

No. 22482/ 20.07.2020

Current Report no. 19/ 2020

As per Law no. 24/ 2017 and ASF Regulation no. 5/2018

Date of the report	20.07.2020
Name of the Issuer:	CONPET S.A. Ploiești
Registered Offices:	No. 1 – 3, Anul 1848 Str., Ploiești
Phone no/ facsimile/ e-mail	0244/ 401360/ 516451/ 402385/ actionariat@conpet.ro
Tax Identification Number at the Trade Register Office	1350020
Nr. ordine în Registrul Comerțului:	J29/ 6/ 22.01.1991
Subscribed and paid-up share capital:	28,569,842.40 RON
Total number of shares:	8,657,528 nominative shares
The regulated market where the issued securities are being traded:	B.S.E., PREMIUM Category

Significant events to be reported: The report of the auditor BDO Audit S.R.L. for Semester I 2020, drafted as per Art. 144 Letter B Para. (4) of A.S.F. Regulation no. 5/ 2018 *regarding the issuers of financial instruments and market operations.*

The company CONPET S.A. informs the shareholders and investors with regards to the *Report of agreed procedures related to the information included in the current reports drafted by the company, as per the provisions of Law no.24/2017 (Art. 82) and Regulation no. 5/2018 issued by the Financial Supervisory Authority, drafted by the auditor BDO Audit S.R.L. for Half I 2020, considering Art. 144, Letter B, Para (4) of ASF Regulation no. 5/ 2018.*

We hereby attach, to this current report, the Report of the auditor BDO Audit S.R.L., for Semester I 2020.

Director General
Eng. Timur – Vasile CHIȘ
S.s. Illegible
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**REPORT ON AGREED UPON PROCEDURES ON THE INFORMATION INCLUDED IN THE CURRENT REPORT
ISSUED BY THE COMPANY IN ACCORDANCE WITH THE PROVISIONS OF LAW NO. 24/2017 (ARTICLE 82)
AND REGULATION NO. 5/2018 ISSUED BY THE FINANCIAL SUPERVISORY AUTHORITY**

To the Board of Directors of Conpet S.A.

We have been appointed by Conpet S.A. („the Company”) to perform certain procedures in accordance with the provisions of the Regulation no. 5/2018 issued by the Financial Supervisory Authority („ASF”) and to report on the information included in the Current Report no. 18 from 19 June 2020 that has been prepared by the Company in accordance with the requirements of the Law 24/2017 (article 82) and of the Regulation no. 5/2018 issued by the Financial Supervisory Authority („ASF”) (“Report” or “Current Report”).

Our engagement was undertaken in accordance with the provisions of International Standard on Related Services („ISRS”) no. 4400, „Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. The procedures were performed to analyze the transactions reported by the Company in the Current Report and to check whether the price corroborated with the rights and obligations undertaken by the parties is correct by reference to the other offers existing on the market and are presented below:

1. We obtained the addendum no. 3/19 June 2020 to the contract S-CA/57/28 March 2019 concluded with SNTFM “CFR MARFA” S.A., the addendum that underlying the Current Report issued by the Company and we verified the consistency between the reported information and the addendum.
2. We obtained and examined the report no. 1526/13 May 2020 prepared by the Company regarding the need to conclude the addendum, the addresses received from SNTFM CFR MARFA, registered with numbers 89/19 March 2020, 347/28 April 2020 and 349/4 May 2020 and the addresses sent to SNTFM CFR MARFA, registered with numbers 13885/24 April 2020 and 14252/30 April 2020, regarding the increase of the price agreed in the contract S-CA/57/28 March 2019.
3. We obtained and examined the Decision of the Ordinary General Meeting of Shareholders No. 4/18 June 2020 regarding the approval of the transaction for concluding an addendum having as object the increase of the price of the transport service and therefore the increase of the estimated value of the contract with the amount of 7.627.649 lei.
4. We obtained and examined the transfer pricing file prepared in May 2020 by an external consultant employed by the Company.

We report below our conclusions based on procedures performed:

1. The information included in the Current Report is consistent with the information provided in the addendum no. 3/19 June 2020 to the contract S-CA/57/28 March 2019 concluded with SNTFM “CFR MARFA” S.A.
2. Considering the results included in the transfer pricing file prepared by the external consultant in May 2020, independent companies involved in the provision of rail transport services have profit margins ranging from 2.02% to 9.10%, with a median of 3.59%. In accordance with the address 89/19 March 2020 prepared by CFR MARFA regarding the request to increase the prices, increase subsequently reduced as a result of the negotiation process, the profit margin is nil, thus being lower than the value mentioned by the consultant.

Because the above mentioned procedures do not constitute either an audit or a review made in accordance with the National Auditing Standards or the National Standards on Review Engagements, we do not express any assurance on the financial information that was the subject of the report.

We have not performed other additional procedures to verify whether the Company reported all contracts with directors, employees, shareholders that have control, as well as the persons with whom they act concerted, to be reported according to article 82 of Law no. 24/2017 with subsequent amendments for the period 1 January 2020 - 30 June 2020.

Other Matters

Our report is solely issued for the purpose stated in the first paragraph hereof and for the Company's Board of Directors information and for the information of Bucharest Stock Exchange (BVB) and ASF and is not to be used for any other purpose. Our report should not be regarded as suitable for use by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company that obtains access to our report or a copy of the report and chooses to rely on our report (or part thereof), should do so at their own risk. Our engagement was performed in order to report to the Board of Directors the Company on those aspects that need to be reported in an agreed upon procedures report, and for no other purpose. Our report relates only to the Current Report mentioned above and does not extend to any other reports of the Company.

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

20 July 2020