Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its first quarter 2025 financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS").

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare S.A and its subsidiaries Rompetrol Downstream S.R.L, Rompetrol Gas S.R.L, Rompetrol Quality Control S.R.L, Rom Oil SA, Rompetrol Logistics S.R.L and Rompetrol Petrochemicals S.R.L.

The document is posted on our website in the Investor Relations section:

https://rompetrol-rafinare.kmginternational.com/

HIGHLIGHTS – CONSOLIDATED

		Q1 2025	Q1 2024	%
Financial				
Gross Revenues	USD	1,322,554,395	1,093,551,498	21%
Net Revenues	USD	995,528,059	837,254,061	19%
EBITDA	USD	22,821,365	33,206,567	-31%
EBITDA margin	%	2.3%	4.0%	
EBIT	USD	(7,854,128)	8,049,914	N/A
Net profit / (loss)	USD	(37,326,293)	(23,820,498)	57%
Net Profit / (loss) margin	%	-3.7%	-2.8%	

Rompetrol Rafinare S.A. consolidated gross revenues reached over USD 1.3 billion in Q1 2025, higher by 21%, as against same period last year (in Q1 2024, on 8th of March started the general turnaround in Petromidia refinery, for a period of approximately 2 months).

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ECONOMIC ENVIRONMENT*

		Q1 2025	Q1 2024	%
Brent Dated	USD/bbl	75.7	83.2	-9%
CPC Blend CIF	USD/bbl	71.8	78.7	-9%
Brent-CPC Differential	USD/bbl	3.9	4.4	-12%
Premium Unleaded 10 ppm FOB Med	USD/ton	716	828	-14%
Diesel ULSD 10 ppm FOB Med	USD/ton	692	817	-15%
RON/USD Average exchange rate		4.73	4.58	3%
RON/USD Closing exchange rate		4.60	4.61	0%
RON/EURO Average exchange rate		4.98	4.97	0%
RON/EURO Closing exchange rate		4.98	4.97	0%
USD/EURO Closing rate		1.08	1.08	0%
Inflation in Romania		2.08%	2.35%	-11%

Source: Platts, INSSE (Inflation in Romania is calculated based on CPI - i.e. Consumer Price Index)

In Q1 2025**,** the average price of **Dated Brent** crude oil stood at 75.7 $/bbl, reflecting a decline of 7.4$/bbl. (-9%) compared to Q1 2024.

Similarly, the average **CPC** crude quotation for Q1 2025 was 71.8$/bbl representing a drop of 6.9$/bbl. (-9%) compared to Q1 2024.

In January, Dated Brent price increased from 76 to 83$/bbl. driven by tighter sanctions on Russian and Iranian oil which raised concerns about potential supply disruptions. Also, a North American cold snap boosted demand and refinery activity pushing refinery runs to their highest levels in five years.

However, by the end of February, most of these gains were reversed, with Brent falling to $73 per barrel. The decline was influenced by supply disruptions due to cold weather in North America and outages in Nigeria and Libya. Additionally, new US tariffs affected the global economic sentiment, while crude inventories dropped significantly, especially in China.

In March, Dated Brent prices continued to fall nearing 70$/bbl., a three-year low. This drop was driven by worsening macroeconomic conditions and rising trade tensions that impacted demand expectations. At the same time, OPEC+ signaled intentions to phase out voluntary production cuts starting in April, rising expectations of increased supply. Despite rising OPEC+'s output, refinery runs dropped, and stocks recovered.

Goldman Sachs expects oil prices to decline by the end of this year and next year because of the rising risk of a recession and higher supply from the OPEC+ group, with Brent and WTI oil prices averaging 63$/bbl. and 59$/bbl., respectively, for the remainder of 2025, and 58$/bbl. and 55$/bbl. in 2026.

European refinery margins decreased significantly in Q1 2025, averaging at 71.54$/MT a decrease of 42.9$/MT (-37.5%) compared to the same period in 2024.

Even if the European refinery margins were low compared to previous year, they had an upward trend during the first half of Q1 2025, supported by strong product cracks (particularly diesel and gasoline), seasonal winter demand,

and refinery maintenance that limited regional product availability. Jet fuel cracks and slightly softer Brent prices also boosted margins.

However, margins started to decline in the second half of the quarter as macroeconomic concerns, particularly recession fears driven by escalating trade tensions, weighed on demand expectations. As refinery maintenance ended, runs increased, leading to higher product supply. At the same time, diesel demand weakened, and competition from Asian and Middle Eastern exports intensified, putting additional pressure on margins. Jet fuel demand remained volatile, while increased supply from the Middle East further added to the bearish margin pressure toward the end of March.

Gasoline cracks started Q1 relatively stable to slightly bullish, supported by low stock levels and preparation for seasonal export demand. Toward the end of the quarter, gasoline cracks fluctuated but remained moderately strong, helped by robust transatlantic exports to the US and Canada, and improving European domestic consumption.

Diesel cracks were strong early in Q1 due to low inventories and stable winter heating demand across Europe. However, cracks softened slightly toward the end of the quarter as the economic outlook worsened, with several major institutions downgrading GDP growth forecasts. Diesel demand remained stable short-term, but supply pressure expanded as Saudi Arabia and Russia ramped up exports after earlier disruptions. The combination of macroeconomic fears and recovering supply capped diesel crack strength by March.

Jet fuel cracks held firm during the first half of Q1, underpinned by low inventories, relatively stable European travel demand, and limited imports from Asia. In the latter part of the quarter, jet cracks became more mixed, although European jet demand increased (adding around 120K b/d in April projections), growing jet fuel surpluses in the Middle East and India put pressure on global flows. Nevertheless, seasonal demand gains helped keep the European jet positive, in dollar per barrel terms, through the end of March.

Looking ahead, European refining margins remain under pressure due to weak fuel cracks, ongoing tariff impacts, and persistent recession concerns. While lower crude prices might offer some short-term support, overall sentiment remains cautious.

Against this background, internally, the RON/EUR exchange rate witnessed fluctuations on the higher pillar in Q1 2025, showing an average level of 4.9764 and rates between 4.9728 and 4.9774.

The RON/USD rate in Q1 2025 was marked by increased volatility and pronounced fluctuations. The average rate was 4.7264 for Q1 2025, with notable peaks occurring in the first half of January (4.8734 on January 13, 2025) and a low of 4.5516 on March 18, 2025.

