ROMPETROL RAFINARE SA

UNAUDITED INTERIM STANDALONE FINANCIAL STATEMENTS

Prepared in compliance with
Order of the Minister of Public Finance no. 2844/2016

31 MARCH 2025

CONTENTS: **PAGE**

	Notes	March 31, 2025	December 31, 2024
Intangible assets	3	69,405,138	69,802,263
Goodwill	4	152,720	152,720
Property, plant and equipment	5	2,894,347,322	2,982,313,211
Rights of use assets	6	47,192,485	47,814,036
Investments in subsidiaries	7	3,741,084,832	3,741,084,832
Deferred tax asset	23	64,440,282	64,440,282
Long-term receivables		27,754,000	27,754,000
Total non current assets		**6,844,376,779**	**6,933,361,344**
Inventories, net	8	1,089,090,198	1,352,193,135
Receivables and prepayments, net	9	1,537,136,637	1,315,421,500
Derivative Financial Instruments	30	9,152,727	-
Cash and cash equivalents	10	491,217,784	401,448,104
Total current assets		**3,126,597,346**	**3,069,062,739**
TOTAL ASSETS		**9,970,974,125**	**10,002,424,083**
Subscribed share capital	11	2,655,920,573	2,655,920,573
Share premium	11	232,637,107	232,637,107
Revaluation reserves, net of deferred tax impact	11	508,991,799	508,991,799
Other reserves	11	3,486,720,661	3,466,473,085
Accumulated losses		(5,380,156,767)	(4,909,342,958)
Current period result		(21,105,428)	(470,813,809)
Total equity		**1,483,007,945**	**1,483,865,797**
Long-term borrowings from banks	15	1,269,277,950	1,317,919,120
Provisions	17	501,826,097	501,826,097
Long-term lease debts	16	49,696,347	50,193,790
Total non-current liabilities		**1,820,800,394**	**1,869,939,007**
Trade and other payables	12	6,280,947,359	6,168,801,187
Contract liabilities	13	141,366,096	210,990,531
Short-term lease debts	16	2,827,500	2,855,664
Derivatives	30	7,194,476	16,188,271
Short-term borrowings from related parties	14	30,818,771	30,820,089
Short-term borrowings from banks	14	202,739,883	218,963,537
Income tax payable	23	1,271,701	-
Total current liabilities		**6,667,165,786**	**6,648,619,279**
TOTAL LIABILITIES AND EQUITY		**9,970,974,125**	**10,002,424,083**

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

Explanatory notes from 1 to 31 form an integral part of these financial statements.

	Notes	January - March 2025	January - March 2024
Net revenues from contracts with customers	18	4,111,600,600	3,433,684,450
Cost of sales	19	(4,106,607,385)	(3,332,529,160)
Gross profit		**4,993,215**	**101,155,290**
Selling, general and administrative expenses	20	(102,908,404)	(143,723,870)
Other operating expenses	21	(62,518,432)	(15,669,206)
Other operating income	21	34,192,843	82,594,823
Operating profit / (loss)		**(126,240,778)**	**24,357,037**
Financial expenses	22	(109,830,086)	(117,061,525)
Financial revenues	22	10,375,435	14,569,009
Net foreign exchange gains / (losses)	22	206,409,235	(123,102,014)
Loss before income tax		**(19,286,194)**	**(201,237,493)**
Income tax	23	(1,819,234)	(16,462,336)
Net Loss for the period		**(21,105,428)**	**(217,699,829)**
Earnings per share *(RON bani/share)* **Basic**	26	(0.08)	(0.82)

FLORIAN-DANIEL POP
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	January - March 2025	**January - March 2024**
Net Loss	**(21,105,428)**	**(217,699,829)**
Other comprehensive income	**-**	**-**
Other comprehensive income to be reclassified to income statement in subsequent periods (net of tax):	-	-
Net gain/(loss) on cash flow hedges	20,247,576	-
Total comprehensive income to be reclassified to income statement in subsequent periods (net of tax):	**20,247,576**	**-**
Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):		
Total other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):	**-**	**-**
Total other comprehensive result for the period, net of tax	**20,247,576**	**-**
Total comprehensive result for the period, net of tax	**(857,852)**	**(217,699,829)**

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

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Chief Accountant

Explanatory notes from 1 to 31 form an integral part of these financial statements.

	Notes	March 31, 2025	March 31, 2024
Net result before income tax		**(19,286,194)**	**(201,237,493)**
Adjustments for:			
Depreciation and amortisation	19, 20	107,853,985	98,921,434
Provisions for inventories	21	12,501,493	(69,473,405)
Allowance for trade and other receivables	21	(5,257,693)	2,531,714
Late payment interest		1,209,841	1,482,096
Unwinding of discount - lease	16	429,651	437,955
Interest expenses		109,400,434	116,623,570
Interest income		(10,375,435)	(14,569,009)
Unrealised foreign exchange (gain)/loss	22	(178,588,929)	142,016,844
Cash generated from operations before working capital changes		**17,887,153**	**76,733,705**
Net working capital changes in:			
Receivables and prepayments		(177,752,462)	379,133,070
Inventories		250,601,443	486,683,622
Trade and other payables and contract liabilities		(417,590,576)	(717,976,367)
Changes in working capital		**(344,741,595)**	**147,840,324**
Net cash inflow / (outflow) from operating activities		**(326,854,442)**	**224,574,030**
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,650,801)	(210,200,003)
Purchase of intangible assets		17,421	(541,040)
Net cash (outflow) from investing activities		**(18,633,380)**	**(210,741,043)**
Cash flows from financing activities			
Cash pooling movement		562,560,904	(78,775,036)
Short - term loans paid to banks		(16,702,805)	(30,515,867)
Lease repayments		(1,200,163)	(1,175,480)
Interest and bank charges paid, net		(109,400,434)	(116,623,571)
Net cash inflow / (outflow) from financing activities		**435,257,502**	**(227,089,954)**
Increase / (Decrease) in cash and cash equivalents		**89,769,680**	**(213,256,967)**
Cash and cash equivalents at the beginning of period		**401,448,104**	**613,521,713**
Cash and cash equivalents at the end of the period		**491,217,784**	**400,264,746**

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	Share capital	Share premium	Accumulated losses	Revaluation reserves	Deferred tax on the revaluation reserve	Other reserves	Total equity
1st of January 2024	**2,655,920,573**	**232,637,107**	**(5,048,861,112)**	**772,035,663**	**(123,525,710)**	**3,474,407,165**	**1,962,613,686**
Net loss for Q1 2024	**-**	**-**	**(217,699,829)**	**-**	**-**	**-**	**(217,699,829)**
Total other comprehensive income for Q1 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for Q1 2024	**-**	**-**	**(217,699,829)**	**-**	**-**	**-**	**(217,699,829)**
31st of March 2024	**2,655,920,573**	**232,637,107**	**(5,266,560,941)**	**772,035,663**	**(123,525,710)**	**3,474,407,165**	**1,744,913,857**
1st of January 2025	**2,655,920,573**	**232,637,107**	**(5,380,156,767)**	**605,942,623**	**(96,950,824)**	**3,466,473,085**	**1,483,865,797**
Net loss for Q1 2025	**-**	**-**	**(21,105,428)**	**-**	**-**	**-**	**(21,105,428)**
Net gain/(loss) on cash flow hedges	-	-	-	-	-	20,247,576	**20,247,576**
Total other comprehensive income for Q1 2025	**-**	**-**	**-**	**-**	**-**	**20,247,576**	**20,247,576**
Total comprehensive income for Q1 2025	**-**	**-**	**(21,105,428)**	**-**	**-**	**20,247,576**	**(857,852)**
31st of March 2025	**2,655,920,573**	**232,637,107**	**(5,401,262,195)**	**605,942,623**	**(96,950,824)**	**3,486,720,661**	**1,483,007,945**

FLORIAN-DANIEL POP
General Manager

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1. GENERAL

Rompetrol Rafinare SA (hereinafter referred to as "the Company" or "Rompetrol Rafinare") is a company incorporated under Romanian laws. The Company operates two refineries Petromidia and Vega and also a petrochemical plant. Petromidia Refinery is the one with the highest capacity (of 5 million tons/annum, nameplate capacity) and the only Romanian refinery at the Romanian Black Sea shore, which processes exclusively imported crude oil and produces E.U. standard motor fuels, other petroleum products and certain petrochemicals. Petromidia refinery was designed and built during 1975 and 1977 and was further upgraded in the early '90s and between 2005 - 2012. Vega refinery is located in Ploiesti and is one of the oldest refineries in Romania. Vega Refinery is a niche refinery specialized in the production of solvents, hexane and bitumen (being the only Romanian producer).

Rompetrol Rafinare SA production facilities are located in Romania. The number of employees of the Company as at 31 March 2025 is 1,173, respectively 1,176 as at 31 December 2024.

The registered address of Rompetrol Rafinare SA is 215 Navodari Blvd., Constanta, Romania.

Rompetrol Rafinare SA is a joint stock company listed in the Bucharest Stock Exchange since 2004.

The Company is a part of the KMG International N.V Group. The consolidated financial statements are prepared at the level of the parent company KMG International N.V., with the head office located at World Trade Center, Strawinskylaan 807, Tower A, 8th Floor, 1077 XX, Amsterdam, The Netherlands.

The ultimate parent of the KMG International N.V. is the company "National Welfare Fund Samruk Kazyna" JSC, an entity with its headquarters in Kazakhstan.

The Company is a joint stock company listed on the Bucharest Stock Exchange.

The company also prepares consolidated financial statements that have a public character and are available on the website of the company, https://rompetrol-rafinare.kmginternational.com/, at the section Relation with Investors.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation and statement of compliance

Effective as of 31 December 2012, the interim standalone financial statements of the Company are prepared in accordance with the Order of the Minister of Public Finance no. 1286/2012 subsequent amended by Order of the Minister of Public Finance no. 2844/2016 for approval of the Accounting regulations in compliance with the International Financial Reporting Standards applicable to the companies whose real shares are accepted for transaction on a regulated market. These stipulations are compliant with the requirements of the International Financial Reporting Standards as approved by the European Union, except the regulations of IAS 21, *the Effects of the exchange rate variation* with regards to the functional currency.

For the purpose of preparing these Interim Financial Statements, in accordance with the requirements of the Romanian law, the Company's functional currency is the Romanian leu (RON).

The interim standalone financial statements were prepared based on the historical cost, except for financial instruments and investments in subsidiaries which are classified and measured at the fair value through profit and loss and property, plant and equipment which are measured at fair value through other comprehensive income, respectively.

The interim standalone financial statements are presented in RON and all the values are rounded up to the closest amount in RON, if not otherwise indicated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b) The going concern

The financial statements of the Company are prepared on a going concern basis. As at 31 March 2025 and 31 December 2024, the Company's net assets amount to 1,483 million and RON 1,484 million, respectively. For the period ending 31 March 2025 the Company reported a loss of RON 21 million (31 December 2024: loss of RON 471). The loss incurred during 2025 was comprised of operational loss RON 126 million (31 December 2024: profit of RON 35 million) and financial profit of RON 107 million (31 December 2024: loss of RON 548 million). The operating loss recorded during 2025 is triggered by the refining activity specificity, characterized by a significant volatility and low level of refinery margins recorded in the current year.

The management analyzed the approved budgets for the next years, including the related cash flow projections that consider contracted bank loans and undrawn credit facilities, and concluded that the Company will have available resources to cover the liabilities as they will become due.

For climate related matters and impact on Company's financial statements please refer to Note 29.

Considering the Company's budget for next years, its medium term development strategy, which assumes that the Company will continue its activity in the predictable future by increased margins and operating profits, will pay all its liabilities in the normal course of business, Company's Management considers that the preparation of the financial statements on a going concern basis is appropriate.

c) Changes in accounting policies

i) Voluntary change of accounting policy for property, plant and equipment

As of 31 December 2021, the Company's re-assessed its accounting for property, plant and equipment with respect to measurement of property, plant and equipment after initial recognition. The Company had previously measured all property, plant and equipment, except for buildings, using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the assets were carried at cost less accumulated depreciation and accumulated impairment losses. Buildings category are measured at fair value less accumulated depreciation and impairment losses recognized after the date of revaluation.

Starting with financial year ended 31 December 2021, the Company's elected to change the method of accounting for property plant and equipment and applied the revaluation model prospectively, except for construction in progress which is measured at cost less any impairment.

With regards the Company's operations, reasons for the voluntary change the accounting policy are as following:

- The transition from cost to revaluation will provide a more transparent and up-to-date picture of the value of the Company's assets.
- The revaluation model provides users with information about the real value of the Company's assets, since fair value reflects the market value. Following the listing on the stock exchange, the parent -company is already exposed to indicators determined based on the market value (Price earnings ratio (PER = Price / EPS), Price / Sales (P/S), Price / Book value (P/BV - price to book value), Price / Cash flow (P/CF - price to cash flow = Price / Cash flow).
- The Company's will measure its assets to reflect any increase or decrease in the market price.
- Shareholders are interested in the future performance of the Company's. The fair value measurement of tangible assets dynamically reflects the evolution of their value in close correlation with trend in oil prices, providing investors with long and medium-term outlook of investment performance.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

ii) Voluntary change of accounting policy for measurement of investments in subsidiaries

As of 31 December 2021, the entity chooses to apply IFRS 9, in this case the investments in subsidiaries being measured at fair value through profit or loss (FVTPL) by changing the accounting policy. It represents a change in accounting policy that is applied retrospectively, as if it had always been used.

Thus, the Company restated the comparative amounts for the previous period ending on 31 December 2020, as well as the initial balance on 1 January 2020 with the cumulative effects of applying the change to previous periods.

The Company considers that the evaluation of these investments at FVTPL will provide the users of the standalone financial statements with more relevant information about the value and performance of these entities.

The accounting policies adopted are consistent with those of the previous financial year. The amendments with an application date starting with January 1, 2025 do not have a material impact on the interim financial statements

d) Standards issued but not yet effective and are not early adopted

The Company has not early adopted standards/amendments that are not yet effective, whether they have been endorsed by the European Union or not; management being in the process of assessing the impact at the Company level.

e) Significant professional judgements, estimates and assumptions

The preparation of the financial statements requires that the management should issue professional judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of the assets or liabilities affected in the future periods.

The estimates and underlying assumptions that are the basis of the accounting judgements are constantly reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects that period or in the period of the revision and the future periods if the revision affects both current and the future periods.

The matters presented below are considered to be the most important in understanding the professional judgments that affect the preparation of these financial statements and the uncertainties that could affect the result of the operations, the financial position and the cash flows.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that can lead to material adjustments to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- ***Revaluation of property, plant and equipment***

The Company's carries its property, plant and equipment at fair value, with the reflection of the changes from this revaluation in the financial statements prepared for that year. The fair value is determined on the basis of revaluations usually carried by qualified evaluation professionals, members of a nationally and internationally recognized professional body in the valuation expertise field. The revaluations entail an economic obsolescence test for the revalued assets that is corroborate with the impairment test performed at CGU level to which the respective assets are allocated.

The Company engaged an independent valuation specialist to assess fair value as at 31 December 2023 for the property, plant and equipment.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered given the progress of the decarbonization strategy established at KMGI Group level.

The key assumptions used to determine the fair value are disclosed in Note 2 g), Note 5.

- ***Impairment of non-financial assets***

The Company assesses annually at December 31 whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the carrying amounts for major property, plant and equipment are tested for impairment.

If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is higher of fair value less costs to sell, and value in use determined as the amount of estimated discounted future cash flows. Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed.

The Company bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Company's CGUs. Budgets and forecasts used for impairment calculation generally cover the period of five years. Also, budgets and forecasts are based on management estimates of future commodity prices, market supply and demand and product margins.

Impairment assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs and future capital expenditures. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the CGUs.

The energy transition is likely to impact future demand for certain refined products and prices of oil and crack level which may affect the recoverable amount of property plant and equipment.

