated designer value of 82,320 RON;
- Modernization of the crude oil pumping system in Potlogi Station, Dâmbovița County and modernization of the crude oil pumping system in Ochiuri Station, Dâmbovița County, with an estimated designer value of 6,917,972 RON.

Also, in the first half of 2020 was approved in ETC of CONPET the solution study on the replacement works of the connecting pipes overcrossing the Danube, respectively wires C1 and C2 and the Borcea arm, wires C3 and C4.

The total estimated value for the replacement of connecting wires on imported crude oil pipelines of 14", 20" and 28", between stations C1-C2 and C3-C4 including crossing the Danube River and the Borcea arm by phased horizontal drilling, is of 168,885,924 RON, VAT excluded, of which Wwrks of C+M of 154,555,616 RON.

Following the approval of the solution study, a Technical Commission was set up by decision of the Director General to: identify the number of wires that should be replaced taking into account the solution presented and accepted in the solution study on the achievement of the investment objective, replacement of the wires connected to the Danube Crossing C1-C2 and Borcea C3 - C4 arm on the imported crude oil transport pipelines 20" , 28' and 14'; revision of the Specification of Tasks and identification of the necessary measures to follow up on the progress of the work.

The Specification of Tasks for the acquisition of design and execution works services has been approved in the Technical Economic Council of CONPET and aims to carry out new Ø20" and Ø28" connecting pipelines at the Danube C1 – C2 sub-crossing and Borcea C3 – C4 arm through FOD and the execution of the related technological links.

In addition, 11 building permits were obtained during the first half of 2020, of which 6 for pipeline rehabilitation works and 5 for mechanical works. During the same period was finalized the procurement procedure for 18 investment objectives (here-included independent machinery and equipment).

The main objectives of investments completed and commissioned in 2020 are:

- Replacement of crude oil pipeline Ø 10 3/4"F1 Bărbătești-Orlești, Budele area;
- Cyber Security within the telecommunication system for similar SCADA channels (UPS monitoring, Climate control etc.);
- Vertical systematization in Biled ramp;
- Migration of PABX telephone exchanges to full-IP;
- Replacement of two pipeline sections Ø65/8" Urziceni - Claviatura Albești Paleologu, valve section Jilavele-Milepost 1,1900 m in length and Milepost 2 - valve road Armășești, 400 m in length.

Commissioning achieved within the first semester of 2020 amounted to 21,794 thousand RON, out of which, per financing sources:

- 17,607 thousand RON out of the modernization quota;
- 4,187 thousand RON out of other own sources;

3.3. Analysis of the Financial Business

The financial information presented in this report have been supplied based on the interim financial statements for the six months period ended June 30th, 2020, prepared in compliance with the International Accounting Standard no. 34 - „Interim Financial Reporting”.

3.3.1. Basis of the Report

The half-yearly report of the Board of Administration for the period January - June 2020 is prepared in compliance with the provisions of Article 65 of Law no. 24/2017 regarding financial instruments issuers and market operations and Annex no. 14 of ASF Regulation no.5/2018 regarding issuers and securities operations.

3.3.2. Statement of the Financial Standing at June 30th, 2020

In the synthesis, the statement of the Financial Standing at June 30th, 2020 is as follows:

Name of the element (thousand RON)	June 30 th , 2020 (revised)	December 31 st , 2019 (audited)	Variation% 2020/2019
Intangible assets	497,530	476,209	▲ 4.5%
Current assets	245,568	290,858	▼ 15.6%
Total Assets	743,098	767,067	▼ 3.1%
Equities	626,621	653,810	▼ 4.2%
Accrued revenues	1,018	1,074	▼ 5.2%
Total liabilities	115,459	112,183	▲ 2.9%
Total equity and liabilities	743,098	767,067	▼ 3.1%

Table 12 - Synthesis of the company's financial standing at 30.06.2020 as compared to 31.12.2019

The extended variant of the financial standing at June 30th, 2020 is presented in Annex no. 1.

The total assets decreased by 3.1% (23,969 thousand RON) as compared to the level recorded at December 31st, 2019 following the decrease of the current assets.

The tangible assets recorded, at 30.06.2020 an increase by 4.5% as compared to December 31st, 2019, generated by input of fixed assets by procurement in a value higher than the amortization registered in the first 6 months, by 21mRON.

The current assets lowered by 15.6% (45,290 thousand RON), from 290,858 thousand RON, level achieved at the end of 2019, to 245,568 thousand RON, value registered at June 30th, 2020. The reduction of the value of current assets was mainly generated by the reduction of the available cash (approx. 44 million RON). Trade receivables and other receivables recorded a decrease of about 2 mRON.

At 30.06.2020, the cash availabilities in the modernization quota in bank accounts were amounted to 132,991 thousand RON, lower by 19,030 thousand RON as compared to 31.12.2019. The cash representing the modernization quota has a special use regime, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

The equities lowered by 4.2% (27,189 thousand RON) as compared to December 31st, 2019 reaching 626,621 thousand RON, the decrease being determined, mainly, by the following amendments:

- equity element - the result of the year records a total decrease in amount of 27,095 kRON determined by the net profit reported for different periods (6 months 2020, respectively 12 months 2019);
- The retained earnings is lowering by 756 thousand RON. The decrease in the deferred income was determined by the distribution in the form of dividends of the reported result existing in the balance at 31.12.2019.

Current liabilities, in amount of 95,763 thousand RON, are increasing by 3,432 thousand RON as compared to December 31st, 2019, mainly due to the increase of the dividends payable and to the provisions for untaken annual leaves.

Structure of Debts

At June 30th, 2020 and December 31st, 2019, the trade receivables and other receivables look as follows:

Debts (thousand RON)	December 31 st , 2019	June 30 th 2020	Maturity term for the balance at June 30 th , 2020		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	27,179,134	30,893,319	30,893,319	-	-
Other liabilities, here included fiscal debts and social insurances related debts	45,497,209	44,778,331	41,907,343	2,870,988	-
Total	72,676,343	75,671,650	72,800,662	2,870,988	-

Table 13 Statement of liabilities at June 30th, 2020 vs. December 31st, 2019

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

Debts (thousand RON)	December 31 st , 2019	June 30 th , 2020	Maturity term for the balance at June 30 th , 2020		
			Under 1 year	Between 1-5 years	Over 5 years
Salaries and assimilated debts	5,897,321	5,556,785	5,556,785	-	-
Salaries contributions	5,360,849	4,293,201	4,293,201	-	-
Current Corporate Tax	3,076,456	1,992,931	1,992,931	-	-
Royalty due to the State Budget	8,059,150	7,427,191	7,427,191	-	-
Payable VAT	3,073,760	2,724,362	2,724,362	-	-
Other interests and debts - State Budget	980,693	1,977,655	1,977,655	-	-
Payable Dividends	13,410,903	15,996,982	15,996,982	-	-
Leasing liabilities	5,469,234	4,404,598	1,533,610	2,870,988	-
Other liabilities	168,843	404,626	404,626	-	-
Total	45,497,209	44,778,331	41,907,343	2,870,988	-

Table 14 Statement of other liabilities, here included the fiscal debts and social insurances related debts

The company did not use bank loans and has no debts towards bank institutions. The debts recorded in the balance at 30.06.2020 stand for current liabilities, within the maturity term.

3.3.3. Profit & Loss Account for the period January - June 2020

In the period of six months ended June 30th, 2020, CONPET SA achieved a net profit of 31,782 thousand RON higher by 602 thousand RON compared to the first half of 2019 (31,180 thousand RON).

The financial result achieved in 2020 H1, as compared to the Budget and the achievements of the period similar to 2019 are the followings:

Indicators (thousand RON)	Achieved Semester I 2020	Budget Semester I 2020	Achieved Semester I 2019	Variation%	
				Achieved 2020/ Budget 2020	Achieved 2020/ 2019
Turnover	204,036	202,160	200,617	▲ 0.9%	▲ 1.7%
Operating Revenues	220,479	218,902	216,285	▲ 0.7%	▲ 1.9%
Operating Expenses	187,094	198,490	183,208	▼ 5.7%	▲ 2.1%
Operating Profit (EBIT)	33,385	20,412	33,077	▲ 63.6%	▲ 0.9%
<i>EBITDA</i>	<i>57,891</i>	<i>43,786</i>	<i>55,911</i>	<i>▲ 32.2%</i>	<i>▲ 3.5%</i>
Financial revenues	3,718	2,892	4,103	▲ 28.6%	▼ 9.4%
Financial expenses	263	105	42	▲ 150.5%	▲ 526.2%
Financial profit	3,455	2,787	4,061	▲ 24.0%	▼ 14.9%
Total incomes	224,197	221,794	220,388	▲ 1.1%	▲ 1.7%
Total expenses	187,357	198,595	183,250	▼ 5.7%	▲ 2.2%
Gross Profit	36,840	23,199	37,138	▲ 58.8%	▼ 0.8%
Net Profit	31,782	19,788	31,180	▲ 60.6%	▲ 1.9%

Table 15 - The main economic indicators achieved in 2020 H1 as compared to Budget 2020 and the similar period in 2019

Evolution of the financial results during January-June 2020, as compared to the same period of the year 2019 is being represented in the chart below:

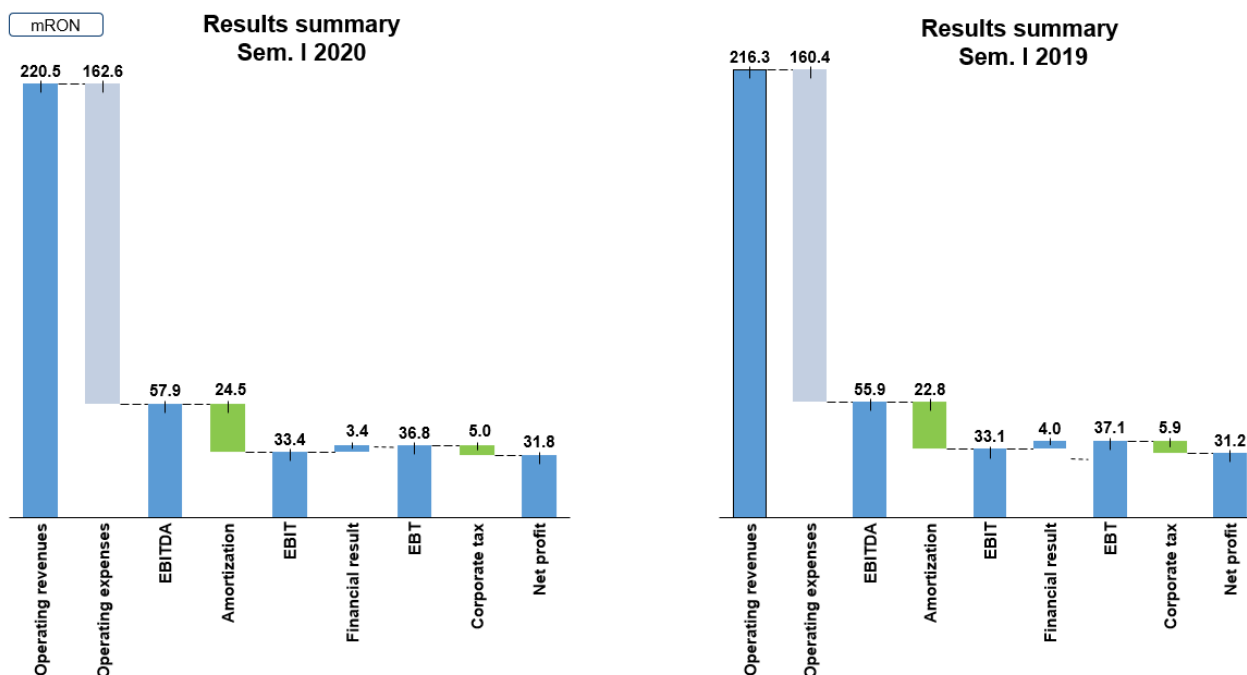


Chart 14 - Synthesis of the financial results in Semester I 2020 as compared to Semester I 2019

Operating Revenues

As compared to the budget approved and the same period of the previous year, the total revenues of the operational activity during 6 months 2020 is the following:

Achieved Sem. I 2020	Budget Semester I 2020	Variation % Achieved/Budget	Indicators (thousand RON)	Achieved Sem. I 2020	Achieved Sem. I 2019	Variation % 2020/2019
202,783	200,226	▲ 1.3%	Total revenues from transport services	202,783	196,519	▲ 3.2%
1,253	1,934	▼ 35.2%	Other Turnover Revenues	1,253	4,098	▼ 69.4%
204,036	202,160	▲ 0.9%	Turnover	204,036	200,617	▲ 1.7%
16,194	16,652	▼ 2.8%	Write-back to revenues of the reserve constituted based on the expenses with the modernization quota	16,194	15,513	▲ 4.4%
249	90	▲ 176.7%	Other operating revenues	249	155	▲ 60.6%
220,479	218,902	▲ 0.7%	Total operating revenues	220,479	216,285	▲ 1.9%

Table 16 - Statement of the operating revenues

Revenues from transport have a share of 99% in turnover.

Other income related to turnover represents revenues from: land rental and telecommunications equipment, shunting cars, sale of tubular material etc.

Operating income also include reserves - the modernization quota transferred to income at the level of monthly depreciation of tangible assets financed from this source. Within the first 6 months of 2020, the value of these revenues was of 16,194 thousand RON.

The operating expenses achieved within January-June 2020, as compared to the same period of the previous year and the budgeted provisions look as follows:

Achieved Sem. I 2020	Budget Semester I 2020	Variation % Achieved/Budget	Indicators (thousand RON)	Achieved Sem. I 2020	Achieved Sem. I 2019	Variation % 2020/2019
2,304	3,920	▼41.2%	Material expenses, out of which:	2,304	3,404	▼32.3%
1,262	2,077	▼39.2%	-expenses with consumables	1,262	1,860	▼32.2%
703	1,024	▼31.3%	- fuel expenses	703	995	▼29.3%
6,935	7,738	▼10.4%	Other external expenses (with energy and water)	6,935	6,583	▲5.3%
79,705	84,584	▼5.8%	Personnel expenses	79,705	79,244	▲0.6%
23,674	23,373	▲1.3%	Expenses with the amortization of tangible and intangible assets	23,674	22,834	▲3.7%
833			Value adjustments on rights of use	833		
53,399	56,558	▼5.6%	Expenses with external services, out of which:	53,399	53,074	▲0.6%
850	1,560	▼45.5%	Maintenance (maintenance, current and capital repairs)	850	1,367	▼37.8%
31,487	31,883	▼1.2%	- expenses with crude oil transport by rail	31,487	29,665	▲6.1%
281	540	▼48.0%	- expenses with decontamination works	281	235	▲19.6%
15,517	15,373	▲0.9%	- oil royalty	15,517	15,173	▲2.3%
5,264	7,202	▼26.9%	- other services performed by third parties	5,264	6,634	▼20.7%
259	2,370	▼89.1%	Provisions and Impairments of the current assets	259	1,458	▼82.2%
19,986	19,947	▲0.2%	Other operating expenses, out of which:	19,986	16,611	▲20.3%
18,278	17,873	▲2.3%	- modernization quota expenses	18,278	15,176	▲20.4%
187,094	198,490	▼5.7%	Total operating expenses	187,094	183,208	▲2.1%

Table 17 - Statement of the operating expenses

Within the first 6 months of 2020 the operating expenses are in amount of 187,094 thousand RON, registering a 2.1% increase (3,886 thousand RON) as compared to the ones registered in the same period of 2019, mainly due to the increase in railway transport costs and expenditure on the modernization quota.

As compared to the budgetary provisions for the first half of 2020, the operating expenses incurred

at 6 months 2020 were lower by 5.7% (11.396 thousand RON).

There were recorded values below the budgeted level for the following categories of expenses:

- Personnel expenses: 4,879 thousand RON (5.8%);
- Provisions and Impairments of the current assets: 2,111 thousand RON (89.1%);
- other services performed by third parties: 1,938 thousand RON (26.9%);
- material expenses: 1,616 thousand RON (41.2%);
- Other external expenses (with energy and water): 803 thousand RON (10.4%);
- Maintenance (maintenance, current and capital repairs): 710 thousand RON (45.5%);
- expenses with crude oil transport by rail: 396 thousand RON (1.2%);
- expenses with decontamination works: 259 thousand RON (48%)

The operating profit achieved at 30.06.2020, as compared to the same period of 2019 has recorded an increase by 308 thousand RON (0.9%).

EBITDA records a value by 1,980 thousand RON (3.5%) higher than the one achieved in the previous year.

As compared to the budgetary provisions, the operating profit is increasing by 12.973 thousand RON (63.6%) and the achievement of EBITDA is of 132.2%.

The financial profit achieved in the first 6 months 2020 is lower by 606 thousand RON as compared to the same period 2019 and higher by 668 thousand RON as the one foreseen in the Budget.

The gross profit recorded a decrease by 298 thousand RON (0.8%), and **the net profit** increased by 602 thousand RON (1.9%) as compared to Semester I, 2019. As compared to the budget, the gross profit is higher by 13.641 thousand RON and net profit exceeds the planned value by 11.994 thousand RON.

The statement of the profit and loss account for the six months period ended June 30th, 2020 is presented in detail in Annex no. 2.

3.3.4. Profitability of the transport subsystems

At the end of 2019, have been analyzed the activities carried out within the various organizational entities providing technical-operational and administrative support and has been assessed the contribution of these entities to the effective operation of transport services. The conclusions of this analysis enabled the criteria for allocating/distributing indirect production and administrative costs, by subsystems, transport relationships and transport types, to be updated in order to determine as realistically as possible the transport costs and profitability of each subsystem.

The updated methodology has been implemented since January 2020.

For the analysis of the revenue, costs and profitability of the two subsystems for the first half of 2020 and, respectively 2019, for comparability, the values resulting from the application of the updated cost-sharing methodology were used.

The evolution of the profitability in 2020 H1, as compared to 2019 H1, is exposed in the graphs below.

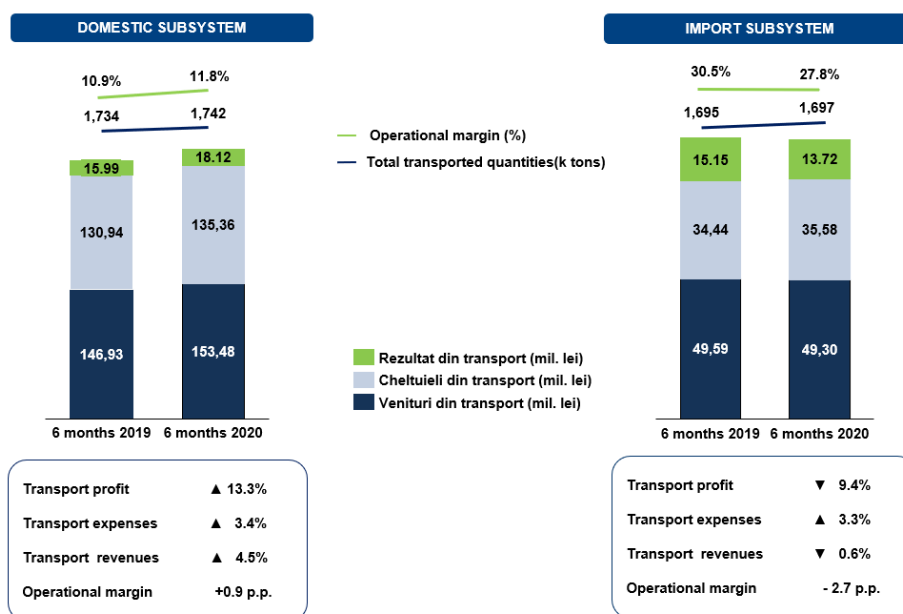


Chart 15 - Profitability of the transport subsystems

In the analyzed period, the profit resulting from transport activity on the two subsystems (domestic and import) increased, over the same period last year, by 0.7 million RON, from 31.14 million RON to 31.84 million RON. The profit growth was influenced mainly by higher transport tariffs and augmentation of the transport tariffs. On the entire transport network (Domestic and Import) in the first half of 2020 an average profit per tonne of 9.26 lei/ton was achieved, compared to 9.08 lei/ton in 2019.

The profit margin per domestic subsystem reached 11.8% up by 0.9 p.p. compared to the first 6 months of 2019, driven by the increase in the transported quantities and the augmentation in transport tariffs.

For the Import subsystem the profit margin was of 27.8%, down by 2.7 p.p. as compared to last year, due to the increase in the costs of setting up the modernization quota, while the increase in revenue due to the increase in tariffs was insufficient to compensate for the loss of revenue due to the decrease in the quantities transported.

3.3.5. The main economic-financial indicators

Name of the indicator	Calculation formula	Achieved Jan.-June 2020	Achieved Jan.-June 2019
PROFITABILITY INDICATORS			
Gross sales margin	EBIT (operating profit)	16.4%	16.5%
	Turnover		
Margin operating profit	EBIT (operating profit)	15.1%	15.3%
	Operating Revenues		
EBIDTA in total sales	EBIDTA (operating profit + value adjustments on tangible, intangible and assets)	28.4%	27.9%
	Turnover		
EBIDTA adjusted in total sales	Adjusted EBITDA	29.4%	27.7%

Name of the indicator	Calculation formula	Achieved Jan.-June 2020	Achieved Jan.-June 2019
	Turnover		
EBIDTA in equity	EBITDA	9.2%	8.6%
	Total Equities		
EBIDTA adjusted in equity	Adjusted EBITDA	9.6%	8.5%
	Total Equities		
Gross Profit Margin	Gross result	18.1%	18.5%
	Turnover		
LIQUIDITY INDICATORS			
Current liquidity indicator (times)	Current assets	2.6	3.2
	Current liabilities		
The quick ratio indicator (acid test)	Current assets - Stocks	2.5	3.1
	Current liabilities		
PROFITABILITY INDICATORS			
Rate of economic return (RER)	Net result	4.3%	4.1%
	TOTAL ASSETS		
Rate of financial return (RFR)	Net result	5.1%	4.8%
	Total Equities		
Rate of commercial return (RCR)	Net result	15.6%	15.5%
	Turnover		
	Sales costs		
Duration of stocks rotation (times)	Sales costs	0.27	0.37
	Medium stock		
Rotation speed of the clients debits (days)	Medium stock clients X180	28	31
	Turnover		
Rotation duration of the clients debits (times)	Turnover	6.47	5.90
	Medium stock clients		
Rotation speed of supplier credits (days)	Average balance clients X180	29	30
	Procurement from suppliers of goods and services		
Rotation speed of the suppliers credits (times)	Procurement from suppliers of goods and services	6.12	5.98
	Average balance suppliers		
RISK INDICATORS			
Leverage degree indicator	Borrowed capital	0.46%	0
	Total Equities		

Table 18 - Main economic-financial indicators

3.3.6. Cash Flow

Cash-flow statement for the six months period ended June 30th, 2020 is as follows:

(DIRECT METHOD)

	Name of the element (thousand RON)	January-June 2020	January-June 2019
A	Net cash from operating activity	47,137	52,316
B	Net cash from investment activities	(32,222)	(16,166)
C	Net cash from financing activities	(58,784)	(58,001)
	Net increase of the cash and cash equivalents=A+B+C	(43,869)	(21,851)
D1	Cash and cash equivalents at the beginning of the period	238,577	259,682
D2	Cash and cash equivalents at the end of the period	194,708	237,831

Table 19 - Synthesis of the cash-flows for the six months period ended June 30th, 2020, compared to June 30th, 2019

The extended version of the Interim Statement of Cash Flows for the 6-months period ended June 30th, 2020 is presented in Annex no.3.

The value of net cash flows from operating activity decreases by approximately 5 million RON due to cash outflows for the payment of suppliers of goods and services and to employees, higher in the first half of 2020, as compared to 2019.

Cash outflows for payment of assets generated a net negative cash flow from investing activities in amount of 32.2 million RON. As compared to the same period of the previous year, net cash record a negative value increasing by around 16 million RON generated by higher payments to investment providers in the first Half of 2020 compared to the same period of the previous year.

The net cash from the financing activity recorded in both compared periods negative amounts determined by the payment of dividends to shareholders.

Of the total of approximately 195 million RON in the balance as of 30.06.2020, the share of the modernization quota is of 133 million RON.

3.3.7. Related party transactions

In the first Half of 2020, the Company has carried out the following procurement from related parties:

Partner	Unsettled amounts at December, 31 2019	Procurement Period 01.01.2020-30.06.2020	Settlements Period 01.01.2020-30.06.2020	Unsettled amounts at 30.06.2020
SNTFM CFR Marfă S.A.	5,075,103	38,116,721	35,423,036	7,768,788

*The amounts are in RON and VAT inclusive.

Table 20 - Purchases from related parties

3.4. Other aspects

3.4.1. Situation of lands not included in the share capital

At 30.06.2020 CONPET SA has registered in the company's patrimony lands with surface of 733,649 Sq.m, with a fair value of 22,584,099 RON, held based on the land ownership Certificated (709,949.07 sq.m) and sales contracts (23,699.86 Sq.m).

The company has augmented the share capital with some part of the lands held based on the land ownership certificates (Ro. CADP), not being included in the share capital lands with a surface of 554,537.62 Sq.m, being comprised in 48 CADP. The certificates for these lands have been issued between 2001-2005 and the evaluated value of the lands at the time of issuing the certificates, established according to GD no.834/1991 is of 26,708,233 RON. These lands have been registered in the company patrimony on the expense of other equity reserves. The fair value of these lands at 30.06.2020 is of 12,348,115 RON.

The Board of Administration has undertaken all steps in view of augmentation of the share capital by the value of land held based on the land ownership certificates.

Thus, under the lands appraisal reports, in compliance with the provisions of Art. 6 Para. (3) of GD no.834/1991 ulterior completions and amendments, drafted by expert valuer, the Board of Administration has summoned several Extraordinary General Meetings of Shareholders, having on the Agenda the augmentation of the share capital.

The first EGMS held were on 19.05.2016 and 20.05.2016. At both EGMS the quorum has not been met.

At 05.07.2016 the Board of Administration convened another EGMS With the Agenda - the augmentation of the share capital by the value of the lands. Following the cast vote by the shareholders present and represented, the proposal to augment the share capital has not been approved, due to the lack of necessary quorum for approval votes.

Subsequently, there have been undertaken all steps for the augmentation of the share capital, and at 26.03.2019, the EGMS has approved the initiation of the procedure for the augmentation of the share capital and the appointment by the Trade Register Office Prahova of an expert authorized to assess the lands brought as contribution to the share capital.

Based on the new appraisal report has been convened the EGMS, on 04.07.2019 in first call and 05.07.2019 in second call, with the Agenda - Approval of the augmentation of the share capital by maximum value of 101,763,954.60 RON, representing contribution in kind (lands) in amount of 59,751,935.10 RON and cash amounting to maximum 42,012,019.50 RON, from the current value of 28,569,842.40 RON at the value of maximum 130,333,797 RON, by issuing a number of maximum 30,837,562 new shares, nominative, dematerialised, at a price of 3.3 RON/share, equal to the nominal value, without share premium.

In both EGMS has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital with contribution in kind.

3.4.2.Litigii

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

a) Litigations regarding the ownership of tangible assets of the company

CONPET S.A. is involved in a single process regarding the claim of ownership of certain real estate, respectively:

File no. 2782/229/2018 - Fetesti Court - in the course of settlement

Trial stage: First court on merits

Parties: CONPET S.A.– plaintiff
Zacon Trandafir - respondent

Object: Conpet SA has filed a sue petition against Zacon Trandafir for the court to note absolute nullity of the contract of sale-purchase no. 1047/03.02.1999, concluded between Conpet SA, as seller and Zacon Trandafir as buyer, to order the defendant to pay the costs. Subsidiarily, the respondent Zacon Trandafir is required by CONPET to pay the value of the property at the fair market value determined by the report of a judicial technical expertise.

Deadline: 07.09.2020

b). Litigations related to the owners claims of the land transited by the Crude Oil National Transport System

At 30.06.2020, CONPET S.A. had a number of 12 files before the courts in different procedural stages, having as subject the claims of the landowners related to the lack of use of the owned lands transited by the major pipelines that are part of the Crude Oil National Transport System. Of these, we list a number of 8 cases that we consider to be important in terms of the amount of the applicants' claims and representative through the legal content of the applications (the rest of the cases outlining some of the types of legal proceedings listed below):

Case 1. File no. 3451/108/2016 **– Timisoara Court – pending

Trial stage: Appeal - retrial

By Decision no. 761/23.11.2017 the Court of Appeal of Timișoara admits the appeal of the applicant Territorial Administrative Unit of Pecica, Arad County, annuls the appealed judgment and sends the case for retrial to the Arad Tribunal. Decision no. 761/23.11.2017 was appealed by CONPET S.A. at the High Court of Cassation and Justice.

Clarifications: The Territorial Administrative Unit of the city of Pecica has filed a petition requesting the court to order the obligation of the defendant CONPET S.A. to divert the crude oil pipeline that crosses a number of 22 plots of building land, intended for housing construction, to pay the amount of 65,000 Euro representing the value of the house located in the plot no. A141.7760/5/174, registered in the Land Register no. 306869, because this can no longer be used, to pay an annual rent, during the existence of the pipeline, as a result of the enclosing of the areas shown above by the right of legal servitude exercised by CONPET S.A. and to compel the defendant CONPET S.A. to pay compensation for the period 31.10.2014-31.05.2016 as a result of the limitation of the attributes of the ownership of the 22 plots of building land and the decrease of the fair market value of the land in the real estate market due to the restrictions imposed by Order no.196/2006 of NAMR regarding constructions. At the same time, he requested that the defendant CONPET S.A. be ordered, from 3 to 3 years, to adapt the amount of the damages to the value of circulation at that time of similar lands and of the provisions of the future orders of the

A.N.R.M.

By the Report dated 07.06.2018 the High Court of Cassation and Justice declared Conpet's appeal as inadmissible, being promoted against a final judgment, which does not fit into the hypothesis regulated by Art. 483 par. 1 Code of Civil Procedure. By the conclusion of 10.10.2018, the High Court of Cassation and Justice basically admits the appeal declared by the claimant-defendant Conpet S.A. against the civil decision no. 761/A of November 23rd, 2017 issued by the Timișoara Court of Appeal – Second Civil Section.

By **Decision no. 615/22.03.2019** the High Court of Cassation and justice - (Ro. ICCJ) admits the recourse introduced by the recourse petitioner-respondent Conpet S.A., annuls the attacked decision and sends the case for a new trial to the same appellate court - The Court of Appeal Timisoara.

Deadline: 13.07.2020

2. File no. 1372/212/2017 - Constanta Court - in the course of settlement

Trial stage: First court on merits

Cruceanu Alin Florinel filed a petition against CONPET S.A. requesting the court to rule the obligation of Conpet SA to pay damages equal to the market value of the real estate property with a surface of 460 sqm located in Lazu commune, Luceafărului street no. 29, Constanța county and of the real estate property with a surface of 460 sqm located in Lazu commune, Luceafărului str. 31, Constanța county, the value assessed at the amount of 30,000 Euro, 134,700 equivalent in RON; to rule the obligation of Conpet SA to pay the value of the lack of use of the land in the form of an annual rent for the last three years; to rule the obligation of Conpet SA to pay the court costs for the resolution of the present petition. Subsequently, the claimant specified his action regarding the second head of claim, requesting the court to order Conpet SA to pay the amount representing the lack of use of the two real estate properties for the period between 10.12.2015 and the date of the final judgment through which the first head of claim was allowed.

Conpet formulated the counterclaim/reconventional petition requesting the court to rule the obligation on the claimant to allow CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two plots of land owned by the claimant Cruceanu Alin Florinel, situated in Agigea commune, Lazu village, 29, Luceafărului street. respectively 31, Luceafărului street, Constanța county. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the Ø 20 " major transport pipelines for crude oil of Constanța-Bărăganu for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition, for performing any repairs and also for establishing the amount of the annual rent provided by law owed by us, the undersigned, to the claimant in exchange for exercising the right of legal servitude.

Court hearing: 09.07.2020

3. File no. 18344/212/2017 - Constanta Court - in the course of settlement

Trial stage: First court on merits

Mitu Dumitru and Mitu Rodica file a petition for trial requesting that the obligation of Conpet to pay compensatory damages for the two plots of land located in the village of Lazu, the commune of Agigea, Constanța county affected by the route of certain pipelines that transport oil products, as well as the respondent's obligation to pay an annual rent for the deprivation of use on the land affected by the exercise of the legal servitude, starting with 20.06.2014 and of compensations in the form of an annual payment for the affectation of the use of the part of the land on which the pipeline is not located, with the obligation to pay the trial costs.

Conpet formulated a counterclaim/reconventional petition requesting the court to rule the

obligation of the claimants to allow the company CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two plots of land owned by the claimants. The right of legal servitude shall be exercised on a 2.4-meter-wide corridor located along the F2 Ø 20 " Constanța-Bărăganu crude oil major pipeline for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition and for performing any repairs and to set the amount of the annual rent prescribed by the law owed by Conpet to the claimants in exchange for the exercise of the right to legal servitude. Conpet also formulated a petition of summoning in guarantee of the MINISTRY OF PUBLIC FINANCES and the NATIONAL AGENCY FOR MINERAL RESOURCES (A.N.R.M.) so that if CONPET S.A. Ploiesti falls in claims regarding the claims of the claimants formulated in the legal petition to compensate us with the amount that we shall be obligated to pay the claimants.