**The information is based on analysis provided by JBC Energy GmbH, OPEC and National Bank of Romania*

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REFINING SEGMENT

		Q1 2025	Q1 2024	%
Financial				
Gross Revenues	USD	1,104,836,638	937,716,632	18%
Net Revenues	USD	845,414,978	721,786,335	17%
EBITDA	USD	17,155,130	28,509,947	-40%
EBITDA margin	%	2.0%	3.9%	
EBIT	USD	(7,058,737)	19,739,841	N/A
Net profit / (loss)	USD	(34,537,845)	(4,766,418)	625%
Net profit / (loss) margin	%	-4.1%	-0.7%	
Gross cash refinery margin/ton (Petromidia)	USD/ton	64.2	85.1	-25%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	8.8	11.7	-25%
Net cash refinery margin/ton (Petromidia)	USD/ton	17.9	32.9	-45%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	2.5	4.5	-45%
Operational				
Feedstock processed in Petromidia refinery	thousand tons	1,338	943	42%
Feedstock processed in Vega refinery	thousand tons	75	61	23%
Gasoline produced	thousand tons	413	274	51%
Diesel & jet fuel produced	thousand tons	663	508	31%
Motor fuels sales - domestic	thousand tons	524	482	9%
Motor fuels sales - export	thousand tons	487	251	94%
Export	%	48%	34%	
Domestic	%	52%	66%	

Refining segment comprises the results of the company Rompetrol Rafinare related to Petromidia and Vega refineries.
Rompetrol Rafinare computes Gross refinery margin as follows - (Oil Product Sales – Cost of Feedstock) / Quantity of sales.
Net Refinery margin is the EBITDA divided by quantity of sales.

Petromidia refinery is one of the most modern in the Black Sea region and represents approximately 40% of the refining capacity in Romania. The unit located in Navodari city has a stable flow of raw materials, mainly thanks to deliveries of Kazakh crude oil made with the support of KazMunayGas, the national oil and gas company of Kazakhstan.

Gross revenues of the refining segment reached over USD 1.1 billion in Q1 2025, showing an 18% increase as against Q1 2024.

In Q1 2025 the total throughput for Petromidia refinery was 1.34 million tons, higher by 42% as against same period last year, when the total throughput was 0.94 million tons. In Q1 2025, the total refinery throughput reached a good level of 14.87 ktons per day of operation, based on crude availability (55.9% KEBCO, 44.1% a mix of sweet crude) and constant and continue units' operation.

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In Q1 2025 the refining capacity utilization in Petromidia refinery was 92.3%, higher by 23.4%, compared with the same period last, corelated with events described above.

Petromidia refinery managed to achieve in Q1 2025 a very good refining operational performance for the main operational parameters, such as:

- White finished products yield of 85.83%wt;
- The highest quarterly level of Jet production, ~ 131 ktons representing 10.4% of crude processed, driven by strategic operational measures and higher jet fuel sales;
- Technological loss of 0.87%wt;
- Energy Intensity Index (EII) of 94.6%, the lowest level achieved in Q1, improved value by 12.8 points against the previous year (EII of 107.4%), reflecting continuous efforts in energy efficiency optimization and improvements.

In respect of Vega refinery (the only domestic producer of bitumen and hexane), the total throughput was 75,108 tons in Q1 2025, higher by 22.9%, compared with the same period last year when the total throughput was 61,112 tons in Q1 2024.

In Q1 2025 the refining capacity utilization for Vega refinery was higher by 16.96% compared with the same period last year.

Vega refinery also managed to achieve in Q1 2025 good refining performance results, of which the following are emphasized:

- Technological loss of 0.68%;
- Energy consumption of 3.10 GJ/t.

The Refining segment financial result was lower in Q1 2025 compared to the same period last year mainly due to a decline in the Gross Refinery Margin, which fell from an average of 85 $/t in Q1 2024 to 64 $/t in Q1 2025.
This decline reflects the characteristic volatility of the refining industry and seasonally lower demand trends.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 372 million in Q1 2025.

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PETROCHEMICALS SEGMENT

		Q1 2025	Q1 2024	%
Financial				
Revenues	USD	22,645,291	27,464,059	-18%
EBITDA	USD	(16,975,074)	(16,285,915)	4%
EBIT	USD	(14,484,950)	(19,139,218)	-24%
Net profit / (loss)	USD	(9,174,136)	(19,601,107)	-53%
Operational				
Propylene processed	thousand tons	21	23	-7%
Ethylene processed	thousand tons	-	-	N/A
Total polymers production	thousand tons	15	16	-4%
Sold from own production	thousand tons	21	25	-15%
Sold from trading	thousand tons	-	0.0	-100%
Total sold	thousand tons	21	25	-15%
Export	%	51%	44%	
Domestic	%	49%	56%	

Petrochemicals segment comprises the petrochemicals activity from Rompetrol Rafinare and the activity of Rompetrol Petrochemicals SRL

The polypropylene (PP) plant operates with raw material produced and delivered internally by the Petromidia refinery, and the low-density polyethylene (LDPE) plant uses imported ethylene as a raw material.

In Q1 2025 the total production of polymers in petrochemical division was 15 thousand tons, lower compared to the similar period of last year when it produced 16 thousand tons in Q1 2024, decrease mainly influenced by PP unit which operated at low run-rate, due to unfavorable petrochemicals market conditions.

The petrochemical segment is the only producer of polypropylene and polyethylene in Romania, with the ability to regain its competitive position on the domestic and regional market, once the profile market stabilizes.

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MARKETING SEGMENT

		Q1 2025	Q1 2024	%
Financial				
Gross Revenues	USD	751,325,749	759,103,151	-1%
EBITDA	USD	19,882,824	24,499,644	-19%
EBIT	USD	11,702,570	11,717,718	0%
Net profit / (loss)	USD	4,399,964	4,816,638	-9%
Operational				
Fuels quantities sold in retail	thousand tons	259	270	-4%
Fuels quantities sold in wholesale	thousand tons	149	141	5%
LPG quantities sold	thousand tons	65	50	30%

Marketing segment includes the results of Rompetrol Downstream, Rom Oil, Rompetrol Quality Control, Rompetrol Logistics and Rompetrol Gas

In Q1 2025 the marketing segment had a turnover of over USD 751 million, lower by 1% as compared with Q1 2024.

In the Q1 2025, the average Platts quotations (FOB Med Italy) in USD (reference currency) decreased by -15% for diesel and by -14% for gasoline compared with the similar period of 2024. Due to the ~3% depreciation of the RON against the US dollar (Q1 2025 vs. Q1 2024, on average) the international diesel quotation decreased in the national currency by -13%, at the same time the international gasoline quotation decreased in the national currency by -11% compared to Q1 2024.

At the end of March 2025, Rompetrol Downstream's distribution segment contained 1,181 operative points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.