The Company constantly monitors the latest government legislation in relation to climate related matters as well as the developments in the sector with respect to energy transition. The material accounting estimates made by management incorporate the future effects of the Company's own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, medium and long-term impacts of climate-related matters and energy transition to lower carbon energy sources. The Company will adjust the key assumptions used in fair value less cost of disposal calculations to reflect sensitivity to changes in assumptions.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 5.

- Fair value measurement of investments in subsidiaries

The company has investment in subsidiaries as of 31 December 2024 which are measured at fair value through profit or loss. The company assesses annually the fair value of the subsidiaries through external valuation.

Their measurement represents Level 3 fair value hierarchy, for which quoted prices in an active market are unavailable and whose value is determined by internal valuation techniques that generally use non-observable data.

The Company bases its fair value calculation on detailed budgets and forecasts, which are prepared separately for each subsidiary. Budgets and forecasts used generally cover the period of five years. Also, budgets and forecasts are based on management estimates of future commodity prices, market supply and demand and product margins. When determining fair value measurement the Company considers also potential climate-related matters including legislation.
Further details on investment in subsidiaries are disclosed and further explained in Note 7.

- ***Provision for environmental liability***

The Company is involved in refining and petrochemicals. Environmental damage caused by such activities may require the Company to incur restoration costs to comply with the regulations in force. Analysis and estimates are performed by the Company together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which cash outflow may be probable, are recognized as a provision in the Company's financial statements. When the final determination of such obligations differs from the recognized provisions, difference is registered in the Company's Income statement.

The climate change and energy transition may bring forward additional environmental cost for oil and gas industry assets thereby increasing the present value of associated environmental provisions, however considering the ongoing process to analyze the potential impact of the climate change, Management does not expect any reasonable change in the expected timeframe to have a material effect on the environmental provisions.

Main assumptions used for the computation of the environmental obligations are as following: estimated timeline for the finalization of the rehabilitation works related to Vega lagoons, tariffs used for computation considering recent market information for all components of the services to be performed, quantities of contaminated soil to be treated considering that volumes after treatments applied can differ from the quantities stated in the valid environmental permit, discount rate.

Additional details on the provisions related to the environment-related obligations are set out in Note 17.

- ***Deferred tax assets***

Deferred tax assets resulting from the unused tax losses are recognized only to the extent that it is probable that taxable profit will be available, against which the losses can be utilized and for environmental provision. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business.

Further details on deferred tax assets and for those losses carried forward for which deferred tax assets has and has not been recognized are provided in Note 23.

- ***Carrying value of trade and other receivables***

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Moreover, the Company considers trade and other receivables in default when contractual payments are 360 days past due, their recoverable amounts being nil.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

- ***Provision for litigations***

The Company analyses its legal exposure regularly in order to determine whether provisions are required. In determining the amount of the provision, assumptions and estimates are made in relation to the probability of losing the litigation considering also the external lawyers' advice, the expected claim to be paid and the expected timing of the payments. Changes to these estimates could have a significant impact on the amount of the provision.

Further details on the provisions relating to litigations are provided in Notes 17, 21, 28.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (r) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company measures financial assets at amortized cost, except for derivative financial instruments on refinery margin and base operating stock which are measured at fair value through profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss;
- Financial assets at amortized cost.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Financial assets at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its financial instruments used to hedge the risk of price related to CO2 allowances and base operating stock ("BOS") for crude oil, other feedstock, diesel, gasoline and jet under this category.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
  Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default with nil recoverable amount when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss;
- Loans and Credits.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d. Impairment of financial assets

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognised the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

g) Property plant and equipment

After initial recognition, property plant and equipment, except for construction in progress, are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

The revaluation surplus of property, plant and equipment for the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the initial cost of the asset will be transferred to retained earnings while the assets are used by the Company.

Upon derecognition of property, plant and equipment, any revaluation surplus related to that asset is transferred to retained earnings, to the extent that such transfer has not already been made during the use of the revalued asset.

The initial cost of property, plant and equipment comprises its purchase price, including custom duties and non-refundable purchase taxes and any costs directly attributable to bringing the asset to the location and the condition necessary for operation. Expenses incurred after commissioning of the asset, such as repairs and maintenance costs are charged to income in the period in which the costs occurred. In situations where it can be demonstrated that expenses have increased the future economic benefits obtained from the use of intangible assets besides the standard evaluation of its performance, the expenditure is capitalized as additional costs of the tangible assets.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus. A negative revaluation reserve cannot be created.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Construction in progress represents plant and properties under construction and is stated at cost, less any impairment loss. This includes cost of construction and other direct costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation for property, plant and equipment except land and construction in progress is computed using the straight-line method over the following estimated useful lives.

Assets in progress represent installations and buildings in construction and are presented at cost, less any impairment losses. This includes the cost of construction and other direct costs. Depreciation of these assets and the others is registered starting with the date when they are ready to be used for the activity they are intended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation of property, plant and equipment less land and immobilization in progress is calculated using the linear method throughout their estimated lifetime:

	Years
Buildings and other constructions	5 to 30
Tanks	5 to 30
Tools and other technological equipment	1 to 30
Vehicles	1 to 5
Furniture and office equipment	1 to 15
Computers	1 to 10

Following the change in the accounting policy regarding recognition of property, plant and equipment from historic cost model to revaluation method, also the economic useful remaining life of the property, plant and equipment was revised as at 31 December 2023 and is still applicable as of 31 March 2025. The change from cost to revaluation provide a more transparent and up to date picture of the value of the Company's assets.
The Company reviews the estimated residual values and expected useful lives of assets with a certain regularity. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

Assets purchased under finance leases are recorded in the statement of financial position and depreciated over their expected useful lives on the same basis as owned assets, or where shorter the term of the relevant lease.

h) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits should be attributable to the asset and flow to the enterprise and if the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives.

Intangible assets consist of software and licenses and are amortized on a straight-line basis over 3 – 5 years.

Development costs for specific projects which are reasonably anticipated to be recovered through commercial activity as well as r software licenses are capitalized and amortized using the straight-line method over their useful lives, generally 3 years. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary external and internal costs specifically associated with the maintenance of already existing computer software programs are expensed as incurred.

Emission rights that are accounted for as intangible assets are unlikely to be amortized as their depreciable amount is usually nil. Their expected residual value at inception will be equal to their fair value. The economic benefits are realized by surrendering the rights to settle obligations under the scheme for emissions made, or by selling rights to another party. They are tested for impairment according to IAS 36 whenever there is an indication of impairment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Investments in subsidiaries

The company elected to measure its investments in subsidiaries in accordance with IFRS 9.

At each balance sheet date the investments in subsidiaries are remeasured to fair value and any change in fair value is recognised in profit or loss accounts.

In accordance with IFRS 9, if the fair value of investment in subsidiaries that was previously recognised at fair value through profit or loss decreases below zero, that investments becomes a financial liability that should be measured at fair value through profit or loss.

j) Impairment of non-financial assets,

At each reporting date the Company reviews the carrying amounts of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the respective asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is stated at revalued amount in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The Company constantly monitors the latest government legislation in relation to climate related matters as well as the developments in the sector with respect to energy transition. The significant accounting estimates made by management incorporate the future effects of the Company's own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, medium and long-term impacts of climate-related matters and energy transition to lower carbon energy sources. The Company will adjust the key assumptions used in fair value less cost of disposal calculations and sensitivity to changes in assumptions should a change be required.

k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense related to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provisions are not recognized for future operating losses.
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Additional comments on the following specific liabilities are:

Environmental provisions

The company has an environmental policy in accordance with existing legislation and any obligations resulting from its environmental and operational licenses. In order to comply with all rules and regulations the Company has set up a monitoring system in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any future known environmental requirements.
The value of the environmental obligation is estimated on the basis of relevant environmental studies.

Liabilities for environmental remediation costs are recognized when there is a past event, such environmental damage, for which an outflow of resources is probable and an estimate can be made Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The most significant category in right-of-used-assets refers to rent for usage of maritime port - berths of Midia Port, for which the depreciation period is the rent contract term, up to 25 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section j) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

A lessee shall determine the lease term as a non-cancellable period of a lease, together with both:
- Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- Period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Company's lease liabilities are included in Lease (see Note 16).

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases lower than USD 5,000. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

m) Inventories

Inventories of raw material, petroleum products, including work-in-process are stated at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution.

Cost comprises the acquisition cost and other costs that have been incurred in bringing the inventories to their present location and condition. The cost method used by the Company is WAC.

n) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in section f) Financial instruments -initial recognition and subsequent measurement (financial assets).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

o) Cash and cash equivalents

Cash includes cash on hand, cash with banks and cheques in course of being settled. Cash equivalents are short-term, highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

p) Revenue from contracts with customers

Revenue from contracts with customers is recognized at a point in time when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue from contracts with customers is recognized when delivery takes place considering specific Incoterms from contracts with customers. The normal credit term is 30 to 90 days upon delivery.

In recognising revenue, the Company applies the five-step model based on the requirements of IFRS 15:

a) identifying the contract with the customer;
b) identifying performance obligations under the contract;
c) determining the transaction price;
d) allocating the transaction price to performance obligations;
e) recognising revenue at (or during) performance of obligation.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of petroleum products provide customers volume rebates. The volume rebates give rise to variable consideration.

(ii) Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

(iii) Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be less than one year.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section i) Financial instruments – initial recognition and subsequent measurement and section n) Trade receivables.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

q) Interest bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost, using the effective interest method.

Gains and losses are recognized in the income statement when the liabilities are derecognized as well through the amortization process.

r) Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All the other costs are expensed in the period they occur. Borrowing costs consists of interest and other cost that an entity incurs in connection with the borrowing of funds.

s) Retirement benefit costs

Payments made to state - managed retirement plans are dealt with as defined contribution plans where the Company pays fixed contributions into the state-managed fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior period. The contributions are charged as an expense in the same period when the employee service was rendered.

Under collective labor agreements, the employees are entitled to specified retirement benefits, payable on retirement, if they are employed with the Company at the date of their retirement. These amounts are estimated as of the reporting date, based on the following information's: applicable benefits provided in the agreement; the number of employees in the Company and the actuarial estimates of the future loans. The defined benefit liability as of reporting date comprises the present value of the defined benefit obligation with the related service cost charged to the income statement. All actuarial gains and losses are fully recognised in other comprehensive income items in the period in which they occur for all defined benefit plans. The related service cost and interest expense are charged to period profit and loss, while all the actuarial gains and losses are fully recognized in other comprehensive income in the period in which they occur.

The Company has no other liabilities with respect to future pensions, health plans and other costs for its employees.

t) Taxes

- ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted until the end of the reporting period.

Deferred tax relating to items recognized outside profit or loss account is recognized outside profit or loss account. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- ***Sales and acquisition tax***

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

u) Dividends

Dividends are recorded in the year in which they are approved by the shareholders.

v) Foreign Currency Transactions

For the purpose of preparing these Financial Statements, in accordance with the requirements of the Romanian law, the Company's functional currency is the Romanian leu (RON).

The exchange rates RON / USD and RON / EUR are the following:

Currency	31 March 2025	31 December 2024
RON / USD	4.6005	4.7768
RON / EUR	4.9771	4.9741

The Company translates its transactions and balances in foreign currency, in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of transaction.

Exchange rate differences arising on the settlement of monetary assets and liabilities or on reporting them at rates different from those at which they were initially recorded during the period or reported in the previous financial statements are recognized in the income statement in the period they arise.

w) Derivative financial instruments

The Company enters into contracts to purchase and sell crude oil and oil at future delivery dates. These contracts expose the Company primarily to commodity risks of changes in fair value of crude oil and related oil products and volatility of the price for CO_2 emissions rights. The Company also uses financial instruments (primarily Options, Swaps and forwards) to hedge its risks associated with fair value fluctuation relating to certain firm commitments and forecasted transactions.

The use of financial derivatives is governed by the Company's policies approved by board of directors, which provide written principles on the use of financial derivatives.

Derivative financial instruments are initially measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met:

- the hedging relationship consists only of eligible hedging instruments and eligible hedge items;
- at the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. Documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements;
- the hedging relationship meets the following hedge effectiveness requirements:
  - existence of an economic relationship relationship between the hedged item and the hedging instrument;
  - the effect of credit risk does not dominate the value changes that result from that economic relationship;
  - the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge the quantity of hedged item.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedging instruments are considered to be highly effective when the effectiveness is between 80% - 125%.

Effectiveness should be recognized to the extent hedging instrument notional amount after considering tax effects.

Hedge effective is assessed based on:

- prospective testing performed at the time when the transactions are executed, based on hypothetical derivative method;
- retrospective testing at balance sheet date.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that:

- is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction;
  and
- could affect profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Company buys crude oil from the market, refines it and later sells the finished products (e.g.: gasoline, diesel, jet fuel etc.). Throughout a given period, the volatility associated with the oil market, both in crudes and in finished products, is transmitted to the Company refinery margin (difference between the purchase price of crude oil and the selling price of finished products). To reduce these volatilities, the Company hedges the margin with a swap on a hedged basket as relevant for the period and cash flow hedge is applied.

Cash flow hedge is accounted as following:

- The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in the Equity;
- as Other Comprehensive Income;
- any ineffective portion is recognized immediately in the statement of profit or loss.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss (see Note 19).

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in period profit or loss as they arise.

x) Emission Rights

CO2 (allowances) emission rights quota are allocated to the Company's refining and petrochemicals operations. For the period 2021 - 2025 the allowances have been validated by European Union and are posted on the Romanian Environmental Ministry website. The Company accounts for the liability resulting from generating of these emissions using the net liability approach. The liability is recognized only at a point where the actual emissions exceed the quota allocated to the company and purchase rights are also initially recognized at cost.

The liability component is measured at the amount that it is expected to cost the entity to settle the obligation in addition to the cost of any certificates purchased. The Company measures the provision as the expected cost of the shortfall in number of CO2 allowances, meaning the amount of emissions exceeding the total amount of allowance and purchases, at their market price at the reporting date.

Income is recognized only when excess certificates are sold on the market, on the other hand in case the certificates surplus is kept for operations compliance of future periods. Emission rights acquired during the period to comply with the quota are accounted for as intangible assets or inventories if the surplus is available for sale, while the emission rights representing the deficit are accounted for as liability.

Emission rights that are accounted for as intangible assets are unlikely to be amortized as their depreciable amount is usually nil. Their expected residual value at inception will be equal to their fair value. The economic benefits are realized by surrendering the rights to settle obligations under the scheme for emissions made, or by selling rights to another party. They are tested for impairment according to IAS 36 whenever there is an indication of impairment.

y) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

z) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period;

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

aa) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

3. INTANGIBLE ASSETS

	Software / Licenses	Other	Intangibles in progress	Total
Cost				
Opening balance as of January 1, 2024	**73,891,434**	**108,926,201**	**367,435**	**183,185,070**
Additions	1,407,505	-	260,898	1,668,402
Disposals	-	(40,769,334)	-	(40,769,334)
Transfers*	-	-	(2,350)	(2,350)
Closing balance as of December 31, 2024	**75,298,939**	**68,156,868**	**625,982**	**144,081,789**
Transfers, reclassifications and adjustments*	-	-	(17,421)	(17,421)
Closing balance as of March 31, 2025	**75,298,939**	**68,156,868**	**608,562**	**144,064,368**
Accumulated amortization				
Opening balance as of January 1, 2024	**(67,649,058)**	**(4,197,345)**	**-**	**(71,846,403)**
Charge for the year	(1,561,129)	(871,994)	-	(2,433,122)
Closing balance as of December 31, 2024	**(69,210,187)**	**(5,069,339)**	**-**	**(74,279,526)**
Charge for the year	(304,023)	(75,681)	-	(379,704)
Closing balance as of March 31, 2025	**(69,514,209)**	**(5,145,021)**	**-**	**(74,659,230)**
Net book value				
As of December 31, 2024	**6,088,752**	**63,087,528**	**625,982**	**69,802,263**
As of March 31, 2025	**5,784,730**	**63,011,847**	**608,562**	**69,405,138**

In September 2024 Rompetrol Rafinare met its obligation to the Romanian authority by complying with the 2023 quota of CO2 allowances, resulting in a disposal of RON 40.8 million, that were accounted for liability, in line with the accounting policy detailed in Note 2 z).