Deadline: 09.09.2020

4. Case file no. 14960/280/2015 – the Pitești Court - in case of settlement

Trial stage: First court on merits

Cîrstea Stelian and Cîrstea Gherghina initiated a lawsuit requesting the court to order the Conpet defendant to pay the lack of use from the date of acquisition of the land property - more precisely from October 6th, 2014, the lack of use that is provisionally evaluated at the sum of 1,000 lei - to be increased the amount of the court request after the administration of the probation and the obligation of CONPET SA to lift its pipelines and related installations on the claimant's property and to the extent that it is not possible to compel the defendant to pay a monthly amount equivalent to the amount of rent for the land affected by the pipelines and installations on it - at the level of rents practiced on the free market.

The claimants increased their claims to the amount of 6,276 RON representing the deprivation of use since 06.10.2014 until present.

Clarifications: By the sentence no. 2797/07.07.2020 the Pitesti Court admits the request in part. It also dismissed as unfounded the plea of lack of quality of the Romanian state through the Ministry of Finance. It rejected as ungrounded the request of indicating the holder of the right formulated by the claimants in contradictory with the defendants: the Romanian State through the Ministry of Public Finances, the National Agency for Human Resources. Admits in part the request made by the plaintiffs in contradiction with the defendant Conpet S.A. Orders the defendant SC Conpet S.A. to pay to the complainants the sum of 350 RON representing the consideration of the non-use for the period October 2014 – October 2019 and subsequently the sum of 70 lei/year as an annuity for the duration of the concession. Admits the defendant Conpet S.A.'s request for the refund of the judicial fee paid in addition to the resolution of the application for recusal of expert Ionescu Steliana. It provides for the refund to the defendant Conpet S.A. of the judicial stamp duty in the amount of 100 RON. Orders the defendant Conpet S.A. to pay the plaintiffs the sum of 95 RON in costs. The judgment may be appealed after communication.

Deadline: --

5. Case File no. 220/262/2017 – Moreni Court– pending

Trial stage: Merits- retrial

Chivu Ion filed a petition requesting the court to rule the obligation of Conpet SA to divert the crude oil pipeline passing through his property in surface of 1,753 square meters located in Ocnîța commune T14, P114, the establishment of the access location with the obligation of Conpet SA to pay an annual rent related to both the access road and the pipeline that damages the land and damages for the land affected by the pipeline.

Clarifications: By the judgment no.1000/05.11.2019 the Moreni Court partially accepts the main

part of the petition.

The court partially admits the counterclaim. The judgment was attacked with appeal by Conpet SA and Chivu Ion. By **Decision no. 223/02.06.2020** the Dâmbovița Tribunal accepts the appeals, annuls the judgment appealed and sends the case back to the first court.

Deadline: --

6. Case File no. 21382/281/2015 - Ploiești Court – pending

Trial stage: First court on merits

By the Conclusion of 02.05.2017 the Ploiești Court suspends the trial of the case under art. 242 subsection (1) of the Civil Procedure Code. (Failure of the applicant to the obligations imposed by the court) In December 2017 the case was reinstated Iordache Margareta initiated a legal suit requesting the court to rule the obligation of the respondent Conpet to pay the value of the non-use of the claimant's property, land located in Blejoi commune, Ploiestiori village, Prahova county, for the last three years prior to the introduction of the action.

Clarifications: By **Decision no. 2624/17.06.2020** the Ploiești Court admits the request. It rejected the action as ungrounded. The judgment may be appealed after communication.

Deadline: --

7. Case File no. 5413/204/2017 – High Court of Cassation and Justice – pending

Trial stage: Appeal

Dobrogeanu Dumitru and Dobrogeanu Păun loan filed a petition of trial asking the court to rule the obligation of CONPET SA to pay an annual rent for the land plots occupied by the two oil products pipelines (crude oil) starting 01.07.2014 and in the future, for the entire duration of the pipelines, to pay the compensation for the losses incurred by not reaching certain economic objectives on the remaining area between the two pipes after their restriction and the area along the national road DN1 (E60) and payment of court costs. The first part of the claim was estimated by the claimants at the amount of 48,000 Euro/year (220,000 RON), and the second part at the amount of 25,000 RON/year.

By the Decision no. 2446/28.08.2018 the Prahova Tribunal admits the exception of the lack of passive capacity to stand trial, invoked by the defendant National Agency for Mineral Resources. Dismisses the claim, contrary to this defendant, as being made against a person without a procedural quality. Admits the exception of the lack of passive procedural capacity. It rejects the request made against the respondent Conpet SA, as there is a case law. It finds that the defendants have not applied for court costs. The decision was appealed by Dobrogeanu Dumitru.

Clarifications: By **Decision no. 2804/11.11.2019** the Ploiești Appellate Court rejects the appeal declared by the appellant Dobrogeanu Dumitru as unjustified. Admits the exception of the inadmissibility of the appeal. The court rejects as inadmissible the appeal declared by the appellant Dobrogeanu Păun loan. The decision was attacked with recourse by Dobrogeanu Dumitru and Dobrogeanu Păun loan.

Deadline: --

8. Case File no. 1122/284/2019 – Răcari Court – pending

Trial stage: First court on merits

Sotir Mădălina Rebeca filed a lawsuit requesting the court to order Conpet SA to compensate her with the amount of 25,000 Euro for the land area of 523 sqm, construction yards category, land surface of the claimant located in Cojasca commune, Dâmbovița county having the cadastral no. 72587, sub-crossed by the Conpet pipeline.

Conpet formulated the counterclaim/re conventional petition requesting the court:

1. The obligation of the claimant Sotir Mădălina Rebeca to allow the company CONPET S.A. the exercise of the right of legal servitude/easement established by the provisions of art. 7 and foll. of Law no. 238/2004 on the land owned by her, located in the commune of Cojasca, the village of Cojasca, Dâmbovița county. The exercise of the easement right is to be done on a 2.4-meter-wide corridor located along the oil pipeline with the diameter of Ø 14 3/4" Cartojani-Teleajen Refinery (Lukoil) for permanent access to the pipeline for daily checks of the condition of the pipeline and for performing any repair work. The exercise of the easement right is to be carried out throughout the existence of the pipeline located on the claimant's land but not later than the date of the termination of the concession oil contract concluded by us, the undersigned company CONPET S.A., with the Romanian State.

2. The establishment of the amount of the annual rent provided by the law due to us, the undersigned company CONPET S.A., to the claimant Sotir Mădălina Rebeca in exchange for exercising the right of legal servitude/easement starting from the date of the definitive decision given in the present case, rent consisting in the value of the annual use of the plot of land affected by the exercise of servitude/easement.

Deadline: 08.09.2020

c). Litigations brought before the administrative court

CONPET S.A. has 3 litigations pending before courts, respectively:

1. File no. 6575/105/2017– Court of Appeal Ploiesti

Parties: Conpet SA –claimant

The Court of Accounts of Romania - respondent

Object: Conpet attacked with appeal the Conclusion no. 78/09.08.2017 ruled by the Court of Accounts of Romania, so that the court rules:

1. Cancellation of the Conclusion no. 78/09.08.2017 issued by the Romanian Court of Accounts, respectively:

- Consideration 2 related to Point II of Complaint no. 27718/10.07.2017 (regarding the measures no I.2 and I.3 of the Decision no.24/21.06.2017, for the removal of the deviations presented in points 2 and 3 of the same decision), the findings from letters A and B.

2. The partial annulment of the Decision no. 14/21.06.2017, issued by the Chamber of Accounts Prahova, namely:

- The findings set out in point 2 regarding the decommissioning and capitalization of some pipeline sections of the National Transport System (NTS) - part of the public domain of national interest, without a prior government decision to transfer from the State Public Domain to the private domain, in order to draw up the documentation for decommissioning and scrapping;
- The findings presented in point 3 regarding the fact that in 2016 a recovered buried pipe was capitalized by tender for recoverable buried pipe according to the recovery procedure approved by the Regulation on the conditions for participation in the tender and the modality of organizing the tender for the capitalization of buried and/or overground metal tubular material. The capitalization was made prior to the adoption of a governmental decision approving the transition from the public domain of the state to the private domain for the purpose of capitalizing, according to the law;
- Measure no. 2 regarding the execution of the inventory to identify portions of the National Transport System (NTS) that were abandoned or decommissioned as a of the investments made in the National Transport System (NTS) within the programs for rehabilitation,

modernization and development and the transmission of the results of ANRM for the initiation of the government decision for the approval of the transfer from the public domain of the state to the private domain of the state with a view to their removal from operation. The regulation through internal procedure of the manner of dismantling, scrapping and capitalization of parts of the National Transport System (NTS) dismantled following the rehabilitation, upgrading and development work carried out by the concessionaire;

- Measure no. 3 regarding the transfer of the amount of 927,154.06 RON representing income to the state budget from the capitalization of the tubular material resulted from the decommissioning of some parts from the tangible assets belonging to the public domain of the state, together with the interest and related penalties, updated on the date of payment. The expanding of the checks to identify all net amounts arising from the capitalization of dismantled asset items belonging to the public domain of the state, decommissioned and transferred to the budget, at the updated value.
3. The suspension of the measures established by Decision no. 14/21.06.2017, issued by the Chamber of Accounts Prahova, points no. I.2 and I.3, respectively, measures 2 and 3 thereof until the final settlement of the case.

Clarifications: By **Conclusion of 23.02.2018** the Prahova Court rejects the application for the suspension of the execution of the administrative act as unfounded. The sentence was appealed by Conpet. By **Decision no. 2946/19.09.2018** the Court of Appeal of Ploiești admits the appeal. It quashes the decision under appeal in full and sends the case back to the same court of law. By decision no. 1850/09.11.2018 the Prahova Tribunal **admits the application, orders the suspension of the execution of the measures 2 and 3 established by the decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts until the final settlement of the case.** Executory judgement. The judgment was attacked with recourse by the Court of Accounts. By the Decision no. 145 /15.02.2019 the Appellate Court rejects the appeal as unjustified Final judgement.

In the case file, by Sentence no. 278/26.03.2020 the Prahova Tribunal **admits the request for summons.** Partially cancels the Conclusion no. 78/09.08.2017 issued by the Court of Accounts of Romania regarding recital 2 regarding point II of Appeal no. 27718/10.07.2017 (regarding the measures no. 1.2 and 1.3 of the Decision no. 24/21.06.2017, for the removal of the deviation presented at points 2 and 3 of the same decision), the findings from letter A and B. Annuls in part Decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts, regarding the findings presented in point no. 2, the findings presented in point no. 3, as well as measures no. 2 and no. 3 applied. Takes note that no costs have been charged. The judgment was attacked with recourse by the Court of Accounts.

Procedural status: Appeal– Ploiești Court of Appeal

Deadline: 21.10.2020

2. Case File no. 689/42/2017 – High Court of Cassation and Justice – pending

Trial stage: Appeal

CONPET SA has raised a complaint against fiscal administrative documents released by the **National Agency for Fiscal Administration - the General Direction for the Settlement of Disputes - Regional Director General of Public Finances in Galati - the administration of public finances in Buzau County** by which tax obligations were settled in the total amount of 5,505,101 RON, which shall consist of: 3,088,868 RON profit tax; 1,528,159 RON delay interest/increase; 432,274 RON delay penalties; 283,613 RON VAT; 130,782 RON delay

interest/increase and 41,405 RON delay penalties (interest rate increases according to the delay time and the penalties have been calculated up to the date of 31.12.2015), respectively to the:

- Decision no. 114/06.04.2017 issued by the National Agency for Fiscal Administration - General Directorate for Solving Complaints, with headquarters at no. 17, Apolodor street, 5th District, postal code 050741, Bucharest, represented by Mirela Calugareanu and Alin Ghiurca;
- By the decision to impose no. F-BZ 436/31.10.2016, regarding the payment of additional tax obligations settled by the tax inspection to legal persons, issued by the Regional General Directorate of Public Finances in Galati County - the administration of public finances in Buzau, both of them being part of the National Agency for Fiscal Administration;
- By the Tax Inspection Report no. F-BZ 584/31.10.2016, concluded by the inspectors of the National Agency for Fiscal Administration - General Regional Department of Public Finances Galați - County Administration of Public Finances Buzău - Fiscal Inspection Service.
- The decision to impose no. F-BZ 436/31.10.2016.

Clarifications: By the judgment no. 24/01.02.2019 the Ploiești Appellate Court partly admits the petition for trial. The court orders the partial annulment of the Tax inspection report F BZ 584 from 31.10.2016, of the Tax Decision F BZ 436/31.10.2016 and of the Decision 114/06.04.2017 regarding the following findings: -point I regarding the corporate tax amounting to 2,435,078 RON related to sponsorship expenses - point X - tax and profit amounting to 12,915 RON related to advertising and advertising expenses in the amount of 80,719 RON and VAT related to 19,372 RON. -point XI- tax and profit related to the expenses with the advertising and advertising in the related amount of 1,129,500 RON. - item XII - tax and profit related to expenses with rents in the related amount of 442,545 RON - - point XIII - corporate tax related to expenses with external trips in the amount of 207,614 RON. Keeps the rest of the contested documents. The decision was appealed by CONPET S.A., DGRFP Galati through AJFP Buzau and ANAF.

Deadline: 22.07.2020

3. Case File no. 1474/105/2019 *- Prahova Tribunal – pending

Trial stage: First court on merits

The Municipality of Ploiești filed a petition for trial, requesting the court to rule the following:

- the obligation of Conpet to pay the amount of 17,748 RON/month, representing the value of the deprivation of use, starting from 30.03.2016 and until the moment of concluding a contractual form with the respondent, amount that will be updated by the inflation index communicated by the National Institute of Statistics;
- the obligation of Conpet to pay the RON equivalent of the amount of 72,110.17 Euro (VAT excluded), at the official RON/Euro exchange rate, communicated by the National Bank of Romania, valid at the date of payment, representing the value of the deprivation of use for the period 29.03.2013 - 29.03.2016;
- the obligation of Conpet to pay the trial costs incurred by this trial.

By the Decision no. 908/20.06.2019 the Prahova Tribunal admits the exception of the functional non-competence of the Prahova Tribunal - the Second Civil Section of Administrative and Fiscal Litigation and declines the case having as object the action of criminal liability, in favour of the Prahova Tribunal – 1st Civil Section.

Deadline: Reference postponed for the date of 13.07.2020.

d) Litigations related to the structure of the share capital

Case File no. 5212/105/2018 –Prahova Tribunal

Trial stage: First court on merits

The Proprietatea Fund SA filed a petition for trial requesting the court to rule the following:

1. The obligation of Conpet to pay the amount of 734,747.04 RON, representing the net value of the dividends related to a share of 6% of the share capital of Conpet, respectively for a number of 524,366 shares held by the claimant on the date of registration of Conpet OGMS, namely 25.04.2007 (i.e. 14.05.2007), for the financial year 2006.
2. The obligation of Conpet to pay compensatory damages, namely the legal interest related to the dividends from maturity due date requested in item 1 and until the date of the introduction of the petition for trial (i.e. namely 09.11.2018) in the amount of 579,015.97 RON.
3. The obligation of Conpet to pay the legal interest related to the net value of the dividends, subsequently, from the date of the petition for trial and until the actual payment of the requested amounts,
4. To request Conpet to pay the costs of this dispute.

Clarifications: Conpet S.A. filed a Call for Romanian State Guarantee through the Ministry of Finance and A.A.A.S.

By the **Conclusion of 25.06.2019** the Prahova Tribunal rejects as inadmissible the request for guarantee call of the Authority for the Administration of State Assets, formulated by the respondent Conpet S.A. An appeal was lodged against this decision of the Court by Conpet and the Romanian State through the Ministry of Public Finance. By the same Conclusion from 25.06.2019 the court admitted in principle the request for a Call on Guarantee of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the exception of lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered before the Court of Appeal Ploiesti with no. 5212/105/2018/2. By the Decision no. 515/05.11.2019 the Ploiești Appellate Court admits the exception of the inadmissibility of the appeal declared by the Romanian State through the Ministry of Public Finances. The court rejects this appeal as inadmissible. The court rejects the exception of the lack of interest and the exception of the inadmissibility of the appeal declared by Conpet SA invoked by Fondul Proprietatea. Final judgement.

By the Conclusion of 20.09.2019, the Prahova Tribunal suspends the trial of the case until the settlement of the appeals made against the decision pronounced on 25.06.2019. This conclusion can be appealed throughout the suspension.

Deadline: 10.07.2020

3.5. Analysis of the Corporate Activity

3.5.1. Capital Market Business

The shares issued by CONPET S.A. are traded on the regulated market administered by Bucharest Stock Exchange, on the Principal segment, at Equity sector - category Premium, under "COTE" symbol.

At the end of the 1st Half of 2020, the trading price of CONPET shares recorded a decrease by 2.26% compared to the closing price of the first trading day of the previous year.

In summary, the transactions recorded with CONPET shares on Bucharest Stock Exchange during January - June 2020 are as follows:

- ✓ 9,088 transaction have been performed, 56.2% more YoY (5,820 transactions). The total volume of shares traded amounted to 420,391 shares, 11.16% higher than the volume recorded during January-June 2019 (378,178 shares);

- ✓ The total value of trades amounted to 31,767,071 RON, by 5.9% higher than the value recorded in the same period of 2019 (29,994,662 RON);
- ✓ The average trading price was of 76.73 RON/share, lower by 2.58 Ron/share versus the average price of the shares registered during the same period of 2019 (79.31 RON/share);
- ✓ The maximum level registered by the trading price was of 86.00 RON/share and has been reached in the first half of June;
- ✓ At 09.06.2020 was registered a trading peak, when it was traded a total volume of 17,185 shares, amounting to 1,465,654.4 RON representing 0.2% of the total volume of COTE shares traded during January - June 2020
- ✓ The Market capitalization at the end of the first quarter of 2020 was of 673,555,678.40 RON, lower by 2.5% as compared to the value recorded in the same period of 2019 (690,870,734 RON). At 30.06.2020, as per TOP 100 issuers according to capitalization, CONPET ranked 20.

Main trading indices of the period January - June 2020 for the shares issued by CONPET S.A. are presented in the table below:

Indices Month	Average price (RON/share)	No. of transactions	No. of traded shares	Value of trades (RON)
January	80.45	837	80,097	6,426,966
February	79.78	1,109	51,218	4,003,038
March	65.01	2,425	103,613	6,649,820
April	74.37	2,279	63,192	4,699,122
May	81.36	1,072	47,173	3,852,668
June	79.41	1,366	75,098	6,135,457
Cumulated	76.73	9,088	420,391	31,767,071

Table 21 - Main trading indices

The evolution of the average trading price of CONPET S.A. shares, during January- June 2020, is the following:

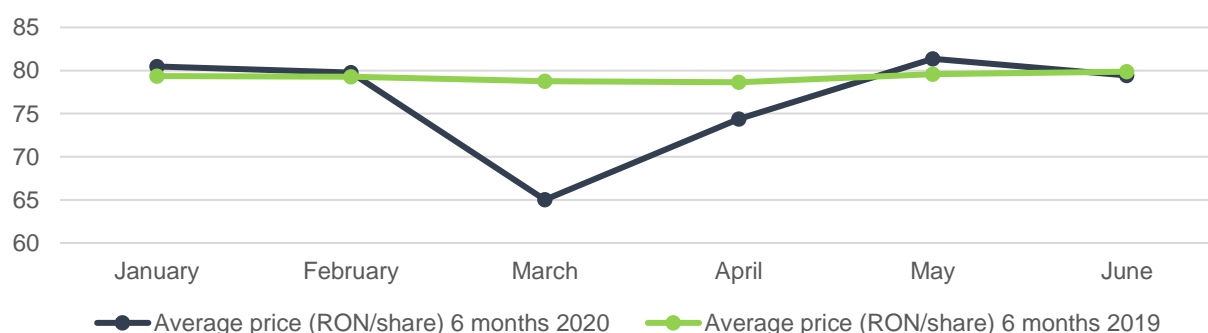


Chart 16 - Evolution of the average trading price of the shares

The stock price series issued by CONPET S.A. followed an upward trend in the first month of the year, recording a decrease until mid-March, then increasing slightly, maintaining its upward trend until the end of May. In June the share price was corrected by 7.28%, reaching 79 RON, as a result of the ex-dividend date.

Within the first 6 months of 2020, the average trading price of CONPET shares was below the values recorded within the same period of the previous year.

The Company CONPET S.A. is being included in 7 indices out of 9 of the Bucharest Stock Exchange, namely BET, BET-TR, BET-XT, *BET-XT-TR*, *BET-BK*, *BET-NG* și *BET Plus*.

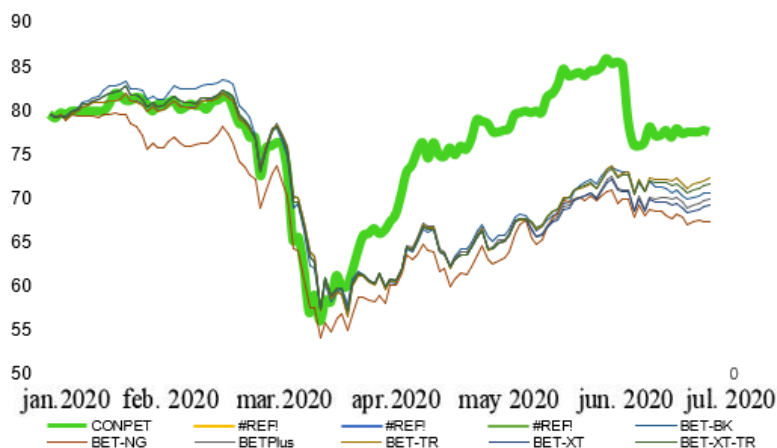


Chart 17 - Evolution of COTE share vs. BET index (rebased)

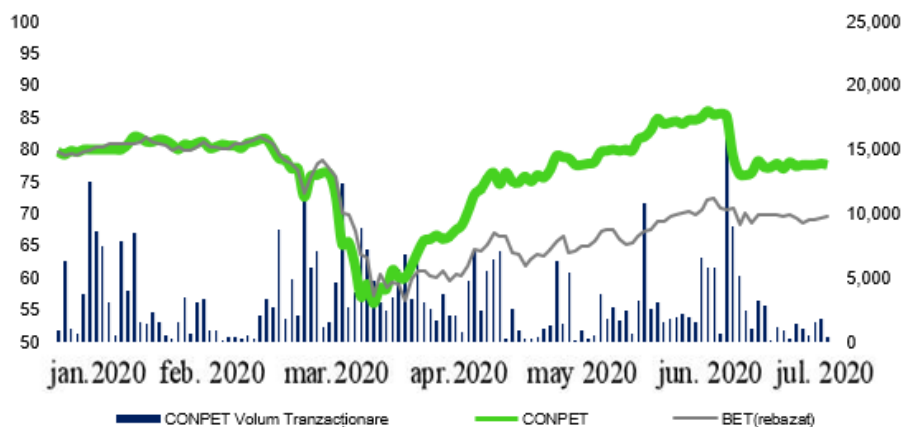


Chart 18 - Evolution of COTE share vs stock Indices (rebased) where is being included in Half I, 2020

Own shares, issuance of bonds or other debt instruments

CONPET S.A. did not perform transactions having as scope the buy of own shares and does not hold own shares at the end of Half I of 2020 CONPET S.A. has not issued bonds or other debt instruments

Dividends

Over the last 3 years, CONPET has distributed dividends in a ratio comprised between 88.4%-90% of the net profit. For the 2018-2020 period, the forecast is for a rate of 85% of the net profit.

The shareholders entitled to receive the dividends allocated out of the net profit to be distributed following the end of the financial year are those registered in the Consolidated Shareholders' Registry at the registration date approved by the General Meeting of Shareholders.

CONPET S.A. maintained the dividend policy, the gross dividend per share being of 7.05 RON, ranking second in top dividends distributed by the companies listed at the Bucharest Stock Exchange, category Premium. The dividend yield recorded at the date of dividend approval was of 8.92%.

The Ordinary General Meeting of Shareholders dated 29.04.2020 approved the distribution in the form of dividends of the amount of 57,757,444 RON from the net profit and of the amount of 3,298,140 RON from the reported result representing surplus realized from revaluation reserves.

The aggregate value of the gross dividend is of 7.052311 RON/share.

The evolution of the gross dividend per share within the financial years along the last 5 years is the following:

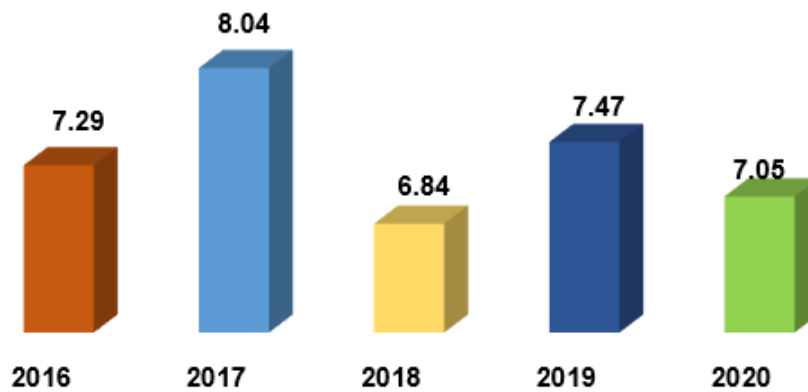


Chart 19 - Evolution of the dividend per share during 2015– 2020

3.5.2. Corporate Governance

The corporate governance at the level of CONPET is organized and conducted in accordance with the Romanian legislative framework, namely the Companies Law no. 31/1990 and the Government Emergency Ordinance no. 109/2011 on corporate governance of the public enterprises.

CONPET shares are traded, since September 5th, 2013, on the regulated market managed by Bucharest Stock Exchange (BSE) at category I, under the COTE symbol. Starting January 5th, 2015, CONPET is included in PREMIUM category of the regulated market administered by Bucharest Stock Exchange.

The Corporate governance system of CONPET is constantly improved, as to be compliant with the rules and recommendations applicable to a company listed at the BSE.

Among the first measures already implemented for a transparent and fair information, please note:

- the inclusion in the administrators' annual report of a chapter devoted to corporate governance with reference, inter alia, to the information related to the Board of Administration and the established consultative committees, namely: the Audit Committee, the Nomination and Remuneration Committee, the Development and Investors Relationship Committee and Authorities Relationship Committee;
- diversification of communication with shareholders and investors through the inclusion on the web page of the releases addressed to market participants, half-yearly financial statements, annual reports, procedures to be followed in access and participate in the GMS;
- the establishment of a specialized entity dedicated to the relationship with investors and shareholders.

The Corporate Governance Rules

As an issuer listed on the Bucharest Stock Exchange, CONPET has developed the Corporate Governance Regulation. This document represents the voluntary assumption by the Company of the corporate governance principles, taking into account the characteristics and its specific activity in accordance with the principles set out in the Corporate Governance Code of Bucharest Stock Exchange. The regulation is a public document and can be visualised on the company's website by accessing the link

<http://www.conpet.ro/corporate-governance/corporate-governance-rules/>.

With its listing at BSE, CONPET has undertaken the application of the Corporate Governance Code of Bucharest Stock Exchange and, therefore, of the highest corporate governance standards currently existing in Romania.

Transparency, information and communication

One of the goals of the company CONPET S.A. is to increase the transparency and visibility of the company on the stock market and to ensure greater openness to shareholders and investors in order to increase the credibility of the company.

The achievement of full and accurate information of all shareholders and investors shall be monitored by including on the website the communications addressed to the participants in the

capital market, the half-yearly and quarterly financial statements, the annual reports and the procedures to be followed for access to and participation in the GMS.

As a company listed in the Premium category of Bucharest Stock Exchange, all obligations of reporting to the shareholders and investors and the capital market institutions have been complied with. The periodic reports and current reports required by the regulations of the BSE have been drafted and submitted according to the provisions of the capital market.

CONPET aims to achieve the right balance between information of a confidential nature and information of a public interest nature, and internal regulations have established how information is disseminated and confidentiality is respected.

In accordance with the Corporate Governance regulation, at the beginning of 2020, the company published the , quarterly and half-yearly financial reports calendar and announced a schedule of meetings with analysts and investors.

The financial reporting drawn up for 2020 were published according to the data of the financial calendar.

In the first half of 2020, two conference calls were held with financial analysts in the capital market in which the company's regular reports were discussed. At each financial reporting the financial analysts were sent a presentation material of the reported and published data. The presentation materials prepared on the occasion of the events mentioned above have been published on the company's website.

Furthermore, particular importance has been given to the relationship with shareholders and investors, by showing increased transparency. The company's representative answered positive to all the participants to the capital market.

For effective communication with investors, the company provided a contact number and email address (inforinvestitori@conpet.ro), through which they can clarify certain issues or address various questions, and thus have direct contact with investor relations team of the company.

The evolution of CONPET S.A. share is monitored by the research departments of the major financial investment services companies from the Romanian capital market. Furthermore, the entity that manages the relationship with the investors maintains a permanent connection with all financial analysts in the capital market.

CORPORATE GOVERNANCE structures

At CONPET level, the corporate governance structures are:

- ✓ The General Meeting of Shareholders;
- ✓ The Board of Administration and the Consultative Committees;
- ✓ The Director General.

General Meeting of Shareholders

The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders at 30.06.2020, was the following:

- The Romanian State, the Ministry of Economy, Energy and Business Environment
 - Number of shares: 5,083,372
 - Value of contribution to the share capital (RON): 16,775,127.6
 - Share on profit and loss (%): 58.7162
- Legal persons (91 shareholders)
 - Number of shares: 2,370,768
 - Value of contribution to the share capital (RON): 7,823,534.4
 - Share on profit and loss (%): 27.3839
- Natural persons (12,917 shareholders)
 - Number of shares: 1,203,388
 - Value of contribution to the share capital (RON): 3,971,180.4
 - Share on profit and loss (%): 13.8999

Majority shareholder of CONPET SA is the Romanian State. The rights and duties of the Romanian State, as majority shareholder, shall be exercised in the General Meetings of Shareholders, by the Ministry of Economy, Energy and Business Environment, the supervisory authority of the company, through specifically designated representatives.

The shareholders exercise their rights at the General Meeting of Shareholders ("GMS"), which is the highest decision-making body of the company. The powers of approval of the General Meeting of Shareholders, the organization and validity conditions of these meetings are set out in the Articles of Incorporation of the company, in accordance with the applicable regulations, and are supplemented with the incident legal provisions. Both the Articles of Incorporation of the company and the shareholders' rights are posted on the company's website at the following addresses:

<https://www.conpet.ro/wp-content/uploads/2015/11/Act-Constitutiv-la-18.12.2018.pdf>

<http://www.CONPET.ro/relatia-cu-investitorii/info-actionari/>.

According to the law, each subscribed and paid share gives the holder the right to one vote in the General Meeting of Shareholders, the right to elect and to be elected to the governing bodies, the right to participate in the distribution of dividends according to the provisions of the Articles of Incorporation and of the legal dispositions, as well as other rights provided for by them.

The shareholders are entitled to a fair and complete information in the General Meeting of Shareholders on the company's situation.

In order to provide equal treatment and full and fair exercise of all shareholders' rights, CONPET SA makes available to them all relevant information regarding the GMS and adopted decisions, according to the law, both by mass-communication means and in the special section, opened on the company's website.

CONPET pays all diligence, in compliance with the requirements of the legislation on the matter, to ease the participation of the shareholders in the sessions of the General Meetings, as well as for the full exercise of the rights thereof. The shareholders may take part and vote, in person, in the General Meeting of Shareholders, but also have the possibility to exercise the vote by representation or by correspondence.

The General Meeting of Shareholders is opened and presided by the President of the Board of Administration or, in his absence, by another administrator appointed by the President of the Board of Administration.

During the General Meetings of Shareholders, the dialog between the shareholders and the members of the Board of Administration and/or the Director General is allowed and encouraged. Each shareholder may address questions to the administrators regarding the company activity, according to the legal provisions.

The decisions made by the General Meetings of Shareholders within the limits of the law and of the Articles of Incorporation are mandatory even for the shareholders who did not take part in the meeting or voted against.

The decisions of the General Meeting of Shareholders which are contrary to the law or the Articles of Incorporation can be challenged in court, according to the law.

The Board of Administration

The company is administered by a Board of Administration consisting of 7 administrators, elected by the Ordinary General Meeting of Shareholders for a period of 4 years, with the possibility of re-election for further periods of four years. The administrators can act as shareholders.

The members of the Board of Administration were elected by the Ordinary General Meeting of Shareholders dated 22.08.2018, in compliance with the provisions applicable to the companies admitted to trading, being selected following the process of recruitment and selection according to the legal provisions stipulated in EGO no. 109/2011 on Corporate Governance of Public Enterprises.