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APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q1 2025, UNAUDITED

Amounts in USD

	Q1 2025	Q1 2024	%
Gross Revenues	1,322,554,395	1,093,551,498	21%
Sales taxes and discounts	(327,026,336)	(256,297,437)	28%
Net revenues	**995,528,059**	**837,254,061**	**19%**
Cost of sales	(926,023,336)	(759,820,308)	22%
Gross margin	**69,504,723**	**77,433,753**	**-10%**
Selling, general and administration	(70,672,094)	(77,387,933)	-9%
Other expenses, net	(6,686,757)	8,004,094	N/A
EBIT	**(7,854,128)**	**8,049,914**	**N/A**
Finance, net	(20,815,733)	(25,505,031)	-18%
Net foreign exchange gains / (losses)	(6,862,183)	2,513,989	N/A
EBT	**(35,532,044)**	**(14,941,128)**	**138%**
Profit tax	(1,794,249)	(8,879,370)	-80%
Net result	**(37,326,293)**	**(23,820,498)**	**57%**
EBITDA	**22,821,365**	**33,206,567**	**-31%**

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APPENDIX 2 – CONSOLIDATED BALANCE SHEET MARCH 31, 2025, UNAUDITED

Amounts in USD

	March 31, 2025	December 31, 2024	%
Assets			
Non-current assets			
Intangible assets	17,104,532	17,333,185	-1%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	867,760,609	891,996,177	-3%
Right of use assets	276,045,409	276,551,758	0%
Financial assets and other	7,968,829	7,838,702	2%
Deferred tax asset	21,306,903	21,306,903	0%
Total Non Current Assets	**1,273,057,988**	**1,297,898,431**	**-2%**
Current assets			
Inventories	343,836,734	428,898,189	-20%
Trade and other receivables	639,404,035	518,697,141	23%
Derivative financial Instruments	1,981,667	-	N/A
Cash and cash equivalents	118,151,522	94,030,970	26%
Total current assets	**1,103,373,958**	**1,041,626,300**	**6%**
Total assets	**2,376,431,946**	**2,339,524,731**	**2%**
Equity and liabilities			
Total Equity	**183,852,641**	**216,929,247**	**-15%**
Non-current liabilities			
Long-term debt	275,900,000	275,900,000	0%
Provisions	110,055,666	110,055,666	0%
Obligations under lease agreements	278,624,152	268,112,687	4%
Other	16,384,650	16,329,235	0%
Total non-current liabilities	**680,964,468**	**670,397,588**	**2%**
Current Liabilities			
Trade and other payables	1,402,331,332	1,326,932,258	6%
Contract liabilities	48,752,149	62,467,369	-22%
Derivative financial instruments	2,159,755	4,519,724	-52%
Obligations under lease agreements	10,267,892	9,797,590	5%
Short-term debt	44,069,104	45,838,959	-4%
Profit tax payable	4,034,605	2,641,996	53%
Total current liabilities	**1,511,614,837**	**1,452,197,896**	**4%**
Total equity and liabilities	**2,376,431,946**	**2,339,524,731**	**2%**

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The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 31 March 2025.

General Manager

Florian-Daniel Pop

Finance Manager

Alexandru Stavarache

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ROMPETROL RAFINARE SA

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ENDORSED BY THE EUROPEAN UNION (EU)

31 MARCH 2025

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ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2025
(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

	Notes	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
				(supplementary info – see Note 2(e))	
Intangible assets	3	17,104,532	17,333,185	78,689,399	79,741,318
Goodwill	4	82,871,706	82,871,706	381,251,283	381,251,283
Property, plant and equipment	5	867,760,609	891,996,177	3,992,132,682	4,103,628,412
Right of use Assets	7	276,045,409	276,551,758	1,269,946,904	1,272,276,363
Long-term receivable		7,968,829	7,838,702	36,660,598	36,061,949
Deferred tax asset	15	21,306,903	21,306,903	98,022,407	98,022,407
Total non current assets		**1,273,057,988**	**1,297,898,431**	**5,856,703,273**	**5,970,981,732**
Inventories, net	9	343,836,734	428,898,189	1,581,820,895	1,973,146,118
Trade and other receivables	10	639,404,035	518,697,141	2,941,578,263	2,386,266,197
Derivative financial instruments	32.5	1,981,667	-	9,116,659	-
Cash and cash equivalents	11	118,151,522	94,030,970	543,556,077	432,589,477
Total current assets		**1,103,373,958**	**1,041,626,300**	**5,076,071,894**	**4,792,001,792**
TOTAL ASSETS		**2,376,431,946**	**2,339,524,731**	**10,932,775,167**	**10,762,983,524**
Share capital	12	881,102,250	881,102,250	4,053,510,901	4,053,510,901
Share premium	12	74,050,518	74,050,518	340,669,408	340,669,408
Revaluation reserve, net	12	178,928,234	178,928,234	823,159,341	823,159,341
Other reserves	12	(6,007,729)	(10,257,415)	(27,638,557)	(47,189,238)
Other reserves - Hybrid loan	12	1,059,285,995	1,059,285,995	4,873,245,220	4,873,245,220
Effect of transfers with equity holders	12	(596,832,659)	(596,832,659)	(2,745,728,648)	(2,745,728,648)
Accumulated losses		(1,389,134,768)	(1,320,145,740)	(6,390,714,500)	(6,073,330,477)
Current year result		(38,128,114)	(68,989,028)	(175,408,388)	(317,384,023)
Equity attributable to equity holders of the parent		**163,263,727**	**197,142,155**	**751,094,777**	**906,952,484**
Non-Controlling interest		20,588,914	19,787,092	94,719,299	91,030,517
Total equity		**183,852,641**	**216,929,247**	**845,814,076**	**997,983,001**
Long-term borrowings from banks	13	275,900,000	275,900,000	1,269,277,950	1,269,277,950
Obligations under lease agreements	14	278,624,152	268,112,687	1,281,810,411	1,233,452,417
Deferred tax liabilities	15	16,176,318	16,176,318	74,419,151	74,419,151
Provisions	19	110,055,666	110,055,666	506,311,090	506,311,090
Other non-current liabilities		208,332	152,917	958,431	703,495
Total non-current liabilities		**680,964,468**	**670,397,588**	**3,132,777,033**	**3,084,164,103**
Trade and other payables	16	1,402,331,332	1,326,932,258	6,451,425,294	6,104,551,851
Contract liabilities	17	48,752,149	62,467,369	224,284,261	287,381,131
Derivative financial instruments	32.5	2,159,755	4,519,724	9,935,953	20,792,990
Obligations under lease agreements	14	10,267,892	9,797,590	47,237,437	45,073,814
Short-term borrowings from banks	18	44,069,104	45,838,959	202,739,913	210,882,131
Profit tax payable		4,034,605	2,641,996	18,561,200	12,154,503
Total current liabilities		**1,511,614,837**	**1,452,197,896**	**6,954,184,058**	**6,680,836,420**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,376,431,946**	**2,339,524,731**	**10,932,775,167**	**10,762,983,524**