In 2024, emissions were lower against free allocated quota due to the general turnaround that commenced on 8th March and lasted for two months.

4. GOODWILL

The goodwill amounting to RON 152,720 represents fractions of the goodwill of the companies Oilfield Exploration Business Solutions SA (former Rompetrol S.A)., Rompetrol Downstream SRL and Rompetrol Well Services SA, following purchase of shares from these companies in Rom Oil SA.

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Furniture and others	Construction in progress	Total
Cost or valuation						
As of January 1, 2024	**207,096,153**	**895,138,892**	**1,385,121,151**	**5,263,978**	**297,881,722**	**2,790,501,896**
Acquisitions	-	17,362	4,735,720	1,066,636	667,709,950	673,529,668
Transfers from CIP	-	30,814,264	714,071,059	27,715	(744,910,688)	2,350
As of December 31, 2024	**207,096,153**	**925,970,518**	**2,103,927,930**	**6,358,328**	**220,680,984**	**3,464,033,914**
Acquisitions	-	-	313,735	3,506	18,333,560	18,650,801
Transfers from CIP	-	28,753,400	71,404,906	-	(100,158,306)	-
As of March 31, 2025	**207,096,153**	**954,723,917**	**2,175,646,571**	**6,361,834**	**138,856,238**	**3,482,684,715**
Accumulated depreciation & Impairment						
As of January 1, 2024	**-**	**-**	**-**	**-**	**(14,570,759)**	**(14,570,760)**
Charge for the year	(6,107,665)	(125,679,275)	(314,645,872)	(978,773)	-	(447,411,585)
Impairment	-	(14,338,731)	(5,399,627)	-	-	(19,738,358)
As of December 31, 2024	**(6,107,665)**	**(140,018,006)**	**(320,045,500)**	**(978,773)**	**(14,570,759)**	**(481,720,703)**
Charge for the year	(1,428,191)	(25,669,550)	(79,342,651)	(176,299)	-	(106,616,691)
As of March 31, 2025	**(7,535,857)**	**(165,687,555)**	**(399,388,151)**	**(1,155,071)**	**(14,570,759)**	**(588,337,394)**
Net book value as of December 31, 2024	**200,988,487**	**785,952,512**	**1,783,882,431**	**5,379,555**	**206,110,225**	**2,982,313,211**
Net book value as of March 31, 2025	**199,560,296**	**789,036,362**	**1,776,258,420**	**5,206,763**	**124,285,479**	**2,894,347,321**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- Construction in progress

In first 3 months of the year 2025, the significant contribution to the total acquisitions for construction in progress is represented by the projects of Refinery Slow Down 2025 (about RON 6.4 million), the ISCIR projects within the two refineries (about RON 2.4 million), the project of Emergency Catalyst Acquisition for 120-R1 – NHT Un (about RON 1.0 million), Tank rehabilitation projects (RON 6.0 million) and other projects totaling RON 2.5 million.

In 2024, the significant contribution to the total acquisitions for construction in progress is represented by the projects of replacement catalysts (approximately RON 32.0 million), Refinery General Turnaround (about RON 287.6 million), the ISCIR projects within the two refineries (about RON 98.6 million), Replace cut/drilling system DCU unit (about RON 50.2 million), Refinery MHC unit restart (approximately RON 33.1 million), the project of acquisition and Install of 2 new Reactors -125-DHT (about RON 51.2 million), the project of Replace subassembly of reformer heater 352-H201 (about RON 22.9 million), Transform CO Boiler from natural circulation boiler (RON 12 million), Safety measures package for PEM Refinery hydrotreater (RON 11.7 million), Replacement static equipment Refinery and Petrochemicals (RON 7.3 million), New Traveling crane with clamshell bucket 12,5 t (RON 4.6 million), Tank rehabilitation projects (RON 2 million) and other projects totaling RON 54.5 million.

At the end of 2024, the main projects remaining in construction in progress refers to the following: Replace cut/drilling system DCU unit (RON 57.5 million), Replacement of PEM strategic equipment (rotors) (about RON 20.5 million RON), Refinery General Turnaround (about RON 15.8 million) ISCIR projects within the two refineries (about RON 10.5 million), Flue gas pipe support system expert.N-PG-138F-030 (RON 10 million), Preparing to 2024 general repair and 2020 HPP Unit (about RON 7.5 million), New Traveling crane with clamshell bucket 12,5 t (RON 6.7 million), Refinery MHC unit restart (about RON 5.2 million), Mounting of electrical equipment 306PP (RON 4.8 million), Mild Hydrocracking Unit Reliability (about RON 4.2 million) 2023 Firefighting package (RON 4.4 million), Tank rehabilitation projects (about RON 7 million), the projects of Replacement catalysts (about RON 9.5 million), and other refinery ongoing project totaling RON 57.1 million.

- Disposal

No asset disposals were recorded in the first quarter of the year 2025.

In 2024 the Company disposed the Old Hydrogen Plant – Line I as part of Install of 2 new Reactors -125-DHT project. Staring with 2012 the Old Hydrogen Plant (around 7000 m3/hours cumulated capacity of all 3 lines) was no longer used since the New Hydrogen Plant was put in function with bigger capacity (40.000 m3/hour), based on latest available technologies. The net book value of Old Hydrogen Plant – Line I at the date o disposal was nill (zero), therefore no expenses with disposal of assets were recorded.

- *Capitalization of borrowing costs*

In the first quarter of the year 2025 the capital projects were financed from Company's operating cash flow, therefore no borrowing cost directly attributable to the acquisition, construction or production of a qualifying assets was capitalized during first 3 months of the year 2025 (2024: RON nil).

The Company's borrowing funds obtained for generally for the business are not used for the purpose of obtaining a qualifying asset, thus Management determined that no borrowing cost is considered eligible in first quarter of the year 2025 and 2024 for capitalization by applying a capitalization rate to the expenditure on the asset.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- **Specific impairment**

During 2024, no ethylene was processed as the LDPE plant remained shut down due to unfavourable petrochemical market conditions for LDPE products. Additionally, in prior periods, no long-term contract for ethylene supply was concluded under beneficial conditions, taking into account market volatility, in order to cover costs through favourable margins. As a result, the company has assessed the recoverability of the related fixed assets and recognized an impairment provision in amount of RON 19.7 million as of December 31, 2024, in line with applicable accounting standards.

The Company performs an annual assessment, based on specific asset considerations, as applicable, to identify carrying amounts for property, plan and equipment differ significantly as compared to their fair value as of reporting date taking into consideration expectations on future market conditions. . As differences were anticipated, the Company proceeded to perform a revaluation of property plan and equipment that also embedded an economic obsolescence test as detailed below in Note 5.

Subsequently impairment test has been performed by the Company for the carrying value of goodwill, property plant and equipment and right of use assets as of 31 December 2024 on the cash generating units (“CGUs”) listed below in Note 5.1.

- **Revaluation of property, plant and equipment**

Starting with the financial year ended December 31, 2021, the Company implements the voluntary change of the accounting policy for land and equipment of the Company at fair value as the new method leads to obtaining more relevant and reliable information. Buildings are measured using revalued amount following the voluntary change of accounting as of 31 December 2017.

As at 31 December 2023, a new revaluation process was conducted, the properties fair values for property, plant and equipment are based on valuations performed by PricewaterhouseCoopers Management Consultants S.R.L., an accredited independent appraiser with experience on similar valuation exercises. Fair value of the properties was determined using net replacement cost approach for majority of assets, but also the market approach was applied for several assets like land and residential buildings. The valuation of equipment was performed by the appraiser based on net replacement cost method and subsequently the items were tested for economic obsolescence. A revaluation deficit for property was recognized in OCI (RON 519.5 million) and a net revaluation loss of RON 686.5 million was recognized in profit or loss as of 31 December 2023.

The fair value measurement of property, plant and equipment is considered as Level 3 as that valuation techniques use inputs which have a significant effect on the recorded fair value that are not based on observable market data. Details about valuation techniques used and key inputs are detailed below.

Description of valuation and key inputs used for to valuation of the property, plant and equipment

Rafinery	Valuation technique	Significant unobservable input	Range (weighted average)
Petromidia Equipment	Net replacement cost	Projected crude oil processing capacity of the refinery	5,320 K tons/year (110 K bbl/day)
		The unit cost of an atmospheric distillation for a heavy crude oil refinery, assuming “ISBL” costs - Inside Battery Limit and “overnight” costs (excluding off-site, financing or other costs);	35.7 USD/ton
Vega Equipment	Net replacement cost	Projected crude oil processing capacity of the refinery	500K tons/year (11K bbl/day)
		The unit cost of an atmospheric distillation for a heavy crude oil refinery, assuming “ISBL” costs - Inside Battery Limit and “overnight” costs (excluding off-site, financing or other costs);	70 USD / ton
		The Nelson complexity factor	Vacuum distillation plant 2,0 n-Hexan 1,5 Rectification 1,0

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Due to the fact that in some cases Nelson complexity factors are either not available (sulfur recovery) or are too general for an accurate estimate, the gross replacement cost for the remaining units was estimated based on the unit cost of the investment. These units are: Amine Treatment (DGRS), New and Old SRU, Nitrogen Plant, HPP, MHC and G1, G100, G200, G300 Cooling Towers.

Description of valuation techniques used for valuation of Property, plant and equipment

The fair value of the Company's land was estimated using the market-based approach, the method of direct comparison. For the selection of comparable properties used in the application of the direct comparison method, the offers of similar properties were analyzed by in terms of differences and similarities compared to the lands subject to this valuation, such as category of land (i.e. industrial, agricultural, etc), location, size, surface.

The gross replacement cost for buildings and constructions was applied, depending on the type of building, technical characteristics and construction, surface, using catalogs for appropriate construction costs and adjustments.

The gross replacement cost for railways, ramps, cooling towers and tanks were estimated on the basis of unit costs and volumes. Gross replacement cost for refinery specialized assets resulted from updating the acquisition value / revalued value with specific indices or the consumer price index. In case of gas stations, the gross replacement cost for each asset category was estimated based on the Group's recent work statements for each type of station expressed in USD and current offers of specialized suppliers, for different elements of the stations.

Physical impairment was based on acquisition date and subsequent upgrades, the environment of use and the normal / technical operating times for each for the different category of assets. Physical impairment was applied to gross replacement cost leading to net replacement cost.

As part of the revaluation process carried out as of December 31, 2023 an economic obsolescence test was performed for the revalued property, plant and equipment of Rompetrol Rafinare. The value in use was estimated based on the approved 5-year Business Plan (2024-2028) prepared by the Company's management. The results of the economic obsolescence test are incorporated in the revaluation exercise. The economic obsolescence test covering Refinery and Petrochemicals CGUs had impact at the level of Rompetrol Rafinare leading to recognition of revaluation deficit and revaluation loss.

As part of the year end impairment tests processes carried out as of December 31, 2024, an economic obsolescence test was performed for the Company's revalued property, plant, and equipment. Unlike the previous year, the results of the test indicated that no revaluation deficit or revaluation loss was required to be recognized as of December 31, 2024.

- ***Pledged property, plant and equipment***

The company pledged property, plant and equipment with a carrying value of of RON 575,393,299 (2024: RON 597,280,822) for securing banking facilities granted to the Company.

In 2010, ANAF imposed a precautionary asset freeze on all fixed assets, investments, and equity as well as on the shares of Rompetrol Rafinare SA, totalling RON 1.59 billion, in favour of the Romanian state (represented by ANAF) – see details under Note 27 Distress assets – Hybrid Conversion. A second-rank guarantee was also set in favour of KMG International N.V. Despite the 2014 Memorandum of Understanding mandating the removal of these measures, further legal actions in 2016 led to new seizures over the same assets. Over time, court decisions gradually lifted these restrictions, culminating in the Supreme Court's final ruling in 2025, confirming that ANAF must cancel the enforcement order and release all precautionary seizures. ANAF already started the appropriate formalities to lift the seizure from refinery installations and further Management will assess the potential implications derived from this as stated in the Memorandum of Understanding concluded with the Romanian State. As of March 31, 2025 the lifting of the precautionary seizure is in progress. Most of the assets (lands, constructions, movables) are already released (Note 28).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

5.1 IMPAIRMENT TEST

The Company performed impairment test as of 31 December 2024. Management assessed the financial performance of the Refining and Petrochemicals CGU and the future market conditions, including the acceleration of the pace of transition to a lower carbon economy and energy system, and concluded that that there are no indicators for impairment as of 31 December 2024.

Impairment tests have been performed by the Company for the carrying value of goodwill, property plant and equipment and right of use assets as of 31 December 2024 on the cash generating units ("CGUs") Refining, Petrochemicals. Based on the impairment tests performed, no impairment has been identified.

6. RIGHTS OF USE ASSETS

	Land, building and special constructions	Plant and equipment	Vehicles and others	Total
Initial cost / revalued				
Opening balance at January 01, 2024	**60,979,574**	**2,660,777**	**2,918,643**	**66,558,994**
Re-measurement and other adjustments	-	867,562	-	867,562
Disposals	-	-	(166,898)	(166,898)
Closing balance at December 31, 2024	**60,979,574**	**3,528,340**	**2,751,744**	**67,259,658**
Additions	-	-	229,095	229,095
Re-measurement and other adjustments	6,943	-	-	6,943
Disposals	-	-	(160,229)	(160,229)
Closing balance at March 31, 2025	**60,986,517**	**3,528,340**	**2,820,611**	**67,335,468**
Opening balance at January 01, 2024	**(11,798,585)**	**(2,446,167)**	**(1,873,308)**	**(16,118,060)**
Charge for the year	(2,422,301)	(490,449)	(581,709)	(3,494,459)
Accumulated depreciation of ceased rights of use assets	-	-	166,898	166,898
Closing balance at December 31, 2024	**(14,220,886)**	**(2,936,616)**	**(2,288,120)**	**(19,445,622)**
Charge for the year	(605,768)	(121,795)	(130,027)	(857,589)
Accumulated depreciation of disposals	-	-	160,229	160,229
Closing balance at March 31, 2025	**(14,826,654)**	**(3,058,411)**	**(2,257,918)**	**(20,142,982)**
Net book value as of December 31, 2024	**46,758,688**	**591,724**	**463,625**	**47,814,036**
Net book value as of March 31, 2025	**46,159,863**	**469,929**	**562,694**	**47,192,485**

The additions during the period represent mainly contracts concluded by the Company for car fleet rental.

The Company recognized right of use assets for the following main categories of operational lease.

Land, buildings and special construction category includes mainly:

- Rent for usage of maritime port - berths of Midia Port.

Plant and equipment category includes mainly equipment for industrial water pumping stations.

Vehicles and other categories includes mainly the agreements in relation to the car fleet rental.

7. INVESTMENT IN SUBSIDIARIES

	31 March 2025	31 December 2024
Investments in subsidiaries	3,741,084,832	3,741,084,832
Total	**3,741,084,832**	**3,741,084,832**

In 2021, Rompetrol Rafinare SA chooses to apply IFRS 9, in this case the investments in subsidiaries being measured at fair value through profit or loss (FVTPL) by changing the accounting policy. The reasoning is detailed in Summary of material accounting policy information, Note 2 i).

Details regarding subsidiaries at 31 March 2025 and 31 December 2024 are as follows:

		Ownership at		Balance at	Balance at
	Range of activity	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Rompetrol Downstream SRL	Retail Trade of Fuels and Lubricants	99.99%	99.99%	2,878,531,671	2,878,531,671
Rompetrol Petrochemicals SRL	Petrochemicals	100.00%	100.00%	441,850,561	441,850,561
Rom Oil SA	Wholesale of Fuels; fuel storage	99.99%	99.99%	142,730,866	142,730,866
Rompetrol Logistics SRL	Fuels Transportation	66.19%	66.19%	250,955,974	250,955,974
Rompetrol Quality Control SRL	Quality Control Services	70.91%	70.91%	27,015,760	27,015,760
Total investments				**3,741,084,832**	**3,741,084,832**

**Note: all subsidiaries are Romanian companies*

As at the date of revaluation on 31 December 2024, the investments' fair values are based on valuations performed by PricewaterhouseCoopers Management Consultants SRL, an accredited independent valuer who has valuation experience for similar properties. The fair values of the non-listed equity investments have been estimated using a DCF model in case of Rompetrol Downstream SRL, Rom Oil SA and Rompetrol Quality Control SRL, while for Rompetrol Petrochemicals SRL and Rompetrol Logistics SRL the fair values were estimated using net asset approach. The valuation using DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments. Considering that techniques used for the fair value of investments in subsidiaries are not based on observable market data, the fair values are classified as Level 3.