The Chairman of the Board of Administration was elected by the members of the Board of Administration, according to the provisions of art. 140 ^ 1 paragraph (1) of the Law no. 31/1990 on societies, republished, subsequently amended and supplemented and the provisions of art. 19 para.(3) of the Articles of Incorporation of the company.

The current constituency of the Board of Administration is the following:

- Gheorghe Cristian- Florin, Romanian citizen;
- Albulescu Mihai- Adrian, Romanian citizen;
- Iacob Constantin - Ciprian, Romanian citizen;
- Popa Claudiu - Aurelian, Romanian citizen;
- Gavrilă Florin - Daniel, Romanian citizen;
- Meșca Darius- Dumitru, Romanian citizen;
- Buică Nicușor- Marian, Romanian citizen.

The structure of the Board of Administration is diverse in both men and women of different professions (engineers, lawyers and economists) with professional experience in energy, banking, investment, consulting fields,).

The CV's of the members of the Board of Administration of CONPET SA are available on the company's website Board of Administration <https://www.conpet.ro/corporate-governance/The-Board-of-Administration/>.

The shareholders do not own shares in CONPET SA.

The Articles of Incorporation of CONPET S.A., updated at 18.12.2018, regulates the attributions, responsibilities and competencies of the Board of Administration.

The Board of Administration performs its business based on the Rules of the Organization and Functioning set under the provisions of Law no.31/1990, republished, subsequent amendments and completions and with the Articles of Incorporation of CONPET S.A.

The terms of reference of the Board of Administration may be consulted at the web page: <https://www.conpet.ro/wp-content/uploads/2015/10/Rules-of-Organization-and-Functioning-of-the-Board-of-Administration1.pdf>

Consultative Committees

For the observance of the legal provisions specific to the capital market, the Board of Administration has established Consultative Committees in the following structure:

- ✓ The Audit Committee;
- ✓ The Nomination and Remuneration Committee;
- ✓ The Committee for Development and Relation with the Investors and Authorities.

The Consultative Committees have attributions set by the Internal Regulation for the Organization and Functioning of the Consultative Committees established at the Board of Administration level and shall be responsible for carrying out of analyses and drawing up recommendations for the Board of Administration in specific fields, reporting on the activities carried out.

The consultative committees meet whenever necessary, at the President call, and the proposals/recommendations formulated by the Board of Administration (for the substantiation of his resolutions made) adopt by majority of expressed votes. The attributions and responsibilities of the consultative committees are being established by the Board of Administration.

The Board of Administration may set up as well, by resolution, other consultative committees, in different areas of activity, pursuant to the company's necessities and the management strategy thereof. At least one member of each consultative committee should be non-executive independent administrator.

The audit and remuneration committees are made up exclusively of non-executive administrators.

The internal regulation regarding the organization and functioning of the Consultative Committees can be consulted at: <https://www.conpet.ro/wp-content/uploads/2015/10/Internal-Rules-regarding-organizing-and-functioning-Committees-Consultative.pdf>.

Between January - June 2020, the Board of Administration held 14 meetings, and the Consultative Committees met in 13 meetings.

The meetings of the Board of Administration took place according to the agenda transmitted to the administrators, the main decisions made having as object the followings:

- ✓ endorsement of 2020 Income and Expenditure Budget;
- ✓ endorsement of Investments Program for 2020;
- ✓ analysis of the company's business presented by the executive management in the monthly reports;
- ✓ periodical analysis of the physical and value implementation of the Investment Program of 2020;
- ✓ analysis and endorsement/approval of the Advisory Committees Reports, as appropriate;
- ✓ approval of the Convening Notices of the General Meeting of Shareholders and of the materials related to their Agenda;
- ✓ approval of sponsorship requests and periodical monitoring of sponsorship contracts concluded by the company;
- ✓ approval of the new organizational structure of CONPET and of the Organizational and Operational Regulation of CONPET and of the staff establishment, correlated with the new organizational structure;
- ✓ approval of the maintenance of delegating to the Director General the competence to approval of the new Rule of functions and its subsequent amendments under the conditions of compliance with the organizational structure which entered into force on 03.02.2020 and with the classification in the staff number approved by the Board of Administration;
- ✓ monitoring the implementation/stage of implementation of the measures ordered by the BoA Decisions;
- ✓ approval of the preliminary report on the economic-financial activity of CONPET S.A. during January-December 2019, accompanied by the non-audited preliminary financial statements at the date and for the financial year ended December 31st, 2019;
- ✓ approval of the results of the annual inventory of the elements similar to assets, liabilities and equities held by the company;
- ✓ approval of 2020 annual Procurement Program;
- ✓ recurrent information on the state of achievement of the measures disposed by the BOA decisions;
- ✓ regular monitoring of the state of implementation of the 2020 Procurement Program;
- ✓ approval of the report of the directors with mandate contracts: for the activity ended 31.12.2019;
- ✓ endorsement of the annual financial statements at the date and for the financial year concluded on December 31st, 2019;
- ✓ approval of the Annual Administrators' Report to the OGMS for the financial year ended 31.12.2019;
- ✓ endorsement of proposals of the executive management to the Ordinary General Meeting of Shareholders concerning the distribution of net profit related to the financial year 2019 and of the amounts from the retained earnings, setting the gross dividend per share and the date of dividends payment to the shareholders;
- ✓ approval of the Annual Report of the Nomination and Remuneration Committee (Ro. CNR) related to the remunerations and other benefits awarded to the administrators and the directors with mandate contract during 2019 financial year;

- ✓ endorsement of the total degree of fulfillment (103.7 %) of financial and non-financial key performance indicators (KPIs) for the year 2019 approved for administrators by OGMS Resolution no. 7/18.12.2018;
- ✓ approval of the Report of the Board of Administration on the management activity in 2019, drawn up in accordance with the provisions of Article 5 of EGO 109/2011 on corporate governance of public enterprises and the provisions of the mandate contract;
- ✓ approval of the Report of the Board of Administration to monitor the classification of Key Performance Indicators (KPIs) of Administrators for 2019 within the limits approved by the OGMS comprising the proposals (approved by the OGMS dated 29.04.2020) approving the total degree of fulfillment (103.7%) of financial and non-financial performance indicators (KPIs) for 2019, approved for administrators by OGMS Resolution no. 7 of 18.12.2018 and the granting of the variable component due to the administrators for the term of office in 2019, in accordance with the provisions of the mandate contracts;
- ✓ approval of the Report of Directors with mandate contract to monitor the framing of key financial and non-financial performance indicators (KPIs) for 2019 within the limits approved by the Board of Administration, i.e. approval of the total degree of compliance (107 %) of the financial and non-financial performance key indicators (KPIs) of the Director General, the Deputy Director General and the Economic Director for 2019 and the approval of the granting of the variable component due to directors for the term of office in 2019, in accordance with the provisions of the mandate contracts and within the limits approved by the OGMS;
- ✓ approval of the Report of the Nomination and Remuneration Committee on the evaluation of the activity of directors with a mandate contract for 2019, which can be found posted on the M.E.E.B.E (Ro. MEEMA) website;
- ✓ approval of the decommissioning of assets from the patrimony of the company whose maintenance is no longer justified and approval of the modalities of exploiting them proposed by the executive management;
- ✓ approval for decommissioning of goods belonging to the public domain of the state, no longer justified keeping, endorsement of the proposed recovery arrangements for these goods and the approval of the preparation of the documentation necessary for the issuance of GD for approving the removal of the goods in question from the public domain of the State and of the methods of recovery;
- ✓ approval of the quarterly report of the directors with mandate contract on the activity ended March 31st, 2020 prepared in accordance with Art. 54 of. EGO 109/2011 on corporate governance of public enterprises and the provisions of the contract of mandate;
- ✓ approval of the quarterly report on the economic and financial activity of CONPET for the period ending on 31.03.2020 (period 01.01.2020 - 31.03.2020), accompanied by the financial statements on the date and for the period of 3 months ended on 31.03.2020, prepared in compliance with the Ministry Of Public Finance Order no. 2844/2019 and IAS 34;
- ✓ endorsement of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement for administrators (102.9%) and Directors with a mandate contract (105.7%) for the period 01.01.2020 – 31.03.2020;
- ✓ approval of Addendum no.4 to the Contract of mandate of the Deputy Director General with the purpose of amending Article 7.1. and the appointment of the President of the BoA to sign it on behalf of the BoA for the company CONPET S.A.;

- ✓ Approval of participation of members of the Board of Administration in certain events/conferences and supporting travel expenses in accordance with the provisions of the mandate contracts;
- ✓ approval of establishment and registration at the Trade Registry Office of the Prahova Tribunal of some locations (crude oil and rich gas handover point in Petrobrazi Refinery, Boldești crude oil pumping station, Surani crude oil pumping station, Predeal Sarari crude oil pumping station, Berca crude oil pumping station, Stopșenești crude oil pumping station, Potlogi crude oil pumping station, Mădfari crude oil pumping station), as secondary headquarters of the company, having the object of activity "transport by pipeline" - code CAEN 4950;
- ✓ approval of Current Repairs Program for 2020;
- ✓ endorsement of the executive management on the appointment by the OGMS of a representative of the Ministry of Economy, Energy and Business Environment in the GMS to sign on behalf of CONPET SA the contract of mandate of Mr. Buică Nicușor – Marian appointed as administrator of the company by OGMS Resolution no. 5/30.09.2019 contract of mandate approved by the OGMS that shall take effect starting with the date of appointment of the administrator by OGMS Decision no. 5/30.09.2019 and until the expiry of the mandate of the current Board of Administration (21.08.2022, inclusive of);
- ✓ approval of the starting prices for procurement of 30 Dacia Logan and Dacia Duster cars, resulting from the Evaluation Report prepared by the authorized assessor Constantin Valerică;
- ✓ approval of CONPET S.A.'s participation in the Financial Analysis Programme dedicated to I.M.M. from south-eastern Europe listed on the Bucharest Stock Exchange and the delegation of the Director General to sign the Memorandum of Understanding with the representatives of the BSE;
- ✓ approval of the Internal Regulation on the Organization and Functioning of the Advisory Committees set up at the level of the BoA;
- ✓ approval of the correction of Annex no.2 (Detailing the economic and financial indicators foreseen in the Budget) of the Budget. for 2020;
- ✓ approval of the Investment Program for 2020 - rectified April 2020, including estimates for the period 2021-2022;
- ✓ approval of the Investment strategy of CONPET S.A. for the period 2020 - 2025 and its submission for approval to the OGMS;
- ✓ approval of the annual procurement program 2020 - revision 2 accompanied by Annexes 1-3;
- ✓ endorsement of the transaction with SNTFM "CFR MARFĂ", which will be materialized by concluding an Addendum to the contract of "Transport services by rail of oil and rich gas from the loading ramps to the destinations set by CONPET S.A.", having as object the augmentation of the tariff transport, respectively the augmentation of the estimated value of the contract with the amount of 7,627,649 RON;
- ✓ Approval of publication on the website of the company CONPET SA (www.conpet.ro) of the Policy of remuneration of the administrators and directors with contract of mandate.

Implementation of the obligations stipulated in the mandate contracts of the Directors

The directors with a mandate contract (Director General, Deputy Director General and the Economic Director) were selected following the recruitment and selection procedure carried out in accordance with the provisions of EGO no. 109/2011 regarding the corporate governance of public enterprises.

The directions in function have been appointed by the Board of Administration in the meeting dated 06.11.2018:

- ✓ Mr. CHIS Timur - Vasile in the capacity of Director General of CONPET S.A., starting 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate.
- ✓ Mrs. Sanda Toader in the capacity of Economic Director of CONPET S.A., starting 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate,

and in the meeting dated 18.02.2019 it was appointed Mrs. DUMITRACHE Mihaela - Anamaria in the capacity of Deputy Director General of CONPET S.A., starting 18.02.2019, for a 4 years' mandate, respectively until 17.02.2023 (inclusive of), delegating the management of the company in accordance with the legal provisions in force of Incorporation and the Contract of Mandate.

Directors with mandate contracts have the powers laid down in the Articles of Incorporation and in the contracts of mandate, supplemented by the applicable legal provisions.

Directors with mandate contracts submit to the Board of Administration, regularly and comprehensively, detailed information regarding all outstanding aspects for the company business. Additionally, any outstanding event is immediately communicated to the Board of Administration.

Moreover, any member of the Board of Administration may request the Director General and the other directors with mandate contracts, information regarding the operative company management.

The management bodies and the administration bodies are active, have the freedom to adopt the decisions they consider right, acknowledge their role and are permanently capable of supporting their decisions against the administration structures or other interested parties that have the right to obtain such information.

Directors with contracts of mandate have exercised their duties in accordance with the legal provisions and within the limits of the contracts of mandate, as follows:

- ✓ The Director General presented on a monthly basis to the BoA the Report on the state of completion of the measures ordered by decision of the BoA;
- ✓ The directors have drawn up and submitted to the Board of Administration, on a monthly basis, a report on the activity carried out during the reported and cumulative period, containing information on the company's operational and investment activity, data on the

- economic and financial situation, implementation of the revenue and expenditure budget, etc.;
- ✓ In accordance with the provisions of Article 54 of EGO no 109/2011, the director general together with the directors with contract of mandate, presented the following reports: report on the activity for 2019 (within the BoA meeting dated 24.03.2020); activity report for the 1st quarter of 2020 (within the BoA meeting dated 13.05.2020);
 - ✓ During the BoA meeting dated 24.03.2020 were presented Financial statements ended at the date and for the year ended December 31st, 2019, the report of the financial auditor for 2019 and the activity report for 2019;
 - ✓ During the BoA meeting dated 30.01.2020 it was presented the revenues and Expenditure Budget for the year 2020 and estimates for the period 2021-2022, together with the substantiation Annexes no. 2-5, submitted for the OGMS approval on 05.03.2020;
 - ✓ During the BoA meeting dated 24.03.2020 it was presented the Report of the directors with contract of mandate, for monitoring the compliance of the financial and non-financial key performance indicators (KPIs) for the year 2019 within the agreed limits by the BoA and their total degree of fulfillment for administrators and directors with a mandate contract for the year 2019;
 - ✓ During the BoA meeting dated 13.05.2020, it was presented the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of fulfillment for administrators and directors with a mandate contract for the period 01.01.2020 – 31.03.2020;
 - ✓ The activities specific to financial preventive control shall be carried out by the persons appointed by decision of the Director General. They operate under the agreement issued by the Ministry of Energy. Preventive financial control shall be exercised in accordance with GO. nr.1999, O.M.PF no 923/2014 and on the basis of decision of the director general no 896/03.12.2019 - further amendments and completions, as well as on the basis of the operational procedure "Organizing and exercising financial preventive control". In semester I 2020 no refusal of a preventive financial control visa has been recorded;
 - ✓ On May 31st, 2019 have been drafted and approved the individual objectives and performance indicators for the management positions, the target values and the shares associated thereof;
 - ✓ During the first semester of 2020, actions have been taken so that to ensure that the tasks specified in the Rules of organization and functioning of the subordinated entities are carried out.
 - ✓ In the first semester of 2020 the sums due to the consolidated state budget were paid in due time;
 - ✓ The circuit of supporting documents on which accounting records are based shall be laid down in the "Chart on the financial and accounting records circuit", annex to the internal procedure concerning the organization and exercise of financial preventive control. During home work/teleworking determined by the Covid crisis, they have been circulated electronically, in accordance with the above-mentioned graph;
 - ✓ The powers for signing the documents and the correspondence coming outside CONPET SA are set out in the document "Summary and levels of competence" approved by the Director-General;
 - ✓ Storage and archiving of documents shall be carried out in accordance with internal procedures approved by the Director General.

The directors with contract of mandate are not allowed to disclose the data and information to

which they have access regarding the company and its activity. This obligation remains valid after the contract termination, for a period of 5 years. They must also comply with the inside information regime provided in the incidental regulations.

Actions carried out in view of achieving the strategic objectives contained in the Administration Plan

The Administration Plan of the Board of Administration of CONPET, for the period 2018-2022 is based on a detailed analysis of the company's activities, on its business segments.

The formulation of the strategic objectives focused on the conclusions of the diagnostic analysis and strategic analysis of the competitive environment, in view of identification and capitalization of the opportunities and strengthening the strong points existing at the level of the company.

The strategic objectives for the period 2018-2022, set out and undertaken by the administrative management inside the administration component have been defined in close connection to the strategic directions, the vision and expectations of the shareholders and in the context of the Energy Strategy of Romania for the period 2018-2030 and are the followings:

- 1 Increasing efficiency and improvement of the business performance
- 2 Development of new activities, related and non related to the core business;
- 3 Defining the company as regional player
- 4 Outstanding management of the human resources
- 5 The implementation and development of the corporate governance principles

The strategic objectives comprised in the company's administration Plan for the period 2018-2022 derive from the expectations Letter of the major shareholder, the Romanian State, by the Ministry of Energy and target the increase of business efficiency and the improvement of business performance, optimization of the operating expenses, the development of new activities related and non-related to the core business, definition of the company as regional payer, efficient management of human resources and the implementation and development of the corporate governance principles.

Objective 1 INCREASING THE EFFICIENCY AND IMPORVEMENT OF BUSINESS PERFORMANCE

Redefining the necessary of the transport infrastructure

In the first semester of 2020 have been taken steps, such as:

- the implementation of the pipeline transport of crude oil type Aricesti has been analyzed from Baicoi station to the Brazi refinery and closure of Aricesti workstation;
- It was analyzed the possibility of transporting the crude oil produced in the Moreni scaffolina through the main pipelines 10" F1/F2 Bucşani – Ploiesti (using the former corridor of the Bucşani – Moreni rich gas pipeline).
- It was analyzed the possibility of transporting crude oil from Imeci and Ferastrau to Lukoil refinery (500 tons/month).
- Discussions were held with Brent oil to ensure the transport of the crude oil produced in Sacel area to Petrotel Ploiesti refinery (100 tons/month).

- Discussions with NIS Petrol Romania SRL continued, regarding the options for take over and transport through pipelines of the crude oil production from western Romania to Pancevo refinery.
- Talks were held with Hunt Oil regarding take over of crude oil and condensate from the Padina/ Urziceni North reserve, Tecuci West reserve and Slobozia South.
- Talks were held with Dacian Oil to assess the possibilities of transporting the crude oil produced in the mines taken over from OMV Petrom, by using the rich gas pipelines (especially the Oltenia area).

For the import transport system, during the first half of 2020 the activities for the reactivation of the Pietrosani-Brazi transport route were continued, through a new 14" pipeline (project closely related to the rehabilitation of the 24" Calareti-Pietrani pipeline and the rehabilitation project of the fixed point from Pietrosani – smart pigging stations 24' and 14').

Multi annual investment program

The multi-annual investment program of the company consists mainly of investment objectives to increase efficiency of the National Transport System and its operational safety.

When establishing the multi-annual investment program is intended first, to respect the commitment assumed by the company through the minimum investment program communicated to NAMR annex to the concession agreement.

Continuation of the project "Pipelines leaks location and detection System"

It was executed and completed in 2019 the pilot project "System of detection and location of pipeline leaks" on the relationship Poiana Lacului - Siliște - Ploiesti.

Following the line analysis of implementing an LDS system for other transport links, the action is scheduled for the fourth semester of 2020.

Optimization of SCADA system and Hardware and Software of the remotes transmission units (RTU)

There have been completed and received SCADA system optimization works and upgrade Hardware and Software of the Remote Transmission Units (RTU), for a number of 25 locations out of a total of 29.

The term for completion of the work is Q1 2021.

Modernization and monitoring of the Cathodic Protection System related to the National Transport System via Pipelines (SPC)

Modernization and monitoring of the cathodic protection system for the crude oil transport system via pipeline aims at slowing down or even stop the corrosion process occurring at the surface of metal pipes underground with effect in:

1. reducing the maintenance costs associated with both the metal losses and decommissioning of installations;
2. increased safety in the operation of the pipelines;
3. avoiding environmental contamination with corrosion product/transported;
4. reducing the consumption of electricity.

Starting 2013, Conpet SA has started a comprehensive project to modernize and monitor the cathodic protection system of the crude oil pipeline transport system.

During 2017-2019 have been executed SPC in 109 locations, out of which:

- 40 completed in 2017
- 53 completed in 2018
- 16 completed in 2019

At the same time, in 2019, the remaining 30 SPC were contracted for design and execution and the site was handed over to perform the design at 10 locations. In 2020, the design site was handed over for the remaining 20 locations.

Implementation of a GIS System

The feasibility study for the implementation of a geographical property register system was completed in 2017.

In August 2019, the contract for the execution of the project was signed, which provides for the completion of the 5-phase project for a duration of 12 months and the 36-month post-implementation technical assistance.

At the end of 2019 phase 1 of the contract was completed, i.e. requirements analysis and functional solution design, GIS Desktop Installation, GIS Server Installation.

In July 2020 phase 2 was completed, consisting of data acquisition from existing sources for the pipeline network and a pilot station, and digitizing properties.

Starting August 2020, testing will be carried out, which represents phase 3 of the contract.

By the end of September 2020, the other 2 contractual phases are scheduled to be completed, namely Phase 4 - Training, Popular Production Databases and Phase 5 - Pilot Use.

ERP Upgrade

At the end of 2019, the interdisciplinary analysis regarding the determination of the new business requirements of CONPET SA was completed. In the second quarter of 2020, the specifications were elaborated, and the procedure for the acquisition of consultancy services will be started, in order to carry out the business analysis.

Rehabilitation of the pipelines under crossing the Danube river and Borcea Arm

In order to rehabilitate the pipelines under crossing the Danube river and Borcea the feasibility study was completed. The initiation of the execution of the pipelines to over cross Dunărea/Borcea, in the configuration resulting from the completion of the solution study is scheduled for the period 2020-2025.

During the first semester of 2020, the feasibility study was completed and the specifications for the execution works were approved by the Economic and Technical Board.

The implementation of a system for the teletransmission and telemetering of the power consumptions in CONPET locations:

The implementation of the telemetering system will be performed in 19 locations (Poiana Lacului, Cartojani, Videle, Lucăcești, Imeci, Moreni, Siliștea, Cireșu, Băicoi, Bărbătești, Țicleni, Orlești, Ghercești, Otești, Biled, Pecica, Marghita; Constanța Sud, Călăreți).

The technical project on the implementation of the system of teletransmission and remote management of electricity consumption was carried out, it is under the analysis of specialists from Conpet.

Objective 2 DEVELOPMENT OF NEW RELATED AND NON-RELATED TO THE CORE BUSINESS

The development of storage activities/crude oil and oil products handling for third parties;

The Strategic Projects Department continued to monitor the market and the assumptions considered, in particular the updating of the legal framework (Law 85/2018 and Order 617/2018 on the procedure for delegating the storage obligation).

Information addresses were sent to NAMR on the intention of CONPET SA to develop the activity of storage of crude oil/petroleum products, including the updated situation of the company's storage capacities as well as an estimation of the tariff for the provision of storage services.

Assessment of the opportunity/feasibility of the increase efficiency related scenarios of the Rail transport activities

From the point of view of the efficiency of the railway transport, the re-commissioning of the railway ramp from the Astra Refinery was taken into account, a decision justified by the delays in unloading and the maneuver in the railway ramp from the Brazi refinery.

In 2019, the services for the execution of the feasibility study regarding the rehabilitation of the ramp were contracted.

At 30.06.2020, the feasibility study is in the stage of revision by the designer (according to the observations received from Conpet), and the Urbanism Certificate was obtained.

In order to reduce fuel consumption and maintenance and repair costs for existing locomotives, programs are underway to convert diesel-powered locomotives to electric-powered locomotives. Thus, in the multi-annual investment programs were budgeted:

- conversion of 3 hydraulic diesel locomotives (LDH 1250 HP) into electric locomotive with electric drive LEA (spread over 4 years, starting with 2019).
- conversion of 1 hydraulic diesel locomotive (LDH 700 HP) into electric locomotive with electric drive LDE (spread over 4 years, starting with 2019).

Assessment of the feasibility of the development of transport for atypical products

During the first quarter of 2020, the executive management initiated a series of meetings and discussions with representatives of companies active in the oil, chemical and petrochemical industries.

Preliminary discussions were launched in the second quarter of 2020 on the possibility of providing services for the transport, storage and loading of agricultural and chemical products in areas where CONPET ramps are adjacent to areas with intensive agricultural activity.

Electricity production from renewable resources (pilot project);

In the first semester of 2020, the elaboration of a feasibility study was considered in the hypothesis of the installation of 5 parks x 1 MW for ensuring the internal energy consumption in the work points: Constanța Sud, Călăreți, Cartojani, Bărbătești and Poiana Lacului.

Also, the analysis was carried out regarding the possibility of implementing three-phase off grid photovoltaic systems (without grid injection) within the working points of Conpet SA. It includes technical and economic elements used in assessing the feasibility of such projects. The price quotations used were obtained from companies with profile activity, the costs being updated at the level of May 2020.

Objective 3 DEFINING THE COMPANY AS REGIONAL PLAYER

In order to support collaboration opportunities by providing information or participation in actions coordinated by the ministry for the works of the Joint Intergovernmental Commissions for Bilateral Energy Cooperation, the proposal on topics of interest was submitted to the Ministry of Economy, Energy and Business Environment for discussions within the Energy Working Group Romania - Turkmenistan - 04.02.2020.

Between 25-26.02.2020, a meeting with the representatives of Transnafta Serbia took place, having as topic the collaboration options regarding the transport of crude oil produced in western Romania by NIS Petrol Romania SRL to the Pancevo refinery - Serbia.

Strategic objective 4 OUTSTANDING MANAGEMENT OF THE HUMAN RESOURCES

Reshape and ongoing adaptation of the human resources in correlation with the technical economic requirements and realities of the company.

In order to fulfill this measure, the necessary human resources are continuously monitored and adapted, taking into account:

- the efficient use of personnel;
- providing business continuity, within the conditions required by the permanent fluctuations in the production activity;
- providing balance between the personnel number and the real technical-economic and administrative needs of the company.
- flexible redistribution of human resources in order to avoid possible blockage and ensure their most efficient use of personnel.

The Board of Administration approved on 30.01.2020 a new organizational structure of the company, applicable starting with 03.02.2020.

In the context of the COVID 19 pandemic for preventing and combating the effects of the COVID - 19 pandemic, in the context of declaring a state of emergency on the Romanian territory according to Presidential Decree no. 195/16.03.2020, and taking into account the provisions:

- of Directive no. 2588/16.03.2020 of the Ministry of Economy, Energy and Business Environment on the application of appropriate measures for the protection of personnel of public institutions and economic operators subordinated, coordinated or under the authority of the Ministry of Economy, Energy and Business Environment,
- Law no. 19 of March 14th, 2020 on granting parental days off for the supervision of children, in case of temporary closure of schools;
- the specific continuity plan of the activity of CONPET SA in case of a pandemic;
- the recommendations of 10.03.2020 of the Ministry of Labor and Social Protection to be applied in order to ensure the safety and health of workers, but also to support employers

in carrying out current activities by adopting measures to make labor relations more flexible;

- the measures established by the Emergency Cell of CONPET SA;

By decision of the Director General, it was established that, starting 16.03.2020, the activity of the company's employees will be carried out in teleworking/ work at home regime, where the attributions and responsibilities specific to the positions occupied by them allow this.

The development of the specific competencies and basic skills of the human capital

The Vocational Authorization and Training Programs for 2020 were developed and approved, following the identification of training needs, respectively staff authorization, in correlation with the duties in the job description, as well as in order to maintain/develop skills, expertise and competencies required by the respective job. Professional authorization of employees is required periodically in the case of activities regulated by legislative acts, in order to maintain a high level of training in various professional fields (rail and non-rail) to ensure the right of employees to perform certain tasks or tasks specific to the competencies required to perform the function.

The training sessions in the first semester of 2020 were organized in different fields of activity in order to acquire, enrich, expand and consolidate the knowledge and skills acquired. Thus, professional training sessions were organized in areas such as: Head of Private Service for Emergency Situations, Strategic Management - Investment Management, Energy Management Systems according to the requirements of ISO 50001, Preventive Financial Control, OSH Inspector, Archivist.

Internal Training is organized by internal trainers and/or experts from the company with a good knowledge of the field and/or relevant experience in the field of technical activity, supporting qualifying session Internship/training/maintenance knowledge in various industries and audit/verification of employees participating in those sessions. There is a permanent concern for the extension of the trainers body in other domain as well, (such as ethics and integrity, GDPR). The trainers within the company can train/retrain/qualify internally both recipients predators of fluid products, as well as employees with operating responsibilities in the field of micro SCADA.

Development of the employees' results assessment system

The new evaluation criteria, individual objectives, performance indicators, target values and weights associated thereof, for the activity carried out in 2020 of the employees in management positions, were subject to conclusion, in this respect, at the end of 2019, of addenda to individual employment contracts of the employees, as laid down in each entity.

For employees promoted to management positions, additional documents are drawn up for individual employment contracts that contain the objective clause.

Strategic objective 5 IMPLEMENTATION AND DEVELOPMENT OF THE CORPORATE GOVERNMENT PRINCIPLES

Issue of a Code of Ethics and Integrity

The measure is being fulfilled, the Code of Ethics and Integrity of SA having been approved by the Board of Administration on 13.11.2018.

Active involvement in corporate social responsibility

In the first Semester of the year 2020 there have been concluded 11 sponsorship contracts in total amount of 440 thousand RON, representing 62.9 % of the total amount approved in the Budget for sponsorship.

In January 2020, was organized the awarding of employees with 30 and 35 years of activity in CONPET.

Starting March 2020, the official information on COVID-19 made by the Strategic Communication Group - Ministry of Internal Affairs is distributed daily on CONPET's Facebook page, in order to correctly inform, from official sources, the employees and persons following the communication channel of CONPET.

Development of reporting, control and risk management capabilities

The project of the development program of the internal control management system at CONPET SA for 2020 was elaborated during March 2020, and its analysis and completion was made in the first decade of April 2020.

The development program of the internal control management system of CONPET SA for 2020 was approved by the Director General.

All actions due in the first half of 2020 have been completed.

Implementation of SR ISO 37001:2017 requirements Anti-bribery management systems

The action is included in the Program for the implementation of the requirements of SR ISO 37001: 2017 anti-bribery management systems.

The implementation program of the requirements of SR ISO 37001: 2017 anti-bribery management systems has been developed, approved and disseminated to all functions that have responsibilities in implementation, the deadline for implementation is the fourth quarter of 2020.

Financial and non-financial key performance indicators

The financial and non-financial performance indicators of the administrators have been approved in the OGMS dated December 18th, 2018.

In accordance with the administration Plan of CONPET, chapter 7 "Performance indicators and criteria", during 2018-2022, the performance indicators and objectives are being defined and set out as follows:

Crt .NO	Performance indicator	Performance objective	M.U.	Target values					KPI weights for the settlement of the remuneration ratio
				2018	2019	2020	2021	2022	
A. Financial Key Performance Indicators: 25%									
1.	Outstanding payments	Level zero	Thous and RON	0	0	0	0	0	2%
2.	The decrease of the operating expenses = (Operating expenses– Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of expenses in the turnover at the level assumed by the Administration Plan	%	80.8%	82.6%	82%	81.5%	81.3%	8%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences.	The realization of adjusted EBITDA target assumed by the Administration Plan	Thous and RON	108,443 thousand RON	90,316 Thousand RON	95,987 Thousand RON	98,872 Thousand RON	101,785 Thousand RON	10%
4.	Labor Productivity	Achievement of the labor productivity level provided in the annual approved Budget	Thous and RON pers	100% According to Annual Budget	100% according to Annual Budget	100% According to Annual Budget	100% According to Annual Budget	100% According to Annual Budget	5%
B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 75%									
B1 OPERATIONAL: 25%									
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy).	The target value is lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude oil ≤ 0.361% Import crude oil Lukoil ≤ 0.29% Import crude oil Petrom ≤ 0.143% Import crude oil Midia ≤ 0.108%					3%
6.	Monitoring of the annual electricity average specific consumption for technological purposes	Maintenance of the annual electricity average specific technological consumption at a	Kwh/ to	Max 3.3 Kwh/ to	Max 3.3 Kwh/ to	Max 3.3 Kwh/ to	Max 3.3 Kwh/ to	Max 3.3 Kwh/ to	2%

		level of Max 3.3 Kwh/to							
7.	Achievement of the investments financed out of the modernization quota	Min. Realization 95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	≥95%	≥95%	≥95%	≥95 %	20%
B2 OF CORPORATE GOVERNANCE: 50%									
Cr t. no	Performance indicator	Performance objective	M.U.	Target values					KPI weights for the settlement of the remuneration ratio
				2018	2019	2020	2021	2022	
8.	Implementation/development of the internal control management system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%	100%	20%
9.	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%	100%	20%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	≥90 %	≥90 %	≥90 %	≥90 %	10%

Table 22 - Performance indicators and objectives

Quarterly review of the indicators is to identify possible deviations from targets and corrective action to be taken.