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

	Notes	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
				(supplementary info – see Note 2(e))	
Revenues from contracts with customers	20	995,528,059	837,254,061	4,579,926,835	3,851,787,308
Cost of sales	21	(926,023,336)	(759,820,308)	(4,260,170,357)	(3,495,553,327)
Gross profit		**69,504,723**	**77,433,753**	**319,756,478**	**356,233,981**
Selling, general and administrative expenses, including logistic costs	22	(70,672,094)	(77,387,933)	(325,126,968)	(356,023,186)
Other operating income	23	6,542,952	13,865,888	30,100,852	63,790,018
Other operating expenses	23	(13,229,709)	(5,861,794)	(60,863,276)	(26,967,183)
Operating (loss) / profit		**(7,854,128)**	**8,049,914**	**(36,132,914)**	**37,033,630**
Finance cost	24	(32,201,299)	(37,771,611)	(148,142,076)	(173,768,296)
Finance income	24	11,385,566	12,266,580	52,379,296	56,432,401
Foreign exchange (loss) /gain, net	24	(6,862,183)	2,513,989	(31,569,473)	11,565,606
(Loss)/Profit before income tax		**(35,532,044)**	**(14,941,128)**	**(163,465,167)**	**(68,736,659)**
Income tax credit/(charge)	25	(1,794,249)	(8,879,370)	(8,254,443)	(40,849,542)
(Loss)/Profit for the period		**(37,326,293)**	**(23,820,498)**	**(171,719,610)**	**(109,586,201)**
Attributable to:					
Equity holders of the parent		(38,128,114)	(23,747,847)	(175,408,388)	(109,251,970)
Non-Controlling interests		801,821	(72,651)	3,688,778	(334,231)
Earnings per share *(US cents/share)*					
Basic	28	(0.144)	(0.089)	(0.662)	(0.409)

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
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(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

	Notes	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
				(supplementary info – see Note 2(e))	
(Loss)/Profit for the period		**(37,326,293)**	**(23,820,498)**	**(171,719,610)**	**(109,586,201)**
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	32.5	4,249,686	341,776	19,550,680	1,572,340
Net other comprehensive income to be reclassified to income/(loss) statement in subsequent periods		**4,249,686**	**341,776**	**19,550,680**	**1,572,340**
Net other comprehensive income/(loss) not to be reclassified to income statement in subsequent periods		**-**	**-**	**-**	**-**
Total other comprehensive income/ (loss) for the period, net of tax		**4,249,686**	**341,776**	**19,550,680**	**1,572,340**
Total comprehensive result for the period, net of tax		**(33,076,607)**	**(23,478,722)**	**(152,168,930)**	**(108,013,861)**
Attributable to:					
Equity holders of the parent		(33,878,428)	(23,406,071)	(155,857,708)	(107,679,630)
Non-Controlling interests		801,821	(72,651)	3,688,778	(334,231)
Total comprehensive result for the period		**(33,076,607)**	**(23,478,722)**	**(152,168,930)**	**(108,013,861)**

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(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

	Notes	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
				(supplementary info – see Note 2(e))	
(Loss)/Profit before income tax		**(35,532,044)**	**(14,941,128)**	**(163,465,167)**	**(68,736,659)**
Adjustments for:					
Depreciation and amortization of property, plant and equipment and intangibles assets	3,5	28,828,652	28,509,305	132,626,214	131,157,058
Depreciation of right-of-use assets	7	4,258,193	5,378,454	19,589,817	24,743,578
Provisions for receivables and inventories (incl write-off)	23	(2,029,622)	(7,810,792)	(9,337,276)	(35,933,549)
Impairment for property, plant and equipment (incl write-off)	23	928	(1,028)	4,269	(4,729)
Late payment interest	24	(136,211)	402,409	(626,639)	1,851,283
Other financial income	24	(179,510)	(147,772)	(825,836)	(679,825)
Unwinding of discount leasing	24	4,992,470	7,177,677	22,967,858	33,020,903
Interest income	24	(11,206,056)	(12,118,808)	(51,553,461)	(55,752,576)
Interest expense and bank charges		25,584,052	28,886,732	117,699,431	132,893,411
Adjustments for gain loss on disposals of property, plant and equipment	23	(353,481)	(162,633)	(1,626,189)	(748,193)
Unrealised foreign exchange (gain)/loss	24	18,564,499	(3,479,508)	85,405,978	(16,007,477)
Cash flows from operations before working capital changes		**32,791,870**	**31,692,908**	**150,858,999**	**145,803,225**
Net working capital changes:					
Receivables and prepayments		(20,039,138)	37,468,213	(92,190,054)	172,372,514
Inventories		88,017,706	84,716,849	404,925,456	389,739,864
Adjustments for increase (decrease) in trade and other payables and adjustments for increase (decrease) in contract liabilities		(89,426,778)	(128,921,828)	(411,407,892)	(593,104,873)
Change in working capital		**(21,448,210)**	**(6,736,766)**	**(98,672,490)**	**(30,992,495)**
Income tax paid		(511)	-	(2,351)	-
Net cash inflow from operating activities		**11,343,149**	**24,956,142**	**52,184,158**	**114,810,730**
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(4,288,560)	(45,734,671)	(19,729,521)	(210,402,354)
Purchase of intangible assets	3	(79,283)	(60,149)	(364,741)	(276,715)
Proceeds from sale of property, plant and equipment		355,627	13,645	1,636,062	62,774
Net cash (outflow) from investing activities		**(4,012,216)**	**(45,781,175)**	**(18,458,200)**	**(210,616,295)**
Cash flows from financing activities					
Cash flows from (used in) cash pooling, classified as financing activities	10,16	41,097,493	5,269,881	189,069,017	24,244,088
Proceeds from current borrowings from banks	18	17,489,086	10,138,261	80,458,540	46,641,070
Repayments of current borrowings from banks	18	(19,367,256)	(17,795,338)	(89,099,061)	(81,867,452)
Lease repayments	14	(8,215,438)	(10,767,275)	(37,795,123)	(49,534,849)
Interest and bank charges paid, net		(14,214,266)	(17,148,386)	(65,392,731)	(78,891,150)
Net cash inflow (outflow) from financing activities		**16,789,619**	**(30,302,857)**	**77,240,642**	**(139,408,293)**
Net increase (decrease) in cash and cash equivalents		**24,120,552**	**(51,127,890)**	**110,966,600**	**(235,213,858)**
Cash and cash equivalents at the beginning of the year		**94,030,970**	**155,955,200**	**432,589,477**	**717,471,898**
Cash and cash equivalents at the end of the period		**118,151,522**	**104,827,310**	**543,556,077**	**482,258,040**