8. INVENTORIES, NET

	March 31, 2025	December 31, 2024
Crude oil and other feedstock materials (at lower of cost and net realisable value)	454,968,726	693,476,850
Finished products (at lower of cost and net realisable value)	353,270,161	402,595,869
Work in progress (at cost)	233,323,178	210,434,698
Spare parts (at cost less inventories write-down)	16,481,488	16,557,135
Other consumables (at cost less inventories write-down)	25,075,205	22,327,634
Merchandises (at cost less inventories write-down)	52,692	39,076
Other inventories (at cost less inventories write-down)	5,918,748	6,761,873
Total	**1,089,090,198**	**1,352,193,135**

The inventories provisions mainly represent the provision for net realizable value in relation to refineries and petrochemical plant inventories such as petroleum and petrochemicals products from production and trading, raw materials and provision of old spare parts.

The movement of the provision for inventories in the first 3 months of the year 2025 and 2024 is presented below:

	March 31, 2025	December 31, 2024
Reserve at the beginning of the year	**(135,777,469)**	**(175,811,979)**
Accrued provision	(41,210,944)	(98,018,065)
Reversal provision inventories reserve	28,709,451	138,052,575
Reserve at the end of the period	**(148,278,962)**	**(135,777,469)**

The provisions for inventories represent provisions related to crude oil and other feedstock materials, finished products and spare parts calculated as the difference between the cost value and the net realizable value.

9. RECEIVABLES AND PREPAYMENTS, NET

	March 31, 2025	December 31, 2024
Trade receivables	1,383,119,994	1,186,286,531
Advances to suppliers	27,638,605	19,569,887
Sundry debtors	27,715,551	27,841,936
VAT to be recovered	1,255,435	103,845
Other receivables	167,078,950	156,579,014
Reserve for bad and doubtful debts	(69,671,897)	(74,959,713)
Total	**1,537,136,637**	**1,315,421,500**

Included in Sundry debtors in 2025 is an amount of RON 25.1 million (2024: RON 25.1 million) for principal liabilities and related penalties paid to ANAF following General Tax Inspection Report covering 2011 - 2015 period; the amount is fully provisioned as at March 31, 2025.

9. RECEIVABLES AND PREPAYMENTS, NET (continued)

At 31 March 2025, out of the total amount of RON 27.6 million (2024: RON 19.6 million) representing advances to suppliers, RON 26.8 million (2024: RON 18.8 million) are in respect of other raw materials, utilities, investment projects and others.

Out of the total balance for other receivables of RON 167.1 million (2024: RON 156.6 million), an amount of RON 68.0 million (2024: RON 35 million) relates to cash pooling receivables. Also, in other receivables an amount of RON 61.5 million (2024: RON 72.2 million) refers to excise receivables.

The balances with related parties are presented in Note 25. The movement of provision is presented in Note 21.

	March 31, 2025	**December 31, 2024**
Sundry debtors	27,715,551	27,841,936
Other receivables	167,078,950	156,579,014
Provision for sundry debtors and other receivables	(26,361,654)	(26,361,654)

Out of the total amount of other receivables and sundry debtors of RON 194.8 million (2024: RON 184.4 million) an amount of RON 26.4 million (2024: RON 26.4 million) is provisioned.

The movement in the provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables is as follows:

	March 31, 2025	**December 31, 2024**
Balance at the beginning of the year	**(74,959,713)**	**(72,278,300)**
Charge for the year	(107,057)	(7,190,813)
Utilized	5,364,751	4,557,418
Exchange rate differences	30,123	(48,019)
Balance at the end of the period	**(69,671,897)**	**(74,959,713)**

As at 31 March 2025 and 31 December 2024, the aging analysis of trade receivables and the respective balance of expected credit loss is as follows:

		Trade receivables					
		Days past due					
31 March 2025	**Total**	**Current**	**1 - 30 days**	**30 - 60 days**	**60 - 90 days**	**90 - 120 days**	**> 120 days**
Expected credit loss rate	**2.73%**	**0.00%**	**2.64%**	**0.04%**	**0.02%**	**0.13%**	**97.55%**
Estimated total gross carrying amount at default	**1,383,107,701**	1,208,549,423	83,823,031	17,773,279	19,433,824	17,108,576	36,419,568
Expected credit loss	**37,770,100**	-	2,211,420	6,898	3,223	22,714	35,525,846

9. RECEIVABLES AND PREPAYMENTS, NET (continued)

		Trade receivables					
			Days past due				
31 December 2024	**Total**	**Current**	**1 - 30 days**	**30 - 60 days**	**60 - 90 days**	**90 - 120 days**	**> 120 days**
Expected credit loss rate	**3.63%**	**0.00%**	**3.34%**	**0.86%**	**0.11%**	**0.33%**	**97.18%**
Estimated total gross carrying amount at default	**1,186,274,238**	1,031,398,155	66,307,650	28,897,858	12,156,442	5,772,152	41,741,981
Expected credit loss	**43,057,916**	-	2,211,420	249,646	13,714	19,284	40,563,852

			Past due but not impaired				
	Total	**Neither past due not impaired**	**1 – 30 days**	**30 – 60 days**	**60 – 90 days**	**90 - 120 days**	**>120 days**
31 March 2025	**1,345,337,601**	1,208,549,423	81,611,611	17,766,381	19,430,601	17,085,863	893,722
31 December 2024	**1,143,216,322**	1,031,398,155	64,096,230	28,648,212	12,142,728	5,752,868	1,178,129

At 31 March 2025, the trade receivables at the initial value of RON 37.8 million (2024: RON 43.1 million) have been considered uncertain and provisioned.

As at 31 March 2025, a recoverability analysis was performed for trade receivables balance that resulted in an amount of RON 37.77 million (2024: RON 43.06 million). See below for the movements in the provision for impairment of trade receivables.

	Collectively impaired
At January 1, 2024	**(40,376,503)**
Value adjustments for impairment of receivables	(7,190,813)
Reversed provisions	4,557,418
Exchange rate difference	(48,019)
At December 31, 2024	**(43,057,917)**
Value adjustments for impairment of receivables	(107,057)
Reversed provisions	5,364,751
Exchange rate difference	30,123
At March 31, 2025	**(37,770,101)**

10. CASH AND CASH EQUIVALENTS

	March 31, 2025	**December 31, 2024**
Cash at bank	491,110,338	400,812,616
Cash on hand	2,981	1,362
Transitory amounts	92,100	265,094
Other cash equivalents	12,365	369,032
Total	**491,217,784**	**401,448,104**

Other cash equivalents represent in the greatest part cheques and promissory notes in course of being settled.

11. EQUITY

11.1 SHARE CAPITAL

As at 31 March 2025 and 31 December 2024 the share capital consists in 26,559,205,726 ordinary shares, authorized, wholly issued and paid up, with a nominal value of RON 0.1 per each share.

The shareholder structure at 31 March 2025 and 31 December 2024:

Shareholders	Percent held (%)	Statutory amounts in [RON]
KMG International N.V	48.11%	1,277,857,773
The Romanian State represented by The Ministry of Energy	44.70%	1,187,087,758
Rompetrol Financial Group SRL	6.47%	171,851,155
Rompetrol Well Services SA	0.05%	1,323,486
Rompetrol Rafinare SA	0.01%	369,858
Others (not State or KMGI Group)	0.66%	17,430,542
Total	**100%**	**2,655,920,573**

Following the Extraordinary General Meeting of Shareholders of 30 June 2010, which approved the capital increase with up to RON 450 million, Rompetrol subscribed and paid a total of 3,294,914,165 shares (equivalent of USD 100,222,279), and minority shareholders have subscribed and paid a total number of 6,506 shares (USD 198). These shares have been registered with the Trade Regist er.

The proceeds of the capital increase were used to partially redeem the bonds held by the Romanian state.

After the Extraordinary General Meeting of Shareholders on 30 September 2010, the Company converted remaining unredeemed bonds into shares in favor of the Romanian State, resulting a total of 19,715,009,053 shares amounting to RON 1,971,500,905 (USD 627,546,964).

Consequently, the Romanian state, through the Ministry of Finance owns 44.7% in the Company.

The Extraordinary General Meeting of Shareholders („EGMS") of Rompetrol Rafinare held on August 06, 2021 approved the following decision for share capital reduction: The Company's share capital will be reduced by 1,755,000,000 RON from 4,410,920,572.60 RON to 2,655,920,572.60 RON by reducing the number of shares by 17,550,000,000 shares, respectively from 44,109,205,726 shares to 26,559,205,726 shares according to the art. 207 (1) (a) of the Companies Law no. 31/1990. The decision was published on September 03, 2021 into the Official Gazette of Romania and it took effect on 5 November 2021.

11.2 SHARE PREMIUM

The share premium is the result of conversion of bonds into ordinary shares on 30 September 2010, in favor of the Romanian State, represented by the Ministry of Finance, bonds which were issued based on the Emergency Ordinance ("EGO") 118/2003 ratified by Law 89/2005.

11.3 REVALUATION RESERVES

At 31 December 2024, the Revaluation reserves balance in amount of RON 509 million presented in net off the deferred tax recognized on the revaluation surplus and net off the transfer to retained earnings of the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the assets.

11. EQUITY (continued)

The revaluation surplus included in the revaluation reserves is realized by transferring it to retained earnings as the use of the asset or upon disposal of the asset, unless a transfer has not already been made during utilization period of the revaluated asset.

Thus, as of 31 December 2024 the realized revaluation reserve is in 2024 in amount of RON 166.1 million, for which a reduction of previously recognized deferred tax liability in amount of RON 26.6 million was recorded.

11.4 OTHER RESERVES

Hybrid Loan

The "Other reserves" item includes the equity component of the hybrid loan as measured at its initial recognition in amount of RON 3,449 million (USD 1,022 million).

In 2012, USD 800 million of the total outstanding balance of the loan payable to KMG International NV was converted into an unsecured hybrid loan, repayable after 51 years. During 2013, an additional USD 150 million were converted, the hybrid loan amounting to USD 950 million. The loan is unsecured, subordinated to any present and future liability of the company. At maturity the loan can be repaid in cash or fully or partially converted into shares at the option of the issuer. The interest rate for this loan is 15% of the aggregate amount of the company's annual EBIT (operational profit), and it is computed and becomes payable if the below conditions are met cumulatively (as per the addendum to the hybrid loan contract concluded in May 2021):

- the company records net profit after tax for that year;
- the company will distribute dividends.

The contract states that the interest rate mentioned above will be adjusted if the market conditions impose it, depending on the level of market interest existing at the time of the contract execution.

In 2017, an additional USD 72.2 million were converted to hybrid loan by conversion of a debt held in front of KMG International NV. The additional loan is unsecured, repayable after 51 years and subordinated to any present and future liability of the companies. At maturity the loan can be repaid in cash or fully or partially converted into shares. The interest rate for this loan is 2% of the aggregate amount of the company's annual EBIT (operational profit), and it is computed and becomes payable if the below conditions are met cumulatively (as per the addendum to the hybrid loan contract concluded in May 2021):

- the company records net profit after tax in the year;
- the company will be able to distribute dividends as per the Romanian law requirements.

Also, in 2017 management carried out an assessment on the potential hybrid loan interest liability and recorded an amount of RON 57.2 million, based on the projected profitability of the business for the upcoming period. This liability was updated in 2018 to RON 69.3 million and no change in the interest assessment resulted for 2019. On annual basis, a reassessment of the future interest is performed with direct impact in the current year result.

As of 31 December 2020, management carried out an assessment on the potential hybrid loan interest liability and it resulted that no interest payable should be recorded based on the projected profitability of the business by the end of the contractual period, considering the current accumulated accounting losses. As result of the assessment performed, the potential hybrid loan interest liability was reversed through 2020 result.

In May 2021, the parent company concluded addendums to the hybrid loan agreements stating that interest will be computed and becomes payable when:

- the company records net profit after tax in the year;
- the company will distribute dividends as per the Romanian law requirements.

12. TRADE AND OTHER PAYABLES

	March 31, 2025	December 31, 2024
Trade payables	3,326,680,928	4,148,248,411
VAT payable	211,072,642	177,860,992
Special found tax for oil products	27,560,632	27,560,632
Taxes payable	42,041,491	20,880,477
Employees and social obligations	22,824,494	23,137,830
Other liabilities	2,650,767,172	1,771,112,845
Total	**6,280,947,359**	**6,168,801,187**

The Company has a cash pooling agreement in place in order to implement a cash balance optimization system, where KMG Rompetrol SRL is "Coordinating Company", and the group companies are participating companies.

The cash pooling debt amounts to RON 2,355.97 million (2024: RON 1,759.88 million) and is recognised in "Other liabilities".

Trade payables line include payables in relation to KazMunayGas Trading AG in amount of RON 2,948 million as of 31 March 2025 (2024: RON 3,752 million) which represents the liability for the acquisition of crude oil.

Acquisitions of crude oil are financed through a series of credit facilities obtained by KazMunayGas Trading AG from different financial institutions.

Further, according to the agreement concluded between Rompetrol Rafinare SA and KazMunayGas Trading AG, interest rate is calculated differently depending on the financing institution, as well as penalties in case payments are not made by Rompetrol Rafinare according to the agreed payments terms (Note 22).

13. CONTRACT LIABILITIES

	March 31, 2025	December 31, 2024
Short-term advances from other customers	141,366,096	210,990,531
Total short-term advances	**141,366,096**	**210,990,531**

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company performs under the contract.