For the first six months 2020, the total degree of achievement of the performance indicators for administrators is of 104.5% and in structure (financial and non-financial) presents as follows:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	According to MANDATE CONTRACT	Achieved cumulated Q II 2020	Variation
A. FINANCIAL KEY PERFORMANCE INDICATORS	25.0%	29.0%	4.0 p.p.
B. NON-FINANCIAL KEY PERFORMANCE INDICATORS	75.0%	75.5%	0.5 p.p.
B1 Operational	25.0%	25.5%	0.5 p.p.
B2 of Corporate Governance	50.0%	50.0%	0.0 p.p.
Total degree of achievement of the performance indicators	100.0%	104.5%	4.5 p.p.

Table 23 - Degree of achievement KPIs administrators - QI 2020

The total degree of fulfillment of the key performance indicators was exceeded by 4.5 pp, mainly

due to the favorable influence of the level of achievement of the financial performance indicators (4 pp).

The achieved level of each indicator and evolution from the approved target

A) Non-financial performance key indicators (+4p.p.):

The achieved level of the **key financial performance indicators (outstanding payments, lower operating expenses, adjusted EBITDA and labor productivity)** is determined on the basis of data from the interim financial statements prepared for the first semester of 2020, and the degree of fulfillment of the financial indicators was calculated according to the planned quarterly level, established for each indicator based on budget data.

The achievement of the Key Financial Performance Indicators (KPIs) for the period January 01st - June 30th, 2020, is as follows:

✓ **Outstanding Payments Indicator**

At 30.06.2020, the company did not register any overdue payments, the degree of achievement being **100%**.

✓ **Indicator Decrease of Operating Expenses**

Indicator Decrease in operating expenses contributed favorably by **0.6 pp**. The objective of this performance indicator is to decrease the operating expenses share in the turnover. The turnover increase by 0.9% has favorably influenced the achieved level of the indicator, the achievement degree in the first 6 months 2020 being of **106.9%**.

✓ **ADJUSTED EBITDA Indicator**

The adjusted EBITDA indicator favorably influenced the total degree of fulfillment of the financial indicators, the increase by 33.3% of this indicator brought an increase of 3.3 pp over the level of 100% of the total degree. The increase in EBITDA was mainly due to operating profit, which increased by 63.5%. The degree of achievement of this indicator in the period January-June 2020 is of **133.3%**.

✓ **Labor Productivity Indicator**

The degree of achievement of this indicator in the first 6 months 2020 is of 102.2%, with a favorable contribution of **0.1 pp**. The increase in labor productivity by 2.2%, compared to the planned one, was achieved from the increase in operating income with 0.7% and from the decrease of the average number of staff with 23 people.

B) Non-financial performance key indicators (+0.5 p.p.)

B1) Operational

✓ **Operational Indicator "Falling under the specific consumptions for the crude oil transport"**

The contribution of 0.5 pp in exceeding the level of 100% of the total degree of fulfillment was

brought by the **operational indicator - The inclusion in the specific consumptions to the crude oil transport**, being registered a specific consumption to transport by 17% lower than the quarterly target.

The achieved level of the operational indicator “**Framing in the specific consumptions for crude oil transport**” has been determined based on the quarterly reported data by the Transport Operations Unit.

In structure, the achievement of specific consumption for the crude oil transport on crude oil types and refineries for the period January 01st - June 30th, 2020, as well as the average consumption reveals the followings:

Targets cumulated Q II 2020		Achievements cumulated Q II 2020		Indicator's Achievement Degree
Domestic crude oil ≤ 0.361%	0.311 %*)	Domestic crude oil = 0.354%	0.258%	117.0%
Import crude oil Lukoil ≤ 0.29%		Import crude oil Lukoil = 0.165%		
Import crude oil Petrom ≤ 0.143%		Import crude oil Petrom = 0.140%		
Import crude oil Midia ≤ 0.108%		Import crude oil Midia = 0.105%		

*) Average technological consumption (calculated according to the share of each transport type).

Table 24 - Degree of achievement KPIs administrators Framing within the specific consumption of crude oil transport

For each type of product there is a specific technological consumption (target value), different from the others. The average target value of the performance indicator in the first 6 months, of **0.311%**, **represents** the weighted average calculated by summing the results obtained from multiplying the specific technological consumption from the transport contracts with the quantity taken over for transport in the reported period.

The weighted average realized value of the technological consumption was calculated as the average of the realized technological consumptions related to the quantity taken over for transport, its value being of 0.258%.

The degree of achievement of this indicator in the period January 01st - June 30th, 2020 is of **117.0%**.

✓ *The operational indicator* “**Monitoring of the annual average specific consumption of electric power for technological purposes**”

The objective related to this indicator is represented by the maintenance of the annual average of electric power technological consumption at a maximum level of 3.3 KWh/to.

This indicator is deemed achieved if the achieved level thereof has a lower value or equal with 3.3 KWh/to.

If the level of achievement of this indicator registers values over 100%, the value taken into account in the calculation of the total degree of fulfillment of the indicators is limited to 100%.

The average specific consumption of electric power in technological purpose achieved in January-June 2019 was of 2.51 Kwh/to, under the target level of 3.3 kwh/to, consequently, the achieved indicator is of 100%.

✓ Operational indicator, **“Achievement of the investments financed out of the modernization quota”**

The objective of this indicator is the realization of investments financed from the modernization quota of at least 95% of the modernization quota constituted during the reporting period.

The degree of achievement of the indicator is being determined based on the formula: Value of investments financed out of the modernization Quota, achieved/Value modernization quota achieved in the reporting year (modernization quota recognized in the expenses) X 100

This indicator is deemed achieved if the level achieved by the indicator is higher or equal to 95%. In case the indicator is achieved under 95%, then the achievement degree of the indicator is 0. For the calculation of the total degree of fulfillment of the indicators, the level of the degree of achievement of this indicator is limited to 100% if it registers a value higher than 100%.

The achieved level of this indicator in the period January - June 2020 is of 213.2% (38,962 thousand RON of investments financed from the modernization quota/18.278 thousand RON modernization quota constituted in the 6 months period 2020) and for determining the total degree of achievement of indicators in the first semester of 2020 was taken into account 100%.

B2) Corporate Governance Indicators

✓ The indicator **“Implementation/Development of the internal management control system in compliance with the legal requirements in force”**

The objective of this indicator is being represented by the 100% achievement of actions provided in the development program for the internal management control system.

In the period January - June 2020 all the activities in the development program of the internal control management system of CONPET S.A., with a permanent term and all the actions due in the first semester of 2020 have been completed and, consequently, the degree of achievement is 100%.

✓ Indicator **“Boost of institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans”**

The objective of this indicator is to achieve in proportion of at least 90% the measures assumed by the approved Integrity Plan.

In the first 6 months 2020 the level of this indicator was of 100% (25 measures fulfilled up to 30.06.2020/25 measures proposed in the integrity Plan).

The degree of achievement of the indicator in the first 6 months 2020 is of **100%**.

✓ Indicator **“Duly reporting of the degree of achievement of the performance indicators of the company”**

The objective of this indicator is represented by the timely reporting of the degree of achievement of the performance indicators of the company.

The degree of achievement of this indicator is being determined based on the formula: number of timely reporting/total number of duly reporting x 100.

The degree of achievement of the indicator assumed by the Administration Plan is being determined as follows:

- If the achieved indicator is equal to 100%, then the indicator's achievement degree is 100%.
- If the achieved indicator is lower than 100%, then the indicator's achievement degree is 0%.

In the first 6 months 2020, the level of this indicator was of 100%.

As per OMPF no.1952/2019 on the regulation of the monitoring procedure related to the implementation of the EGO no.109/2011 on Corporate Governance of the Public Enterprises, the state of achievement of the key-performance indicators in the mandate contracts are being communicated by reporting S1100 containing the following annexes:

- Annex no1. "Monitoring the application of the provisions of EGO no.109/2011",
- Annex no.2 "Auditing the annual financial statements. The state of achievement of the key performance indicators of the contracts of mandate"
- Annex no.3 "The List of the administrators of the public enterprises"

Annexes of the reporting S1100 are being submitted at different terms, as follows:

- a) up to July 20, Annexes no.1 and 3 for the first quarter of the reporting year and Annex no.2 for the previous reporting year;
- B) up to January 20 of the year following the completion of the reporting period, Annexes no.1 and 3 for Half II of the previous reporting year.

Thus, Annexes 1 and 3 for the Second Semester 2019 were sent to the Ministry of Economy, Energy and Business Environment in time, on January 14th, 2020, with the address no. 1567.

Directors with contract of mandate

The financial and non-financial performance indicators for the Director General and the Economic Director have been approved by Decision of the Board of Administration, their targets and weights for the period 2018-2022 are provided in Annex no.1 to the Additional Act no.1 to the mandate contracts of directors.

For the first six months 2020, the total degree of achievement of the performance indicators for directors with contract of mandate is of **109.1%**.

In structure, the quarterly (QII 2020) degree of achievement of the key performance indicators reveals the following:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	According to MANDATE CONTRACT	Achieved Sem. I 2020	Variation
A. Financial key performance indicators	50.0%	58.2%	8.2 p.p.

B. Non-financial key performance indicators	50.0%	50.9%	0.9 p.p.
B1 Operational	30.0%	30.9%	0.9 p.p.
B2 Of Corporate Governance	20.0%	20.0%	0.0 p.p.
Total degree of achievement of the performance indicators	100.0%	109.1%	9.1 p.p.

Table 25 Degree of achievement KPIs directors with contract of mandate - Q1 2020

The remuneration policy of the members of the Board of Administration and the directors with mandate contracts

The Board of Administration

In accordance with the provisions of art. 37 para. (1) and (2) and respectively art.38 par. (2) of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions, the administrators and directors receive for the activity carried out a fixed monthly allowance and a variable component.

The monthly fix allowance granted to the members of the Board of Administration, equal twice the average on the last 12 months of the monthly gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, has been recalculated as per the provisions of EGO no.79/2018 for the amendment and completion of Law 227/2015 on the Fiscal Code. The gross fixed allowance in quantum of 13,022 RON, has been approved by the GMS at 22.08.2018.

The gross fixed allowance due to the members of the BoA for the period 01.01.2020-30.06.2020 was of 546,924 RON.

The variable component of the remuneration of the members of the board of administration is being granted annually, according to the level of achievement of the objectives contained in the administration plan and the achievement degree of the financial and non-financial performance indicators approved by the general meeting of shareholders, annex to the mandate contract.

At the meeting dated 29.04.2020, the OGMS has approved the total achievement degree (103.7%) of the financial and non-financial key performance indicators for the year 2019, based on the monitoring report on the framing of the performance indicators within the limits approved by OGMS for the year 2019 and granting the variable component due to administrators for the term of office in 2019, as per the provisions of the mandate contract. The total gross variable component related to 2019, payed in April 2020 was in amount of 1,093,848 RON.

The Directors with mandate contracts

The remunerations of the directors with mandate contracts are set out in compliance with the provisions of EGO no.109/2011, within the general limits approved by the General Meeting of Shareholders The remuneration is made up of a fix monthly allowance set out within the limits provided at Art.37- (3) and of a variable component consisting of a stake share to the net profit of the company based on the level of achievement of the performance indicators.

The director general has the gross monthly fix allowance in quantum of 40,416 RON, representing *6 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.*

The Deputy Director General has the gross monthly fix allowance in quantum of 35,290 RON, representing *5 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.*

The director general has the gross monthly fix allowance in quantum of 33,680 RON, representing *5 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.*

The gross monthly fix allowance due to the directors with mandate contract for the period 01.01.2020 - 30.06.2020 was of 656,316 RON.

The general limits of the variable component have been approved by the OGMS at the meeting dated April 23rd, 2019. The variable component is being paid following the approval of the annual financial statements, according to the degree of achievement of the key performance indicators.

At the meeting dated 24.03.2020, the Board of Administration has approved the total degree of achievement of the financial and non-financial key performance indicators for the year 2019, of 107%, based on the *Report of Directors with mandate contracts of monitoring the framing of the key performance indicators for the year 2019 within the limits approved by the BoA* and the granting of the variable component due to directors for the mandate period carried out in 2019 pursuant to the provisions of the mandate contract and the general limits of the variable components approved by OGMS in the meeting dated 23.04.2019.

The total gross variable component related to 2019, payed in May 2020 was in amount of 1,258,829 RON.

Management of the conflicts of interests

During the first semester of 2020, at the level of CONPET SA, no conflicts of interest, fines from the National Integrity Agency or other incidents were registered, as it results from the declarations of interests submitted by the management staff and the members of the BoA, in application of Law no. 176/2010 on integrity in the exercise of public functions and dignities, for amending and supplementing Law no. 144/2007 on the establishment, organization and functioning of the National Integrity Agency, as well as for amending and supplementing other normative acts, respectively, in the first semester of 2020, a number of 103 persons submitted declarations of interests, out of which 96 employees with management positions and 7 members of the Board of

Administration without any delays in their submission. At the same time, no integrity warnings were recorded.

In order to implement the National Anti-corruption Strategy (SNA) 2016– 2020, which CONPET joined, in 2017 was approved the Plan for Intergity measures for the final year 2020, detailing, in particular the measures applicable to CONPET S.A., subsumed to the general and specific objectives set out in the SNA, in order to identify specific risks, vulnerabilities and specific intervention needs. Thus, each of the 27 measures of the current year's Plan was analyzed and, compared to the measures planned and necessary for 2020, the measures in question were identified and qualified to be addressed from measure to measure, respectively some permanently, some periodically, some when necessary and two new measures to be implemented on time by the end of the year.

The administrator or Director General who has interests in a particular operation, directly or indirectly, contrary to the interests of the company, must notify the other administrators and the internal auditor thereof and must not take part in any deliberations concerning this operation. The same is the duty of the administrator or the Director General if, in a particular operation, knows that the spouse, relatives or affiliates up to the fourth degree inclusively are interested. The members of the Board of Administration keep the confidentiality of any facts, data or information they have acquired in the course of exercising their responsibilities and understand that they have no right to use or disclose them during or after termination of the activity. In order to avoid the occurrence of the conflict of interest, the company has set-out a series of deontological rules that need to be observed both by the members of the Board of Administration as well as by the directors of the company, in correlation with the applicable legal provisions. Both in the Rules of Organization and Operation of the Board of Administration of CONPET S.A., as well as in the Corporate Governance Rules there are dispositions with regards to the management of the conflicts of interests and settlements with involved persons. In practice, the members of the Board of Administration shall inform the Board of any conflicts of interest that have arisen or may arise and shall refrain from attending the discussion and voting for the adoption of a ruling on the matter giving rise to the conflict of interest concerned.

As per EGO no.109 from November 30th, 2011 on the corporate governance of public enterprises and within the Program for the development of the internal management control system elaborated in compliance with O.S.G.G. no. 600/2018, considering the necessity of building an integrity culture inside CONPET S.A., an Ethics and Integrity Code has been drafted and approved by the Board of Administration (in the meeting dated 31.11.2018), further analyzed in S1 of 2020 for possible revision and update by the end of 2020. The entire personnel of CONPET S.aA has been trained with regards to the company's institutional strategy, the expectations in conduct matters as per the Code of Ethics and Integrity, as well as related to the rights and obligations of the personnel in ethics and compliance matters. Organization of the training program assumes that, if a company provides the efficient functioning of promoting an ethical behavior, causing a change in attitudes among its staff, then this system may limit internal conflicts, theft of company assets and fraud, use of the company resources in purposes other than those for which they are provided, using its image in the personal benefit of employees or sabotaging the interests of the company by misconduct of employees in relation to customers or business partners or corruption etc. All this is measured in money. The functioning of such a system contributes to the strengthening of the internal integrity system and the employee's sense of security, to his identification with the company's values, and therefore to a higher performance of the company.

The Executive Management

Between 01.01.2020-30.06.2020 the executive management had the following constituency:

Directors:

Position	Name and Surname	Observations
Director General	PhD. Eng. CHIȘ TIMUR Vasile	contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of
Deputy Director General	Legal Advisor DUMITRACHE Mihaela - Anamaria	contract of mandate of 4 years period 18.02.2019 - 17.02.2023, inclusive of
Economic Director	Econ. TOADER Sanda	contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of
Deputy Director General 2	Eng. DRAGNE Laurențiu Marian	starting 03.04.2019 up to 02.02.2020 inclusive of
	Eng. TUDORA Dorin	starting 03.02.2020 as per Decision of the Director General no. 41/31.01.2020
Director of Critical Infrastructures and Administrative Activities	Eng. DRAGNE Laurențiu Marian	starting 03.02.2020 as per Decision of Director General no. 40/31.01.2020

Head of Units:

Head of Transport Operations Unit	Eng. STOICA Narcis Florin
Head of Maintenance Development Unit	Eng. BUZATU Dan
Head of Critical Infrastructures Unit	Eng. NECȘULESCU Radu Florentin

Chief Engineers:

Production Chief Engineer	Eng. BACIU Dan-Silviu
Development-Maintenance Chief Engineer	Eng. VLĂDESCU Robert Gheorghe

3.5.3. Activity related to the sponsorship concluded in 2020 H1

The sponsorship actions are being performed following the approval of the Revenues and Expenditure Budget as per the law, falling within the sponsorship expenses broken down by areas of interest.

CONPET SA seeks the actions of sponsorship to be as efficient in terms from social point of view and the financial assistance to be a real support and benefit for the applicant. The sponsorship policy of the company supports both traditional projects, those that have an important and lasting impact on the community, as well as requests for smaller scale, which promotes, through ideas and actions, the individual performance.

For the year 2020, in the Revenues and Expenditure Budget of CONPET S.A. have been provided sponsorship expenses in amount of 700 thousand RON.

At the company's Board of Administration meetings there have been approved, up to 30.06.2020, sponsorship amounting to 440.000 RON, as follows:

- 35,000 RON - "Education, schooling and sports";
- 380,000 RON - " Medical care and health"

- 25,000 RON - "Other actions and activities"

In the context of the Covid-19 corona virus epidemic which Romania is facing since March 2020, CONPET SA supported, mainly through sponsorship actions, the public health units in Prahova and the humanitarian organization National Red Cross Society, institutions directly involved in the fight against the pandemic at county and national level. In this regard, the projects carried out aimed both at conducting a national campaign to inform the population about the effects of the new virus and to prevent contamination with Covid-19, and the purchase of medical equipment, protective equipment and disinfectants for hospitals in Prahova.

In the health and medical field 4 objectives were sponsored:

- **The Romanian National Red Cross Society** with the amount of 180 thousand RON, having as object, the development of a campaign to inform the population about the effects of the new CORONAVIRUS and to prevent CORONAVIRUS contamination, respectively the distribution to the population, throughout the country, of informative materials, but especially materials that can prevent infection with the new virus (protective masks, soap, hand sanitizer, napkins and other hygiene products).
- **Ploiești County Emergency Hospital** with the amount of 100 thousand RON, in order to purchase ventilators for anesthesia and intensive care for the development in optimal conditions and maximum safety the medical activity in the hospital, in the current epidemiological context.
- **Câmpina Municipal Hospital** with the amount of 60 thousand RON for the purchase of protective materials for medical staff and medical equipment necessary for the treatment of patients in the context of the Covid pandemic -19;
- **General CF Hospital** with the amount of 40 thousand RON for the purchase of protective equipment (masks, coveralls, goggles) and disinfectant in order to carry out in good condition the medical activity and epidemiological protection of medical staff in the context of the Covid pandemic -19.

3.5.4. Coronavirus Pandemic Risk Issues (Covid-19)

Ever since the beginning of this situation, CONPET adopted special measures to protect the employees and limit a potential extension of the disease COVID-19. Thus, prevention and protection measures have been implemented in all workplaces where employees work.

CONPET quickly and efficiently implemented all the emergency measures that were imposed to protect the health of the employees as well as to keep safe the administration of the Crude Oil National Transport System. In the context of the pandemic Corona virus (Covid-19), the company ensures business continuity.

4. 2020 H1 RELEVANT CORPORATE EVENTS

March 5th, 2020

The General Meeting of Shareholders approved the Revenues and Expenditure Budget and the Investment Program related to 2020;

April 29th, 2020

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2019 and the net profit distribution related to the financial year 2019.

June 12th, 2020

The Ordinary general Meeting of Shareholders approved the Investment Strategy for the period 2020-2025.

June 18th, 2020

The Ordinary general meeting of Shareholders approved the transaction with SNTFM "CFR MARFĂ" concluding an Addendum to the contract of "Transport services by rail of oil and rich gas from the loading ramps to the destinations set by CONPET S.A." having as object the augmentation of the tariff transport, respectively the augmentation of the estimated value of the contract with the amount of 7,627,649 RON.

5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements at 30.06.2020 and for the 6 months period ended 30.06.2020 were prepared in compliance with IAS 34 - Interim Financial Reporting.

The interim financial statements do not include all information and elements published in the annual financial statements and must be read together with the annual financial statements, prepared at December 31st, 2019.

The simplified interim financial statements at the date and for the six months period ended June 30th, 2020, included in this report have been revised by the external auditor BDO Audit SRL.

Accounting Policies

The accounting policies and the evaluation methods adopted in view of drafting the interim financial statements are compliant with those used at the preparation of the financial statements for the year concluded December 31st, 2019.

Annexes:

Annex no. 1 Interim Statement of the Financial Standing at June 30th, 2020;

Annex no. 2 Interim global result statement for the 6 months period ended at June 30th, 2020;

Annex no. 3 Interim cash-flow statement for the 6 months period ended June 30th, 2020;

Annex no. 4 Execution of the Revenues and Expenditure Budget at June 30th, 2020;

Annex no.5. Statement of the contracts for the procurement of works and products with values higher than 500,000 EURO, concluded during 01.01.2020-30.06.2020.

Annex no. 6 Statement of services procurement contracts with values higher than 100.000 Euro, concluded during 01.01.2020-30.06.2020;

Annex no. 7 Situation of litigations at 30.06.2020.

**Chairman of the Board of Administration
CONPET S.A.**

Gheorghe Cristian - Florin

Annex 1

STATEMENT OF THE FINANCIAL POSITION AT MARCH 30th, 2020

	- RON-	
	June 30 th , 2020 (revised)	December 31 st , 2019 (audited)
ASSETS		
Intangible assets		
Tangible assets	485,252,000	463,635,969
Intangible assets	5,170,380	6,339,896
Financial Assets	1,316,431	810,598
Receivables related to the deferred corporate tax	5,791,554	5,422,459
Total non-current assets	497,530,365	476,208,922
Current assets		
Stocks	8,908,969	8,169,862
Trade receivables and other receivables	40,239,570	42,248,700
Cash and cash equivalents	194,708,316	238,576,951
Accrued expenses	1,711,239	1,862,719
Total current assets	245,568,094	290,858,232
TOTAL ASSETS	743,098,459	767,067,154
Equities and liabilities		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	19,689,386	21,111,893
Other reserves	497,625,123	495,540,772
Retained earnings	43,240,804	43,997,162
Year's Result	31,781,915	58,876,719
Total Equities	626,621,038	653,810,356
Accrued revenues		
Investment Subsidies	1,010,955	1,065,921
Accrued revenues	7,111	8,171
Total Accrued Income	1,018,066	1,074,092
Long-term liabilities		
Long-term provisions	16,825,026	16,268,908
Other long-term liabilities	2,870,988	3,582,351
Total long-term liabilities	19,696,014	19,851,259
Current liabilities		
Trade liabilities	30,893,319	27,179,134
Current Corporate Tax	1,992,931	3,076,456
Other liabilities	39,914,412	38,838,402
Short-term provisions	22,962,679	23,237,455
Total current liabilities	95,763,341	92,331,447
Total liabilities	115,459,355	112,182,706
TOTAL EQUITY AND LIABILITIES	743,098,459	767,067,154

Annex no. 2

INTERIM GLOBAL RESULT STATEMENT FOR THE 6 MONTH PERIOD ENDED AT JUNE 30th, 2020

	- RON-	
	6 months ended at June 30 th , 2020 (revised)	6 months ended at June 30 th , 2019 (revised)
Operating Revenues		
Turnover	204,035,889	200,616,993
Other revenues	16,442,961	15,652,511
Earnings from disposal of assets	-	15,924
Total operating revenues	220,478,850	216,285,428
Operating Expenses		
Expenditure on stocks	2,303,677	3,403,834
Expenses with energy and water	6,935,393	6,582,865
Personnel expenses	79,705,004	79,244,144
Value adjustments in respect of fixed assets, less rights of use	23,673,522	22,834,354
Value adjustments on rights of use	832,680	-
Value adjustments on the current assets	(21,953)	(431,046)
Expenses related to external services	53,398,911	53,074,322
Adjustments related to provisions	281,342	1,889,143
Other expenses	19,985,436	16,610,921
Total operating expenses	187,094,012	183,208,537
Operating Profit	33,384,838	33,076,891
Financial revenues	3,718,092	4,103,524
Interest expenses on leasing contracts	215,901	-
Other financial revenues	46,649	42,218
Financial expenses	262,550	42,218
Financial profit	3,455,542	4,061,306
Profit before corporate tax	36,840,380	37,138,197
Expenses with current corporate tax	5,427,560	6,420,613
Expenses with (revenues from) deferred corporate tax	(369,095)	(462,429)
Profit of the period	31,781,915	31,180,013
TOTAL GLOBAL RESULT	31,781,915	31,180,013
Result per share	3.67	3.60

Annex no. 3

INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30th, 2020 (revised)

- RON-

	Name of the Element	6 months 2020 (revised)	6 months 2019 (revised)
	Cash flows from operating activities:		
+	Proceeds from services supply	226,164,953	223,289,593
+	Proceeds from interests related to banking placements	4,353,576	4,229,974
+	Other proceeds	2,432,857	3,562,954
-	Payments to the suppliers of goods and services	56,634,519	53,075,352
-	Payments to and on behalf of the employees	80,808,524	74,939,500
-	VAT Payments	22,459,285	24,091,451
-	Expenses with corporate tax and specific tax	6,511,085	7,454,032
-	Other payments regarding operating activities	19,400,636	19,206,000
A	Net cash from operating activity	47,137,337	52,316,186
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	0	29,520
+	Proceeds from modernization quota	18,278,152	15,175,542
-	Payments for purchase of tangible assets	50,500,027	31,371,385
B	Net cash from investment activities	(32,221,875)	(16,166,323)
	Cash-flows from financing activities:		
+	Proceeds of dividends transferred to Depozitarul Central	0	2,786,508
-	Paid dividends	58,474,434	60,787,524
-	Payments on the debt related to the financial leasing	309,663	0
C	Net cash from financing activities	(58,784,097)	(58,001,016)
	Net increase of the cash and cash equivalents cash=A+B+C=D2-D1	(43,868,635)	(21,851,153)
D1	Cash and cash equivalents at the beginning of the period	238,576,951	259,682,354
D2	Cash and cash equivalents at the end of the period	194,708,316	237,831,201

Annex no. 4

EXECUTION OF THE REVENUES AND EXPENDITURE BUDGET AT JUNE 30th, 2020

Execution of the Revenues and Expenditure Budget at June 30, 2020 is presented in the format and structure of OMFP no.3818/2019.

- thousand

RON-

INDICATORS (thousand RON)	Achieved Sem. I 2020	Budget Semester I 2020	Degree of achievement %
I. TOTAL REVENUES	224,197	221,794	101.1%
1.1 Total Operating Revenues	220,479	218,902	100.7%
1.2 Financial revenues	3,718	2,892	128.6%
II. TOTAL EXPENSES	187,357	198,595	94.3%
2.1 Total operating expenses	187,094	198,490	94.3%
Goods and Services Expenses	47,561	53,403	89.1%
Taxes, fees and similar related installments	16,638	16,581	100.3%
Personnel expenses, out of which:	79,705	84,585	94.2%
Salary related expenses:	72,366	74,979	96.5%
- salaries expenses	63,440	65,250	97.2%
- Bonuses	8,926	9,729	91.7%
Other personnel expenses, out of which:	64	2,062	3.1%
- Severance payment expenses related to personnel layoffs	62	2,062	3.0%
Expenses related to management and audit bodies, BoA and GMS	3,556	3,557	100.0%
Expenses with contributions due by the Employer	3,719	3,987	93.3%
Other operating expenses	43,190	43,921	98.3%
2.2 Financial expenses	263	105	250.5%
GROSS RESULT (profit/loss)	36,840	23,199	158.8%
INCOME TAX	5,058	3,411	148.3%
ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX	31,782	19,788	160.6%
INVESTMENT FINANCING SOURCES	44,953	41,363	108.7%
INVESTMENT RELATED EXPENSES	44,953	41,363	108.7%
SUBSTANTIATION DATA			
Number of personnel	1,587	1,570	101.1%
Total average number of employees	1,551	1,574	98.5%
Outstanding payments	0	0	-
Overdue receivables	98	285	34.4%

Annex no.5

STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO, CONCLUDED BETWEEN 01.01.2020-30.06.2020

RON-

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Number of the notice/invitation of participation	Initial contract value (RON)	- value of the contract after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
QUARTER I - 0 CONTRACTS VALUE QUARTER I = 0 RON											
QUARTER II - 7 CONTRACTS VALUE QUARTER II = 56,873,919.16 RON											
1	TERRA GAZ CONSTRUCT S.R.L.	Modernization of Independentei building	L-CA 114/02.04.2020	Tender	-	2330/20.01.2020	4,126,231.19	4,126,231.19	24.04.2020	6	6
2	CEZ SALE	Electricity Supply Batch 1	P-CA 191/30.06.2020	Tender	-	15844/20.05.2020	5,237,683.50	5,237,683.50	01.07.2020	12	12
CUMULATED TOTAL - 2 CONTRACTS Cumulated value =9,363,914.69 RON											

Annex no. 6

STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100.000 EURO, CONCLUDED DURING 01.01.2020-30.06.2020

RON-

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Contract notice number/in vitation of participation	Initial contract value (RON)	Contract value after potential addenda (in RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
1	LINSCAN ADVANCED PIP LINES	Smart pigging (expertise) and pipeline condition detection 12 3_4 F1 and 12 3_4 F2 Calareti-Petrotel and drafting of inspection reports	S-CA 29/19.02.2020	Tender	-	47110/03.1 2.2019	996,930.00	996,930.00	04.03.2020	5	5
TOTAL Quarter I - 1 CONTRACT VALUE Quarter I = 996,930.00 RON											
2	ENVIROTECH S.R.L.	Subsequent contract 2 to the Service Framework Agreement no. S-CA 149 of 11.06.2019 concluded with ENVIROTECH for services for the restoration of the geological environment and polluted watercourses as a result of damages caused on the route of crude oil, rich gas and ethane transport pipelines or in the technological premises of Conpet SA Ploiești, as well as picking up soil contaminated by crude oil.	S-CA 169/ 29.05.2020	Tender	-	16822/02.0 6.2020	1,877,609.00	1,877,609.00	12.06.2020	12	12

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Contract notice number/invitation of participation	Initial contract value (RON)	Contract value after potential addenda (in RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
CUMULATED TOTAL - 2 CONTRACTS Cumulated value =2,874,539 RON											

SITUATION OF LITIGATIONS on 30.06.2020

The list of ongoing litigations in courts on 30.06.2020 in which the company CONPET S.A. has the status of plaintiff

1. File no. 11921/105/2011 – Bacău County Court

Parties: Conpet S.A. - plaintiff

Biodiesel S.R.L. - defendant

Object: Claims. Conpet S.A. makes a request for a lawsuit requesting:

- To order to the defendant Biodiesel S.R.L to pay to Conpet S.A. the amount of 216,821.44 lei, representing the value of land rent for the period June 2009 - April 2011;
- To order to the defendant Biodiesel S.R.L to pay to Conpet S.A. the delay penalties due by the defendant pursuant to art. 11 of the Contract no. ADM 89/27.04.2009 concluded between the parties as a result of the non-fulfillment by the defendant of the obligation to pay the rent. Conpet requests the defendant to be ordered to pay the late payment penalties due from the due date until the actual date of payment (date of fulfillment of the obligation to pay the value of the main debt representing rent due for the period May 2009 - April 2011). We specify that until 11.11.2011 the amount due by the defendant as penalties for delay is in the amount of 30,653.77 lei;
- To order to the defendant to pay damages for the lack of land use from the date of expiration of the contract (28.04.2011) and until now. When assessing the damages for the lack of use, we took into account the amount of rent agreed with the defendant through the lease agreement no. ADM 89/27.04.2009;
- To order to the defendant Biodiesel S.R.L. to pay the court costs which we shall advance in the present case.

Clarifications: By the **sentence no. 445/04.03.2015** The Moinești District Court rejects the exception of non-execution of the contract. It partially admits the request made by the plaintiff Conpet SA Ploiești in contradiction with the defendant Biodiesel SRL. Obliges the defendant to pay to the plaintiff the amount of 191,554.60 lei representing the rent value. Obliges the defendant to pay to the plaintiff the amount of 106,026.58 lei representing equivalent penalties for delay, which will be due further, starting with 20.11.2014 until the date of actual payment of the rent. Dismisses the claim for damages. Obliges the defendant to pay to the plaintiff the amount of 10,599.31 lei representing the judicial stamp duty to the extend of admitting the action and expert fee. The decision was appealed by Conpet and Biodiesel.