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ALEXANDRU STAVARACHE
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(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

Amount in USD

	Share capital	Share premium	Accumulated losses	Revaluation reserves	Deferred income tax related to revaluation, recognised in equity	Effect of transfers with equity holders	Other reserves	Equity attributable to equity holders of the parent	Non-Controlling interest	Total equity
31 December 2023	**881,102,250**	**74,050,518**	**(1,366,853,176)**	**269,089,071**	**(43,453,402)**	**(596,832,659)**	**1,049,687,710**	**266,790,312**	**19,547,754**	**286,338,066**
Net loss for 2024	-	-	(23,747,847)	-	-	-	-	(23,747,847)	(72,651)	(23,820,498)
Hedging reserves	-	-	-	-	-	-	341,776	341,776	-	341,776
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**341,776**	**341,776**	**-**	**341,776**
Total comprehensive income	**-**	**-**	**(23,747,847)**	**-**	**-**	**-**	**341,776**	**(23,406,071)**	**(72,651)**	**(23,478,722)**
31 March 2024	**881,102,250**	**74,050,518**	**(1,390,601,023)**	**269,089,071**	**(43,453,402)**	**(596,832,659)**	**1,050,029,486**	**243,384,241**	**19,475,103**	**262,859,344**
31 December 2024	**881,102,250**	**74,050,518**	**(1,389,134,768)**	**213,595,179**	**(34,666,945)**	**(596,832,659)**	**1,049,028,580**	**197,142,155**	**19,787,092**	**216,929,247**
Net loss for 2025	-	-	(38,128,114)	-	-	-	-	(38,128,114)	801,821	(37,326,293)
Hedging reserves	-	-	-	-	-	-	4,249,686	4,249,686	-	4,249,686
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**4,249,686**	**4,249,686**	**-**	**4,249,686**
Total comprehensive income	**-**	**-**	**(38,128,114)**	**-**	**-**	**-**	**4,249,686**	**(33,878,428)**	**801,821**	**(33,076,607)**
31 March 2025	**881,102,250**	**74,050,518**	**(1,427,262,882)**	**213,595,179**	**(34,666,945)**	**(596,832,659)**	**1,053,278,266**	**163,263,727**	**20,588,914**	**183,852,641**

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(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

Amount in RON (supplementary info – see Note 2(e))

	Share capital	Share premium	Accumulated losses	Revaluation reserves	Deferred income tax related to revaluation, recognised in equity	Effect of transfers with equity holders	Other reserves	Equity attributable to equity holders of the parent	Non-Controlling interest	Total equity
31 December 2023	**4,053,510,901**	**340,669,408**	**(6,288,208,036)**	**1,237,944,271**	**(199,907,376)**	**(2,745,728,648)**	**4,829,088,310**	**1,227,368,830**	**89,929,442**	**1,317,298,272**
Net loss for 2024	-	-	(109,251,970)	-	-	-	-	(109,251,970)	(334,231)	(109,586,201)
Hedging reserves	-	-	-	-	-	-	1,572,340	1,572,340	-	1,572,340
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**1,572,340**	**1,572,340**	**-**	**1,572,340**
Total comprehensive income	**-**	**-**	**(109,251,970)**	**-**	**-**	**-**	**1,572,340**	**(107,679,630)**	**(334,231)**	**(108,013,861)**
31 March 2024	**4,053,510,901**	**340,669,408**	**(6,397,460,006)**	**1,237,944,271**	**(199,907,376)**	**(2,745,728,648)**	**4,830,660,650**	**1,119,689,200**	**89,595,211**	**1,209,284,411**
31 December 2024	**4,053,510,901**	**340,669,408**	**(6,390,714,500)**	**982,644,621**	**(159,485,280)**	**(2,745,728,648)**	**4,826,055,982**	**906,952,484**	**91,030,517**	**997,983,001**
Net loss for 2025	-	-	(175,408,388)	-	-	-	-	(175,408,388)	3,688,778	(171,719,610)
Hedging reserves	-	-	-	-	-	-	19,550,680	19,550,680	-	19,550,680
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**19,550,680**	**19,550,680**	**-**	**19,550,680**
Total comprehensive income	**-**	**-**	**(175,408,388)**	**-**	**-**	**-**	**19,550,680**	**(155,857,708)**	**3,688,778**	**(152,168,930)**
31 March 2025	**4,053,510,901**	**340,669,408**	**(6,566,122,888)**	**982,644,621**	**(159,485,280)**	**(2,745,728,648)**	**4,845,606,663**	**751,094,777**	**94,719,299**	**845,814,076**

FLORIAN - DANIEL POP
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

1. GENERAL

Rompetrol Rafinare SA (hereinafter referred to as “the Parent Company” or “the Company” or ‘‘the Parent’’ or ‘‘RRC’’) is a company incorporated under Romanian law. The Parent Company operates Petromidia and Vega refineries. Petromidia refinery, located on the Black Sea coast, processes imported crude oil and produces E.U. standard motor fuels, other petroleum products and certain petrochemicals. Petromidia refinery was designed and built during 1975 - 1977 and was further modernized in the early 1990’s and from 2005 to 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 and its subsidiaries (hereinafter referred to as “the Group”) are involved in refining of oil, production of petrochemicals and downstream activities, and have all production facilities located in Romania (see Note 8). The number of employees of the Group at the end of March 2025 and December 2024 was 1,890 and 1,917 respectively.

The registered address of Rompetrol Rafinare SA is Bd. Navodari no. 215, Navodari, Constanta, Romania. Rompetrol Rafinare SA and its subsidiaries are part of KMG International N.V. group with its registered address located at World Trade Centre, Strawinskylaan 807, Tower A, 8th floor, 1077 XX Amsterdam, the Netherlands.

The Group’s ultimate parent company is “National Welfare Fund Samruk Kazyna” JSC, an entity with its headquarters in Kazakhstan, owned company of the Republic of Kazakhstan.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation and statement of compliance

These consolidated financial statements as of 31 March 2025 have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments and property, plant and equipment that have been measured at fair value.