14. SHORT-TERM BORROWINGS

Short-term loan from related parties:

	31 March 2025	31 December 2024
Rompetrol Gas SRL	**30,614,462**	**30,614,462**
Loans of RON 30.6 million for the purpose of covering the funds necessary to pay the turnover tax for the 1st quarter and 2nd quarter of 2024. Maturity of the loan is for a period of 12 months.		
Interest due	204,309	205,627
TOTAL	**30,818,771**	**30,820,089**

Short-term loan from banks:

	31 March 2025	31 December 2024
Banca Transilvania	**105,835,673**	**123,277,339**
Revolving credit ceiling on short term credit facility of up to EUR 30 million, for working capital purposes, for issue of letters of credit and letters of guarantee. Maturity date is July 25, 2025; guarantee on the credit balances of all current accounts; Corporate unconditional and irrevocable guarantee issued by KMG International; mortgage on the delayed coking unit; pledge on machinery and equipment; mortgage on real estate land area of 30,380.96 m2; assignment of rights from insurance compensation.		
Banca Transilvania	**39,416,959**	**40,237,652**
Short-term credit facility type cash and non-cash amounting to EUR 27,961,890 for the current activity, issuing letters of credit and letters of guarantee, due on July 25, 2025; guarantee on the credit balances of all current accounts; Corporate unconditional and irrevocable guarantee issued by KMG I; assignment of rights from insurance compensation; rank mortgage on installations: HDV = EUR 9.3 million; DAV = EUR 14,3 million; DGRS =EUR 7.3 million; AFPE = EUR 16.08 million; GA (G1 + G3) = EUR 5.2 million; ON202 = EUR 5.7 million; warranty on land and buildings - EUR 181,000; warranty on the equipment; pledge on movable production assets EUR 10.9 million.		
Interest due	998,102	518,951
	146,250,734	**164,033,943**
Syndicated loan – auxiliary component representing overdraft loan granted by Garanti Bank	-	7,161,595
Syndicated loan – auxiliary component representing overdraft loan granted by Alpha Bank Romania	45,954,283	-
Syndicated loan – auxiliary component representing overdraft loan granted by Banca Comerciala Intesa Sanpaolo Romania	10,534,867	47,768,000
TOTAL	**202,739,883**	**218,963,537**

15. LONG-TERM BORROWINGS

Long-term loan from banks

	31 March 2025	31 December 2024
Loan facility – through BCR (Banca Comerciala Romana) as payer agent General corporate purposes and working capital facility of USD 531,800,000 with possibility to increase up to USD 600,000,000 considering an accordion clause of USD 68,200,000. Facility granted by a consortium of banks, namely Banca Comerciala Romana S.A. (BCR), ING Bank N.V Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., UniCredit Bank S.A., Alpha Bank Romania S.A., Garanti Bank S.A. and OTP Bank Romania S.A.The facility consists of two parts: (I) USD 275,9 million committed line and the maturity date is April 13, 2026 with an option of adding another 2 years until 2028 and (II) USD 275,9 million uncommitted line for a period of 1 year, with yearly possibility of prolongation. The facility is secured by: inventories, receivables, depots, gas stations and current accounts.	1,269,277,950	1,317,919,120
TOTAL	**1,269,277,950**	**1,317,919,120**

The movement of loans in the first 3 months 2025 is presented below:

	At January 01, 2025	Movement	At March 31, 2025
Long-term borrowings from banks	1,317,919,120	(48,641,170)	1,269,277,950
Short-term borrowings from banks	218,444,586	(16,702,805)	201,741,781
Short-term borrowings from shareholders and related parties	30,614,462	-	30,614,462
Total	**1,566,978,168**	**(65,343,975)**	**1,501,634,193**
Interest short-term borrowings from banks	518,951	479,151	998,102
Interest short-term borrowings from shareholders and related parties	205,627	(1,318)	204,309
Total	**724,578**	**477,833**	**1,202,411**

16. OBLIGATION UNDER LEASE AGREEMENTS

	2025	2024
Opening balance at 01 January	**53,049,454**	**55,123,588**
Additions	227,032	-
Re-measurement	6,943	867,562
Payments	(1,200,163)	(4,736,590)
Interest accrued	429,651	1,765,053
Exchange rate impact	10,930	29,841
As at 31 March / 31 December	**52,523,847**	**53,049,454**
Non-current	49,696,347	50,193,790
Current	2,827,500	2,855,664

As of 31 March 2025, there are no sale and leaseback agreements and no lease agreements signed and not commenced yet.

The amount related to additions of RON 0.23 million in the first quarter of 2025 refers to car fleet rental agreements.

17. PROVISIONS

The movement of the provisions is presented below:

	As at 1 January 2025	Other comprehensive income	Changes during the year	Unwinding of discount	As at 31 March 2025
Provision for litigations	3,600,000	-	-	-	3,600,000
Retirement benefit provision	44,931,128	-	-	-	44,931,128
Environmental provision	453,294,968	-	-	-	453,294,968
Total	**501,826,097**	**-**	**-**	**-**	**501,826,097**

Environmental provision

Vega lagoons

As of 31 December 2024, the Company recognized an environmental provision of RON 426.5 million (2023: RON 424.0 million) based on reassessment of the site restoration provision. Reassessment was performed considering the following change in assumptions as compared with previous period:

- updated prices for rehabilitation work related to lagoons 16, 19 - 20, 7 - 12, 13 - 15 considering the contract in place for lagoons 19-20. The updated prices use as reference basis the lump sum as per contract in place which was allocated at activity level. Moreover, tariffs are indexed on an annual basis with a market factor increase, representing the forecasted inflation rate as per Romanian National Statistics Institute for the period 2025 – 2028 only if the inflation rate increase is equal to or exceeds 3% in accordance with the contract in place;
- Quantities of acid tars and contaminated soil used for the estimation of costs are the quantities as per Environmental Permit issued on 14 Jan 2021 to which an increase of 30% was considered given that according to the Environmental Permit, volumes after treatment can be higher with 30%
- Updated contingency based on the additional increase in quantities of contaminated soil, to 40% except lagoons 19-20 (for which a contract is in place) and the effect of the infringement procedure against Romania in respect of non-compliance with European environmental obligations for deposit of waste.

17. PROVISIONS (continued)

- updated variable indicators over the project timeline (i.e. exchange rate, discount rate, inflation rate) as following: exchange rate changed from 4.4958 RON/USD to 4.7768 RON/USD, increased discount rate from 6.19% used for the provision assessment as of 31 December 2023 to 6.81% as of 31 December 2024 and updated inflation rate forecast as per Romanian National Institute of Statistics;
- extended timeline for the rehabilitation plan until the end of 2028.

The results of the reassessment lead to a net increase of provision by RON 2.4 million, mainly triggered by updated computation due to change in assumptions and foreign exchange effect of RON 8.05 million, offset by an unwinding of discount effect of RON 5.6 million.

As of 31 March 2025, the provision recognized at the end of 2024 (as stated above) is considered as being appropriate.

Vadu cassettes

During the previous period, the Company conducted due diligence procedures according to Law 74/2019 for the biological waste storage area resulting from IAZ no.1 ("Vadu cassettes"), a process ongoing in compliance with EPA Constanta. Technical project was submitted to the authority at the establish deadline. Also, the procedure in order to obtain Environmental agreement is ongoing, the Company submitted necessary documentation, but additional information / clarifications were requested by EPA Constanta, within a new established deadline.

Management determined a constructive obligation for the Company for rehabilitation of the cassettes, prompting an assessment as of December 31, 2021, resulting in a provision computation.

At the end of 2024, the environmental provision was reassessed to reflect updated assumptions (discount rate, exchange rate). The reassessment resulted in a revised provision in amount of RON 26.8 million. As of 31 March 2025, the provision recognized at the end of 2024 is considered as being appropriate.

Retirement benefit provision

Under the collective labor agreement in force, employees are entitled to specific retirement benefits that are payable on retirement, if the employees are employed with the entity at the date of their retirement. The level of benefits provided depends on the member’s length of service, the employees is entitled to a fix amount per each year of service. A corresponding provision has been recognized based on: the specific benefits provided in the updated Collective Labour Agreement signed in 2025; the number of employees working within the entity; and actuarial assumptions on future liabilities. For the computation an actuarial valuation is involved making various assumptions that may differ from actual developments in the future. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

18. NET REVENUES FROM CONTRACT WITH CUSTOMERS

	January - March 2025		TOTAL 2025	January - March 2024		TOTAL 2024
	Refining	Petrochemicals		Refining	Petrochemicals	
Gross revenues from the sale of finished oil products	5,215,057,343	107,833,491	5,322,890,834	4,266,435,868	125,885,539	4,392,321,407
Revenues from petrochemicals trading	-	-	-	-	23,143	23,143
Revenues from other merchandise sales	1,817,688	-	1,817,688	19,455,643	-	19,455,643
Revenues from utilities sold	5,977,528	-	5,977,528	5,430,616	857,343	6,287,960
Revenues from the sale other products	437,752	-	437,752	-	-	-
Revenues from other services	4,653,965	-	4,653,965	4,424,841	-	4,424,841
Gross Revenues	**5,227,944,275**	**107,833,491**	**5,335,777,766**	**4,295,746,969**	**126,766,025**	**4,422,512,994**
Less sales taxes	(1,224,177,166)	-	(1,224,177,166)	(988,828,545)	-	(988,828,545)
Total	**4,003,767,109**	**107,833,491**	**4,111,600,600**	**3,306,918,424**	**126,766,025**	**3,433,684,450**

There is no significant time difference between payment and transfer of control over goods and/or services.

19. COST OF SALES

	January - March 2025	January - March 2024
Crude oil and other raw materials	3,654,711,463	2,881,875,425
Consumables and other materials	14,815,638	9,470,972
Utilities	202,165,795	169,353,162
Staff costs	50,249,880	35,764,724
Transportation	58,454	60,861
Maintenance	43,083,829	31,460,044
Insurance	6,150,482	4,760,395
Environmental expenses	15,569,257	4,072,527
Other	19,890,153	17,318,948
Cash production cost	**4,006,694,951**	**3,154,137,059**
Depreciation and amortization	97,590,083	68,030,029
Production costs	**4,104,285,034**	**3,222,167,088**
Less: Change in inventories	(2,207,911)	87,073,689
Less: Own production of property, plant & equipment	(1,456,220)	(1,548,613)
Cost of petrochemicals trading	-	36,915
Cost of other merchandise sales	87,808	19,303,334
Cost of utilities sold	6,631,326	5,496,747
Realised (gains)/losses on derivatives	(732,653)	-
Total	**4,106,607,384**	**3,332,529,160**

In Q1 2025 the main costs that contributed to the increase of Cost of sales against Q1 2024 includes:

- ✓ Crude oil costs are higher, triggered by higher feedstock processed by 43% compared with the same period last year, despite the decrease by 9% of crude oil quotations.

- ✓ Utilities costs increased by RON +32.8 million, driven by the full-capacity operation of both Petromidia and Vega refineries. Total feedstock processed was +43% higher compared to the same period last year. In contrast, Q1 2024 operations were impacted by the delayed restart of the MHC unit (affected by a mid-2023 fire incident, restarted only on February 26, 2024) and by the turnaround period at Petromidia refinery starting March 8, 2024.
- ✓ Staff costs rose by RON +14.5 million, following a +7% salary increase applied starting January 2025.
- ✓ Maintenance costs increased by RON +11.6 million, mainly due to higher contractor and supplier service rates. This was influenced by the minimum wage hikes in Romania, effective from July 1, 2024 and January 1, 2025.
- ✓ Environmental costs were up by RON +11.5 million, reflecting both an increase in the quantity and value of CO_2 certificates required for Petromidia refinery.

20. SELLING, GENERAL AND ADMINISTRATIVE COSTS, INCLUDING LOGISTIC COSTS

	January - March 2025	**January - March 2024**
Staff costs	10,195,332	21,818,144
Utilities	6,553,473	15,500,746
Transportation	18,536,182	14,569,289
Professional and consulting fees	14,656,757	10,840,067
Consumables	990,421	878,302
Marketing	131,315	2,895
Taxes	1,361,705	2,137,677
Communications	8,467	8,887
Insurance	1,053,314	2,308,871
IT related expenditures	1,909,531	2,935,720
Environmental expenses	4,403,170	791,505
Maintenance	6,977,554	9,493,430
Fees and penalties	5,050,244	5,184,451
Other expenses	20,817,038	26,362,482
Costs before depreciation	**92,644,502**	**112,832,465**
Depreciation and amortisation	10,263,902	30,891,405
Total	**102,908,404**	**143,723,870**

21. OTHER OPERATING (INCOME) / EXPENSES, NET

	January - March 2025	**January - March 2024**
Provision for receivables, net and write-off, net	(5,257,693)	2,531,714
Provision for inventories, net and write-off net	12,501,493	(69,441,481)
Turnover tax	21,199,801	-
Other, net	(118,012)	(15,850)
Total	**28,325,589**	**(66,925,617)**

Starting 2024 a specific turnover tax has been introduced in addition to the profit tax for legal entities that conduct activities in the oil and natural gas sectors and that registered turnover over EUR 50 million in the previous year. Rompetrol Rafinare recognized in the first quarter of 2025 a specific turnover tax in amount of RON 21.2 million, while for the first quarter of 2024 is in amount of RON 16.5 million and was reported as income tax expense (for details see note 23).

22. FINANCIAL COST, FINANCE INCOME AND FOREIGN EXCHANGE

	January - March 2025	January - March 2024
Finance cost		
Interest expense	25,813,860	28,384,501
Interest expense shareholders and related parties	39,004,130	30,487,346
Unwinding of discount - lease	429,651	437,955
Other financial expense	44,582,443	57,751,723
	109,830,085	**117,061,525**
Finance income		
Interest income	(9,569,251)	(13,795,805)
Other financial income	(806,184)	(773,203)
	(10,375,435)	**(14,569,009)**
Finance cost / (income), net	**99,454,650**	**102,492,517**
Unrealized net foreign exchange losses/(gains)	(178,588,929)	142,016,844
Realized net foreign exchange losses/(gains)	(27,820,306)	(18,914,830)
Foreign exchange (gain)/loss, net	**(206,409,235)**	**123,102,014**
Total	**(106,954,584)**	**225,594,531**

In 2025 out of the total of RON 44.6 million (2024: RON 57.8 million) representing other financial expenses an amount of approximately RON 42.4 million (2024: RON 57.2 million) represents late payment interest owed to KMG Trading for financing.

23. INCOME TAX

a. The current income tax rate in first quarter of the year 2025 was 16%, the same as in 2024.

	March 31, 2025 RON	March 31, 2024 RON
Tax expense comprises:		
Current expense with income tax, out of which	**1,819,234**	**16,462,336**
Current income tax	*1,819,234*	-
Turnover Tax	-	16,462,336
Deferred tax expense / (income)	**-**	**-**
Total tax expense / (income)	**1,819,234**	**16,462,336**

b. The deferred tax assets and liabilities

	Balance at 1 January 2025	Charged to Profit & loss	Charged to Equity	Balance at 31 March 2025
Temporary differences				
Asset/Liability				
Property, plant and equipment	732,071,678	-	-	732,071,678
Provisions	(802,637,360)	-	-	(802,637,360)
Total temporary differences (Asset)/Liability	**(70,565,682)**	**-**	**-**	**(70,565,682)**
Property, plant and equipment	63,981,697	-	-	63,981,697
Provisions	(128,421,979)	-	-	(128,421,979)
Differed tax (assets)/liability recognized	**(64,440,282)**	**-**	**-**	**(64,440,282)**

24. OPERATING SEGMENT INFORMATION

Geographical segments

All the production facilities of the Company are located in Romania. The following breakdown provides an analysis of the net turnover of the Company depending on the geographical market (based on customers location):

	March 31, 2025	March 31, 2024
Romania	2,181,584,706	2,305,208,754
Europe	1,866,430,129	1,093,646,980
Asia	63,585,765	34,828,715
Total	**4,111,600,600**	**3,433,684,450**

25. RELATED PARTIES

The ultimate parents of the Company are the company National Welfare Fund "Samruk-Kazyna" Joint Stock Company (67.48%), Ministry of Finance of Republic of Kazakhstan (20%) and National Bank of Republic of Kazakhstan (9.58%), companies with its headquarters in Kazakhstan, entirely owned by the Kazakh State plus Other shareholders (2.94%). The related parties and the nature of relationship is presented below:

Name of the affiliated entity	Nature of the relation
KMG International N.V.	Majority shareholder
Oilfield Exploration Business Solutions SA	Company held by KMG International N.V
Rominserv SRL	Company held by KMG International N.V
KazMunayGas Trading AG	Company held by KMG International N.V
Rompetrol Well Services SA	Company held by KMG International N.V
Rompetrol Bulgaria JSC	Company held by KMG International N.V
Intreprinderea Mixta Rompetrol Moldova SA	Company held by KMG International N.V
Rompetrol Georgia LTD	Company held by KMG International N.V
Midia Marine Terminal SRL	Company held by KMG International N.V
Rompetrol Financial Group SRL	Company held by KMG International N.V
Dyneff SAS	A company of Rompetrol France group, where KMG International N.V. owns 49%
KMG Rompetrol SRL	Company held by KMG International N.V
Byron Shipping Ltd	Company held by KMG International N.V
Byron Shipping SRL	Company held by KMG International N.V
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	Company held by KMG International N.V (KMG International group holds: 43.42%)
Global Security Sistem SA	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 51%)
Global Security Systems Fire Services SRL	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 51%)
Rompetrol Downstream SRL	Company affiliated to the Company
Rompetrol Petrochemicals SRL	Company affiliated to the Company
Rom Oil SA	Company affiliated to the Company
Rompetrol Logistics SRL	Company affiliated to the Company
Rompetrol Quality Control SRL	Company affiliated to the Company
Rompetrol Gas SRL	Company held by KMG International N.V
Rompetrol France SAS	A company of Rompetrol France group, where KMG International N.V. owns 49%
TRG Petrol Ticaret AS	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 51%)
Rompetrol Energy S.A	Company held by KMG International N.V (KMG International owns: 99%)
KMG Rompetrol Services Center SRL	Company held by KMG International N.V
Rompetrol Renewables SRL (former Rompetrol Drilling SRL)	Company held by KMG International N.V
Benon Rompetrol LLC	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 40%)
The Romanian State and the Romanian Authorities	Significant shareholder
Fondul de Investitii in Energie Kazah-Roman SA	Company held by KMG International N.V
KMG Rompetrol Development SRL	Company held by KMG International N.V

25. RELATED PARTIES (continued)

The sales to and purchases from related parties are made in the ordinary course of business and are undertaken on a basis that considers prevailing market terms and conditions as applicable to the nature of goods and services provided or received.