By the **Conclusion of 08.03.2016**, the Bacău County Court orders to stay the proceedings of the appeal in accordance with art. 244(1)1 Code of Civil Procedure (old), until the final settlement of the file no. 5119/260/2014. Conpet appealed against the suspension. It will be tried at the Bacău Court of Appeal. By the decision of 07.09.2016, the appeal was rejected.

By **Decision no. 35 /24.06.2020**, the Bacău County Court admits the appeal filed by Conpet SA against the appealed civil sentence. Rejects as unfounded the appeal filed by Biodiesel SRL against the appealed civil sentence. It partially changes the appealed civil sentence in the sense that it orders the defendant to pay the amount of 185063.02 lei, damages for lack of land use during 28.04.2011-26.11.2012, as well as the related court costs incurred in first instance in the amount of 6156.46 lei. Maintains the rest of the provisions of the judgment under appeal. Obliges the appellant-respondent-defendant to pay the court costs to the appellant-respondent-plaintiff of the amount of 2203.13 lei, representing the judicial stamp duty. The decision can be appealed after communication.

Procedural stage: --

Deadline: -

2. File no. 19024/281/2009 - Ploiești District Court

Parties: Conpet S.A. - plaintiff

Compania de Transport Feroviar S.A. Ploiești - defendant

Object: Conpet filed a lawsuit requesting the defendant to pay the amount of 50,511.6 lei representing the difference in payment for the repair of the engine of the locomotive LDH 70-675 in the amount of 60,381.60 lei, as well as court costs.

Clarifications: By the **Conclusion of 02.09.2011**, the court **suspended** the case pursuant to art. 36 of Law 85/2006.

Procedural stage: In first instance - **Suspended**

Deadline: -

3. File no. 6179/105/2009 - Prahova County Court

Parties: Conpet S.A. - creditor

Petroconduct S.A. – debtor

Object Bankruptcy. Conpet S.A. by the Debt Declaration no. 5949/23.02.2010 requested the registration in the list of creditors with the amount of 202,890.47 lei representing penalties for non-execution on time of the obligations assumed by contract no. L45/18.03.2004 and MST9/ 09.06.2004, equivalent value of tubular material, transport costs, loading, unloading of tubular material, court costs. Conpet SA was registered on the table of creditors of the debtor S.C. Petroconduct S.A. with the amount of 62,739.06 lei.

Clarifications: The debtor's judicial liquidator registered the company on the debtor's preliminary table with only a part of the debt claimed by Conpet, respectively 62,739.06 lei out of the total claim in the amount of 216,412.56 lei, although our company filed all means of appeal at our disposal.

Deadline: 09.09.2020

4. File no. 3033/105/2012 – Prahova County Court

Parties: Conpet SA – creditor

Vasrep Petro Construct SRL – debtor

Object Bankruptcy. Conpet SA formulates a request for admission of the claim requesting the registration on the table of creditors Vasrep Petro Construct SRL with the amount of 126,877 lei, including VAT, representing the value of expenses for material, labor and equipment necessary to bring the pipeline to the state before the wrongdoing by debtors, deed consisting in the unlawful destruction and theft of two sections of 4,120 ml in length from the pipe Ø 10¾ "Iancu Jianu - Ghercești. Conpet files an appeal against the measure of non-registration of Conpet SA on the Preliminary Table with this claim, which is the subject of file no. 3033/105/2012/a1. By Sentence no. 1958/19.11.2012, the Prahova County Court dismissed Conpet's appeal, Conpet filed for second appeal, the Ploiești Court of Appeal allowed the second appeal, quashed the sentence of first instance and sent it for retrial.

By the **sentence no. 1008/17.09.2014** (file no. 3033/105/2012 / a1*) The Prahova County Court admits the appeal to the preliminary title. It orders the registration of the appellant creditor Conpet S.A. in the final table of receivables of the debtor with the amount of 1,473,628 lei for materials, labor and equipment as well as 120 lei judicial stamp fee for second appeal and 2500 lei expert fee. Vasrep filed appeal.

By **decision no. 141/15.01.2015** The Ploiești Court of Appeal rejects the second appeal as unfounded.

Procedural stage: First appeal

Deadline: 26.10.2020

5. File no. 2803/120/2013 - Dambovită County Court

Parties: Conpet SA – creditor

Ecprod SRL - debtor

Object: Insolvency. Application for admission of claim. Conpet SA filed an application for admission of a claim on the property of the debtor Ecprod in the amount of 25,728.89 lei. Conpet is registered on the Creditors' Table with the amount of 25,728.89 lei.

Procedural stage: First appeal

Deadline: 21.09.2020

6. File no. 7932/118/2013* –Constanța County Court

Parties: Conpet SA – civil party

Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan - defendant

Romeo International Service Company SRL Năvodari - defendant

Romeo International Service Company SRL Năvodari represented by Nicolaidis Constantin - defendant

Ministry of Public Finance - ANAF – civil party

DGFP - civil party

Object: Tax evasion offenses (Law 87/1994, Law 241/2005), art. 323 C.pen., Aggravated theft (art. 208-209 C.pen.). Conpet SA became a civil party for the amount of 928,785.94 lei representing the value of the amount of stolen crude oil (277 tons), pipeline remediation works and laboratory analyzes.

Clarifications: By the **sentence no. 472/17.12.2015** The Constanța County Court admits the civil action filed by the civil party Conpet SA. Ploiesti. Obliges the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to jointly pay to the civil party Conpet SA. the amount of 90,814.50 lei (c/val of 30 tons of crude oil stolen on 27.05.2013). Obliges the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to jointly pay to the civil party Conpet SA. the amount of 93,841.65 lei (c/val of 31 tons of crude oil stolen on 31.05.2013). Obliges the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to jointly pay to the civil party Conpet SA. the amount of 111,027.27 lei (c/val of 36 tons of crude oil stolen

on 03.06.2013). Obliges the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to jointly pay to the civil party Conpet SA. the amount of 585,977.25 lei (c/val of 190 tons of crude oil stolen on 04.06.2013 and 05.06.2013). Obliges the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to jointly pay to the civil party Conpet SA. the amount of 17,289.32 lei representing the amount of works for the decommissioning of the artisanal installation and for bringing the pipeline to its initial state. Obliges the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalana Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to jointly pay to the civil party Conpet SA. the amount of 9,576.84 lei representing the the counter value of the laboratory analyzes, for 17 samples of petroleum product. Notes that the civil party Conpet SA. waived the civil claims in the amount of 20,268.11 lei for the deed of 03.08.2013 because the damage was fully recovered. The decision was appealed by the defendants.

By **decision no. 675/10.06.2016** The Constanța Court of Appeal admits the appeals made by the Prosecutor's Office attached to the Constanta County Court and by the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfă Paul, Luca Viorel, Merdicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan and SC Romeo International Service Company SRL Năvodari. Abolishes in full the criminal sentence no. 472/17.12.2015 pronounced by the Constanța County Court in file no. 7932/118/2013 and orders the case to be sent for retrial to the Constanța County Court. Here it is assigned * and orders the case to be sent to the judge of the preliminary chamber (7932/118/2013*/a1).

By **Conclusion no. 93/28.02.2017** The Constanța County Court rejects as unfounded the requests and exceptions formulated by the defendants Bivolaru Gabriel, Chihaiia Marin, Merdicos Romeo Ovidiu, Arhire Adrian and Mangalea Gheorghe. Notes the legality of notifying the court with Indictment no. 569/P/2013 dated 30.08.2013 issued by the Prosecutor's Office attached to the Court of Appeal of Constanța, which ordered the prosecution of the defendants. Finds the legality of the administration of evidence and of the execution of criminal prosecution acts. It orders the commencement of the trial of the case. The conclusion was challenged, rejected by CA Constanța.

Also, by the **Conclusion of 28.02.2017**, the Constanța County Court finds the exception of unconstitutionality admissible. Notifies the Constitutional Court with the settlement of the exception of unconstitutionality invoked by the defendant Bivolaru Gabriel, in file no. 7932/118/2013 * of the Constanța County Court, regarding the unconstitutionality of the provisions of disp. art. 280 para.1, art. 281 paragraph 1 and art. 282 paragraphs 1 and 2 of the Code of Criminal Procedure - file no. 812D/2017. The objection was rejected as inadmissible.

Procedural stage: First instance - retrial

Deadline: 02.09.2020

7. File no. 1862/114/2014 –Buzău County Court

Parties: Conpet SA – creditor

Geluval Stor SRL – debtor

Object: Conpet SA formulates a request for admission of the claim requesting the registration on the table of creditors Geluval Stor SRL with the amount of 1,440.90 lei, representing penalties for delay due to payment over the term provided in the contract of 7 invoices issued by Conpet for services provided under Contract no. STA 101/20.03.2012 concluded with the defendant, amount to which the debtor was obliged by the sentence no. 8867/16.06.2014 pronounced by the Ploiești District Court in the file no. 109/281/21014, remained final by non-appeal.

Conpet was registered on the preliminary table of creditors' claims against the debtor Geluval Stor SRL with the amount of 1,440.90 lei.

Procedural stage: First instance

Deadline: 10.09.2020

8. File no. 1510/262/2014 – Moreni District Court

Parties: Conpet SA - plaintiff

Pîrvu Gheorghe – defendant

Pîrvu Nicolae - defendant

Grigorescu Gabriel - defendant

Zlăteanu Dragoș Marian - defendant

Comuna Dărmănești, legally represented by the City Hall of Dărmănești Commune -defendant

SC Nimb Dâmbovița SA – defendant

Object: Conpet summons requesting the court to order the defendants to jointly pay to Conpet the

amount of 34,944.18 lei as civil damages - representing the amount of pipeline remediation works and Link 14 fiber optic cable, destroyed on 03.06.2011, within the commune of Dărmănești, Dâmbovița county, works necessary to bring them to the initial state before committing the deed, ie in working order, amount to which is added the legal interest starting the date on which the judgment given in the present case becomes final and until the date of actual payment; payment court fees.

Clarifications: By the **Conclusion dated 08.01.2015**, the Moreni District Court suspends the trial of the case in relation to the defendant SC Nimb Dambovita SA. Separates the case with respect to the other defendants and the formation of a new case (184/262/2015).

Procedural stage: First instance - **Suspended**

Deadline: --

9. File no. 6819/118/2013 – Constanța County Court

Parties: Conpet SA – creditor

Tobias SRL – debtor

Object Bankruptcy. Conpet S.A. requested the registration in the list of creditors of the debtor with the amount of 663 lei representing the equivalent value of 230 kg of aluminum (575 lei) and 110 kg of scrap metal (88 lei), handed over to Tobias SRL on 04.06.2013, pursuant to the contract sale - purchase of waste no. 2013/ADM/15.02.2013 concluded between Conpet and Tobias.

The request made by Conpet was admitted in part by the judicial administrator, in the sense that our company was registered on the creditors' table with the amount of 643.11 lei, the difference of 19.89 lei representing 3% environmental fund and due to the Administration Environmental Fund.

Procedural stage: First instance

Deadline: 08.10.2020

10. File no. 717/105/2015 - Prahova County Court

Parties: Conpet SA - creditor

Fotbal Club Petrolul Ploiești SA - debtor

Object: Bankruptcy. Conpet filed an application for admission of the claim by which it requested the registration in the list of creditors of the debtor Fotbal Club Petrolul Ploiești SA with a claim in the amount of 14,465.33 lei. Conpet was entered on the table of receivables of the debtor's creditors with the requested amount.

Clarifications: By the sentence no. 821/22.06.2016 The Prahova County Court admits the request of the judicial administrator. Approves the conclusions of the judicial administrator's report. It orders the beginning of the general procedure of the debtor's bankruptcy. It orders the dissolution of the debtor company and the revocation of the right of administration. It orders the sealing of the debtor's assets and the fulfillment of the other liquidation operations.

Procedural stage: First instance

Deadline: 07.10.2020

11. File no. 13386/3/2015 – Bucharest County Court

Parties: Conpet SA – creditor

Perfect Metal SRL – debtor

Object: Bankruptcy. Conpet S.A. requested the registration in the list of creditors of the debtor with the amount of 221,189.85 lei representing penalties for delay, compensations, interest and court costs.

The application was accepted but Conpet was entered in the list of creditors in the category of unsecured creditors and not in the category of secured creditors as would have been the case considering the content of our application for registration on the preliminary table of creditors. Conpet filed an appeal against the preliminary table of claims, which is the subject of file no. 13386/3/201/a1 with a deadline at 18.09.2015. By **decision no. 7106/18.09.2015** the Bucharest County Court rejects the appeal as unfounded.

Procedural stage: First instance

Deadline: 11.09.2020

12. File no. 19602/3/2015 –Bucharest County Court

Parties: Conpet SA – creditor

Top Birotica SRL – debtor

Object: Bankruptcy. Conpet S.A. requested the registration in the list of creditors of the debtor with the amount of 2,258.72 lei representing delay penalties due for the delayed delivery of the equipment that was the object of the contract P-CA 438/17.11.2014.

Procedural stage: First instance

Deadline: 22.07.2020

13. File no. 2899/62/2015 – Braşov County Court

Parties: Conpet SA – creditor

Condmag SA - debtor

Object: Bankruptcy. Application for admission of the Conpet claim against the property of the debtor Condmag SA - 42,950.85 lei representing penalties, composed of the guaranteed claim 40,927.28 lei and the unsecured claim 2,023.57 lei.

Procedural stage: First instance

Deadline: 21.07.2020

14. File no. 8156/281/2014 – Ploieşti District Court

Parties: Conpet SA – civil party

Matei Marinel – claimant in revision

Object: Qualified theft. Revision. Matei Marinel formulates a request for revision of the criminal decision no. 1383/14.10.2013 pronounced by the Ploieşti Court of Appeal in the file no. 19230/281/2011.

Procedural stage: First instance

Deadline: 20.07.2020

15. File no. 310/120/2016 – Ploieşti Court of Appeal

Parties: Conpet SA – civil party

OMV Petrom SA – civil party

SNTGN Transgaz SA – civil party

Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudas Pavel, Tudorache Marius, Parvu Valentin, Georgescu Anda, Manda Marin – defendants

Object: Establishment of an organized criminal group (art. 367 NCP). Conpet became a civil party for the amount of 405,536.24 lei, representing the value of the stolen pipes.

Clarifications: By the Conclusion of 31.05.2016, the Dâmboviţa County Court sends to the prosecutor's office the case started through the indictment given in the criminal investigation file no. 124/D/P/2013 of the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - BT Dâmboviţa regarding the defendants GG, VV, CV, DP, TM, PV, GA, MM injured persons being OMV Petrom SA, Conpet SA, Societatea Naţională de Transport Gaze Naturale „Transgaz” SA. The Prosecutor's Office filed an appeal against the decision, pending before the Ploieşti Court of Appeal. By the Conclusion of 13.10.2016, the Ploieşti Court of Appeal admits the appeal filed by the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - Dâmboviţa Territorial Office, abolishes the contested decision and by rejudging finds the legality of the act of apprehension of the Dâmboviţa County Court by indictment no. / 2013 of the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - Dâmboviţa Territorial Office, administration of evidence and execution of criminal investigation acts. Order the commencement of the trial.

By the **sentence no. 366/09.05.2019** The Dâmboviţa County Court admits the civil actions filed in the case by the civil parties of Societatea Naţională de Transport Gaze Naturale „TRANSGAZ” S.A., S.C. CONPET S.A., and S.C. OMV PETROM SA, specified during the judicial investigation and obliges the defendants to compensate, as follows: a) For the deeds committed to the detriment of the civil party, Societatea Naţională de Transport Gaze Naturale „TRANSGAZ” S.A, obliges the defendants: Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudaş Pavel, to jointly pay the amount of 51,588 lei; b) For the deeds committed to the detriment of the civil party S.C. CONPET S.A., obliges the defendants: Gruia Gheorghe, Vasile Valentin, Georgescu Anda to jointly pay the amount of 869,084, 26 lei; c) For the deeds committed to the detriment of the civil party S.C. OMV PETROM S.A. obliges the defendants: Gruia Gheorghe, Vasile Valentin, to jointly pay the amount of 28,134.11 lei; Dismisses the civil action filed in by Amuza Daniel as unfounded. The decision was appealed by the defendants.

Procedural stage: Appeal

Deadline: 16.07.2020

16. File no. 1450/214/2016 – Argeş County Court

Parties : Conpet SA – civil party

Şerban Ilie, Dobre Marin, Naicu Ion Marian – defendant

Object: Theft. Conpet became a civil party for the amount of 133,147.97 lei representing the value of

the amount of crushed oil stolen, the repair works of the damaged pipeline and the DNA expertise performed in the case.

Clarifications: By the **Conclusion of 18.08.2016**, the Costești District Court rejects as unfounded the requests and exceptions invoked by the defendants, finds the competence and legality of notifying the court, of administering the evidence and performing the other criminal prosecution acts and orders the start of the trial. The conclusion was appealed. By **Conclusion no. 194/13.10.2016** The Argeș County Court rejects the appeal as unfounded.

By the **sentence no. 69/19.03.2019** The Costești District Court admits in part the civil action exercised by the civil party Conpet SA and obliges the defendants, to jointly pay to the civil party Conpet SA the amount of 14,676.82 lei, representing material damages, amount to which is added the legal interest. Rejects, for the rest, the civil action as unfounded. The decision was appealed by the defendants.

Procedural stage: Appeal

Deadline: --

17. File no. 8529/281/2016 –Ploiești Court of Appeal

Parties: Conpet SA – civil party

Constantin Costel, Matei Marian, Stan Mihai Catalin, Matei Valentin Dumitru – defendant

Object: Qualified theft. Conpet became a civil party for the amount of 158,780.39 lei composed of:

- 24,691.2 lei (including VAT) representing the value of the quantity of 30,000 liters stolen during September-October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru

- 128,394.0 lei (including VAT) representing the value of the quantity of 156,000 liters stolen during September-October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.

- 5,695.19 lei (including VAT) representing the equivalent value of the pipeline remediation works, necessary to bring it to its initial state before the committing the contravention, ie in working order.

Conpet filed a request to increase the amount of the application for civil party to the amount of 243,127.77 lei representing the damage suffered by Conpet as a result of the theft of petroleum products that took place between September and October 2015 from the 14 "Brazi pipeline inside the skid 24" administered by Conpet. The damage suffered by Conpet is of 243,127.77 lei composed of:

- 39,218.96 lei (including VAT) representing the value of the quantity of 30,000 liters stolen during September-October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru

- 203,914.72 lei (including VAT) representing the value of the quantity of 156,000 liters stolen during September-October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.

- 5,695.19 lei (including VAT) representing the value of the pipeline remediation works, necessary to bring it to its initial state before the committing the contravention, ie in working order.

Clarifications: By the **sentence no. 2366 / 13.12.2019** The Ploiești District Court partially admits the civil action filed by the civil party Conpet SA and obliges the defendants Constantin Costel, Matei Marian, Stan Mihai Cătălin and Matei Valentin Dumitru to jointly pay to the amount of 243,127.77 lei representing material damages. The decision was appealed by Constantin Costel and Matei Marian.

Procedural stage: Appeal

Deadline: 23.09.2020

18. File no. 8262/281/2016 – Ploiești District Court

Parties Conpet SA – creditor

Asociația Fotbal Club Conpet - debtor

Object: Dissolution of a legal entity. Application for admission of the claim. Conpet SA formulates a request for admission of the claim on the debtor's property, the Club Conpet Football Association, against which the dissolution was ordered by the civil Sentence no. 8683/04.10.2016 pronounced by the Ploiești District Court in the file no. 8262/281/2016, by which it requests the court to admit the application for registration in the list of creditors of the debtor Asociația Fotbal Club Conpet with the amount of 424.94 lei, as a certain, liquid and due receivable, born before the admission of the dissolution application, representing the rest payment penalties, according to invoice no. 1653/31.05.2015, calculated for the late payment of the obligations arising from the Lease Agreement no. ADM 366/23.10.2012, concluded by Conpet SA with the Conpet Football Club Association. Through the address 39101/28.09.2017 Conpet requested the completion of the value of the debt registered by the Football Club Conpet Association and with the amount of 1,358.84 lei representing delay penalties born prior to the dissolution request (total 1,783.78 LEI).

Stadiu procesual: First instance

19. File no. 789/105/2017 –Prahova County Court

Parties: ICIM SA through administrator CITR Bucharest - debtor
Conpet SA- creditor

Object: Insolvency proceedings. Conpet requests the registration on the table of creditors of the company ICIM SA represented by judicial administrator CITR FILIALA BUCHAREST SPRL, with the total claim in the amount of 393,934.37 lei representing penalties for delay, court costs, execution costs. A) 50,094, 8 lei representing the value of the works for repairing the damage to the pipeline Ø 6 RA Moreni-Ploiești and the lost crude oil, legal interest, court costs and execution costs established by the executory title - civil sentence no. 1014/28.01.2015 pronounced in file no. 113/281/2014 remained final and corrected by the Conclusion of correction of the material error dated 06.06.2016, by which the Ploiești District Court admitted the request for summons filed by the plaintiff Conpet S.A.

B) 343,839.57 lei composed of the amount of 331,271.57 lei representing penalties for delay in accordance with the provisions of art. 8.1. from the contract 0135/1995 (amended by art. 5 of the additional act 9/2005 and the additional act no. 10/2006), as well as the amount of 12,568 lei representing judicial stamp duty, judicial stamp and expertise fee

Conpet was entered on the table with the requested amount. ICIM filed an appeal which is the subject of file no. 789/105/2017 / a1 and requested:

- mainly a partial amendment of the preliminary table of claims in the context of the rejection of the application for entry of the claim in the amount made by Conpet
- in the alternative, a partial amendment of the preliminary table of claims for the purpose of entering the Conpet claim under condition.

Procedural stage: First instance

Deadline: 11.09.2020

20. File no. 6575/105/2017 – Ploiești Court of Appeal

Parties: Conpet SA – plaintiff

Court of Accounts of Romania – defendant

Object: Conpet filed an appeal against Decision no. 78 / 09.08.2017 issued by the Court of Accounts of Romania so that by the decision that the court will pronounce to order:

1. Partial annulment of the Conclusion no. 78/09.08.2017 issued by the Court of Accounts of Romania, respectively

- Recital 2 regarding Point II of Appeal no. 27718/10.07.2017 (regarding the measures no. I.2 and I.3 of Decision no. 24 / 21.06.2017, in order to remove the deviation presented at points 2 and 3 of the same decision), the findings from let. A and B.

2. Partial annulment of Decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts, respectively:

- The findings presented in point 2 regarding the decommissioning and capitalization of some sections of pipeline belonging to the National Transport System - part of the public domain of national interest, without previously adopting a government decision to transfer from the public domain of the state to the private domain, in order to prepare the decommissioning and scrapping documentation
- The findings presented in point no. 3 regarding the fact that in 2016 it was capitalized by auction the buried pipe recoverable according to the capitalization procedure approved by the regulation on the conditions of participation in the auction and the manner of conducting the auction for capitalization of buried and / or above-ground tubular metal material. The capitalization was made before the adoption of a government decision approving the transition from the public domain of the state to the private domain in order to capitalize, according to the law;
- Measure no. 2 on conducting the inventory to identify the parts of the National Transport System that were abandoned or decommissioned as a result of investments made in the National Transport System under rehabilitation, modernization and development programs and transmission of ANRM results to initiate government decision to approve the transition from the public domain of the state to the private domain of the state for their decommissioning. Regulation by internal procedure of the decommissioning, scrapping and capitalization of the disused parts of the National Transport System following the rehabilitation, modernization and development works carried out by the concessionaire;

- Measure no. 3 regarding the transfer of the amount of 927,154.06 lei representing income to the state budget from the capitalization of the tubular material resulting from the decommissioning of some parts of the tangible assets belonging to the public domain of the state, together with the related interests and penalties, updated at the payment date. Extension of controls to identify all net amounts resulting from the capitalization of materials related to tangible assets belonging to the public domain of the state disassembled, decommissioned and transferred to the budget, at present value.

3. Suspension of the measures established by Decision no. 14 / 21.06.2017, issued by the Prahova Chamber of Accounts, points no. 1.2 and 1.3, respectively measures 2 and 3 of these until the final settlement of the case.

Clarifications: By the **Conclusion of 23.02.2018**, the Prahova County Court rejects the request to suspend the execution of the administrative act, as unfounded. The decision was appealed by Conpet SA. By decision no. 2946/19.09.2018 the Ploiești Court of Appeal admits the appeal. It quashes the appealed sentence in its entirety and sends the case for retrial to the same court of first instance. By decision no. 1850 / 09.11.2018 The Prahova County Court admits the request, orders the suspension of the execution of measures 2 and 3 established by decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts until the final settlement of the case. Enforceable. The decision was appealed by the Court of Auditors. By decision no. 145 / 15.02.2019 The Court of Appeal rejects the appeal as unfounded. Final.

By **Sentence no. 278 /26.03.2020** The Prahova County Court admits the request for summons. Partially cancels the Conclusion no. 78 / 09.08.2017 issued by the Romanian Court of Accounts regarding recital 2 regarding point II of Appeal no. 27718 / 10.07.2017 (regarding the measures no. 1.2 and 1.3 of the Decision no. 24 / 21.06.2017, for the removal of the deviation presented at points 2 and 3 of the same decision), the findings from let. A and B. Cancels in part Decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts, regarding the findings presented in point no. 2, the findings presented in point no. 3, as well as measures no. 2 and no. 3 applied. Please note that no costs have been charged. The decision was appealed by the Court of Auditors.

Procedural stage: Second appeal

Deadline: --

21. File no. 689/42/2017 – The High Court of Cassation and Justice

Parties: Conpet SA – plaintiff

National Agency for Fiscal Administration - General Direction for Solving Complaints - defendant

Galati Regional General Direction of Public Finances - Buzău County Administration of Public Finances – defendant

Object: Tax administrative act appeal. Conpet SA formulates a request for a lawsuit requesting that by the decision it will pronounce to order:

1. **Annulment of Decision no. 114 / 06.04.2017** issued by ANAF - General Direction for Solving Complaints;

2. **Annulment of the Tax Decision no. F-BZ 436/31.10.2016**, regarding the additional fiscal payment obligations established by the fiscal inspection for legal entities, issued by the Regional General Direction of Public Finances Galați - Buzău County Administration of Public Finances;

3. **Annulment of the Fiscal Inspection Report no. F-BZ 584 / 31.10.2016**, concluded by the inspectors from the National Agency for Fiscal Administration - Regional General Direction of Public Finances Galați - Buzău County Administration of Public Finances - Fiscal Inspection Service.

4. Obligation of the defendants to pay the court fees

Clarifications: By the **sentence no. 24/01.02.2019** The Ploiești Court of Appeal partially admits the request for summons. It orders the partial annulment of the tax inspection report F BZ 584 dated 31.10.2016, of the taxation decision F BZ 436/31.10.2016 and of the decision 114/06.04.2017 regarding the following findings: -point I regarding the tax on profit in the amount of 2,435,078 lei related to sponsorship expenses - point X - tax and profit in the amount of 12,915 lei related to advertising and publicity expenses in the related amount of 80,719 lei and related VAT in the amount of 19,372 lei. - point XI- tax and profit related to advertising and publicity expenses in the related amount of 1,129,500 lei. - point XII - tax and profit related to the expenses with the rents in the afferent amount of 442,545 lei - point XIII - tax on profit afferent to the expenses with the external trips in the amount of 207,614 lei. Maintains the rest of the contested documents. The decision was appealed by Conpet and ANAF.

Procedural stage: Second appeal

Deadline: 22.07.2020

22. File no. 23486/281/2017 –Prahova County Court

Parties: Conpet SA – plaintiff

Consultanță Pentru Infrastructuri Terestre CONSIT SA

Object: Claims. Conpet formulates a request for summons of the defendant CONSULTANTA PENTRU INFRASTRUCTURI TERESTRE CONSIT S.A. requesting the court to order through its decision the defendant to pay the following sums:

- 2,700 lei representing damages according to the provisions of art. 17.3 of the Contract no. S-CA 85/21.03.2016 communicated by the termination notification no. 21580 / 30.05.2017;
- 14,715 lei representing delay penalties, according to the Contract no. S-CA 85 / 21.03.2016 calculated until 07.06.2017, the date of termination of the contract.
- court costs.

Clarifications: By the **sentence no. 874 / 08.02.2019** The Ploiești District Court admits the action. Obliges the defendant to pay the amount of 14,040 lei. Obliges the defendant to pay the amount of 1,975.75 lei as court costs. The decision was appealed by Consultanță Pentru Infrastructuri Terestre CONSIT SA.

By **Decision no. 161 / 23.01.2020** The Prahova County Court rejects the main appeal as unfounded. Dismisses the cross-appeal as inadmissible. The judgment may be appealed after communication.

Procedural stage: --

Deadline: --

23. File no. 2782/229/2018 – Fetești District Court

Parties: Conpet SA – plaintiff

Zacon Trandafir – defendant

Object: Conpet SA filed a request to sue the named Zacon Trandafir so that based on the evidence that will be administered, the court will issue a court decision by which:

- found the absolute nullity of the sale-purchase contract no. 1047/03.02.1999, concluded between Conpet SA, as seller and Zacon Trandafir as buyer;
- order the defendant to pay the costs.

In the alternative, the defendant Zacon Trandafir is required to pay the value of the property at the fair market value established following the administration of a judiciary technical expertise.

Clarifications: --

Procedural stage: First instance

Deadline: 07.09.2020

24. File no. 27022/3/2018 – Bucharest County Court

Parties: Conpet – creditor

PETROCONSTRUCT GROUP S.R.L – debtor

Object: Bankruptcy. Conpet SA filed a request for admission of the claim for the amount of 17,176.14 lei (debit and penalties) for renting spaces according to contract ADM 803/ 05.12.2017 and renting a car according to order.

Clarifications: --

Procedural stage: First instance

Deadline: 13.10.2020

25. File no. 28232/281/2018 – Prahova County Court

Parties: Conpet SA – plaintiff

Mihoc Oil SRL – defendant

Object: Conpet SA formulates a request for summons requesting the court to order through its decision:

1. Obligation of the defendant MIHOC OIL S.R.L. upon payment to CONPET S.A. of the amount of 57,450 lei representing damages in the amount of 20% due according to art. 17 of the service contract no. S-CA 47 / 28.01.2016, following the termination of the contract due to the fault of the defendant;
2. Obligation of the defendant to pay the court costs.

Clarifications: By the **sentence no. 5451 / 04.07.2019**, the Ploiești District Court rejects the request as unfounded. The decision was appealed by Conpet.

By **decision no. 3230 / 23.12.2019** the Prahova County Court rejects the appeal as unfounded. The decision can be appealed after communication.

Procedural stage: --

Deadline: --

26. File no. 5629/318/2019 – Târgu Cărbunești District Court

Parties: Conpet SA – claimant
ITM Gorj - respondent

Object: Conpet files an appeal against the minutes of finding and sanctioning of the contravention series GJ no. 00014239/06.03, by which CONPET was sanctioned with the amount of 1,500 lei, the court was requested to find that the sanction applied is an unjustified one compared to the deed retained by the labor inspectors.

Clarifications: By **decision no. 3546/27.05.2019**, the Târgu Jiu District Court admits the exception of the territorial incompetence of the Târgu Jiu District Court, invoked by the court ex officio. Declines the competence to settle the case in favor of the Tg-Cărbunești District Court and orders the sending of the file to the competent court, immediately. No appeal.

By **Sentence no. 1869/13.11.2019** the Târgu Cărbunești District Court rejects the contraventional complaint. The decision can be appealed after communication.

Procedural stage: --

Deadline: --

27. File no. 5628/318/2019 – Târgu Cărbunești District Court

Parties: Conpet SA – claimant
ITM Gorj - respondent

Object: Conpet files an appeal against the minutes of finding and sanctioning of the contravention series GJ no. 00014386/06.03.2019 by which it was sanctioned with a contravention fine in the amount of 8,000 lei. It was requested to replace the contravention fines applied by the minutes of finding and sanctioning the contravention series GJ no. 14386/06.03.2019 with the sanction of the warning.

Clarifications: By decision no. 4417/21.06.2019 the Târgu Jiu District Court admits the exception of the territorial incompetence of the Târgu-Jiu Court. Declines the competence to settle the case, in favor of the Târgu Cărbunești District Court. Final.

By the **Conclusion of 22.10.2019**, the Târgu Cărbunești District Court, pursuant to art. 413 paragraph 1 point 1 orders the suspension of the case until final settlement of the case registered under no. 2793/95/2019 on the role of the Gorj County Court. The decision may be appealed throughout the period of suspension.