The consolidated financial statements provide comparative information in respect of the previous period.

b) Going concern

The financial statements of the Group are prepared on a going concern basis. As of 31 March 2025 and 31 December 2024 the Group reported net assets including non-controlling interest, of USD 183.9 million and 216.9 million respectively. For the period ended 31 March 2025, the Group recorded losses in amount of USD 38.1 million (2024: loss of USD 23.7 million) and net current liabilities of USD 408.2 million (2024: net current liabilities of USD 410.6 million). The loss incurred during 2025 was comprised of operational loss USD 7.9 million (2024: operational profit USD 8 million) and financial losses of USD 27.7 million (2024: financial losses of USD 23 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 Group will have available resources to cover the liabilities as they will become due.

For climate-related matters and the impact on Group financial statements please refer to Note 31.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

c) Changes in accounting policies

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 not early adopted

The Group 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 Group level.

e) Foreign currency translation

The Group's consolidated financial statements are presented in US dollars ("USD"), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of Group entities has been determined to be USD based on the analysis of the primary economic environment in which they operate.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Each entity within the Group translates its foreign currency transactions and balances into its functional currency by applying to the foreign currency amount 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.

Monetary assets and liabilities

Cash and cash equivalents, receivables, payables short-term and long-term loans have been translated into USD at the year-end exchange rate. Gain or loss on translation of these assets and liabilities is recorded in the income statement.

Non-monetary assets and liabilities

Non-monetary assets and liabilities are translated from their historical cost or valuation by applying the exchange rate USD / RON from the date of acquisition, valuation or contribution to the statement of financial position.

Consolidated statement of income

Consolidated statement of income items has been translated applying the exchange rate from the month when the items were initially recorded to the consolidated income statement.

The gain and / or loss on foreign exchange differences related to the revaluation of items that are not denominated in USD are reflected in the consolidated income statement for the year.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Other matters

Romanian lei translation for information purposes basis

Amounts in Romanian lei for both 2025 and 2024 are provided for information purpose basis only and are translated by multiplying the values in USD with the 31 March 2025 closing exchange rate published by Romanian national Bank of RON 4.6005 = USD 1. Translation is performed for all primary statements using the closing exchange rate.

f) Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make 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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The matters presented below are considered to be the most important in understanding the judgments that are involved in preparing these consolidated financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

- Revaluation of property, plant and equipment

The Group 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 Group 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 j), Note 5 and Note 6.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Impairment of Goodwill on acquisitions

The Group's impairment test for goodwill is based on fair value less costs to sell calculations that use a discounted cash flow model for the CGU to which Goodwill has been allocated. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to undertake.

The impact of decarbonization is reflected in the impairment test through the sensitivity analysis at the level of the worst-case scenario (potential higher impact due to decarbonization) where, it is considered a higher increase / decrease of the main factors which impact the FVLCOD through higher cost of capital and lower: volumes, contribution margin and perpetuity growth rate.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows, the growth rate used for extrapolation purposes and potential cash outflows triggered by the new taxes applicable starting with 2023 (Note 6).

- Impairment of non- financial assets

The Group assesses at each reporting date 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 and right of use assets 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 Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group'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 Group constantly monitors the latest regulations 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 Group'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 Group will adjust the key assumptions used in fair value less cost of disposal calculations to reflect sensitivity to changes in assumptions.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 6.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Provision for environmental liability

The Group is involved in refining and petrochemicals, wholesale and retail and other related services. Environmental damage caused by such substances may require the Group to incur restoration costs to comply with the relevant regulations, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Group together with its technical and legal advisers, in order to determine the probability, timing and amount of probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognized as a provision in the Group's financial statements. When the final determination of such obligation amounts differs from the recognized provisions, the Group's income statement is impacted.

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.

Further details on provision for environmental liability are provided in Note 19.

- Deferred tax assets

Deferred tax assets are recognized for all unused tax losses 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.

In assessing the recoverability of deferred tax assets, the Group 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 not been recognized are provided in Notes 15 and 25.

- Carrying value of trade and other receivables

The Group 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 Group considers a financial asset in default when contractual payments are 90 days past due, however for trade and other receivables from related parties, expected credit loss is computed considering the probability of default of KMGI Group. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. 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)

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

- Provision for litigations

The Group 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 case, considering also the external lawyers' advice, the expected claim to be paid and the expected timing of the payments. Changes to these assumptions could have a significant impact on the amount of the provision.

Further details on the provisions relating to litigations are provided in Notes 19, 23 and 30.

g) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at 31 March 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquire. For each business combination, the acquirer measures the non-controlling interest in the acquire either at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquired a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group analyses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

i) 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.

i. 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 Group 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 and loss.

The Group'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 Group 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 amortised 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 for which the Group does not apply hedge accounting. Dividends on listed equity investments are also recognized 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 Group 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.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets are represented trade and other receivables and cash and cash equivalents.

Derecognition

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

- The rights to receive cash flows from the asset have expired;

Or

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group has retained.

Impairment of financial assets

The Group 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 Group 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 recognized in three 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group 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 Group 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 Group considers a financial asset in default when contractual payments are 90 days past due, however for trade and other receivables from related parties, expected credit loss is computed considering the probability of default of KMGI Group. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 Group’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 borrowings at amortized cost.

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.

iii. Offsetting of financial instruments

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

j) 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 Group.

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.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been commissioned, such as repairs and maintenance are charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

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.

	Years
Buildings and other constructions (including gas stations and tanks with a maximum useful life of 50 years)	5 to 50
Storage tanks	5 to 40
Tank cars	5 to 30
Machinery and other equipment	1 to 30
Gas pumps	5 to 20
Vehicles	1 to 5
Furniture and office equipment	1 to 20
Computers	1 to 10

Following the change in the accounting policy regarding property, plant and equipment from historic cost model to revaluation method, also the economic remaining useful life of the property, plant and equipment was revised as at 31 December 2021. The depreciation of property, plant and equipment based on the revaluated remaining useful life applies starting 1 January 2022. The economic remaining useful life of property, plant and equipment as it was updated as at 31 December 2023 is still applicable as of 31 March 2025. The change from cost to revaluation provide a transparent and up to date picture of the value of the Group assets.

The Group reviews the estimated residual values and expected useful lives of assets with a certain regularity. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Assets held 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.

k) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and 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 to 5 years.

Development costs for specific projects which are reasonably anticipated to be recovered through commercial activity as well as 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.

l) Impairment of non-financial assets

At each annual reporting date the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the 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 property, plant and equipment 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicated that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

m) Provisions

Provisions are recognized when the Group 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 of the amount of the obligation can be made. Where the Group 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.