A. At 31 March 2025 and 31 December 2024, Rompetrol Rafinare had the following balances with the related parties:

	Receivables and other assets	
	March 31, 2025	**December 31, 2024**
KazMunayGas Trading AG	220,723,414	191,393,723
Rompetrol Downstream S.R.L	732,626,916	595,113,264
Rompetrol Petrochemicals S.R.L.	481	481
KMG International N.V.	-	672,666
Rompetrol Gas SRL	6,322,963	3,489,482
Rompetrol Moldova ICS	31,664,755	61,461,741
Rompetrol Bulgaria JSC	1,238	23,425,368
Rominserv S.R.L.	1,197,153	23,178,020
Rompetrol Quality Control S.R.L.	320,908	179,554
Rompetrol Logistics S.R.L	10,283	1,988
Midia Marine Terminal S.R.L.	1,473,200	1,442,885
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	274,985	274,985
KMG Rompetrol SRL	70,680,474	36,327,732
Global Security Systems S.A.	608,536	610,005
Rompetrol Energy S.A.	93,774,774	69,322,732
Byron Shipping Ltd.	2,714	2,759
Oilfield Exploration Business Solutions S.A.	3,032,678	2,990,454
Rompetrol Financial Group SRL	11,247	11,321
KMG Rompetrol Services Center SRL	45,924	47,455
KMG Rompetrol Development SRL	1,279,670	485,655
Total	**1,164,052,315**	**1,010,432,269**

25. RELATED PARTIES (continued)

	Payables, loans and other liabilities	
	March 31, 2025	**December 31, 2024**
KazMunayGas Trading AG	2,989,761,388	3,789,357,013
Rompetrol Downstream S.R.L	29,900,044	50,200,971
Rompetrol Petrochemicals S.R.L.	6,981,531	6,981,531
KMG International N.V.	1,328,077	-
Rompetrol Gas SRL	32,708,982	35,864,103
Rompetrol Moldova ICS	60,271,028	128,591,613
Rominserv S.R.L.	119,950,743	194,641,119
Rompetrol Quality Control S.R.L.	5,293,504	1,086,136
Rompetrol Logistics S.R.L	16,295	-
Midia Marine Terminal S.R.L.-trade debts	10,183,778	5,779,277
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	415	415
KMG Rompetrol SRL- debt cash pooling	2,341,498,145	1,746,434,350
KMG Rompetrol SRL-interest cash pooling	13,020,048	12,450,257
KMG Rompetrol SRL-trade debts	6,533,341	8,735,344
Global Security Systems S.A.	1,362,675	1,348,557
Global Security Systems Fire Services S.R.L.	2,959,684	1,859,020
Rompetrol Energy S.A.	30,114,723	28,502,064
KMG Rompetrol Services Center SRL	1,276,028	1,007,948
TRG Petrol Ticaret Anonim Sirketi	10,346	10,346
Total	**5,653,170,777**	**6,012,850,063**

The company concluded a Cash Pooling agreement for implementing a cash balance optimization system, in which KMG Rompetrol SRL is the "Coordinating company" and Rompetrol Rafinare SA is a participating company; maturity on 4 August 2025 with annual automatic prolongation of maturity.

25. RELATED PARTIES (continued)

In the first quarter of the year 2025, respectively in the first quarter of the year 2024, Rompetrol Rafinare had the following transactions with the related parties:

0	0	Sales		Purchases	
Name of related party	**Nature of transaction , sales / purchases**	**January - March 2025**	**January - March 2024**	**January - March 2025**	**January - March 2024**
KazMunayGas Trading AG	Raw materials / Petroleum products	1,467,487,229	561,529,990	3,244,891,733	2,401,391,907
Rompetrol Downstream S.R.L	Petroleum products, rent, utilities and other	1,382,229,732	1,803,184,245	693,171	675,673
KMG International N.V.	Loan interest, management services	-	274	4,529,457	1,725,476
Rompetrol Gas SRL	Platform operation, propane / Petroleum products, rent, loan interest, other	123,994,103	82,138,755	619,854	169,585
Rompetrol Moldova ICS	Sales intermediary services	411,548,190	363,962,651	212	-
Rompetrol Bulgaria JSC	Sales intermediary services	130,597	11,222,004	-	-
Rominserv S.R.L.	Acquisition and maintenance of fixed assets	881,215	900,673	64,420,294	213,189,690
Rompetrol Quality Control S.R.L.	Laboratory analysis/Rent, utilities, other services, dividends	604,562	463,308	13,656,006	13,265,268
Rompetrol Logistics S.R.L	Transport, rent/Rent, utilities	9,752	3,020	41,081	41,081
Midia Marine Terminal S.R.L.	Handling services/ Rent,utilities, reinvoicing, others	713,874	244,928	24,145,292	20,246,086
Rompetrol Energy S.A.	Acquistion of utilities	46,916,460	37,001,114	76,466,832	57,355,795
KMG Rompetrol S.R.L.	Loan interest, management services	2,851,688	5,728,856	49,772,662	43,538,464
Global Security Systems S.A.	Security and protection services	423	412	3,183,676	2,467,258
Global Security Systems Fire Services SRL	Security and protection services	-	-	2,771,462	2,310,412
Byron Shipping S.R.L.	Demurrage /Rent, reinvoices of other services	7,663	7,800	-	-
KMG Rompetrol Services Center SRL	Shared services	118,014	115,028	3,208,885	3,584,458
		3,437,493,500	**2,866,503,059**	**3,488,400,617**	**2,759,961,154**

25. RELATED PARTIES (continued)

The Ministry of Public Finance of Romania ("MFPR") held 44.6959% of the share in Rompetrol Rafinare SA from September 2010 until July 2012. Starting July 2012, based on a Government Ordinance, the Ministry of Economy Trade and Business Environment ("MECMA") became shareholder until May 2013 when, following the reorganization of MECMA, the Ministry of Economy ("ME") became the new shareholder. The ministry was later renamed as Ministry of Energy, Small- and Medium-sized Enterprises and Business Environment, afterwards renamed as Ministry of Economy, Energy and Business Environment according to the OUG 68/11.06.2019. Its current name is Ministry of Energy according to the OUG 212/2020.

As a result MFPR, MECMA, ME and Other Authorities are considered to be a related party of the Group. There are no transactions, balance sheets at the year-end in relation with MFPR, MECMA, ME and other Romanian authorities during the time of their affiliation, other than those arising from Romanian fiscal and legislation requirements.

26. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	March 31, 2025	March 31, 2024
Net profit (+), loss (-)	(21,105,428)	(217,699,829)
Average number of shares	26,559,205,726	26,559,205,726
Result per share - base (bani/share)	(0.08)	(0.82)

27. CONTINGENT LIABILITIES

Rompetrol Rafinare SA - Distressed Assets - Hybrid Conversion

By the Emergency Ordinance ("**EGO**") 118/2003 approved by Law 89/2005 and the Issuing Convention of 5 December 2003 ("Issuing Convention"), the RON 2,177.7 million of state budget liabilities, including penalties were denominated into 22,812,098 convertible bonds (i.e. a total of EUR 570.3 million at the RON / EUR exchange rate as of 30 September 2003 or 3.8185 RON / EUR or USD 719.4 million at the same date), hereinafter referred to as "Hybrid instruments" or "Bonds".
The Bonds carried interest and were redeemable on or before maturity, partially or entirely. The bonds not redeemed by 30 September 2010 should be convertible, at a fixed conversion rate, into ordinary shares of Rompetrol Rafinare S.A., at the option of the Company.

In accordance with the above mentioned deed, Rompetrol Rafinare S.A. performed several steps by increasing the share capital in June 2010 with USD 100m, redeemed 2,160,000 Bonds for EUR 54m in August 2010 and converted into shares the remaining bods in September 2010. Therefore from October 1, 2010 the State became therefore shareholder of the Company with 44.69%.

The Ministry of Public Finance publicly took an adverse position against such course of action and challenged it in various course procedures and on 10 September 2010 the National Agency of Fiscal Administration ("**ANAF**") issued a decision for establishment of a precautionary seizure on all the participations held by Rompetrol Rafinare S.A. and its affiliates as well as on all movable and immovable assets of Rompetrol Rafinare S.A. except inventories.

27. CONTINGENT LIABILITIES (continued)

Following a first court decision favourable to the Company by which the conversion of bonds into shares that took place in September 2010 was stated as legally, on 15.02.2013 the Group and the Office of the State Ownership and Privatisation in Industry ("OPSPI"), representing the Romanian State, concluded a memorandum of understanding aiming at the amiable settlement of the Litigations. As a result of the Memorandum, ANAF waived back the litigations started against the Company .

The Memorandum of Understanding includes also the following aspects:

- OPSPI will sell and the Group will acquire shares owned by OPSPI and representing 26.6959% of Rompetrol Rafinare S.A.'s share capital for a cash consideration of 200 million USD;
- Establishment of an investment fund which will invest in energy project related to its core activities an amount estimated to reach if the market conditions are appropriate 1 USD billion over 7 years;
- The Ministry of Finance will renounce all cases against the GMS decisions related to the conversion and will cancel the forced execution title.

Following conclusion of MOU, Rompetrol Rafinare submitted to the Romanian authorities a requirement for the annulment of the seizure. On 9 May 2016, Rompetrol Rafinare SA was notified that it was included as a civil responsible party in a file under investigation by DIICOT (see Note 28 - *Litigation with the State involving criminal charges - Case 225*) and at that date, the movable and immovable assets of Rompetrol Rafinare SA, as well as all the investments in subsidiaries, were subject to asset freeze.

The Shareholders agreement for the set-up the Kazakh Romanian Investment Fund ("KRF") was signed on 26 October 2018, and soon after KRF was registered as a joint stock company. All its managing bodies were organized and are functional.

Further on, according to the said MOU and given the final decision issued in 2020 by the Supreme Court in file no. 225 / D / P / 2006, Rompetrol Rafinare submitted to the Romanian authorities a request for the annulment of the precautionary seizure.
On 20 December 2021, a decision was issued in favor of the company by releasing the seizure. The decision was appealed by ANAF to the Supreme Court and on 22 June 2023, the Court cancelled the first decision and sent back the file to be re-settled by the Constanta Court of Appeal. The next hearing was scheduled on 5 February 2024, when the Court admitted the claim and lifted seizure to which ANAF made another appeal, and the case was pending to the Supreme Court. The first appeal hearing was scheduled for January 31, 2025, when the Supreme Court rejected the appeals and confirmed the first court resolution by which ANAF should issue a decision to cancel the enforcement order and lift the precautionary seizure. On 3 March 2025 ANAF started the appropriate formalities to lift the seizure from refinery units and further Management will assess the potential implications derived from this as stated in the Memorandum of Understanding concluded with the Romanian State. As of March 31, 2025 the lifting of the precautionary seizure is in progress. Most of the assets (lands, constructions, movables) are already released.

Risk management and internal control

The Company commitment to integrity, responsibility and ethical conduct is particularly important in the area of bribery and corruption prevention and detection.
The Company is committed to conducting its business fairly, honorably, with integrity and honesty and in compliance with all applicable laws. The Company adopts an approach of zero -tolerance to bribery and corruption in all its business dealings and relationships, wherever it operates. The Company has internal standards and guidelines on due diligence with third parties, conflicts of interest, gifts and hospitality, which focus on mitigating potential corruption risks.

The Rompetrol's Code of Ethics and Conduct is approved by the Board of Directors and applies to all directors, executives and employees, whatever the nature of their contractual relationship with the Company. The Code creates a frame of reference for understanding and putting into practice the Company's expectations as to each person's behavior, in light of the Company's principles of action. Company's employees undergo regular professional training, training on ethical standards and anti-corruption conduct. The Code of Ethics and Conduct explicitly prohibits engaging in bribery or corruption in any form. Anti bribery and corruption policies and procedures in place at Group level include measures and guidance to assess risks, understand relevant laws and report concerns.

27. CONTINGENT LIABILITIES (continued)

Whistleblowing incidents are taken very seriously by the Company and its directors. Any complaints or allegations received are investigated properly by the assigned departments. The Company has established and maintained an open channel to handle and discuss internal reports concerning finance, internal control and fraud to ensure that all reports will receive enough attention. In line with Irregularity Reporting Policy, the internal investigations conducted during 2025 and up to the approval date of the financial statements did not reveal any cases of ethical misconduct and non-compliance with applicable laws and regulations. The results of all internal investigations were discussed with the Company's statutory bodies, which concluded that the warnings were not confirmed.

28. LEGAL MATTERS

Litigation with the State involving criminal charges

I. Criminal case

According to an Order issued April 22, 2016, Prosecutor's Office of Romania with the General Headquarters of the Department for Fight Against Organized Crime and Terrorism (DIICOT) investigated the case against 26 suspects under charges of organized crime (few of them being former employees/managers of the Company) allegedly perpetrated during 1999 – 2010 – Case 225.

Further prosecutor orders as well statements of defenses were issued and submitted during 2016 – 2019 and finally on December 5, 2019 Prosecutor's Office of Romania closed the criminal file, discharged all allegations and lifted the criminal seizure over Rompetrol Rafinare's assets, but still kept a precautionary seizures over 4 installations (for a value of $106.5m) in case any alleged civil party is damaged by the said ordinance.

On July 2020 the Supreme Court rejected all the complaints against the closing of the file and on October 14, 2022 the remaining criminal seizure was dismissed by the Court.

The Company lifted the criminal precautionary seizure from the Land Book.

II. Civil files

A. Once the criminal case was closed, Faber (a former minority shareholder of the Company) submitted a civil claim to the Bucharest court against both the Group companies and former criminal defendants. The Court imposed Faber to pay a stamp fee of $530,000 to have the civil claim duly registered on the court docket.

On May 25, 2020 the Bucharest Court rejected the request of Faber for settlement of the stamp fee that Faber should pay for its claim. On July 8, 2020 Bucharest Court annulled Faber's claim as unstamped. A second similar claim of Faber was rejected again by Bucharest court in January 2022 for non-paying of the stamp fee.

On February 10, 2022 the Company was informed by the Constanta court that Faber submitted for the third time its civil claim in tort against the Group companies and defendants for the same amount of $55m as principal ($118m including penalties). The Company submitted its reply, pointing out that before any step forward Faber should pay the stamp fee according to the law and, on top of it, previous decisions the Bucharest Court issued before on the same matter. The next hearing is scheduled for November 26, 2025.

B. On the other hand, as Case 225 was finally closed in 2019, Faber resumed several civil cases which were suspended back in 2005 - 2007 due to the 225-criminal case and by which Faber challenged the Rompetrol Rafinare corporate documents approved within the privatization process (2001 - 2006) to meet the terms and conditions of the privatization contract.
Until know all claims of Faber either have been withdrew by Faber or have been dismissed by the Court (for couple of them a final and irrevocably decision being issued).

28. LEGAL MATTERS (continued)

Procedure in which is involved Rompetrol Rafinare SA, Rominserv SRL, and employees of the two companies, following of a technical incident occurred in Petromidia refinery on August 22, 2016

On 22 August 2016 a technical incident occurred within the DAV plant. Following the event, two employees of a Group' subsidiary Rominserv SRL suffered burns and two employees passed away.

Following the completion of the criminal prosecution, Rompetrol Rafinare SA, Rominserv SRL and other three employees were put on trial for: the non-observance of the legal labor health and safety measures, bodily harm by negligence, manslaughter and accidental pollution.