Procedural stage: First instance - Suspended

Deadline: --

28. File no. 13717/281/2019 – Ploiești District Court

Parties: Conpet SA – creditor
Dobrogeanu Dumitru – debtor

Object: Conpet formulates a request for the return of the enforcement by which it requests the court, that by the decision that it will pronounce to order the return of the enforcement carried out on the basis of the executory title represented by the decision no. 669 of 20.12.2011 of the Prahova County Court in the execution file no. 20/2016 to the B.E.J. Divoiu Maria, by partially restoring the situation prior to the execution, in the sense of obliging the defendant DOBROGEANU DUMITRU (pursuant to art. 723 of the Civil Procedure Code) to pay the following amounts to the undersigned:

- 5,930 lei amount which represents the difference between the amount actually enforced and the debt we owed;

- 576 lei as court costs consisting of stamp duty and equivalent value of photocopies of the execution file.

Also, it requests the updating with the penalizing legal interest of the amount of 5,930 lei starting with the date of 11.04.2016 and up to the date of the effective payment.

Clarifications: --

Procedural stage: First instance

Deadline: --23.07.2020

29. File no. 15056/281/2019 – Prahova County Court

Parties: Conpet SA – claimant
BEJ Divoiu Maria – respondent

Object: Conpet files an enforcement appeal against the Conclusion dated 24.06.2019 issued by BEJ Divoiu Maria in the execution file no. 555/2014 requesting the annulment of the conclusion.

Clarifications: By Conclusion no. 2131/22.10.2019, the Ploiești District Court rejects as unfounded the appeal against execution. The decision was appealed by Conpet.

Procedural stage: Appeal

Deadline: 07.07.2020

30. File no. 18792/281/2019 – Prahova County Court

Parties: Conpet S.A. – claimant

Andex Import Export S.R.L. – respondent

Object: Conpet S.A. makes a request for a summons requesting the court to order:

- Obligation of the defendant Andex Import - Export S.R.L. upon payment to Conpet S.A. of the amount of 46,176.27 lei representing damages in the amount of 20% due according to art. 16 of the service contract no. S-CA 97 / 15.03.2018, following the unilateral termination of the contract due to the fault of the defendant;

- Obligation of the defendant Andex Import - Export S.R.L. upon payment to Conpet S.A. of the penalties in the amount of 2,123.62 lei, due by the defendant in accordance with the provisions of art. 15.1 (1) and art. 15.2 of the contract for the non-execution in whole or in part of the collection, transport and temporary storage services from the locations of Conpet S.A. sent through orders between August 2018 and December 2019, according to Annex 2;

- Obligation of the defendant to pay the court costs.

Clarifications: --

Procedural stage: First instance

Deadline: 17.07.2020

31. File no. 6596/204/2019 – Câmpina District Court

Parties Conpet SA – petitioner

NATIONAL ENVIRONMENTAL GUARD- GENERAL COMMISSIONER - respondent

Object: Conpet files a complaint against the minutes of finding and sanctioning the contravention, GNM series, no. 14934, concluded on 01.08.2019, by the NATIONAL ENVIRONMENTAL GUARD-GENERAL COMMISSIONER. Through the minutes of finding and sanctioning the contravention GNM Series no. 14934 dated 01.08.2019 drawn up by the National Environmental Guard - General Commissariat, Conpet was sanctioned by applying a fine of 50,000 lei under Article 96 paragraph 3 of GEO 195/2005 for violation of Article 94 paragraph 1 letter b) which stipulates that natural and legal persons "b) comply with the conditions of the regulatory acts obtained;" We request the admission of the complaint, the annulment of the report of finding and sanctioning the contravention and the exemption of our company from the payment of the fine. In the alternative, we request that the fine be replaced by a warning.

Clarifications: By Sentence no. 1388/30.06.2020 The Câmpina District Court rejects the complaint as unfounded. The decision can be appealed after communication

Procedural stage: --

Deadline --

32. File no. 2149/249/2019 – Lehliu Gară District Court

Parties: Conpet SA – plaintiff

Boiciu George - defendant

Agroland Future SRL - defendant

Object: Conpet filed a lawsuit requesting the court that by the decision it will issue to order the defendants to pay to Conpet SA the amount of 8,148.60 lei representing the value of the electrical restoration works and court costs consisting of court fees stamp in the amount of 200 lei according to OP no. 5186/10.07.2019.

Clarifications: By the **sentence no. 1058/20.12.2019** The Lehliu Gară District Court rejects the exception of the lack of passive procedural quality invoked by the defendant Societatea Agroland Future SRL. Admits the request made by the applicant Conpet S.A. Obliges the defendants, to jointly pay to the plaintiff the amount of 8,120.14 lei representing the value of the works. Obliges the defendants, to jointly pay the plaintiff the amount of 511.01 lei as court costs. The decision can be appealed after communication.

Procedural stage: --

Deadline --

33. File no. 2793/95/2019 – Craiova Appeal Court

Parties: Conpet SA – plaintiff

Gorj Territorial Labor Inspectorate (ITM)– defendant

Object: Conpet formulates a request for a lawsuit requesting the partial annulment of the administrative act represented by the control report no. 00045039 concluded by I.T.M. Gorj on 06.03.2019 regarding the measure provided in point 4: *“S.C. Conpet S.A. will organize the internal prevention and protection service under the direct subordination of the employer, as a separate structure, (having over 1600 workers), taking into account that the activity takes place in territorially dispersed subunits and the nominee with responsibilities in the field of health and safety at work , at the working point “WAREHOUSE, PUMP STATION, MANLY OIL RAMP AND GASOLINE BĂRBĂTEȘTI” organized in BARBĂTEȘTI commune, Gorj county, to be a designated worker, subordinated to the head of the internal prevention and protection service.”*

Clarifications: By the sentence no. 17/14.01.2020 The Gorj County Court admits the action. Partially cancels the control report no. 00045039 / 06.03.2019, drawn up by the defendant, respectively regarding the measure ordered in point 4. The decision was appealed by ITM Gorj.

Procedural stage: Appeal

Deadline 07.07.2020

34. File no. 8727/105/2017 – Prahova County Court

Parties: Conpet SA – plaintiff

PAULUS S.R.L. – defendant

Object: On 14.10.2019 Conpet made a payment request to the judicial administrator CITR BUCHAREST BRANCH SPRL but the request was not resolved by the latter, but was presented to the court to discuss the request of Conpet S.A. Through the payment request, Conpet requested in accordance with art. 75 * paragraph 3 of Law no. 85/2014 the payment of the amount of 32,493.44 lei, amount due on 04.07.2019 by PAULUS S.R.L. (CF 4000500), insolvent company. The amount of 32,493.44 lei represents delay penalties due by PAULUS S.R.L. for non-fulfillment of the obligations established by contract no. S-CA 1191/05.07.2017. According to art. 4.1 of the contract, the term established for the fulfillment of the object of the contract consisting in “air conditioning maintenance services in all work points belonging to Conpet S.A.” it was 24 months from the date of signing the contract.

Clarifications: --

Procedural stage: First instance

Deadline: 30.09.2020

35. File no. 2036/83/2019 - Satu Mare County Court

Parties: Conpet SA – plaintiff

PRODREP MG S.R.L. – defendant

Object: On 11/18/2019, Conpet filed an application for registration in the list of creditors of the debtor PRODREP MG S.R.L. with the amount of 284,496.11 representing:

- damages in the amount of 148,926.49 lei provided in art. 18.2 of the works contract L-CA 699 of 28.09.2017 (20% of the contract value provided in art. 3 of the contract);
- penalties of 0.5%/day of delay provided by art. 17.1 of the works contract L-CA 699 of 28.09.2017 applied to the value of the unexecuted works in the amount of 46,575 lei for a number of 162 days of delay calculated from 10.04.2019 to 19.09.2019 the date of termination of the contract;
- equivalent value for electricity supply in the amount of 16.54 lei for the period 01.08.2019-31.08.2019, resulting from the execution of the works contract L-CA 699 of 28.09.2017;
- penalties of 0.5%/day of delay in the amount of 78,644.16 lei provided by art. 17.1 of the works contract L-CA 537 of 27.07.2017 applied to the value of unexecuted works for a number of 168 days of delay calculated from 01.05.2019 to 15.10.2019 the date of opening the insolvency procedure;
- penalties of 0.5%/day of delay in the amount of 10,333.92 lei provided by art. 17.1 of the works contract L-CA 380 of 05.10.2016 applied to the value of non-executed works for a number of 114 days of delay calculated from the date set for the completion of the works until their actual completion.

Clarifications: --

Procedural stage: First instance

Deadline: 29.09.2020

36. File no. 8330/204/2019 – Câmpina District Court

Parties: Conpet S.A. – petitioner

NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A through the

REGIONAL DIRECTION OF ROADS AND BRIDGES BUCHAREST - NATIONAL ROADS SECTION PLOIEȘTI – respondent

Object: Conpet S.A. files a complaint against the minutes of finding a contravention (PVCC) Series BU Nr. 002501 concluded on 20.09.2019 by the National Road Infrastructure Administration Company S.A. - D.R.D.P. Bucharest / National Roads / Motorways Section - Ploiești National Roads Section, requesting its cancellation (fine: 6,000 lei)

Clarifications: --

Procedural stage: First instance

Deadline: 23.09.2020

37. File no. 5575/105/2019 – Ploiești Appeal Court

Parties: Conpet – plaintiff

Garda Națională de Mediu - Comisariatul General – defendant

Object: Cancellation of the administrative act represented by the Finding Note no. 107 of 29.07.2019 drawn up by the National Environmental Guard - General Commissariat

Clarifications: By sentence no. 286 / 01.04.2020 The Prahova County Court rejects the request for summons, as unfounded. The decision was appealed by Conpet.

Procedural stage: Appeal

Deadline: --

38. File no. 4532/281/2020 – Ploiesti District Court

Parties: Conpet SA – plaintiff

Dobrogeanu Dumitru – defendant

Object: Conpet filed an appeal against the documents issued in the execution file no. 1/2020 pending before the Divoiu Maria Judicial Executor Office and requested:

1. Cancellation of the summons from 12.02.2020 issued by Divoiu Maria Judicial Executor Office for the payment of a debt in the amount of 19,342.63 lei (16,321.30 lei representing the difference resulting from the calculation of inflation related to the amount of 53,116 lei for the years 2018 and 2019 starting with on 20.12.2011 until 31.12.2018 for the amount due in 2018 and starting with 20.12.2011 until 31.12.2019 for the amount due in 2019, 1,079.1 lei representing execution expenses and 1,942 , 23 lei representing executor's fee)
2. Cancellation of the Conclusion establishing the execution expenses in the amount of 3,021.33 lei from 12.02.2020 issued by the Divoiu Maria Judicial Executor Office in the execution file no. 1/2020
3. Cancellation of the notice of establishment of the enforcement issued on 12.02.2020 issued by the Divoiu Maria Judicial Executor Office in the execution file no. 1/2020
4. Return of the execution for the amount of 131.55 lei representing the difference resulting from the calculation of the inflation index calculated by the Divoiu Maria Judicial Executor Office (16,321.30 lei) according to the conclusion of 12.02.2020 and the calculation made by CONPET S.A. according to INS (16,189.75 lei).
5. Return of the execution for the amount of 1,311.97 lei paid as a debit update with the inflation index for the period 01.01.2018-31.12.2018 within the real payment offer no. 5/2018 - BEJ Petcu Alexandru
6. Return of the execution for the amount of 1,333.21 lei paid as a debt update with the inflation index for the period 01.01.2019-31.12.2019 within the real payment offer no. 2/2019 made through Goslan și Stângă Professional Civil Society of of Judicial Executors.
7. Return of the execution for the difference in fee paid in addition to BEJ Divoiu Maria within the execution file no. 1/2020, respectively the amount of 587.78 lei (16,189.75 CONPET calculation as debit - 1,311.97-1,333.21 = 13,544.57; the debit is 13,544.57X10% = 1,354.45; 1,942.23 lei fee paid - 1,354. 45 lei fee due = 587.78 lei)
8. Return of the execution for the amount of 850 lei representing unjustified execution expenses

Clarifications: --

Procedural stage: First instance

Deadline: 13.07.2020

39. File no. 5686/281/2020 – Ploiești District Court

Parties: Conpet SA – petitioner

The Public Prosecutor's Office attached to Ploiești District Court - respondent

Object: Conpet SA files a complaint against the Classification Ordinance dated 18.10.2019 regarding the infringement of attempted robbery, requesting the admission of the complaint, the annulment of the Classification Ordinance and Ordinance no. 42 / II-2/2020 dated 25.02.2020, both ordered by the Prosecutor's Office attached to the Ploiești District Court in file no. 10712 / P / 2011, continuation of the criminal investigation and investigations in order to identify the offenders and bring them to criminal responsibility for damaging, by installing an artisanal installation, the gasoline transport pipeline Țicleni - Brazi, within Târgșorul Vechi locality, Zalhana village, county Prahova, as well as in order to recover the damage caused to our society.

Clarifications: --

Procedural stage: First instance

Deadline: Postponement of pronouncement on 09.07.2020

40. File no. 899/228/2020 – Făurei District Court

Parties: Conpet SA – petitioner

The Public Prosecutor's Office attached to Însurăței Court - respondent

Object: Conpet files a complaint against Ordinance no. 57 / II / 2/2019 ordered on 12.03.2020 by the first prosecutor of the Prosecutor's Office attached to the Brăila District Court and of the Order of dismissal ordered by the Prosecutor's Office attached to the Însurăței District Court in file no. 363 / P / 2011 requesting the annulment of the mentioned Ordinances, the continuation of the criminal investigation and investigations in order to identify the offenders and bring them to criminal responsibility for committing the act of theft during 18-20.05.2011 by cutting a copper electric cable from the substation cathodic protection related to the oil transport pipeline Ø 20 "Bărăganu - Onești Refinery, as well as in order to recover the damage caused to our company.

Clarifications: 02.07.2020

41. File no. 6625/120/2013 – High Court of Cassation and Justice

Parties: Conpet SA – civil party

Dumitru Nica Constantin, Dumitru Nica Gheorghe, Marasescu Marian, Vlada Aurica, Aslan Razvan Aurel, Grigorasu Dominel Ion, Georgescu Anda, Stanca Ion, Constantin Andrei Marius, Maricescu Constantin, Duniag Instal SRL prin reprezentant legal Dumitru Nica Gheorghe, Anaver Vila Grup SRL through the legal representative Dumitru Nica Gheorghe – defendants

MECMA for Petrotrans SA Ploiești through the Liquidator Rominsolv SPRL – civil party

OMV Petrom SA Asset 6 Muntenia Central - civil party

City Hall Bucșani - civil party

City Hall Șotânga - civil party

Romtelecom S.A. - Southeast Operations Division - Dâmbovița Telecommunications Center - civil party

Object: Qualified theft. Conpet became a civil party for the amount of 2,083.20 lei, representing the equivalent value of 350 m.l. subtracted from the pipe Ø 10 "F2 Siliște - Ploiești.

By the sentence no. 1284 / 05.11.2018 Dâmbovița County Court for the deed committed, in September 2010, within the Bucșani locality obliges, in solidarity, the defendants: Dumitru Nica - Constantin, Dumitru Nica - Gheorghe, S.C. Duniag Instal S.R.L., S.C. Anaver Vila Grup S.R.L., Grigorașcu Dominel Ion, Georgescu Anda and Mărășescu Marian for the payment of the amount of 2,083.20 lei to CONPET S.A. The decision was appealed by Conpet, defendants and the Prosecutor's Office.

By Decision no. 250 / 10.03.2020 Ploiești District Court of Appeal admits the civil action filed by the civil party Conpet SA as it was increased and jointly obliges the defendants: DUMITRU NICA-CONSTANTIN, DUMITRU NICA-GHEORGHE, S.C. DUNIAG INSTAL S.R.L., S.C. ANAVER VILA GRUP S.R.L., GRIGORAȘCU DOMINEL ION, GEORGESCU ANDA and MĂRĂȘESCU MARIAN for the payment of the amount of 14,972, 52 lei lei to the civil party SC Conpet SA.

Maricescu Constantin and Grigorașcu Dominel Ion filed an appeal in cassation.

Procedural stage: Cassation appeal

Deadline: --

42. File no. 5264/311/2020 – Slatina District Court

Parties: Conpet SA – petitioner

The Prosecutor's Office attached to Slatina District Court - respondent

Object: Conpet SA files a complaint against the Classification Ordinance ordered on 10.04.2020 by the Prosecutor's Office attached to Slatina District Court in file no. 4711 / P / 2014, regarding the for committing the act of aggravated theft, requesting the admission of the complaint, the annulment of the Classification Ordinance and of Ordinance no. 71 / II / 2/2020 of 20.05.2020, continuation of the criminal investigation and investigations in order to identify the offenders and bring them to criminal responsibility for the damage on 13.10.2011, with the purpose of stealing petroleum products, the transport pipeline crude oil Ø 10 "Ghercești - Icon, as well as in order to recover the damage caused to our company (1,851.62 lei).

Clarifications: 02.07.2020

43. File no. 1186/223/2020 – Drăgășani District Court

Parties: Conpet SA –petitioner
ITM Vâlcea - respondent

Object: Appeal for contravention no. 009540/07.05.2020 prepared by ITM Valcea through which Conpet S.A. was sanctioned with a fine of 8,000 lei

Clarifications: --

Procedural stage: First instance

Deadline: --

44. File no. 1547/828/2020 –Topoloveni District Court

Parties: Conpet SA – petitioner

The Prosecutor's Office attached to Topoloveni District Court - respondent

Object: Conpet SA files a complaint against the classification Ordinance ordered on 13.02.2020 by the Prosecutor's Office attached to Topoloveni District Court in file no. 1279 / P / 2011, regarding the committing the act of attempted theft, requesting the classification Ordinance and the Ordinance no. 31 / II / 2/2020 dated 18.05.2020 ordered by the Chief Prosecutor of the Prosecutor's Office attached to Argeș County Court, continuation of the criminal investigation and investigations in order to identify the offenders and bring them to criminal responsibility for the damage on 26 / 27.12.2012 , with the purpose of stealing petroleum products, gasoline transport pipeline Ø 6% "FI Țicleni - Ploiești, within Teiu locality, Argeș county, as well as in order to recover the damage caused to our company (1,236.84 lei).

Clarifications: --

Procedural stage: First instance

Deadline: 23.07.2020

45. File no. 6625/120/2013/a6 – Ploiești Court of Appeal

Parties: Conpet SA – civil party

Dumitru Nica Constantin, Dumitru Nica Gheorghe, Marasescu Marian, Vlada Aurica, Aslan Razvan Aurel, Grigorascu Dominel Ion, Georgescu Anda, Stanca Ion, Constantin Andrei Marius, Maricescu Constantin, Duniag Instal SRL through the legal representative Dumitru Nica Gheorghe, Anaver Vila Grup SRL through the legal representative Dumitru Nica Gheorghe – defendants

MECMA pentru Petrotrans SA Ploiești through the liquidator Rominsolv SPRL - civil party

OMV Petrom SA Asset 6 Muntenia Central - civil party

City Hall Bucșani - civil party

City Hall Șotânga - civil party

Romtelecom S.A. - South East Operations Division - Dâmbovița Telecommunications Center - civil party

Object: Qualified theft. Conpet became a civil party for the amount of 2,083.20 lei, representing the equivalent value of 350 m.l. subtracted from the pipe Ø 10 "F2 Siliște - Ploiești.

By the sentence no. 1284 / 05.11.2018 Dâmbovița County Court for the deed committed, in September 2010, within the Bucșani locality obliges the defendants: Dumitru Nica - Constantin, Dumitru Nica - Gheorghe, S.C. Duniag Instal S.R.L., S.C. Anaver Vila Grup S.R.L., Grigorașcu Dominel Ion, Georgescu Anda and Mărășescu Marian for jointly payment of the amount of 2,083.20 lei to CONPET S.A. The decision was appealed by Conpet, defendants and the Prosecutor's Office.

By Decision no. 250/10.03.2020 The Ploiești Court of Appeal admits the civil action filed by the civil party Conpet SA as it was increased and jointly obliges the defendants: DUMITRU NICA-CONSTANTIN, DUMITRU NICA-GHEORGHE, S.C. DUNIAG INSTAL S.R.L., S.C. ANAVER VILA GRUP S.R.L., GRIGORAȘCU DOMINEL ION, GEORGESCU ANDA and MĂRĂȘESCU MARIAN for the payment of the amount of 14,972, 52 lei lei to the civil party SC Conpet SA.

Maricescu Constantin filed an appeal for annulment requesting the annulment of decision no. 250/2020

and retrial of the appeal.

Procedural stage: Appeal for annulment

Deadline: 10.09.2020

The list of ongoing litigations in courts on 30.06.2020 in which the company CONPET S.A. has the status of defendant

1. File no. 8296/281/2007 – Ploiești County Court

Parties: Cornea Rodica Aurora – plaintiff

Conpet S.A., Petrotrans S.A., Transgaz Regional Bucharest, Ministry of Finance – defendants

Object: Cornea Rodica Aurora claims that the defendants jointly pay 74,000 euros in damages, representing the damage caused by the presence of pipes belonging to the defendants in the basement, the applicant's property and the payment of civil damages provisionally assessed at 10,000 lei for February 2004 - February 2006 as a result of the use of pipes that crossed the applicant's property.

Clarifications: The case is suspended based on art. 36 of Law no. 85/2006.

Procedural stage: First instance

2. File no. 8297/281/2007 – Ploiești County Court

Parts: Rusu Mihaela – plaintiff

Conpet S.A., Petrotrans S.A., Transgaz Regional Bucharest, Ministry of Finance – defendants

Object: Rusu Mihaela requests the jointly obligation of the defendants to pay civil damages in the amount of 74,000 euros representing the damage caused by the presence of pipes belonging to the defendants in the basement, the property of the plaintiff.

Clarifications: The case is suspended based on art. 36 of Law no. 85/2006.

Procedural stage: First instance

3. File no. 5248/111/2014 – Alba Iulia Appeal Court**

Parties: Conpet SA – defendant

Poenar Ioan – plaintiff

Object: Obligation to provide.

Clarifications: By decision no. 27/08.01.2015 the Bihor County Court admits the exception of the functional incompetence of the Second Civil Section, invoked by the court ex officio. Transposes the action brought by the applicant to the Third Administrative and Fiscal Litigation Section (where it receives *).

By decision no. 1238/16.04.2015 The Bihor County Court admits the exception of its territorial incompetence. Declines the competence to settle the specified request in favor of the Hunedoara County Court.

By the **sentence no. 196/16.02.2017** The Hunedoara County Court rejects the action in administrative contentious filed by the plaintiff Poenar Ioan in contradiction with the defendants Conpet SA and the General Regional Direction of Public Finances Timișoara through the County Administration of Public Finances. The decision was appealed by Poenar Ioan.

CA Alba Iulia admits the appeal, quashes the contested decision and sends the case for retrial to the Hunedoara County Court.

By the **sentence no. 372/14.03.2019**, the Hunedoara County Court rejects the action in administrative contentious filed by the plaintiff Poenar Ioan in contradiction with the defendants SC Conpet SA, and the General Regional Direction of Public Finances Timișoara through the Hunedoara County Administration of Public Finances. The decision was appealed by Poenar Ioan.

By the **Conclusion of 25.09.2019**, the Alba Iulia Court of Appeal suspends the trial, due to the lack of parties.

Procedural stage: Second appeal - suspended

Deadline: --

4. File no. 14960/280/2015 – Pitești District Court

Parts: Conpet – defendant

Cîrstea Stelian - plaintiff

Cîrstea Gherghina – plaintiff

Object: Obligation to provide + Claims. The plaintiffs filed a request for a lawsuit requesting the court to order Conpet SA to:

1. Payment of the lack of use from the date of acquiring ownership of the land - 06.10.2014, lack of use which it provisionally evaluates at the amount of 1000 lei.
2. The pick up of the pipes and installations on the land owned by the applicants, and as far as this is not possible, Conpet is obliged to pay a monthly amount equivalent to a rent for the land affected by the pipes and installations on it - at the level of rents practiced on the free market.
3. Payment of court costs.

The plaintiffs increased their claims to the amount of 6,276 lei representing the lack of use from 06.10.2014 until now.

Clarifications: --

Procedural stage: First instance

Deadline: Postponement of pronouncement on 07.07.2020

5. File no. 21382/281/2015 - Ploiești District Court

Partis: Conpet - defendant

lordache Margareta - plaintiff

Object: lordache Margareta filed a lawsuit requesting the defendant Conpet to pay the value of the lack of use of the building owned by the plaintiff, land located in Blejoi commune, Ploieștiori village, lot 24, plot 187/15, for the last three years before the action.

Clarifications: By the **Conclusion of 02.05.2017**, the Ploiești District Court suspends the trial of the case based on art. 242 paragraph (1) of the Civil Procedure Code. The decision may be appealed as long as the suspension of the trial lasts. The case was reopened on 28.11.2017.

By **Sentence no. 2624/17.06.2020** The Ploiești District Court rejects the request as unfounded. The decision can be appealed after communication.

Procedural stage: --

Deadline: --

6. File no. 3451/108/2016** –Timișoara Court of Appeal

Parts Conpet SA – defendant

UAT town of Pecica - plaintiff

Object: UAT of the city of Pecica filed a lawsuit requesting:

Mainly:

- order of the defendant Conpet S.A. to divert the oil pipeline that crosses a number of 22 plots of urban land, intended for the construction of houses, in our property, in a total area of 20,287 m.p.
- order the defendant Conpet S.A. to pay the amount of 65,000 euros representing the value of the house located in plot no. A141.7760/5/174, entered in C.F. no. 306869 because it can no longer be capitalized by the subscriber.

In subsidiary:

- order the defendant Conpet S.A. upon payment of an annual annuity, during the existence of the pipeline, as a result of the encumbrance of the areas shown above by the right of legal servitude

exercised by Conpet SA;

- order the defendant Conpet S.A. to the granting of compensations for the period 31.10.2014 - 31.05.2016 as a result of the limitation of the attributes of the property right of the 22 urban plots of land and of the decrease of the circulation value of the land on the real estate market due to the restrictions imposed by Order 196/2006 of NAMR on construction;
- order the defendant Conpet S.A. that every 3 years to adapt the amount of compensation to the value of circulation at that time of similar lands and the provisions of future orders of the A.N.R.M.;
- the setting by the court of the due date on which the compensations will be paid annually, following the non-payment at the due date to attract the payment of the legal interest related to the amount received as compensation for the delay period;
- order the costs to be incurred in the event of opposition.

Clarifications: By the Conclusion of 07.12.2016, the Arad County Court finds the functional incompetence of the Civil Section I of the Arad County Court and declines in favor of the Second Civil Section of the Arad County Court, the judgment of the action filed by the plaintiff Territorial Administrative Unit of Pecica.

By Conclusion no. 40 / 26.01.2017 The Arad Court rejects the request to show the right holder formulated by the defendant Conpet SA in contradiction with the plaintiff ATU of the City of Pecica and with the respondents the Romanian State through the Ministry of Public Finance and the National Agency for Mineral Resources. The decision was appealed by Conpet (File no. 3451/108/2016 * / a1 - Timisoara Court of Appeal, deadline: 14.03.2017). By decision no. 211 / 20.03.2017 The Timișoara Court of Appeal rejects the appeal.

By **the sentence no. 336/18.05.2017**, the Arad County Court rejects the civil action filed by the plaintiff ATU of the City of Pecica in contradiction with the defendant SC Conpet SA having as object an obligation to provide and claims. No court costs. The decision was appealed by the Pecica City ATU.

By **decision no. 761/23.11.2017** The Timișoara Court of Appeal admits the appeal. Annuls the appealed sentence and sends the case for retrial to the Arad County Court. Conpet filed an appeal.

Through the Report dated 07.06.2018, the High Court of Cassation and Justice found the inadmissibility of the Conpet appeal, it being promoted against a final decision, which does not fall within the hypothesis regulated by art. 483 par. 1 Code of Civil Procedure. The parties may submit a written opinion on the report within 10 days of its communication. By the Conclusion of 10.10.2018, the ICCJ admits in principle the appeal declared by the appellant-defendant Conpet S.A. against the civil decision no. 761 / A of November 23, 2017 pronounced by the Timișoara Court of Appeal - Civil Section II. Sets a deadline for resolving the appeal on January 30, 2019. By **decision no.**

615/22.03.2019 The ICCJ admits the appeal declared by the appellant-defendant Conpet S.A., quashes the appealed decision and sends the case to a new trial of the same appellate court.

Procedural stage: Appeal - retrial

Deadline: 13.07.2020

7. File no. 220/262/2017 –Dâmbovița County Court

Parties: Conpet SA – defendant

Chivu Ion – plaintiff

Object: Chivu Ion filed a lawsuit requesting the court to order:

- obliging Conpet SA to divert the oil pipeline that crosses the land owned by it, with an area of 1,753 sqm located in the commune of Ocnia T14, P114;
- establishing the access site with the obligation of Conpet SA to pay an afferent annual rent both for the access road and for the pipeline that causes damage to the land;
- compensations for the land affected by the pipeline.

The plaintiff assessed his claims provisionally at the amount of 45,540 lei / year x 3 years (136,620 lei).

Clarifications: By the **sentence no. 1000/05.11.2019** The Moreni District Court partially admits the main request. Admits in part the counterclaim. The decision was appealed by Conpet SA and Chivu Ion.

By **Decision no. 223/02.06.2020**, the Dâmbovița County Court rejects the appeal filed by the Romanian State through the Ministry of Public Finance-General Regional Directorate of Public Finance Ploiești against the Conclusion of 5.04.2019. Admits the appeals exercised against the civil sentence no. 1000/5.11.2019 pronounced by the Moreni District Court in the file no. 1220/262/2017. Annuls the judgment under appeal and remits the case for retrial to the first instance.

Procedural stage: First instance - Retrial

Deadline: --

9. File no. 5413/204/2017 – High Court of Cassation and Justice

Parties: Conpet SA – defendant

ANRM – defendant
Dobrogeanu Dumitru – plaintiff
Dobrogeanu Păun loan – plaintiff

Object: Claims. Dobrogeanu Dumitru and Dobrogeanu Păun loan filed a lawsuit requesting the court to order the defendants to:

1. Payment of an annual rent for the land areas occupied by the two pipelines transporting petroleum products (crude oil) starting with 01.07.2014 and in the future, throughout the existence of the pipelines;
2. Obligation of the defendants to pay the losses suffered by not achieving economic objectives on the area left between the two pipes after their restriction and the area along DN1 (E60);
3. Payment of court costs.

The first point of the application was estimated by the applicants at the amount of 48,000 Euro / year (220,000 lei), and the second point at the amount of 25,000 lei / year.

Clarifications: By decision no. 594/28.02.2018 The Câmpina District Court admits the exception of the material incompetence of solving the case of the Câmpina District Court, invoked by the court ex officio. Declines jurisdiction to settle the application in favor of the Prahova County Court. No appeal.

By the sentence no. 2446 / 28.08.2018 The Prahova County Court admits the exception of the lack of passive procedural quality, invoked by the defendant to the Bucharest National Mineral Resources Agency. Dismisses the action, in contradiction with that defendant, as being brought against a person without procedural capacity. It admits the exception of the res judicata authority. Dismisses the claim filed against the defendant SC Conpet SA, as there is res judicata. It is noted that the defendants have not applied for court costs. The decision was appealed by Dobrogeanu Dumitru.

By decision no. **2804/11.11.2019** The Ploiești District Court of Appeal rejects the appeal declared by the appellant Dobrogeanu Dumitru as unfounded. Admits the objection of inadmissibility of the cross-appeal. Dismisses as inadmissible the cross-appeal declared by the appellant Dobrogeanu Păun loan. The decision was appealed by Dobrogeanu Dumitru and Dobrogeanu Păun loan.

Procedural stage: Second appeal

Deadline: --

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9. File no. 4561/281/2018 – Ploiești District Court

Parties: Conpet SA – defendant
Ovidenie Dumitru – plaintiff

Object: Ovidenie Dumitru filed a lawsuit requesting the court:

- to find that on the land with an area of 335 sqm located in the commune of Brazi, T31, plot 178/19, in accordance with art.7 paragraph 1 of Law no. Updated 238/2004, a right of legal servitude is established;
- to establish the annual rent to the plaintiff, according to disp. art.7 paragraph 2 of Law no.238 / 2004, calculated at 5 Euro/sqm;
- to order the obligation of the defendant to pay this annuity for the last 3 years”.

Clarifications: --

Procedural stage: First instance

Deadline 10.09.2020

10. File no. 3060/105/2018 – Bihor County Court

Parties: Conpet – defendant
Pop Liviu – plaintiff
Ciordas Gheorghe – plaintiff

Object: Pop Liviu and Ciordas Gheorghe filed a lawsuit requesting the court to find, through the decision that it will rule, that during the periods mentioned in the work books they were employed and actually worked 100% of the work schedule in the sections included in the second working group and the first working group, respectively special, particularly special conditions and consequentially to oblige the defendant to issue the certificates.