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 Group has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licenses. In order to comply with all rules and regulations the Group has set up a monitoring system in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements.

The value of the environmental obligation is estimated based on the 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.

n) Leases

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Right-of-use assets

The Group 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 gas station buildings and equipment, land (on which the gas station is located) or rent for road utilization (for access to the gas station), for which the depreciation period is the lease contract term, from 25 up to 30 years.

If ownership of the leased asset transfers to the Group 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 l) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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 Group 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 Group's lease liabilities are included in Lease (see Note 14).

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

The Group 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) 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, minus 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 Group is Weighted Average Cost (‘WAC’).

p) Trade receivables

A receivable represents the Group’s right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in section i) i) 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.

q) Cash and cash equivalents

Cash includes cash on hand, cash with banks and checks in course of being cashed. 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.

r) 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 Group 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 recognizing revenue, the Group 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) recognizing revenue at (or during) performance of obligation.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group 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 recognized 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ii) Volume rebates

The Group 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 Group 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 Group 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 Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group 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 Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group’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 p) Trade receivables.

Contract liabilities

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

s) 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 and borrowings 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

t) 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 consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

u) Retirement benefit costs

Payments made to state - managed retirement benefit plans are dealt with as defined contribution plans where the Group 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 in certain of the Group's entities, employees are entitled to specified retirement benefits, payable on retirement, if they are employed with these entities at the date of their retirement. These amounts are estimated as of the reporting date based on the following information: applicable benefits provided in the agreement; the number of employees with the relevant Group entities; and actuarial assumptions on future liabilities. 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 recognized in other comprehensive income 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 Group has no other liabilities with respect to future pension, health and other costs for its employees.

v) 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, by the reporting date, in the countries where the Group operates and generates taxable income.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. 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 recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group 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.
The group applies the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules. (Note 25 e)).

- *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.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

x) Foreign Currency Transactions

The Group translates its foreign currency transactions and balances into functional currency by applying to the foreign currency amount 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 consolidated income statement in the period they arise.

y) Derivative Financial Instruments

The Group enters into contracts to purchase and sell crude oil and oil products at future delivery dates. These contracts expose the Group primarily to commodity risks of changes in fair value of crude oil and related oil products and volatility of the price for EUA certificates. The Group 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 Group’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.

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 hedged items;
- at the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship and the Group’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 Group 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 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 Group actually hedges and the quantity of the hedging instrument that the Group 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 recognized 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 recognized 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 Group 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).

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

At the inception of a hedge relationship, the Group 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.

Effectiveness should be recognized to the extent of 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.

The Group 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 Group's refinery margin (difference between the purchase price of crude oil and the selling price of finished products). To reduce these volatilities, the Group 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 32.5).

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.

z) Emission Rights

CO_2 (allowances) emission rights quota are allocated to the Group'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 Group 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 respective group companies 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 after considering the free allocation. The Group measures the provision as the expected cost of the shortfall in number of CO_2 allowances, meaning the amount of emissions exceeding the free allocation, at their market price at the reporting date.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

aa) Fair value measurement

The Group 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 Group.

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 Group 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 recognized in the financial statements at fair value on a recurring basis, the Group 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 Group 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

ab) Current versus non-current classification

The Group 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 Group classifies all other liabilities as non-current.

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

ac) Contingencies

Contingent liabilities are not recognized in the consolidated 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.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

3. INTANGIBLE ASSETS

Amounts in USD

	Software	Other	Intangibles in progress	Total
Cost				
Opening balance as of January 1, 2024	**42,429,185**	**67,659,655**	**1,365,906**	**111,454,746**
Additions	-	323,559	223,197	546,756
Transfers from CIP	166,319	45,532	(211,851)	-
Disposals	-	(9,026,993)	-	(9,026,993)
Transfers and reclassifications*	-	19,205	3,325	22,530
Closing balance as of December 31, 2024	**42,595,504**	**59,020,958**	**1,380,577**	**102,997,039**
Additions	(37,487)	-	116,770	79,283
Transfers from CIP	66,311	33,601	(99,912)	-
Transfers and reclassifications*	42,431	(100,485)	50,697	(7,357)
Closing balance as of March 31, 2025	**42,666,759**	**58,954,074**	**1,448,132**	**103,068,965**
Accumulated amortization				
Opening balance as of January 1, 2024	**(41,504,023)**	**(42,012,119)**	**(523,380)**	**(84,039,522)**
Charge for the year	(623,888)	(1,000,444)	-	(1,624,332)
Closing balance as of December 31, 2024	**(42,127,911)**	**(43,012,563)**	**(523,380)**	**(85,663,854)**
Charge for the year	(82,582)	(217,997)	-	(300,579)
Closing balance as of March 31, 2025	**(42,210,493)**	**(43,230,560)**	**(523,380)**	**(85,964,433)**
Net book value				
As of December 31, 2024	**467,593**	**16,008,395**	**857,197**	**17,333,185**
As of March 31, 2025	**456,266**	**15,723,514**	**924,752**	**17,104,532**

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 USD 9 million that were accounted for liability (Note 16), 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.

Amounts in RON (supplementary info – see note 2(e))

	Software	Other	Intangibles in progress	Total
Cost				
Opening balance as of January 1, 2024	**195,195,466**	**311,268,243**	**6,283,851**	**512,747,560**
Additions	-	1,488,533	1,026,818	2,515,351
Transfers from CIP	765,151	209,470	(974,621)	-
Disposals	-	(41,528,684)	-	(41,528,684)
Transfers and reclassifications*	-	88,353	15,297	103,650
Closing balance as of December 31, 2024	**195,960,617**	**271,525,915**	**6,351,345**	**473,837,877**
Additions	(172,459)	-	537,200	364,741
Transfers from CIP	305,064	154,581	(459,645)	-
Transfers and reclassifications*	195,204	(462,281)	233,230	(33,847)
Closing balance as of March 31, 2025	**196,288,426**	**271,218,215**	**6,662,130**	**474,168,771**
Accumulated amortization				
Opening balance as of January 1, 2024	**(190,939,258)**	**(193,276,753)**	**(2,407,810)**	**(386,623,821)**
Charge for the year	(2,870,197)	(4,602,541)	-	(7,472,738)
Closing balance as of December 31, 2024	**(193,809,455)**	**(197,879,294)**	**(2,407,810)**	**(394,096,559)**
Charge for the year	(379,918)	(1,002,895)	-	(1,382,813)
Closing balance as of March 31, 2025	**(194,189,373)**	**(198,882,189)**	**(2,407,810)**	**(395,479,372)**
Net book value				
As of December 31, 2024	**2,151,162**	**73,646,621**	**3,943,535**	**79,741,318**
As of March 31, 2025	**2,099,053**	**72,336,026**	**4,254,320**	**78,689,399**

4. GOODWILL

The carrying value of goodwill as of 31 March 2025 and 31 December 2024 was USD 82,871,706 (RON: 381,251,283).