The next hearing is scheduled for June 10, 2025.

Considering the allegations, each company is facing, a maximum exposure of approximately RON 3.6 million.
Regarding this legal matter Rompetrol Rafinare booked a provision in amount of RON 3.6 million.

Litigation on Tax Assessments received by Rompetrol Rafinare SA in 2017

In December 2017, the National Agency for Tax Administration finalized the tax inspection in Rompetrol Rafinare (covering the period 2011 - 2015) for: VAT fiscal group (all entities from fiscal group were under fiscal control), income tax, withholding tax and excise.

Thorough the Assessment Decision (received in January 2018), there were imposed the following additional taxes: RON 26.1 million representing VAT (of which RON 13.1 million related to VAT of Rompetrol Rafinare SA the rest belonging to the VAT group companies), RON 6.5 million representing Rompetrol Rafinare SA withholding tax and decrease of Rafinare's fiscal loss with RON 144.4 million. The related penalties assessed are in amount of RON 16.3 million for all VAT group companies. The principal additional taxes and related penalties were partially paid and partially compensated with receivable taxes and the remaining, the difference being paid in cash.

The tax assessment on VAT group and Rompetrol Rafinare SA was challenged on 26 February 2018. The contestation received a partial negative answer and the Company appealed against it in front of the Court of Appeal Constanta on July 25, 2019.

On April 28, 2021, Constanta Court of Appeal rejected Rompetrol Rafinare claim as ungrounded.

The Company submitted an appeal in front of the High Court of Justice. The first term was set in the appeal for May 25, 2023 when the Court cancelled the first decision and sent back the file to be re-settled by the Constanta Court of Appeal having the first hearing on December 7, 2023 and on February 22, 2024, the Court admitted partially the challenge of Rompetrol The court canceled mainly the fiscal authority decision regarding the amount of RON 6.47 million (referring to withholding tax for non-residents and related penalties) and sets that the amount of RON 80.5 million should be included in the fiscal loss. The first hearing in the High Court is scheduled for June 19, 2025.

Regarding this legal matter Rompetrol Rafinare recognized a provision in amount of RON 25.1 million.

28. LEGAL MATTERS (continued)

Criminal case concerning Petromidia Refinery incident on July 2nd 2021

On July 2, 2021 there was an explosion followed by a fire at Petromidia refinery, Diesel Hydrotreatment Unit (in Romanian "instalatia Hidrofinare Petrol Motorina" hereinafter HPM plant). As a result of the incident, 3 employees of the company died and one employee was hospitalized due to a hip fracture. The criminal investigations are carried out by the Prosecutor's Office attached to the Constanta Tribunal, was finalised and communicated to the Company the technical expertise carried out by INCD INSEMEX Petrosani, at the request of the criminal investigation bodies, document analysed both by the criminal lawyers, by the party expert and the company's specialists, objections and point of view of the party expert being submitted as well as requests for clarifications issued by the case prosecutor; the company has the quality of a civilly responsible party, hearings of the employees involved in the incident were performed. At this point the criminal investigation is ongoing. At the same time, the collective work accident is being investigated by the Territorial Labour Inspectorate according to the incident legislation, who submitted in front of the criminal investigators their Work Accident Investigation Report.

On July 11, 2022 the company settled the last potential civil claim with the heir of one of the employee passed away during the said incident, resolving all civil claims related to the incident.

The company remains involved in the criminal investigation as a civilly responsible party, and several employees involved in the event have provided statements to the judicial police.

DIICOT Criminal Investigation File in connection with Vega lagoons greening Project

During the investigation carried out by the Directorate for the Investigation of Organized Crime and Terrorism ("DIICOT"), investigation which is the subject of criminal case 279 / D / P / 2020, to the Company were communicated during 2021 a series of ordinances by which was requested to provide the documents to the criminal investigation bodies in connection with the works contracted for the greening of the lagoon 18 from the Vega refinery. The company has no quality in the criminal case as of the date of the current financial situations. The suspicions of the criminal investigation bodies concern the alleged fictitious character of some services for which the Company would have unjustifiably paid the amount of approximately 10 million RON. On 23.02.2022, DIICOT informed the Company if it intends to become a civil party in the criminal proceedings mentioned above, the Company reserve right in relation to the evolution of the criminal case that is the subject of criminal case 279 / D / P / 2020, to make such a request to become a civil party, if the case.

The trial was sent to the regular panel and is expected a first hearing to be established. On March 2 2023, the court kept the judicial control over the Company's employees but lifting the interdiction for leaving the country. On March 9, 2023, the court finally lifted also the judicial control. On September 12, 2024, the last hearing was held. On October 16, 2024, the court rejected the complaints against the indictment but a challenge against this decision was submitted timely and a first hearing in appeal is scheduled on March 20, 2025, and a decision is expected on May 13, 2025.

Vega lagoons greening Project located on the territory of Vega Refinery

Following a control performed by the Environmental National Guard within the location of Vega refinery Ploiesti on early April 2023, it sent further a notice to the local Agency for Environmental Protection to notify Rompetrol Rafinare (the owner of Vega refinery) to remedy within 60 days the deficiencies allegedly stated by the National Guard otherwise to suspend the activity of the Vega Refinery.

The local Agency for environmental protection issued on April 25, 2023 therefore a preliminary Notice to Rompetrol Rafinare to remedy the said allegedly deficiencies.

On May 4, 2023 according to the applicable legislation, the Company started the administrative conflict and submitted a complaint against National Guard to revoke its deed otherwise the company will challenge it in front of the court.

28. LEGAL MATTERS (continued)

Consequently, the company challenged also the Notice issued by local Agency for Environmental Protection via administrative procedure submitting the claim on May 23, 2023 and filled the application for suspension in front of the court to get, if successfully, an order to suspend its effects until the court will issue a final settlement on merits. The first hearing was scheduled on June 16, 2023, when the Court rejected the company's application. The decision is subject of appeal.

Besides the legal steps the Company continued the dialogue with environmental authorities as regards the Vega refinery remediation project and on June 20, 2023 the National Guard issued a Finding Note by which they confirmed that all 3 (three) measures imposed by the National Guard on the report issued on April 3, 2023 have been accomplished by the company.

Criminal file regarding the incident in the Petromidia refinery – Polypropylene (PP) plant dated May 13, 2023

On May 13, 2023, an incident occurred in the PP plant in the Petromidia refinery, as a result of which 2 company employees died. Criminal investigations are carried out by the Prosecutor's Office of Constanta Court (Tribunal). In the criminal case, the company has no quality, until this moment a series of hearings have been conducted of the employees involved in the event or present at the workplace in the installation. At the same time, the work accident is being investigated by the Territorial Labor Inspectorate according to the legislation on work incidents.

Criminal file regarding the incident in the Petromidia refinery – Mild hydrocracking (MHC) plant dated June 21, 2023

On June 21, 2023, a fire occurred in the Petromidia refinery, at the MHC plant, with no recorded victims. Criminal investigations are carried out by the Prosecutor's Office next to the Constanța Court (Judecatorie). The company, as the injured party, formulated and submitted in the file a criminal complaint with the object of destruction. Also, at the request of both the Company and the Prosecutor's Office next to the Constanta Court, INCD INSEMEX Petroşani prepared and filed a technical judicial expertise in order to establish the causes of the incident. The Report was issued by INSEMEX at the begging of July. The Company has until end of August to submit the point of view in respect of INSEMEX Report. At the same time, the incident, falling under the category of major incidents in accordance with the legislation in force, is also being investigated by the Constanta Territorial Labor Inspectorate.

Windfall tax litigation

Case for 2022 windfall tax

Following the enactment of Emergency Ordinance No. 186/2022 regarding the emergency intervention to address the high energy prices, Rompetrol Rafinare paid on June 2023 the amount of RON 578 million.

After fulfilling the mandatory administrative procedure for challenging this tax which was rejected by the fiscal authorities, the Company filed in on March 8, 2024, the challenge in front of the court.

On July 10, 2024, the Court set the case framework, confirming that the fiscal authorities would be the defendants. Other procedural claims were rejected for consideration at this stage, and the court stated these would be addressed in the judgment on merits.

On September 24, 2024, the Court rejected the submission of the case to the ECJ but admitted the submission to the Constitutional Court. As a result, the case is suspended pending a decision by the Constitutional Court. The case was registered to the Constitutional Court and waiting for the scheduling of the hearing.

28. LEGAL MATTERS (continued)

Case for 2023 windfall tax

Additionally, the Company has filed an administrative challenge regarding the windfall tax paid in 2024 for the fiscal year of 2023. Being rejected by fiscal authority, the Company submitted a similar claim on February 4, 2025, for challenging the 2023 windfall tax. Next hearing on May 19, 2025.

Turnover tax litigation

On August 6, 2024, Rompetrol Rafinare submitted a preliminary administrative complaint challenging the imposition of the turnover tax.

On August 8, 2024, the Company filed a request with the court to suspend the payment of the turnover tax until the main case was resolved. This request aimed to alleviate the immediate financial burden while the legal proceedings were ongoing.

On September 24, 2024, the Court rejected Rompetrol Rafinare's request for suspension of the turnover tax payment.

To date, Rompetrol Rafinare has paid a total of RON 51.4 million in turnover tax for the first 3 quarters of 2024.

Since the administrative complaint was rejected, the company challenged it in court. The first hearing was set for February 13, 2025 when the court suspended the case and forward the file to Constitutional Court.

Vega Refinery (wastewater treatment supply services)

On June 7, 2024, Astra Ecoclean SRL unilaterally ceased providing wastewater treatment services for the Vega Refinery, which is not connected to the central sewer system of Ploiești and needs the collection and treatment of wastewater at the Corlătești Wastewater Treatment Plant owned by New Century Development SRL.

The pipeline system for wastewater collection is used by households and enterprises, local authorities located in the immediate vicinity of the Vega Refinery, which cannot connect to Ploiești's central sewer network as well.

The Corlătești Plant has been providing wastewater treatment services for the Vega Refinery even before privatization occurred in 1999. The Plant was operated by Gentoil SRL until December 2023. Subsequently, the treatment facilities were managed by Ecorin SRL, which provided services to the Vega Refinery until May 2024. The price for wastewater treatment services at that time ranged from 3 to 4.93 RON/m3 of treated wastewater.

In May 2024, the treatment facilities were leased to Astra Ecoclean SRL, which initially requested a service fee of 38-40 Euros/m3, later reducing it to 35 Euros/m3. Rompetrol Rafinare did not accept this proposal at a meeting held on May 31, 2024.

On June 6, 2024, Astra Ecoclean SRL sent a letter to Rompetrol Rafinare stating that the wastewater treatment will be limited to 2,000 m3/month, while the Vega Refinery's planned discharge is 90,000 m3/month. On June 7, 2024, Astra Ecoclean SRL completely stopped treating wastewater from the Vega Refinery.

On June 10, 2024, Rompetrol Rafinare sent a complaint letter to Astra Ecoclean SRL. Then, on June 13, 2024, it submitted a court injunction to prohibit Astra Ecoclean SRL from stopping wastewater treatment. Despite the arguments presented, the court rejected the application on grounds that Astra Ecoclean SRL does not have permission to operate the treatment facilities.

A main claim was submitted on June 17, 2024.

28. LEGAL MATTERS (continued)

On June 20, 2024 the Court rejected the injunction relief but the Company appealed the decision on June 26, 2024 which was also rejected on August 9, 2024.

On July 3, 2024, Rompetrol Rafinare received a preliminary letter from the Local Environmental Authority warning that if the necessary measures for wastewater evacuation and lagoon remediation were not taken, the Environmental Permit for the Vega Refinery could be suspended, leading to the suspension of the refinery's activity.

On August 2, 2024, Rompetrol Rafinare submitted a claim to challenge the Environmental Authority's notification and requested the suspension of its effects.

On January 23, 2025, exception of material incompetence of the Ploiesti Court (Judecatoria Ploiesti) was invoked, the court postponed the decision for 2 weeks. The first instance declined its jurisdiction, the file will be sent to the higher instance - Tribunalul Ploiesti; also, the Company concluded a service contract relating wastewater generated from Vega refinery with the defendant, a request to waive the claim was filed to the court, relating to which Tribunalul Ploiesti will decide. The file is in process of being transmitted from Judecatoria Ploiesti to the Tribunalul Ploiesti, no summons has been received until this date.

Vega Refinery activity

On July 2, 2024, the Company received a preliminary notification from the local environmental authority, instructing it to implement certain measures within 60 days. Failure to comply would result in the risk of suspension of the environmental permit, which would trigger a halt in activities at the Vega refinery. On August 2, 2024, the Company challenged the notification, filing a lawsuit to suspend its effects until a ruling is made on the legality of the notification.

On August 28, 2024, the Court ruled in favor of the company, ordering the suspension of the notification pending the outcome of the main case and on September 13, 2024, the environmental authorities submitted an appeal against the court's ruling.

The next hearing was scheduled by the Court of Appeal on December 12, 2024 when the Court rejected the appeal of the authority.

29. COMMITMENTS

Environmental risks and obligation

The company's business activity is subject to constantly changing local, national and European regulations relating to the environment and industrial activity, which entail meeting increasingly complex and restrictive requirements. In this regard, these activities can involve a financial resource in order to comply with the incidental restrictive legislation and regulation relating to the Company's activities.

Although the Company has provided for known environmental obligations that are probable and reasonably estimable, it is possible that the Company will continue to incur additional liabilities.

As of 31 December 2024, the Company reassessed environmental provision considering changes in assumptions as compared with previous period as mentioned in Note 17.

As a result of these risks, environmental liabilities will incur additional costs that may impact the Company's results of operations and cash flow.

Company's financial statements account for provisions relating to the costs of environmental obligations that can be reasonably estimated in a reliable manner.

29. COMMITMENTS (continued)

Climate change and energy transition

The oil and gas industry is facing new challenges as the world transitions to a low-carbon economy. The world is undergoing rapid changes as the sustainability and, primarily, the climate agenda come into force. In this context, the change is expected to bring both threats and additional opportunities, as the world needs to reduce greenhouse emissions while continuing sustainable economic growth.

Rompetrol Rafinare is aware of the importance of climate matters and supports European commitments for emissions reduction set out in the Paris Agreement and is aiming to build a sustainable, resilient business in the long run and to reduce CO2 emissions. Estimating global energy demand towards 2050 is an extremely difficult mission. The Company's business plans are built for a period of 5 years and consider certain actions taken to reach its net-zero emissions target by 2050. Our business plans reflect the current economic environment and Company's reasonable expectations of how the next 5 years will progress.

The Company is focused on increasing resilience and profitability by diversification and further transition from diversified downstream player to energy provider. To address these objectives, projects have been defined, corresponding to different time horizons, with highest priority on the short to mid-term projects implemented in the existing markets with the production and distribution capacity already planned.

The Company's strategy, initially approved in March 2022, emphasized the transition from a traditional oil and gas downstream company to a diversified downstream player. This strategy, chosen after a thorough assessment of multiple options, is designed to align with the Group's strategic goals, decarbonization targets, and long-term business sustainability. It supports gradual diversification, particularly into biofuels, renewable energy generation and the expansion of the electric vehicle (EV) charging network.

In response to the dynamic geopolitical, fiscal, and market changes in 2025, the Company's primary focus this year has shifted towards operational efficiency, increasing vertical integration for better value along the Company's value chain, and increasing performance of key businesses, with highest attention and priority to be paid to safety of all operations throughout the Group. These priorities are critical to ensure the Group maintains strong financial performance and adapts to the evolving market conditions. Decarbonization projects, while continuing to develop, will remain an ongoing part of the Company's strategy for long-term sustainability.

In 2024, the KMGI made significant progress with the implementation of projects from the approved list of priority initiatives. Ongoing construction of ultrafast charges at Rompetrol stations, project co-funded by European Union, that will enable Rompetrol to enter the market of EV chargers operators, to meet growing demand for charging infrastructure and legislative requirements. Technical solution study launched for two projects, co-processing of advanced biodiesel and SAF and existing unit of Petromidia refinery aiming to increase the content of new generation biofuels. To meet legislative requirements, KMGI continues assessment of the green hydrogen production project at Petromidia platform. By 2030, this transition is expected to reduce CO2 emissions, contributing to our longer-term decarbonization goals while enhancing operational sustainability.