Clarifications: By the **sentence no. 3522/26.11.2018** the Prahova County Court admits the exception of territorial incompetence invoked ex officio by the court. Declines the case to the Bihor County Court

Procedural stage: First instance

Deadline: 24.09.2020

11. File no. 5212/105/2018 – Prahova County Court

Parties: Conpet SA – defendant
Fondul Proprietatea SA – plaintiff

Object: Fondul Proprietatea SA filed a lawsuit requesting the court:

1. Order Conpet to pay the amount of 734,747.04 lei, representing the net value of the dividends related to a share of 6% of the share capital of Conpet, respectively for a number of 524,366 shares held by the plaintiff on the registration date of OGMS Conpet from 25.04. 2007 (ie 14.05.2007), for the financial year 2006,
2. Order Conpet to pay damages, respectively the legal interest related to the dividends from the due date of the amount requested in point 1 and until the date of filing the lawsuit (i.e. 09.11.2018), in the amount of 579,015.97 lei.
3. Order Conpet to pay the legal interest related to the net value of the dividends, from the date of filing the lawsuit and until the actual payment of the requested amounts,
4. Order Conpet to pay the costs of the present proceedings

Conpet S.A. filed a Request for bail of the Romanian State through the Ministry of Finance and A.A.A.S.

Clarifications: By the **Conclusion of 25.06.2019**, the Prahova County Court rejected as inadmissible the request for a guarantee of the Authority for the Administration of State Assets, formulated by the defendant Conpet S.A. An appeal was lodged against this decision of the court by Conpet and the Romanian State through the Ministry of Public Finance. By the same Conclusion of 25.06.2019, the court admitted in principle the request for a guarantee of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the exception of the lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered with the Ploiești Court of Appeal with no. 5212/105/2018 / a2. By **decision no. 515/05.11.2019** the Ploiești Court of Appeal admits the exception of the inadmissibility of the appeal declared by the Ministry of Public Finance. Dismisses this appeal as inadmissible. Rejects the exception of lack of interest and the exception of inadmissibility of the appeal declared by Conpet SA. Dismisses this appeal as unfounded. Final.

By the **Conclusion of 20.09.2019**, the Ploiești Court of Appeal suspended the trial of the case until the settlement of the appeals made against the decision pronounced on 25.06.2019. This conclusion remained final by non-appeal.

Procedural stage: First instance

Deadline: 10.07.2020

12. File no.. 524/302/2019 – Bucharest County Court

Parties: Conpet SA – respondent
BEJ Răduță Nicoleta – respondent
Dobrogeanu Păun Ioan – claimant

Object: Dobrogeanu Păun Ioan files an enforcement appeal against the forced execution that is the object of the forced execution file no. 16/2017 and the enforcement acts, respectively: enforcement notification dated 27.12.2018, the conclusion dated 11.12.2018 regarding the establishment of additional enforcement costs and the garnishment address dated 11.12.2018, issued in the enforcement file no. 16/2017 requesting the annulment of the forced execution and of the mentioned forced execution acts and the obligation of the respondent-creditor Conpet SA and BEJ Răduță Nicoleta to jointly pay the court costs.

Clarifications: By the **sentence no. 799/07.02.2019**, the District 5 Court of Bucharest admits the exception of the exclusive territorial incompetence of the District 5 Court of Bucharest, an exception invoked ex officio. Declines the competence to settle the case in favor of the District 6 Court of Bucharest.

By the **sentence no. 3819 /29.05.2019**, the District 6 Court of Bucharest admits the exception of the lack of passive procedural quality of BEJ Răduță Nicoleta, invoked by him. Rejects the appeal against the respondent BEJ Răduță Nicoleta, for the lack of passive procedural quality. Admits the appeal in part. It partially cancels the address for establishing the garnishment from 11.12.2018 from the file no. 16/2017, regarding the main debit in the amount of 13,220.50 lei. The decision was appealed by the claimant.

Procedural stage: Appeal

Deadline: 14.08.2020

13. File no. 1474/105/2019* – Prahova County Court

Parties: Conpet SA – defendant
Municipiul Ploiești – plaintiff

Object: The municipality of Ploiești formulates a request for a summons asking the court to order through the decision it will pronounce:

- order Conpet to pay the amount of 17,748 lei / month, representing the value of non-use, starting from 30.03.2016 and until the conclusion of a contractual form with the defendant, amount that will be updated with the inflation index communicated by the National Institute of Statistics;
- order Conpet to pay the equivalent in lei of the amount of 72,110.17 euro (excluding VAT), at the official leu/euro exchange rate, communicated by BNR, valid on the date of payment, representing non-use equivalent value for the period 29.03.2013 - 29.03. 2016
- order Conpet to pay the court costs generated by this trial.

Clarifications: By decision no. 908/20.06.2019 The Prahova County Court admits the exception of the functional incompetence of the Prahova County Court - the second Civil section of Administrative and Fiscal Litigation. Declines the case having as object a criminal liability action, in favor of the Prahova County Court - Civil Section I. No appeal.

Procedural stage: First instance

Deadline: Postponement of the ruling on 13.07.2020

14. File no. 198/241/2020 – Horezu District Court

Parties: Podurachi lordachi – plaintiff
Conpet S.A. – defendant

Object: Podureanu lordachi formulated a request for a summons asking the court to order through the decision it will pronounce:

- Order Conpet SA to pay the amount of 150,000 lei representing moral damages
- Order the defendant Conpet SA to pay the court costs

Clarifications: --

Procedural stage: First instance

Deadline: 14.09.2020

15. File no. 5812/303/2020 – Bucharest District 6 Court

Parties: Conpet SA
Dobrogeanu Păun Ioan - claimant

Objectt: Dobrogeanu Păun Ioan formulates an enforcement appeal against the forced execution of the Conclusions given by the judicial executor as well as against any enforcement act performed in the enforcement file no. 10/2013 of BEJ Răduță Nicoleta.

Clarifications: --

Procedural stage: First instance

Deadline: --

c) The list of ongoing litigations in courts on 30.06.2020 in which the company CONPET S.A. has double status

1. File no. 378/105/2007 – Prahova County Court

Parties: Conpet S.A. – plaintiff - defendant
Petroconduct S.A. – defendant- plaintiff

Object: Conpet S.A. requests the obligation of the defendant Petroconduct S.A. Ploiesti at:

- payment of the amount of RON 80,548.49 representing penalties for non-execution on time of the obligations assumed by contract no. L 45/18.03.2004 and the contract no. M 59/9.06.2004
- delivery of the tubular material composed of China steel pipe in the amount of 504 in the amount of 21,344.4 euros and China steel pipe in quantities of 96 m in the amount of 4,366.08 euros or upon payment to our company of its equivalent value, ie the amount of 89,291 .50 RON.
- payment of the amount of RON 20,626 representing transport costs, loading, unloading of the tubular material
- payment of court costs in the amount of RON 5,062.24, of which RON 5,057.24 judicial stamp duty and RON 5.00 judicial stamp as well as other court costs that we will incur in this process.

Petroconduct S.A. filed a counterclaim requesting the obligation of Conpet SA to pay the amount of 46,214.01 lei, representing the value of the works executed based on the works execution contracts no. L 45/18.03.2004 and no. MST 09/09.06.2004, in favor of the beneficiary Conpet SA.

Clarifications: On 22.02.2010, based on art. 36 of Law no. 85/2006, the court ordered the suspension of the case.

Procedural stage: First instance

Deadline: Suspended

2. File no. 1372/212/2017 – Constanța County Court

Parties: Conpet SA – defendant-plaintiff

Cruceanu Alin Florinel – plaintiff-defendant

Object: Cruceanu Alin Florinel filed a lawsuit requesting the court to:

- order Conpet SA to pay compensations equal to the market value of the land building with an area of 460 sq m located in Lazu commune, Luceafărului street no. 29, Constanța county and of the land building with an area of 460 sqm located in Lazu commune, Luceafărului street no. 31, Constanța county, the equivalent value estimated at 30,000 euros, the equivalent in lei 134,700;
- order Conpet SA to pay the value of the lack of land use in the form of an annual rent for the last three years;
- order Conpet SA to pay the court costs of settling the present action.

The applicant subsequently set out his action in respect of the second head of claim, claiming that the court should:

- order Conpet SA to pay the amount representing the non-use of the two land buildings for the period between 10.12.2015 and the date of finality of the decision by which the first end of the application was admitted.

The lack of use was provisionally assessed for stamping in the amount of 5,000 lei.

Conpet filed a counterclaim requesting:

- Obligation on the plaintiff to allow Conpet S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two lands owned by the plaintiff Cruceanu Alin Florinel, located in Agigea commune, Lazu village, Luceafărului street no. 29 and 31, Constanța County, respectively. The exercise of the right of legal servitude is to be done on a 2.4-meter-wide corridor located along the main oil transport pipeline Ø 20 " Constanța-Bărăganu for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and execution any repair work.
- Establishment of the amount of the annual annuity provided by law due by us subscribed to the plaintiff in exchange of exercising the right of legal servitude.

Procedural stage: First instance

Deadline: 09.07.2020

3. File no. 18344/212/2017 –Constanța County Court

Părți: Conpet SA – defendant - plaintiff

Mitu Dumitru – plaintiff - defendant

Mitu Rodica – plaintiff - defendant

Object: Obligation to provide. Mitu Dumitru and Mitu Rodica file a lawsuit requesting Conpet's obligation to pay compensation for the two plots of land located in Lazu village, Agigea commune, Constanța county affected by the routing of the pipelines transporting oil products, as well as the defendant's obligation to the payment of an annual annuity for the lack of use on the land affected by the exercise of the right of legal servitude, starting with 20.06.2014 and of some compensations in the form of an annual payment for affecting the use of the part of the land on which the pipeline is not located, with the obligation to pay the court costs.

The plaintiffs assessed the claims deduced to the court in the amount of 10,000 lei in order to stamp the application, indicating that after establishing the values through the expertise that they will administer in the case, the difference of judicial fee will be paid.

Conpet filed a counterclaim requesting the court to:

1. To order the plaintiffs to allow Conpet S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two plots of land owned by the applicants. The exercise of the right of legal servitude is to be done on a 2.4-meter-wide corridor located along the main oil transport pipeline F2 Ø 20 " Constanța-Bărăganu for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and execution of possible repair works.
2. To establish the amount of the annual annuity provided by law due by Conpet to the plaintiffs in exchange for exercising the right of legal servitude.

Conpet also filed a bail application with the Ministry of Public Finance and the National Agency for Mineral Resources (A.N.R.M.) that if Conpet S.A. Ploiești falls into claims regarding the plaintiffs' claims formulated in the lawsuit to compensate us with the amounts we will be obliged to pay to the plaintiffs.

Procedural stage: First instance

Deadline: 09.09.2020

4. File no. 2323/120/2018 – Dâmbovița County Court

Parties: Conpet SA – defendant - plaintiff

Buzatu Florin – plaintiff - defendant

Object: Buzatu Florin filed a lawsuit requesting the court:

1. To order of the defendant Conpet SA to pay the plaintiff the amount of 150,000 euros, payable at the NBR exchange rate on the day of payment (amount that will be reevaluated on the occasion of the completion of the real estate appraisal expertise report that will be carried out in the probation case, and we will resize and specify the value of the claims, corroborated with the appropriate adjustment of stamp duties), representing fair and equitable compensation for the damage suffered by restricting the possibility of exercising its property right over the land area of 5980 sqm located in the built-up area of Slobozia Moară locality, Dâmbovița county, with cadastral number 70618, registered in the land book 70618 / ATU Slobozia Moară Dâmbovița county, on which are the underground gas pipelines and above-ground devices owned by the defendant, land that cannot be used for construction a building;
2. To order the defendant Conpet SA to pay a monthly indemnity of EUR 1,000 payable at the BNR exchange rate on the day of payment, starting with the date of the judgment, for the duration of the existence of underground pipes and above-ground devices, bears all the costs incurred by the applicant for the stages leading up to the construction permit;
3. Subsidiarily, to order the defendant to remove all the buildings built on the applicant's property, namely the gas pipelines and above-ground devices, to restore the land to its original condition or to enable the applicant to carry out the obligation to do so at the defendant's sole expense;
4. To order the defendant Conpet SA to pay the costs incurred in the present legal proceedings.

Conpet filed a counterclaim

Clarifications: --

Procedural stage: First instance

Deadline: 08.09.2020

5. File no. 16016/281/2018 – Prahova County Court

Părți: Conpet SA – plaintiff

Protect Colector SRL – defendant

Object: Conpet filed a lawsuit against Protect Colector S.R.L. so that by the decision that the court will pronounce, it will dispose:

1. To order of the defendant Protect Colector S.R.L. upon payment to Conpet S.A. of the amount of 26,626.70 lei representing damages in the amount of 20% due according to art. 16.6 of the service contract no. S-CA 124/27.04.2016.
2. To order the defendant to pay the court costs.

Protect Colector SRL filed a counterclaim requesting the court to find the absolute nullity of the service contract no. S-CA 124/27.04.2016.

Clarifications: By the **sentence no. 5310/28.06.2019** The Ploiești District Court admits, in part, the request for summons filed by the defendant plaintiff Conpet. Obliges the plaintiff defendant to pay the plaintiff the amount of 19,970.02 lei, representing damages according to contract no. S-CA 124/27.04.2016. Dismisses the counterclaim as unfounded. Obliges the plaintiff defendant to pay to the defendant plaintiff the court costs in the amount of 1,103.50 lei, representing a judicial stamp duty, within the limits of the admitted claims. The judgment was appealed by the defendant.

By the **Decision of 18.06.2020**, the Prahova County Court rejects, as unfounded, the appeal. The decision can be appealed after communication.

Procedural stage: --

Deadline: --

6. File no. 1122/284/2019 – Răcari District Court

Parties: Conpet SA – defendant

Sotir Mădălina Rebeca – plaintiff

Object: Sotir Mădălina Rebeca filed a lawsuit requesting the court to order Conpet SA to compensate her with the amount of 25,000 euros for the land area of 523 m.p., construction yard category, land

surface of the plaintiff located in Cojasca commune, Dâmbovița county having cadastral no. 72587, subtracted from Conpet conduct.

Conpet SA filed a counterclaim requesting:

1. To order the plaintiff Sotir Mădălina Rebeca to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the land owned by it, located in Cojasca commune, Cojasca village, Dâmbovița County. The exercise of the right of legal easement is to be carried out on a 2.4 meter wide corridor located along the crude oil transport pipeline Ø 14 3 / 4" Cartojani-Teleajen Refinery (Lukoil) for the purpose of permanent access to the pipeline for the daily checking of the condition of the pipeline and execution of any repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the plaintiff's land but not later than the date of termination of the oil concession agreement concluded by us, signed by CONPET S.A., with the Romanian State.

2. To establish the amount of the annual annuity provided by law due by us, subscribed CONPET SA, to the plaintiff Sotir Mădălina Rebeca in exchange for exercising the right of legal servitude starting with the date of finality of the decision pronounced in the present case, annuity consisting in the equivalent value of the annual land use the exercise of servitude.

Clarifications: By the Conclusion of 25.09.2019, the Răcari District Court rejects the exception of the lack of passive procedural quality of Conpet SA. It admits the exception of the lack of passive procedural capacity of the National Agency for Mineral Resources.

Procedural stage: First instance

Deadline 08.09.2020

HEAD OF LEGAL SERVICE
Legal Adviser Cornel BĂNICĂ

"I certify the reality and accuracy of the information"

LEGAL SERVICE
Legal Adviser Cătălina DĂU



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

FINANCIAL STATEMENTS
at the date and for the period of six months ended
June 30th, 2020

As per Order of the Ministry of Public Finances no.2844/2016 and the International Accounting Standard 34 “Interim Financial Reporting”



e-mail: conpet@conpet.ro
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CONTENTS:

Interim financial statements

Statement of the Financial Standing	1– 2
The interim statement of the financial standing	3
Statement of changes in shareholders' equity	4 – 5
Interim statement of the cash flows	6-7
Explanatory notes to the financial statements	8 - 27



INTERIM STATEMENT OF THE FINANCIAL STANDING AT JUNE 30th, 2020

	Note:	June, 30 2020 (revised)	December, 31 2019 (audited)
ASSETS			
Fixed assets			
Tangible assets	4	485,252,000	463,635,969
Intangible assets	5	5,170,380	6,339,896
Financial Assets	6	1,316,431	810,598
Receivables related to the deferred corporate tax	13	5,791,554	5,422,459
Total non-current assets		497,530,365	476,208,922
Current assets			
Stocks	7	8,908,969	8,169,862
Trade receivables and other receivables	8	40,239,570	42,248,700
Cash and cash equivalents	9	194,708,316	238,576,951
Prepaid expenses		1,711,239	1,862,719
Total current assets		245,568,094	290,858,232
TOTAL ASSETS		743,098,459	767,067,154
Equities and liabilities			
Equities			
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	19,689,386	21,111,893
Other reserves	10	497,625,123	495,540,772
Retained earnings	10	43,240,804	43,997,162
Year's Result	10	31,781,915	58,876,719
Total Equities		626,621,038	653,810,356
Accrued revenues			
Investment Subsidies		1,010,955	1,065,921
Accrued revenues		7,111	8,171
Total Accrued Revenues		1,018,066	1,074,092
Long-term liabilities			
Long-term provisions	12	16,825,026	16,268,908
Other long-term liabilities	11	2,870,988	3,582,351
Total long-term liabilities		19,696,014	19,851,259

The Company CONPET S.A.

INTERIM STATEMENT OF THE FINANCIAL STANDING AT June 30, 2020

(All amounts are expressed in LEI, if not otherwise indicated)

Current debts			
Trade liabilities	11	30,893,319	27,179,134
Ordinary Corporate Tax	11	1,992,931	3,076,456
Other debts	11	39,914,412	38,838,402
Short-term provisions	12	22,962,679	23,237,455
Total current debts		95,763,341	92,331,447
Total debts		115,459,355	112,182,706
Total EQUITIES AND LIABILITIES		743,098,459	767,067,154

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue and signed by the company's management at August 14, 2020.

Director General
Timur-Vasile Chis

Economic Director,
Econ Sanda Toader

The attached notes from 1 to 19 are constituent parts of these financial statements.

The Company CONPET S.A.

The interim Statement of the global result for the period of six months ended

June 30, 2020

*(All amounts are expressed in LEI, if not otherwise indicated)***INTERIM STATEMENT OF THE GLOBAL RESULT FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2020**

		6 months ended June 30, 2020 (revised)	6 months ended June 30, 2019 (revised)
Operating Revenues	15		
Turnover		204,035,889	200,616,993
Other revenues		16,442,961	15,652,511
Earnings from disposal of assets		-	15,924
Total Operating Revenues		220,478,850	216,285,428
Operating Expenses	16		
Expenditure on stocks		2,303,677	3,403,834
Expenses with energy and water		6,935,393	6,582,865
Personnel expenses		79,705,004	79,244,144
Impairments of assets, less rights of use		23,673,522	22,834,354
Impairments related to rights of use		832,680	-
Impairments of current assets		(21,953)	(431,046)
Expenses related to external services		53,398,911	53,074,322
Impairments related to provisions		281,342	1,889,143
Other expenses		19,985,436	16,610,921
Total Operating Expenses		187,094,012	183,208,537
Operating profit		33,384,838	33,076,891
Financial Revenues		3,718,092	4,103,524
Expenses regarding interests related to leasing contracts		215,901	-
Other financial expenses		46,649	42,218
Financial Expenses		262,550	42,218
Financial profit	17	3,455,542	4,061,306
Profit before corporate tax		36,840,380	37,138,197
Expenses with ordinary income tax	13	5,427,560	6,420,613
Expenses with (revenues from) deferred corporate tax		(369,095)	(462,429)
Profit of the year		31,781,915	31,180,013
TOTAL GLOBAL RESULT		31,781,915	31,180,013
Result per share		3.67	3.60

These interim financial statements and the related notes, from page 1 to page 27, have been authorized for issue and signed by the company's management at August 14, 2020.

Director General
Timur-Vasile Chis

Economic Director,
Econ Sanda Toader

The attached notes from 1 to 19 are constituent parts of these financial statements.

STATE OF THE CHANGES IN EQUITIES AT JUNE 30, 2020 (revised)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance January 1, 2020	28,569,842	5,713,968	21,111,893	495,540,772	43,997,162	58,876,719	653,810,356
Net result of the period						31,781,915	31,781,915
Net variation of the reserve - the modernization quota	-	-	-	2,084,351	-	-	2,084,351
Surplus achieved from revaluation	-	-	(1,422,507)	-	1,422,507	-	-
Dividends due to shareholders	-	-	-	-	(3,298,140)	(57,757,444)	(61,055,584)
Allocation of profit provided by law - tax exemption of the reinvested profit					1,119,275	(1,119,275)	-
Balance at June 30, 2020	28,569,842	5,713,968	19,689,386	497,625,123	43,240,804	31,781,915	626,621,038

Note: The position „Other reserves” includes also the reserve representing the modernization quota in amount of 460,008,820 RON at 30.06.2020, namely 457,924,469 RON at 01.01.2020. This reserve has a special regime of use, provided by GD no. 168/1998, this being destined exclusively to the financing of the modernization and development of the goods belonging to the public domain. The modernization quota is being collected at the extent of capitalization and proceeds from the production and is being reflected in reserves accounts on the account of expenses. On a monthly basis, is being written back to revenues the modernization quota at the level of depreciation of the fix assets financed out of this source.

INTERIM STATEMENT OF THE CHANGES IN EQUITIES AT JUNE 30, 2019 (revised)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1, 2019	28,569,842	5,713,968	25,810,840	496,092,345	44,689,399	60,676,014	661,552,408
Net result of the period						31,180,013	31,180,013
Net variation of the reserve - modernization quota	-	-	-	(337,729)	-	-	(337,729)
Surplus achieved from revaluation	-	-	(2,257,869)	-	2,257,869	-	-
Reunification reserve from revaluation of the land plots not included in share capital	-	-	(342,634)	452,314	(109,680)	-	-
Deferred corporate tax recognized at the expense of equities	-	-	56,441	-	-	-	56,441
Dividends due to shareholders	-	-	-	(1,105,807)	(4,304,887)	(59,242,229)	(64,652,923)
Allocation of profit provided by law - tax exemption of the reinvested profit	-	-	-	-	1,433,785	(1,433,785)	-
Balance at June 30, 2019	28,569,842	5,713,968	23,266,778	495,101,123	43,966,486	31,180,013	627,798,210

Note: The position „Other reserves” includes also the reserves from the modernization quota in amount of 458,604,096 RON, namely 458,941,825 RON at 01.01.2019. These reserves are established on monthly basis based on the expenses, by application of the modernization quota coefficient provided in the tariff on the proceeds from transport services. The reserves from the modernization quota are being reduced monthly, by write-back to revenues of the depreciation of fixed-assets financed out of this source.

These financial statements from page 1 to page 27 have been authorized for issue and signed by the company's management at August 14, 2020.

**Director General,
Ph.D Engineer Timur-Vasile Chiş**

**Economic Director,
Econ. Sanda Toader**

**INTERIM STATEMENT OF CASH-FLOWS FOR THE PERIOD OF SIX MONTHS ENDED
JUNE 30, 2020**

-RON-

	Name of the Element	6 months 2020 (revised)	6 months 2019 (revised)
	Cash flows from operating activities:		
+	Proceeds from services supply	226,164,953	223,289,593
+	Proceeds from interests related to banking investments	4,353,576	4,229,974
+	Other proceeds	2,432,857	3,562,954
-	Payments to the suppliers of goods and services	56,634,519	53,075,352
-	Payments to and on behalf of the employees	80,808,524	74,939,500
-	VAT Payments	22,459,285	24,091,451
-	Income tax and specific tax payments	6,511,085	7,454,032
-	Other payments related to operating activities	19,400,636	19,206,000
A	Net cash from operating activity	47,137,337	52,316,186
	Cash flows from investment activities		
+	Proceeds from sale of tangible assets	-	29,520
+	Proceeds from modernization quota	18,278,152	15,175,542
-	Payments for procurement of tangible assets	50,500,027	31,371,385
B	Net cash from investment activities	(32,221,875)	(16,166,323)
	Cash flows from financing activities:		
+	Proceeds of dividends transferred to Depozitarul Central	-	2,786,508
-	Paid Dividends	58,474,434	60,787,524
-	Payments against the financial leasing-related debt	309,663	-
C	Net cash from operating activity	(58,784,097)	(58,001,016)
	Net increase of the cash and cash equivalents cash=A+B+C=D2-D1	(43,868,635)	(21,851,153)
D1	Cash and cash equivalents the beginning of the period	238,576,951	259,682,354
D2	Cash and cash equivalents end of the period	194,708,316	237,831,201

The value of the net cash-flows from the operating activity register a decrease by approx. 5 mRON due to the higher payments to the suppliers of goods and services and to the employees.

Cash outflows for payment of assets generated a net negative cash flow from investing activities in amount of 32.2 mRON. As compared to the same period last year, the net cash flow recorded a negative value increasing by approximately 16 mRON generated by the higher payments to the investment suppliers in Half I, 2020, as compared to the same period of the previous year.

The net cash from the financing activity recorded in both periods compared negative amounts determined by the payment of dividends to shareholders.

Out of the total of 195 mRON availabilities in the balance at 30.06.2020, the part associated to the modernization quota is in amount of 133 mRON.

These preliminary financial statements and the related notes, from page 1 to page 27 have been authorized for issue and signed by the company management at August 14, 2020.

Director General
PhD. Eng. Timur-Vasile Chis

Economic Director,
Ec. Sanda Toader

The attached notes from 1 to 19 are constituent parts 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, is 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 Municipality, 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.

The company's shares are traded at the Bucharest Stock Exchange (BVB) on September 5th, 2013, under the "COTE" symbol.

Currently, CONPET S.A. is included in 7 indexes of the total of 9, namely **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG AND BET Plus**.

At 31.06.2020, CONPET S.A. had a market capitalization of 673.55 mRON (1,440.3 mRON), ranking 20 in "Top 25 of the issuers after capitalization".

Company Set-up

CONPET is set up based on GD 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 shareholders structure and the number of voting rights at the date of 31.12.2019 are the followings:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,370,768 shares representing 27.38 % and
- natural persons, with 1,203,388 shares representing 13.90 %.

Company's Mission

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

Other Information on the Company's Business

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

CONPET supplies transport services for its clients both via the National Transport System concessioned based on the oil concession agreement of the National Transport System of crude oil, gasoline, condensate and ethane, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major 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 has the obligation to provide, as per the legal provisions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

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

Legal Environment

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 state's interests in oil resources and is the competent authority empowered to apply the provisions of Law no. 238/2001. 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 oil agreements on behalf of the state;
- awards mining concession licenses and operating 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 National Transport System via pipelines of the crude oil and natural gas and regulates its operating activities through concession agreements concluded;
- annuls the concession/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 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 company practices different transport tariffs for the two subsystems belonging to the National Transport System, namely the subsystem for the transport of crude oil, condensate, rich gas and ethane from the internal 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 determined by the value of transmission allocation of the amount of oil transported to the beneficiaries, the appropriate distances, 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, gas and water, 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, decontamination expenses, other expenses;
- modernization and development quota;
- a reasonable rate of profit

2. Preparation Grounds

(a) Statement of Compliance

The interim financial statements have been prepared according to the Order of the Ministry of Public Finances no.2844/2016 for the approval of the accounting Regulations as per the International Financial Reporting Standards ("IFRS") ("OMFP 2844/2016") and IAS 34 - Interim financial reporting.

These preliminary financial statements do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31st, 2019. Nevertheless, certain explanatory notes selected are included in order to explain the events and transactions that are significant for understanding the amendments occurred in the financial standing and records of the company from the last annual financial statements drafted at the date and for the financial year ended December 31st, 2019.

The interim financial statements drafted at June 30th, 2020 are not audited but have been revised by the financial auditor.

These preliminary financial statements have been authorized for issue and signed by the company's management at August 14th, 2020.

(B) Accounting Estimations and Professional Reasonings

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

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2019.

3. Accounting Policies

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company at the date and for the financial year ended December 31st, 2019, except for the adoption of new standards effective from January 1st, 2020.

The following amendments of the existing standards issued by the Committee for Accounting International Standards (IASB) and adopted by the European Union (EU) have entered into force during the financial reporting period ended June 30th, 2020, yet they don't bear significant effect on the financial statements or are not applicable and were not presented in detail:

- Amendments to IAS 1 "Financial Statements" - the application of IAS 8 financial instruments with IFRS 4 Insurance Contracts (in force for annual periods starting or following the date of Wednesday, January 1st, 2020)
- Amendments of the references to the general conceptual framework in the IFRS standards (in force for the annual periods starting with or after the date of January 1st, 2020)
- Amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: acknowledgment assessment", IFRS 7 "Financial instruments: information to be supplied".
- Amendments to IFRS 3 "Leasing Contracts" (in force for annual periods starting with or after January 1st, 2020)

Certain amendments to the existing standards will take effect subsequently to the date of

30.06.2020. The company has opted for not adopting the application thereof in the interim financial statements.

4. Tangible assets

In the first six months of the year 2020, the tangible assets have evolved as follows:

Name	Land plots and land improvements	Special installations and buildings	Operating oil products	Machineries and equipments	Control and measurement devices	Means of transport	Other tangible assets	Tangible assets in progress	Total intangible assets
Gross accounting value at January 1, 2020	22,584,099	298,859,495	42,072,846	105,048,289	80,836,708	33,978,495	6,916,493	58,153,146	648,449,571
Cumulated depreciation at January 1, 2020	-	(44,169,472)	-	(52,066,352)	(61,498,222)	(22,221,629)	(4,555,901)	-	(184,511,576)
Impairments for depreciation receivables	-	-	-	-	-	-	-	(302,026)	(302,026)
Net accounting value at January 1, 2020	22,584,099	254,690,023	42,072,846	52,981,937	19,338,486	11,756,866	2,360,592	57,851,120	463,635,969
Inputs of tangible assets	-	8,581,975	-	948,762	9,188,953	1,381,869	1,619,695	23,087,095	44,808,349
Depreciation registered during the year	-	(12,333,668)	-	(5,067,731)	(3,534,943)	(1,856,256)	(399,720)	-	(23,192,318)
Gross accounting value at June 30, 2020	22,584,099	307,441,470	42,072,846	105,997,051	90,025,661	35,360,364	8,536,188	81,240,241	693,257,920
Cumulated depreciation at June 30, 2020	-	(56,503,140)	-	(57,134,083)	(65,033,165)	(24,077,885)	(4,955,621)	-	(207,703,894)
Impairments for assets depreciation at June, 30	-	-	-	-	-	-	-	(302,026)	(302,026)
Net accounting value at June 30, 2020	22,584,099	250,938,330	42,072,846	48,862,968	24,992,496	11,282,479	3,580,567	80,938,215	485,252,000
Difference	-	(3,751,693)	-	(4,118,969)	5,654,010	(474,387)	1,219,975	23,087,095	21,616,031

*Element-row "Means of transport" includes the value of the rights of use of the assets purchased in December 2019, in financial leasing system, consisting of 30 vehicles necessary to the performance of the activity specific to the company. The net value of these fixed assets in the statements of the financial standing at 30.06.2020 is of 1,950,033RON and represents the gross value in amount of 2,228,610 RON, less the depreciation recorded in the first six months of 2020, in amount of 278,577 RON.

At 30.06.2020 the net value of the tangible assets has increased as compared to 01.01.2020 by the amount of 21,616,031 RON.

During the first Semester of the year there have been recorded inputs of tangible assets in amount of 44,808,349 RON and amortization in amount of 23,192,319 RON.

The tangible assets commissioned in the first semester of 2020 were of 21,721,254 RON.

In the tangible assets are being included also fixed assets held based on a financial leasing contract concluded in December, 2019, consisting of 30 means of transport necessary for the carry out of the company's specific activities. The duration of the financial leasing contract is of 4 years and the value of the rights of use of the assets taken by leasing, of 2,228,6120 RON is being included in the same element-row as the one to which are being presented the assets-support proper to the company, namely the "Means of transport".

The amortization of the assets in leasing, registered in the first Semester of the year 2020 is in amount of 278,577 RON. The outstanding value at 30.06.2020 of these assets is of 1,950,033 RON.

At 30.06.2020, CONPET has recorded in the company patrimony lands in surface of 733,649 sqm with an accounting value amounting to 22,584,099 RON, namely:

- 554,538 sqm represent lands with an accounting value of 12,348,115 RON, held under 48 Certificates of ownership 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.
- 155,411 sqm represent lands with an accounting value of 3,144,984 RON held based on 14 Ownership Certificates obtained until 2001. The share capital of the company has been increased by the value of these lands.
- 23,700 sqm represent lands with an accounting value of acquired by the Company upon several sale-purchase contracts. A part of the procured lands are related to the corporate offices and on the other procured lands are placed telecommunication towers located in different sites over the country.

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

The tangible assets also include the oil operating product, assessed in the statement of the financial standing at the cost determined from the revaluation restated by the application of IAS 29 "Financial reporting in the hyperinflationary economies". During the first six months of 2020 there have not been registered movements of oil product, the value thereof at 30.06.2020 being of 42,072,846 RON.

Tangible assets in progress

At June 30th, 2020, the value of the assets in progress is of 80,938,215 RON and comprises investment objectives provided in "2020 Investments Program", mainly made up of: pipelines segments replacements on different lengths and routes, commissioning works of the crude oil pipelines to overcrossing or undercrossing of the rivers, tanks modernizations, modernizations of loading ramps, SCADA works and telecommunication works etc.