Overall, the KMGI is committed to adapting its strategy to current market realities, focusing on operational excellence, while maintaining a long-term commitment to sustainability and decarbonization through ongoing projects.

2025 will mark the completion and launch of the large investment project of the Company, the cogeneration plant on the Petromidia platform. The plant will secure the stable supply of electricity and steam to Petromidia refinery, with possibility to inject the surplus electricity into the national grid. The new plant will comply with the highest technological standards of energy efficiency. It is being built and will be operated by Rompetrol Energy, majority owned by the Kazakh-Romanian Energy Investment Fund (KREIF), along with Rominserv and the Midia Thermal Power Plant (currently owned by the Ministry of Energy (56.58%) and KMG International (43.42%). The project, worth over 164 million USD, is financed by the Kazakh-Romanian Energy Investment Fund (KRIEF).

29. COMMITMENTS (continued)

Major investment projects of the KMGI Group in Romania will be implemented through Kazakh-Romanian Investment Fund in the Energy sector established in November 2018 together with the Romanian State, represented by the Management Company of the Shares Owned within Energy Sector (S.A.P.E.), which holds 20% in the equity of the Fund, 80% belonging to KMGI.

War and conflict riks

In the context of the military conflict between Russia and Ukraine, started on 24 February 2022, the EU, USA, UK, Switzerland and other countries imposed various sanctions against Russia, including financing restrictions on certain Russian banks and state-owned companies, sectoral sanctions, import/export restrictions as well as personal sanctions against a number of individuals.

Considering the geopolitical tensions, since February 2022, there has been an increase in financial markets volatility and exchange rate depreciation pressure.

The war in the Ukraine and its related short- term consequences are creating increasing geopolitical risks and further challenges for global supply chains are to be expected which will impact the global economy. We anticipate that the global challenging conditions will persist for the following months.

At present, we are monitoring very closely the current situation and developments of sanctions and related restrictions applied to Russian environment by relevant international stakeholders and regularly conduct a risk assessment on this basis. We are in constant dialogue with our customers and suppliers in the region and try to stay in connection with competent authorities in order to identify any potential impact of newly issued sanctions on our business and supply chains at an early stage and act accordingly.

The Company does not have direct exposures to related parties and/or key customers or suppliers from those countries. The Company's sources for crude oil are not from Russia and the Company does not have operations in Russia or Ukraine.

Cyber risk

The progress made toward digitalization certainly brings great benefits, however as the use of new technologies and their capabilities increases, so do the risks derived from their exposure in cyberspace, the reliance on the systems deployed and the information generated by the Company. The risks are not only technical but also business related and may lead to operational disruptions, fraud or theft of sensitive information.

The Company is heavily dependent on the information technology systems, including the network infrastructure for the safe and effective operation of the business. The Company rely on such systems to process, transmit and store electronic information, including financial records and personally identifiable information and to manage or support a variety of business processes, including the supply chain, pipeline operations, gathering and processing operations, retail sales, financial transactions, banking and numerous other processes and transactions. Any interruption or failure of any information technology system, including an interruption or failure due to a cybersecurity breach, could have an adverse effect on the business, financial condition, results of operations and cash flows.

The systems and infrastructure are subject to potential damage or interruption from a number of potential sources including, power failures and cyberattacks and other events and our cybersecurity protections, infrastructure protection technologies, disaster recovery plans and employee training may not be sufficient to defend us against all unauthorized attempts to access our information.

The Company continuously improves cyber security capabilities. and supervise the cyber security activity, ensuring the protection of the confidentiality, integrity and availability of data. Also, the Company continuously educates their employees and partners about cyber security risks and support them to act in a responsible way.

29. COMMITMENTS (continued)

Work safety and safe operations

Protecting the employees is a priority of the company, and the company is committed to safe responsible operations to protect the health and safety of our employees, contractors and communities. This commitment is reflected in our safety system design and our focus on continuous learning and development achieved through training in human rights and work safety.

Besides the set of measures and policies in place, work accidents can still occur, however the company's top priorities remain the improvement of industrial safety, reduce work-related injuries and accidents-free operation of production facilities.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS

A. CAPITAL RISK

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of bank debt and shareholder loans (see Notes 14 and 15), cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the "Statement of Changes in the Shareholders' Equity".

B. GEARING RATIO

The debt – to - equity ratio at the end of the year is as follows:

	March 31, 2025	**December 31, 2024**
Debt (excluding shareholder and related parties loans)	1,472,017,833	1,536,882,657
Cash and cash equivalents	(491,217,784)	(401,448,104)
Net Borrowings	**980,800,049**	**1,135,434,553**
Equity (including shareholder and related parties loans)	1,513,826,717	1,514,685,887
Gearing ratio	**64.8%**	**75.0%**

<u>The computation method as per 13A appendix from ASF Regulation no. 5/2018</u>

	March 31, 2025	**December 31, 2024**
Long-term borrowings	1,269,277,950	1,317,919,120
Total equity	1,483,007,946	1,483,865,798
Gearing ratio	**85.59%**	**88.82%**

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

C. FINANCIAL INSTRUMENTS

	31 March 2025	31 December 2024
Financial assets		
Investments in subsidiaries	3,741,084,832	3,741,084,832
Trade receivables and other receivables	1,341,163,648	1,139,168,754
Long-term receivables	27,754,000	27,754,000
Derivates	9,152,727	-
Cash and bank accounts	491,217,784	401,448,104
TOTAL FINANCIAL ASSETS	**5,610,372,991**	**5,309,455,690**

Financial liabilities	31 March 2025	31 December 2024
Short term borrowings from shareholders and related parties	30,818,771	30,820,089
Derivates	7,194,476	16,188,271
Commercial liabilities and other liabilities	5,991,852,652	5,934,883,168
Short term loans	202,739,883	218,963,537
Long term borrowings from banks	1,269,277,950	1,317,919,120
Lease debts	52,523,848	53,049,454
Income tax payable	1,271,701	-
TOTAL FINANCIAL LIABILITIES	**7,555,679,281**	**7,571,823,639**

Trade and other receivables are at net recoverable value and the following categories are not considered as financial assets:

- VAT to be recovered;
- Profit tax to be recovered;
- Other taxes to be recovered.

Similarly, for trade and other payables the following are not considered as financial liabilities:

- Excises taxes;
- Special fund for oil products (FSPP);
- VAT payable;
- Profit tax payable;
- Salary taxes payable;
- Other taxes;

The estimated fair values of these instruments approximate their carrying amounts.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques;
- The Company enters into derivative financial instruments with various counterparties. As at 31 March 2025, the marked to market value of derivative position is for financial instruments recognised at fair value.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are based on observable market data, either directly or indirectly;
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	31 March 2025	Level 1	Level 2	Level 3
Financial assets				
Investments in subsidiaries	3,741,084,832	-	-	3,741,084,832
Trade receivables and other receivables	1,341,163,648	-	1,341,163,648	-
Long-term receivables	27,754,000	-	27,754,000	-
Derivates	9,152,727	-	9,152,727	-
Cash and bank accounts	491,217,784	491,217,784	-	-
TOTAL FINANCIAL ASSETS	**5,610,372,991**	**491,217,784**	**1,378,070,375**	**3,741,084,832**
Financial liabilities				
Short term borrowings from shareholders and related parties	30,818,771	-	30,818,771	-
Derivates	7,194,476		7,194,476	
Commercial liabilities and other liabilities	5,991,852,652	-	5,991,852,652	-
Short term loans	202,739,883	-	202,739,883	-
Long term borrowings from banks	1,269,277,950	-	1,269,277,950	-
Lease debts	52,523,848	-	52,523,848	-
Income tax payable	1,271,701		1,271,701	
TOTAL FINANCIAL LIABILITIES	**7,555,679,281**	**-**	**7,555,679,281**	**-**

	31 December 2024	Level 1	Level 2	Level 3
Financial assets				
Investments in subsidiaries	3,741,084,832	-	-	3,741,084,832
Trade receivables and other receivables	1,139,168,754	-	1,139,168,754	-
Long-term receivables	27,754,000	-	27,754,000	-
Cash and bank accounts	401,448,104	401,448,104	-	-
TOTAL FINANCIAL ASSETS	**5,309,455,690**	**401,448,104**	**1,166,922,754**	**3,741,084,832**
Financial liabilities				
Short term borrowings from shareholders and related parties	30,820,089	-	30,820,089	-
Derivates	16,188,271		16,188,271	
Commercial liabilities and other liabilities	5,934,883,168	-	5,934,883,168	-
Short term loans	218,963,537	-	218,963,537	-
Long term borrowings from banks	1,317,919,120	-	1,317,919,120	-
Lease debts	53,049,454	-	53,049,454	-
TOTAL FINANCIAL LIABILITIES	**7,571,823,639**	**-**	**7,571,823,639**	**-**

At 31 March 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

D. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses different commodity derivatives as a part of price risk management in trading of crude oil and products.

The Company performs hedging transactions regarding the risk of increasing USD interest rates.

Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments for fair value are recognized in profit or loss as they arise.

E. MARKET RISK

The Company's activities expose it to a variety of risks including the effects of: changes in the international quotations for crude oil and petroleum products, foreign currency exchange rates and interest rates. The Company's overall risk management main objective is to minimize the potential adverse effects on the financial performance of the Company.

F. FOREIGN CURRENCY RISK MANAGEMENT

For the purpose of preparing these Financial Statements, in accordance with the requirements of the Romanian law, the Company's functional currency is the Romanian leu (RON).

Crude oil imports, loans and a significant part of petroleum products are all denominated principally in US Dollars. Therefore, in respect of liabilities the Company is exposed to the risk of US dollar appreciation to the detriment of local currency, while in respect of foreign currency receivables, exposure arises in the context of depreciation of US dollar currency. Moreover, certain assets and liabilities are denominated in foreign currencies, which are retranslated at the prevailing exchange rate at each balance sheet date. The resulting differences are charged or credited to the income statement but do not affect cash flows. Company Treasury is responsible for handling the Company foreign currency transactions.

G. FOREIGN CURRENCY SENSITIVITY ANALYSIS

The Company is mainly exposed to the USD and EUR fluctuation risk.

The following table details the Company's sensitivity to a 5% increase and decrease in the RON exchange rate against the relevant foreign currencies. The sensitivity analysis includes only the foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in the exchange rates. A positive number below indicates an increase in profit and other equity here generated by a positive exchange rate RON/USD of 5% and generated by a negative exchange rate RON/EUR of 5%. For a 5% weakening of the exchange rate RON against USD and an increase of the exchange rate RON against EUR there would be a negative impact in the profit, with the same value.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

	USD		EUR	
	31 March 2025	**31 December 2024**	**31 March 2025**	**31 December 2024**
RON				
5%	(243,621,252)	(283,399,686)	(13,427,644)	(301,003)
(5%)	243,621,252	283,399,686	13,427,644	301,003

H. INTEREST RATE RISK MANAGEMENT

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Company has long-term debt and short-term debt that incur interest at fixed and variable interest rates that exposes the Company to both fair value and cash flow risk. Details of the interest rate terms, which apply to the Company's borrowings, are provided in Notes 14, 15.

The sensitivity analyses below have been determined based on the financial instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If the interest rates had varied by + / - 50 points and all the other variables had remained constant, the net result of the Company as at 31 March 2025 would decrease / increase by RON 29.3 million (2024: decrease / increase by RON 31.0 million).

I. COMMODITY PRICE RISK

The Company is affected by the volatility of crude oil, oil product and refinery margin prices.

The operating activities of the Company require ongoing purchase of crude oil to be used in its production as well as for the supply of petroleum products to its customers. Due to significantly increased volatility of crude oil prices, the management developed a hedge policy which was presented to the Company's Board of Directors and was approved in most significant aspects in 2010 and with some further amendments in February 2011. Following this approval, the Company started on January 2011 to hedge commodities held by Rompetrol Rafinare.

According to the hedge policy, on the commodity side, the flat price risk for priced inventories above a certain threshold (called base operating stock) can be hedged using future contracts traded on ICE Exchange and some OTC instruments for the secondary risks. The base operating stock is the equivalent of priced stocks that are held at any moment in time in the Company, hence price fluctuations will not affect the cash-flow.

Trading activities are separated into physical (purchase from third parties and KazmunayGas Group, and sales to third parties and Intercompany) and paper trades (for economic hedging purposes). Each physical transaction is covered through a related futures position according to the exposure parameters set by management (i.e. based on physical quantities sold or purchased). The Company can sell or buy the equivalent number of future contracts. This paper trade is done only to hedge the risk of the Physical Trade and not to gain from the trading of these instruments.

30. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

The Refining activity of the Company is exposed to the increase of the EUA certificates prices. Rompetrol Refinery CO2 emissions are offset with EUA certificates. As a mitigation measure, the Financial Risk Management Department is monitoring the EUA market in order to hedge EUA deficit of the Refinery for the remaining years of first part of phase IV (2024-2025) as well as the following years. When the market price will be within the target level of the Company, hedge operations will be carried on.

J. CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or purchase contracts, which leads to a financial loss. The Company is exposed to credit risk from its operating activities primarily for trade receivables and from its financing activities including bank deposits, foreign exchange transactions and other financial instruments.

Trade receivables

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed on a regular basis, being undertaken on an individual basis as well as collectively on the basis of aging.

Cash pooling and bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury in accordance with the Company's policy.

31.SUBSEQUENT EVENTS

At the beginning of May 2025, the Company restarted the Low-Density Polyethylene (LDPE) plant, which was shut down at the end of 2023 due to the unfavorable market context. During April 2025, the plant underwent a general overhaul, the work consisting of checking the equipment and its reauthorization, according to the regulations in force. All functional and safety tests, preliminary stages to the restart, were successfully completed.

FLORIAN-DANIEL POP
General Manager

ALEXANDRU STAVARACHE
Financial Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

Rompetrol Rafinare SA
Financial ratios as at 31 March 2025
13A appendix from ASF Regulation no. 5/2018

Indicator	Result	Calculation method
1. Current ratio	0.47	Current assets/Current liabilities
2. Gearing ratio	85.59%	Borrowed capital/Equity x 100
3. Receivables turnover ratio	27.43	Average balance for receivables/Turnover x 90
4. Non current assets turnover ratio [1]	2.40	Turnover/Non current assets

**Note: Economic and financial indicators were computed based on unaudited financial statements.*
*[1] Non current assets turnover ratio is calculated based on annualized turnover for the period January-March 2025 *(360/90) days.*

GENERAL MANAGER,
Florian-Daniel Pop

FINANCIAL MANAGER,
Alexandru Stavarache

PREPARED BY (Chief Accountant),
Alexandru Cornel Anton

No. 2905/ 14.05.2025

Announcement concerning the availability of the financial results as of March 31st, 2025

Rompetrol Rafinare S.A. hereby informs its shareholders and investors that the **Quarterly Report as of March 31st, 2025** – prepared in accordance with the provisions of the Law no. 24/2017 on issuers of financial instruments and market operations, republished, and F.S.A. Regulation no. 5/2018 on issuers of financial instruments and market operations, **may be accessed starting with May 15th, 2025, 6:00 P.M. (Romanian time),** at the website address: https://rompetrol-rafinare.kmginternational.com/, under the Investors Relations section, Financial Results and Reporting/Quarterly Interim Reports subsection.

The Quarterly Report as of March 31st, 2025 shall be rendered available to the stakeholders starting with the same date and time, in hardcopy, upon the stakeholder's request, at the Company's headquarters from Năvodari, 215 Năvodari Blvd., Administrative Facility, room 104, Constanța County.

The aforementioned report and presentations shall be send to the Bucharest Stock Exchange and Financial Supervisory Authority according to the legislation in force.

We hereby mention that **the financial information contained by the Report for the 1st quarter of 2025 and the individual and consolidated financial accounts have not been audited by the Company's external financial auditor.**

General Manager
Florian-Daniel Pop

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