5. Intangible assets

The statement of the intangible assets in the first six months of the year 2020 reveals the followings:

Name	Rights of use related to the assets taken in leasing	Licenses and soft	Other intangible assets	Total intangible assets
Gross accounting value at January 1, 2020	4,963,226	5,645,183	910,983	11,519,392
Cumulated depreciation at January 1, 2020	(1,621,597)	(2,646,915)	(910,983)	(5,179,495)
Net accounting value at January 1, 2020	3,341,629	2,998,268	-	6,339,897
Intangible assets inputs	-	144,368	-	144,368
Depreciation registered during the year	(832,680)	(481,205)	-	(1,313,885)
Gross accounting value at June 30, 2020	4,963,226	5,789,551	910,983	11,663,760
Cumulated depreciation at June 30, 2020	(2,454,277)	(3,128,120)	(910,983)	(6,493,380)
Net accounting value at June 30, 2020	2,508,949	2,661,431	-	5,170,380
Difference	(832,680)	(336,837)	-	(1,169,517)

At 30.06.2020, the net value of the intangible assets has increased as compared to the end of 2019, by the amount of 1.169.517 RON.

In the first Semester of the year 2020 have been registered inputs of intangible assets in amount of 144,368 RON, and the amortization of the intangible assets registered in the first Semester of 2020 was in amount of 1,313,885 RON.

The depreciation method used is the linear one.

The intangible assets contain: computer programs, soft licenses, expenses borne by the company with the connection to the power energy network and the water network, recognized in intangible assets as right of use supply connection, as well as other rights of use recongnized as per IFRS 16.

The rights of use acknowledged within the intangible assets as per IFRS 16 have resulted form the lease and concession contracts concluded with various land owners, buildings and tank cars for the transport of oil products.

On the leased lands are being located telecommunications equipments and cathodic protection stations in various locations in the country and the buildings are used as working sites/command, for the gendarmes or for the performance of other administrative activities of the company.

The rights of use of the assets related to the lease and concession contracts have been initially evaluated at 01.01.2019, at the value of the leasing debt in amount of 4,963,226 RON. The leasing related debts have been determined as present value of the remaining leasing payments, applying a discount factor ("Discount rate") equal with the rate of interest for the lessee, at the date of application, for the first time, of IFRS 16.

In Half I, 2020, there have not been registered movements within these type of assets and the value of the depreciation was of 832,680 RON.

6. Financial Assets

In the first six months of the year 2020, financial assets reveal the followings:

Name	Other non-current securities	Non-current receivables	Total financial assets
Net accounting value at January 1, 2020	5,100	805,498	810,598
Inputs	-	505,854	505,854
Outputs	-	21	21
Net accounting value at June 30, 2020	5,100	1,311,331	1,316,431
Difference	-	505,833	505,833

At 30.06.2020, the value of the financial assets has increased as compared to January 1st,2020, by 505,833 RON, due to the increase of the fixed receivables.

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 amount of 1,311,331 RON are made up, mainly, by non-refundable guarantees paid by the Company for leased lands.

7. Stocks

Name	Consumables	Services in progress	Waste products	Total stocks
Gross accounting value at January 1,2020	5,666,292	1,193,309	2,192,896	9,052,497
Impairment for stocks depreciation	(845,290)	-	(37,346)	(882,636)
Net accounting value at January 1, 2020	4,821,002	1,193,309	2,155,550	8,169,861
Stocks inputs during the period	3,324,253	527,504	616,928	4,468,685
Consumption/outputs of stocks during the period	(2,367,653)	(1,193,309)	(190,569)	(3,751,530)
Income from (Expense with) impairments for depreciation of stocks	20,279	-	1,675	21,953
Gross accounting value at June 30 ,2020	6,622,892	527,504	2,619,255	9,769,652
Impairment for stocks depreciation	(825,011)	-	(35,671)	(860,683)
Net accounting value at June 30, 2020	5,797,881	527,504	2,583,584	8,908,969
Difference	976,879	(665,805)	428,034	739,108

The stocks are made up of materials, spare parts and other materials that are to be used when performing the company's business, here included those composing the security and intervention stocks meant for the potential provoked technical accidents. In the stocks are also contained residual products (recoverable) occurred following the pipelines replacement works and fixed assets scrapping.

The company registers in the ongoing services the cost of the services non-received by the beneficiaries up to the end of the period, at the expense of the revenues related to services in progress.

8. Trade Receivables and other Receivables

At June 30th, 2020 and December 31st, 2019 the trade receivables and other receivables are the followings:

	June, 30 2020	December, 31 2019
Clients	37,609,790	39,276,991
Impairments for depreciation receivables	(341,524)	(341,524)
Other trade receivables	284,820	283,838
Subtotal trade receivables (net value)	37,553,086	39,219,305
Other receivables	6,081,218	6,424,129
Adjustments for the depreciation of other receivables	(3,394,734)	(3,394,734)
Subtotal other receivables (net value)	2,686,484	3,029,395
Total receivables	40,239,570	42,248,700

The structure of clients on activities reveals the followings:

	June, 30 2020	December, 31 2019
Clients - transport activities	36,995,868	38,623,179
Other clients - auxiliary activities	613,922	653,812
Total	37,609,790	39,276,991

The trade receivables are not interest bearer and have an average proceeds duration of 28 days. The main receivables in the balance sheet at June 30th, 2020 are due by: OMV PETROM S.A. - 31,570,686 RON (December 31, 2019: 34.405.183 RON) and Petrotel Lukoil S.A.- 5,392,724 RON (December 31, 2019; 4,170,733 RON)

The crude oil transport services delivered to the clients have a significant share in the Company's turnover (over 99%).

The main client of the Company, OMV PETROM S,A, holds around 79% of the total receivables on short-term at June 30th, 2020.

Other receivables in amount of 6,081,218 RON include mainly: amounts to be recovered from various natural and legal persons, the majority in litigation pending before the law courts (1,805,678 RON, namely 29.7%), VAT non-exigible related to the invoices unarrived up to 30.06.2020 (1,647,197 RON, namely 27.1%), interest to be received related to the deposits with maturity under three months (1,001,756 RON, namely 15.3%), as well as amounts to be recovered from the budget representing allowances for medical leaves representing allowances for medical leaves (576,932 RON, namely 9.5%).

Impairments for the depreciation of the trade receivables are being registered for uncertain clients, in litigation or insolvency, presenting non-collection risk. At June 30th, 2020 the value of these impairments rests at the level of the end of the previous year, namely 341,524 RON.

The impairments for the depreciation of other receivables are being registered for the debits related to the legal files pending before the law courts, fines paid and under appeal proceedings. At June

30th, 2020 the value of these impairments is in amount of 3,394,734 RON, at the same level as compared to December 31st, 2019.

The Company registers impairments for loss of values in quantum of 100% of the value of the receivables for the clients in litigation or insolvency, in bankruptcy and for debts related to the established legal files or the fines facing appeal procedure.

Seniority-related statement of receivables

Trade receivables

	June, 30 2020	December, 31 2019
Clients, of which:	37,609,790	39,276,991
<i>Receivables not reaching maturity</i>	37,170,435	38,885,905
<i>Depreciated receivables</i>	341,524	341,524
<i>Outstanding and undepreciated receivables, out of which:</i>	97,831	49,562
- overdue less than 30 days	76,990	48,275
- overdue between 30 and 60 days	3,505	-
- overdue between 60 and 90 days	3,505	-
- overdue between 90 and 270 days	13,831	1,287
Other trade receivables	284,820	283,838

Other receivables

	June, 30 2020	December, 31 2019
<i>Non-depreciated receivables</i>	2,686,484	3,029,395
<i>Depreciated receivables</i>	3,394,734	3,394,734
Total	6,081,218	6,424,129

9. Cash and cash equivalents

At June 30th, 2020 and December 31st, 2019 the cash and cash equivalents reveal the followings:

	June, 30 2020	December, 31 2019
Current bank accounts	5,141,014	6,899,866
Bank deposits with maturity ≤ 3 months	189,554,125	231,666,573
Cash in the register	13,177	10,512
Total	194,708,316	238,576,951

The cash and cash equivalents have decreased by 18.4% at the date of June 30th, 2020 as compared to December 31st, 2019, due to the cash outputs for the payment of the dividends related to the financial year 2019 and assets procurement (investments) higher than the cash surplus from the operating activity related to Half I.

The cash in the accounts at the end of Half I include the cash representing the modernization quota, with special use regime provided by GD no.168/1998, in amount of 132,991,334 RON. This is exclusively destined to the financing of the modernization and development works of the good in public domain.

10. Equities

Share capital

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

The structure of the share capital and the shareholding structure of CONPET S.A. at June 30th, 2020 reveals the followings:

Shareholders	June 30, 2020			December 31, 2019		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
The Romanian State by the Ministry of Economy, Energy and Business Environment	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	2,370,768	7,823,534	27.3839	2,361,896	7,794,256	27.2814
Natural Persons	1,203,388	3,971,180	13.8999	1,212,260	4,000,458	14.0024
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

At June 30th, 2020 the value of the legal reserve is 5,713,968 RON (December 31st, 2019: 5,713,968 RON).

The reserve is being established at the level of 20% of the share capital, as per Law no.31/1990 and the Articles of Incorporation.

Other reserves

At June 30th, 2020, Other reserves are in amount of 497,625,123 RON, recording an increase by 2,084,351 RON as compared to the end of 2019, at reserves - modernization quota.

The reserve related to the modernization quota is in amount of 460,008,820 RON and holds the major part of share in total other reserves (92.4%).

Revaluation reserves

Based on the Order of the Ministry of Public Finances no.2844/2016 for approval of the accounting Regulations as per IFRS, corroborated with those in Art.201, Para (3) of Law no.31/1990 on companies, republished, the company recognized in the revaluation reserves the favorable difference from the reevaluation of tangible assets.

At June 30th, 2020 in the statement of the financial standing the reserves out of reevaluation are being presented at net value of 19,689,386 RON, resulting after the reduction of the gross value by the related deferred tax directly recognized in the equities, as per IAS 12.

Retained earnings

At June 30th, 2020, the retained earnings is in amount of 43,240,804 RON and comprises mainly the difference in value associated to the tangible assets - oil operating products resulting from the application, for the first time, of IAS 29 in amount of 41,818,297 RON.

Profit of the year

The profit of the year, achieved in the first six months of the year 2020 is of 31,781,915 RON, 1.9% higher than the one registered in the first six months of the year 2019.

11. Trade Liabilities and other Liabilities

At June 30th, 2020 and December 31st, 2019, the trade receivables and other receivables look as follows:

Liabilities	December 31, 2019	June, 30 2020	Maturity term for the balance at June 30, 2020		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	27,179,134	30,893,319	30,893,319	-	-
Other liabilities, here included fiscal debts and social insurances related debts	45,497,209	44,778,331	41,907,343	2,870,988	-
Total	72,676,343	75,671,650	72,800,662	2,870,988	-

The goods and services suppliers for the operation activity are being mainly represented by: SNTFM CFR Marfa, Cez Vanzare, OMV Petrom, Edenred Romania S.R.L, Tinmar Energy SA, OMV Petrom Marketing, Coral 33 All Prod SRL, Director Special Troops – DST SRL, ABB z.o.o., VTG Rail Europe GMBP, Orange Romania, Envirotech SRL, Termoklima SRL. The value of the goods and services suppliers destined to the operating activities, in the first Half of 2020 represents 56.2% of the total acquisitions.

The value of the assets procurement in the first Half of 2020 has a share of 43.8% in total procurement.

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

Debts	December 31, 2019	June, 30 2020	Maturity term for the balance at June 30, 2020		
			Under 1 year	Between 1-5 years	Over 5 years
Salaries and assimilated debts	5,897,321	5,556,785	5,556,785	-	-
Salaries contributions	5,360,849	4,293,201	4,293,201	-	-
Ordinary Corporate Tax	3,076,456	1,992,931	1,992,931	-	-
Royalty due to the State Budget	8,059,150	7,427,191	7,427,191	-	-
VAT payable	3,073,760	2,724,362	2,724,362	-	-
Other taxes and debts - State Budget	980,693	1,977,655	1,977,655	-	-
Dividends Payable	13,410,903	15,996,982	15,996,982	-	-
Leasing-related debts	5,469,234	4,404,598	1,533,610	2,870,988	-
Other debts	168,843	404,626	404,626	-	-
Total	45,497,209	44,778,331	41,907,343	2,870,988	-

12. Provisions

	June, 30 2020	December 31, 2019
Provisions for litigations	6,123,753	6,481,556
Provisions for employees' benefits	28,105,045	27,558,335
Other provisions for risks and expenses	5,558,907	5,466,472
Total	39,787,705	39,506,363
<i>Long-term provisions</i>	16,825,026	16,268,908
<i>Short-term provisions</i>	22,962,679	23,237,455

Provisions for litigations

In detail, the provisions for litigations are:

	June, 30 2020	December 31, 2019
Litigations for civil compensations	3,316,583	3,152,007
Litigations for the failure to respect, by third parties, of some contractual clauses	46,214	46,214
Other litigations	2,760,956	3,283,335
Total	6,123,753	6,481,556

In the first six months of the year 2020, the provisions for litigations have registered a decrease by 357,803 RON, following the update and reduction of the provisions recorded during the previous period, with a bigger amount than the one registered for the newly opened litigations during the reporting period.

The company is involved into various litigations for compensations claimed by various owners, natural and legal persons. Besides the compensations, they request either the payment of an annuity following the exercise, by the Company, of the legal easement right on the lands owned by the claimants, or by the retirement of the pipelines and installations to be found on lands thereof. 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 the latter are being crossed by the crude oil transport pipelines belonging to the public domain.

Provisions for employees' benefits

The changes registered in the structure of the provisions for the employees benefits represented: reductions, mainly following the payments of benefits on retirement, of allowances representing the variable granted to the members of the Board of Administration and the directors for the year 2019, the partial payments of the benefit representing the employees share of profit for the year 2019 and increases representing untaken annual leaves, the variable allowance due to the members of the Board of Administration and directors, as per the contracts of mandate and employees share of profit, related to the first Semester of the year 2020.

The biggest share in the provisions for the employees benefits is being held by the *provisions for benefits granted upon retirement*, in amount of 17,355,047 RON, of which 16,825,026 RON representing long-term liabilities, and 530,021 RON represents short-term obligations.

At 30.06.2020, *the provision for employees share of profit*, is in amount of 5,647,563 RON, of which outstanding provision related to 2019, in amount of 2,440,927 RON, to which is added 54,921 RON precautionary contribution for work, and the amount of 3,151,805 RON represent provision for the services delivered by employees in the first six months of the year 2020, here included the precautionary contribution for work, established within the limits provided in BVC.

The provisions of untaken leaves have registered a net increase by 2,269,499 RON for the vacation days related to the first six months of the year 2020, not taken up to June 30th, 2020.

At June 30th, 2020 are being established provisions for the variable allowances granted to the members of the Board of Administration and the directors, as per the mandate contract and for annual leaves not taken by the directors with mandate contract, in total amount of 1,356,789 RON.

Other Provisions

At June 30th, 2020 the balance of the position "Other provisions" in amount of 5,558,907 RON is made up of: the provision established at the level of the earnings resulting from the capitalization of the pipelines recovered following the replacement works (repairs/modernization) performed on the National Transport System, in amount of 5,154,122 RON. The value of the provision was settled following the control performed by the Court of Accounts and the litigation pending before the court. In *Other Provisions* are also being included provisions for environmental expenses in amount of 259,860 RON and other provisions in amount of 144,925 RON.

13. Ordinary and Deferred Corporate Tax

The expense related to the company's current and deferred corporate tax at June 30th, 2019 and June 30th, 2020 is being determined by a statutory rate of 16%.

	June,30 2020	June, 30 2019
Expenses with ordinary income tax	5,427,560	6,420,613
Expenditure with /(revenues from) deferred corporate tax	(369,095)	(462,429)
Total	5,058,465	5,958,184

Reconciliation of the Effective Tax Rate

	June, 30 2020	June, 30 2019
Profit before taxation	36,840,380	37,138,197
- Corporate tax at the statutory rate by 16%	5,894,461	5,942,112
The Effect on the Corporate Tax of:		
- Non-deductible expenses	1,574,643	1,518,761
- Non-taxable revenues	(1,435,654)	(1,248,420)
- Elements similar to revenues	271,797	430,952
- Elements similar to expenses	(418)	(418)
- Ordinary Corporate Tax	(59,554)	(106,665)
- The amounts representing sponsorship within the limit provided by the law	(440,000)	(137,752)
- Specific tax	22,043	22,043
- Bonus as per the emergency Ordinance no. 33/2020 regarding some fiscal measures and amendment of some normative acts, amended.	(399,758)	-
Expenses with ordinary corporate tax	5,427,560	6,420,613

Deferred Corporate Tax

The payment deferred and recoverable taxes were calculated based on the temporary taxable and/or deductible differences, determined for assets and liabilities as differences between the accounting value of the asset and/or liability and the amount awarded in fiscal purposes. The company recognizes the deferred taxes on the expense of an expense or an income except for the tax generated by an event directly accounted in the equities.

The Statement of movements regarding the receivable/debt with the deferred tax during the first six months of the year 2020 reveals the followings:

2020	Net value at January 1	Deferred corporate tax recognized in the profit and loss account	Net accounting value at June 30, 2020	
			Receivable related to the deferred corporate tax	Receivable related to the deferred corporate tax
Reevaluation of tangible assets	(421,193)	270,345	3,394,857	(3,545,705)
Provisions	5,283,969	102,263	5,386,232	-
Impairment of the current assets	559,683	(3,513)	556,170	-
Deferred corporate tax before compensation	5,422,459	369,095	9,337,259	(3,545,705)
Receivable/debt compensation			(3,545,705)	3,545,705
Net deferred corporate tax - recoverable				5,791,554

The debt representing the deferred tax, in the balance at 30.06.2020 is in amount of 3,545,705 RON and is recognized on account of the equities elements and the receivable related to deferred income, recognized in the statement of the global result, in the balance at the same date, is of 9,337,250 RON.

The net amount of the deferred tax represents deferred corporate tax recoverable in amount of 5,791,554 RON.

14. Result per share

The result per share in the first six months of the year 2020, as compared to the same period of the previous year, reveals the followings:

	June, 30 2020	June, 30 2019
Profit of the Financial Year	31,781,915	31,180,013
The cash from ordinary shares at the beginning and the end of the period	8,657,528	8,657,528
Basic earnings and diluted per share (RON/share)	3.67	3.60

15. Operating Revenues

a) Turnover

	June, 30 2020	June, 30 2019
Revenues from transport service, of which:	202,782,842	196,518,797
<i>Revenues from transport services on Domestic Subsystem</i>	153,481,728	146,933,571
<i>Revenues from transport services on Import Subsystem</i>	49,301,114	49,585,226
Revenues from rents	791,644	781,726
Other revenues included in the turnover	461,403	3,316,470
Total turnover revenues	204,035,889	200,616,993

The transport revenues are being achieved out of services supplied to the clients for the transport of the crude oil, rich gas and condensate quantities approved by Order of the President of the

National Agency for Mineral Resources.

In the first six months of the year 2020, the quantities transported on subsystems, as compared to the same period of the previous year, are as follows:

	6 months ended June 30, 2020	6 months ended June 30, 2019
Domestic Subsystem	1,742,240	1,733,580
Import Subsystem	1,697,024	1,695,019
TOTAL quantities (tons)	3,439,264	3,428,599

The total quantity of transported products has increased by 0.3% in the first six months of the year 2020, as compared to the same period of the previous year, given the context of the increase, by 0.5% of the quantities transported on the domestic transport subsystem and by 0.1% of the quantity transported on the import subsystem.

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

Within the reporting period have been applied the following tariffs:

Tariffs for transport services on the Domestic Subsystem:

Period	Transport tariff (RON/ton)	Approved by NAMR Order No.
June 19 th , 2018 - December 30 th , 2019	84.37	117/2018
Starting December 31 st , 2019	87.53	427/2019

Tariffs for the transport services on the Import Subsystem:

Period	Installments	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	
June 19 th , 2018 - December 30 th , 2019	< 120	38.85	38.00	27.00*	117/2018
	>120	16.60	16.00	24.74*	
Starting December 31 st , 2019	< 120	40.40	39.50	15.00	427/2019
	>120	17.25	17.00	12.85	

*) Starting the date of March 14, 2019 up to December 30, 2019, for the transport relation with Petromidia Refinery was applied a tariff of 14.00 RON/ton for the installment of up to 120 thousand tons and 12.00 RON/ton for the installment bigger than 120 thousand tons (approved by NAMR Order no.172/2019).

b) Other Operating Expenses

	June, 30 2020	June, 30 2019
Revenues from consumption modernization quota	16,193,801	15,513,271
Other revenues	249,160	139,240
Total other Operating Expenses	16,442,961	15,652,511

Other operating revenues have recorded an increase by 5.1% in the first six months of the year 2020 as compared to the same period of the previous year, from 15,652,511 RON to 16,442,961 RON.

Other operating revenues contain, mainly, the revenues from the reserve related to the modernization quota, at the level of the depreciation of the fixed assets financed out of this source. The revenues representing the modernization quota have recorded an increase by 4.4% in the first

six months of the year 2020, as compared to the same period of the year 2019.

16. Operating Expenses

a) Stocks and Utilities Expenses

	June 30, 2020	June 30, 2019
Expenses with consumables	1,965,149	2,855,142
Other material expenses	318,122	495,877
Other with energy and water	6,935,393	6,582,865
Goods related Expenses	20,406	52,815
Total Expenses related Stocks and Utilities	9,239,070	9,986,699

b) Personnel Expenses

The personnel expenses include the expenses with the salaries, bonuses awarded to the employees, other personnel expenses, allowances related to the mandate contract of the members of the Board of Administration and the Directors with mandate and the expenditure with the contributions due by the employer.

	June 30, 2020	Sunday, June 30, 2019
Salaries expenses	63,440,499	61,616,358
Obligations related to Employees Bonuses	8,925,467	10,771,440
Other personnel expenses	64,180	1,514,390
Expenses with the remuneration of the directors with mandate contract and the administrators	3,555,917	1,541,122
Expenses with contributions due by the Employer	3,718,941	3,800,834
Total operating expenses	79,705,004	79,244,144

The personnel expenses are detailed as follows:

Salaries expenses

	June 30, 2020	June 30, 2019
Expenses with basic salaries and associated bonuses	63,164,774	60,350,064
Premiums	-	1,000,000
Aids for retirement	275,725	208,404
Aids for marriage	-	57,890
Total salary related expenses	63,440,499	61,616,358

The expenses with the basic salaries and related bonuses of the employees have increased in the first 6 months of 2020 as compared to the first six months of 2019, due to the increase of the salaries with 300 RON/employee at 01.10.2019.

As per the provisions of the Collective Labor Agreement in force, the Company has also granted the employees benefits consisting of retirement aids, as well as premiums, wedding aids (only in Half I of the year 2019).

Obligations related to Employees Bonuses

	June 30, 2020	June 30, 2019
Employees share of profit	4,001,145	5,083,747
Meal vouchers	2,554,140	2,642,475
Social expenses provided at Art.25 of Law no.227/2015 of the Fiscal Code, with ulterior amendments and completions	1,656,840	2,022,658
Other expenses as per the the Collective Labor Agreement	713,342	1,022,560

Total	8,925,467	10,771,440
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The value of the bonuses granted to the employees meets a decrease (1,845,973 RON) in the first six months of 2020, compared to the same period of 2019 due, mainly, to the partial payment, in 2020 of the benefit related to the employees share of profit, within the limit of the amount approved in the budget; the difference is to be given after Budget adjustment.

As per the provisions of the Collective Labor Agreement in force, the Company has granted the employees bonuses as social expenditure provided at Art.25 of Law no.227/2015 on the Fiscal Code, consisting of holiday tickets and treatment, here included the transport, presents offered to the employees, aids for birth, funeral, serious diseases, humanitarian and other social expenditure as per the Collective Labor Agreement (Ro.CCM).

The reduction of the value of bonuses granted as social expenses and other expenses as per CCM in the first six months of the year 2020, as compared to the same period of the previous year has been determined, mainly, by the new context of Coronavirus (Covid-19) pandemic. In view of protecting the employees health, where possible, the activity of the employees was carried out in telework context, determining a reduction of the expenses with employees transport to and from the work site. Also, given the traffic restrictions and termination of some activities during the state of emergency and alert conditions, there has been recorded a reduction of the expenses with the daily allowance, of the value of expenses with the holiday and treatment, here included the transport and expenses with kindergartens, nurseries, after-school, supported by the company for the employees children. On Easter feast, in 2020, the employees have not received gift vouchers.

Other personnel expenses

	June 30, 2020	June 30, 2019
Expenses with compensatory payments related to personnel lay-offs	62,160	1,514,390
The expenses with the rights of the personnel due based on a Corut order	2,020	-
Total	64,180	1,514,390

The position "Other personnel expenses" recorded in the first six months of the year 2020 includes, mainly, the expenses with compensatory payments, granted as per the Collective Labor Agreement, related to personnel lay-offs performed in the month of November 2019, outstanding in January, 2020, for which the company has established provision at the end of 2019.

The expenses with the remuneration of the directors with mandate contract and the administrators

	June 30, 2020	Sunday, June 30, 2019
Allowance of the directors with mandate	1,915,145	601,617
Allowances of the Board of Administration members	1,640,772	939,505
Total	3,555,917	1,541,122

The expenses with the allowances related to the mandate contracts of the directors and administrators register an increase as compared to the first six months of 2019. In 2019, the amount of the allowances was smaller, as the company has paid to the administrators and directors with mandate contract the variable allowance related to 2018 pro-rata, starting the date of appointment thereof in capacities.

Expenses with contributions due by the Employer

	June 30, 2020	Sunday, June 30, 2019
Company's contribution to the facultative pensions	1,398,788	1,455,831

funds		
Company's contribution to the health voluntary insurance	716,410	767,499
Precautionary labor contribution and other contributions	1,603,743	1,577,504
Total	3,718,941	3,800,834

Following the salary increase in October 2019, the precautionary labor contribution has proportionally increased, therefore in the first Semester of the year 2020, it is higher with 26,239 YoY.

c) Expenses related to external services

	June 30, 2020	June 30, 2019
Railway transport expenses	31,486,974	29,664,970
Rentals and royalties expenses	15,706,923	16,049,976
Third-parties pumping expenses	2,424,071	2,456,023
Expenses with maintenance and repairs	849,957	1,366,998
Decontamination works, monitoring environmental factors	281,391	234,842
Travel works, secondment and transfers	327,751	737,873
Expenses with goods and personnel transport	20,286	21,429
Postal expenses and telecommunication fees	260,992	260,916
Other services performed by third parties	2,040,566	2,281,295
Total Expenses related to external services	53,398,911	53,074,322

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

This is being calculated as per the provisions of the Oil Law no.238/2004, by applying a quota of 10% on the value of gross revenues achieved out of oil transport operations and oil transit via the oil national transport systems, as well as from the oil operations performed by the oil terminals in State's public property.

d) Other expenses

	June 30, 2020	June 30, 2019
Taxes, fees and similar levies related expenses	1,121,351	1,050,114
Expenses with compensations, fines and penalties	15,533	11,603
Granted donations (sponsorship)	440,000	137,752
Expenses with environmental protection	13,839	47,743
Modernization quota establishment - related expenses	18,278,152	15,175,542
Other operating expenses	116,561	188,167
Other expenses	19,985,436	16,610,921

In the first six months of 2020 the expenses registered with other taxes, fees and assimilated levies comprise, mainly, the expenses with local taxes and expenses with the contribution to the special fund, due based on Law no.448/2006 regarding the protection and promotion of the rights of people with disabilities.

The company constitutes reserves regarding the modernization quota through other operating expenses in compliance with the provisions of the GD no. 168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no. 227/2015, further amendments and updates.

17. Net Financial Result

	June 30, 2020	Sunday, June 30, 2019
Interest revenues	3,713,157	4,087,732
Other financial revenues	4,935	15,792
Total financial revenues	3,718,092	4,103,524
Expenses regarding interests related to leasing contracts	215,901	-
Other financial revenues	46,649	42,218
Total financial expenses	262,550	42,218
Net Financial Result	3,455,542	4,061,306

The financial revenues have decreased by 9.4% in the first six months of the year 2020 compared to the same period of the year 2019. The financial expenses have increased due to the registration of some expenses with the interests related to the leasing contract, however maintaining at a very low level compared to the revenues.

The net financial result was reduced by 14.9%, in the first six months of the year 2020 YoY.

18. Related Parties

In Half I, 2020, the Company has carried out the following significant transactions with related parties:

Procurement from related parties

Partner	Unsettled amounts at December, 31 2019	Procurement during 01.01 -30.06.2020	Settlements during 01.01-30.06.2020	Unsettled amounts at June, 30 2020
SNTFM CFR Marfă S.A.	5,075,103	38,116,721	35,423,036	7,768,788

*The amounts are VAT exclusive

Partner	Unsettled amounts at December, 31 2018	Procurement during 01.01-30.06.2019	Settlements during 01.01-30.06.2019	Unsettled amounts at June, 30 2019
SNTFM CFR Marfă SA	3,320,405	35,226,441	31,609,427	6,937,419

*Sumele includ TVA

Given the context of Coronavirus (Covid-19) pandemic, although the evolution is unfavorable, being registered a massive increase of the Coronavirus confirmed cases, the number thereof being significantly growing from the date of completion of these interim financial statements up to the moment of release thereof, both at the global level, as well as in Romania, in what concerns the company's business there have not been recorded situations that could bear impact on business continuity.

Being extremely stable financially and having a good action capability, CONPET is able to rapidly and effectively implement all the emergency measures required for the protection of employees health, as well as for the preservation, under safety conditions, of the administration of the Crude Oil National Transport System. On a permanent basis, the company's management is monitoring the potential impact of Coronavirus pandemic and takes all possible measures for mitigation of all adverse effects on CONPET business.

These preliminary financial statements and the related notes, from page 1 to page 27 have been

The Company CONPET S.A.
Explanatory notes to the interim financial statement at Tuesday, June 30, 2020
(All amounts are expressed in RON, unless otherwise specified)

authorized for issue and signed by the company management at August 14th, 2020.

Director General
PhD. Eng. Timur-Vasile Chis

Economic Director,
Econ. Sanda Toader

STATEMENT OF THE PERSONS IN CHARGE

**within CONPET S.A., in compliance with the provisions
of Articles 65 of Law no. 24/ 2017 regarding the issuers of financial instruments and market
operations**

Have been prepared the Interim Financial Statements at the date and for the six months period ended at June 30th, 2020 for:

Entity	CONPET SA
County	Prahova
Address	Ploiești No. 1-3, Anul 1848 Street
Trade Registry Number	J29/6/1991
Type of ownership	26 - Publicly and privately-owned companies with domestic and foreign capital
Main activity (NACE code)	4950 - Transport through pipelines
Tax Registration Number	1350020

The undersigned: Timur - Vasile Chiș, as Director General and Sanda Toader, as Economic Director are liable for the drafting of the annual financial statements at 30.06.2020 and confirm that:

- The accounting policies used in preparing the interim financial statements at June 30th, 2020 are in accordance with the accounting regulations in force at the reporting date 30.06.2020;
- The Interim Financial Statements at June 30th, 2020 offer a true view, compliant with the reality of assets, liabilities, financial standing, profit and loss account of the company; and
- The report of the administrators accurately and completely presents the information about the company and the other information regarding the performed business;
- The company operates under conditions of continuity;

**Director General
PhD. Eng. Timur-Vasile Chiș**

**Economic Director
Econ. TOADER Sanda**

**Independent practitioner's review report
To the Shareholders of CONPET S.A.**

1-3 Anul 1848 St., Ploiești, Prahova County, Postal Code 100559, Romania
Registration: 1350020

We have reviewed the accompanying financial statements of CONPET S.A. (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for six months period then ended and other explanatory information.

The financial statements for the six months period ended 30 June 2020 are identified as follows:

- Net assets/Total equity: 626,621,038 RON
- Net profit for the period: 31,781,915 RON

Management's responsibility for the interim financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34), and for such internal control as management determines is necessary to enable the preparation of the interim financial statements that are free from material misstatements, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements*, adopted by the Romanian Chamber of Auditors. ISRE 2400 (Revised) require us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the interim financial position of CONPET S.A. as at June 30, 2020, and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34 *Interim Financial Reporting*.

Other matters

This report is addressed exclusively to the Company's shareholders, as a body. Our review was undertaken in order to report to the Company's shareholders those aspects that we are required to state to them in a review report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our review work, for the report on the financial statements or for the conclusion we have formed.

For and behalf of BDO Audit SRL

Registered in the Public Electronic Registry of financial auditors and audit firms with no. FA18

Partner's name: Vasile Bulata

Registered in the Public Electronic Registry of financial auditors and audit firms with no. AF1480

Bucharest, Romania

14 August 2020

Note: This is the English translation of the Romanian version of the practitioner's review report. In case of any discrepancies the Romanian version will prevail.