The whole carrying amount of goodwill has been allocated to Downstream Romania Cash Generating Unit ("Downstream Romania CGU"). Two other cash generating units in the Group are: Refineries and Petrochemicals.

The Downstream Romania CGU comprises the retail and wholesale operations of Rompetrol Downstream SRL and the wholesale activity supported by the storage depots owned by Rom Oil SA.

Impairment test

Impairment tests have been performed by the Group for the carrying value of goodwill as of 31 December 2024 on the Downstream Romania cash generating units ("CGU"). Based on the impairment test no impairment has been identified. For further details see Note 6.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

5. PROPERTY, PLANT AND EQUIPMENT

Amounts in USD

	Land	Buildings	Plant and equipment	Vehicles and others	Construction in progress	Total
Cost						
As of January 1, 2024	**86,178,286**	**358,811,195**	**327,176,245**	**26,451,081**	**113,773,369**	**912,390,176**
Acquisitions	-	3,800	644,084	1,043,224	149,243,256	150,934,364
Transfers from CIP	-	7,544,444	156,175,293	3,369,904	(167,089,641)	-
Disposals	-	(33,036)	(104,064)	(99,521)	621,918	385,297
Transfers and reclassifications*	-	-	-	(390,643)	(81,548)	(472,191)
As of December 31, 2024	**86,178,286**	**366,326,403**	**483,891,558**	**30,374,045**	**96,467,354**	**1,063,237,646**
Additions	-	-	34,997	51,037	4,202,526	4,288,560
Transfers from CIP	-	6,249,001	15,823,937	1,067,592	(23,140,530)	-
Disposals	-	(2,610)	(3,890,817)	(8,903)	-	(3,902,330)
Transfers and reclassifications*	-	-	-	(376,239)	11,820	(364,419)
As of March 31, 2025	**86,178,286**	**372,572,794**	**495,859,675**	**31,107,532**	**77,541,170**	**1,063,259,457**
Accumulated depreciation & Impairment						
As of January 1, 2024	**-**	**-**	**-**	**-**	**(34,850,026)**	**(34,850,026)**
Charge for the year	(991,110)	(38,984,461)	(78,037,105)	(14,442,398)	-	(132,455,074)
Accumulated depreciation of disposals	-	15,207	69,272	59,496	-	143,975
Impairment	-	(3,189,347)	(1,262,435)	-	-	(4,451,782)
Transfers and reclassifications*	-	-	-	371,438	-	371,438
As of December 31, 2024	**(991,110)**	**(42,158,601)**	**(79,230,268)**	**(14,011,464)**	**(34,850,026)**	**(171,241,469)**
Charge for the year	(224,913)	(7,837,491)	(19,035,563)	(1,430,106)	-	(28,528,073)
Accumulated depreciation of disposals	-	1,682	3,890,822	6,752	-	3,899,256
Transfers and reclassifications*	-	-	-	371,438	-	371,438
As of March 31, 2025	**(1,216,023)**	**(49,994,410)**	**(94,375,009)**	**(15,063,380)**	**(34,850,026)**	**(195,498,848)**
Net book value as of December 31, 2024	**85,187,176**	**324,167,802**	**404,661,290**	**16,362,581**	**61,617,328**	**891,996,177**
Net book value as of March 31, 2025	**84,962,263**	**322,578,384**	**401,484,666**	**16,044,152**	**42,691,144**	**867,760,609**

*) *Includes, transfer from property, plant and equipment to inventories and intangibles and other adjustments in amount of USD 0.36 million (2024: USD 0.47 million).*

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Amounts in RON (supplementary info – see note 2(e))

	Land	Buildings	Plant and equipment	Vehicles and others	Construction in progress	Total
Cost						
As of January 1, 2024	**396,463,205**	**1,650,710,903**	**1,505,174,315**	**121,688,198**	**523,414,384**	**4,197,451,005**
Acquisitions	-	17,482	2,963,108	4,799,352	686,593,599	694,373,541
Transfers from CIP	-	34,708,215	718,484,435	15,503,243	(768,695,893)	-
Disposals	-	(151,982)	(478,746)	(457,846)	2,861,134	1,772,560
Transfers and reclassifications*	-	-	-	(1,797,153)	(375,161)	(2,172,314)
As of December 31, 2024	**396,463,205**	**1,685,284,618**	**2,226,143,112**	**139,735,794**	**443,798,063**	**4,891,424,792**
Additions	-	-	161,004	234,796	19,333,721	19,729,521
Transfers from CIP	-	28,748,529	72,798,022	4,911,457	(106,458,008)	-
Disposals	-	(12,007)	(17,899,704)	(40,958)	-	(17,952,669)
Transfers and reclassifications*	-	-	-	(1,730,888)	54,377	(1,676,511)
As of March 31, 2025	**396,463,205**	**1,714,021,140**	**2,281,202,434**	**143,110,201**	**356,728,153**	**4,891,525,133**
Accumulated depreciation & Impairment						
As of January 1, 2024	**-**	**-**	**-**	**-**	**(160,327,545)**	**(160,327,545)**
Charge for the year	(4,559,602)	(179,348,014)	(359,009,702)	(66,442,252)	-	(609,359,570)
Accumulated depreciation of disposals	-	69,960	318,686	273,711	-	662,357
Impairment	-	(14,672,591)	(5,807,832)	-	-	(20,480,423)
Transfers and reclassifications*	-	-	-	1,708,801	-	1,708,801
As of December 31, 2024	**(4,559,602)**	**(193,950,645)**	**(364,498,848)**	**(64,459,740)**	**(160,327,545)**	**(787,796,380)**
Charge for the year	(1,034,712)	(36,056,377)	(87,573,108)	(6,579,203)	-	(131,243,400)
Accumulated depreciation of disposals	-	7,738	17,899,727	31,063	-	17,938,528
Transfers and reclassifications*	-	-	-	1,708,801	-	1,708,801
As of March 31, 2025	**(5,594,314)**	**(229,999,284)**	**(434,172,229)**	**(69,299,079)**	**(160,327,545)**	**(899,392,451)**
Net book value as of December 31, 2024	**391,903,603**	**1,491,333,973**	**1,861,644,264**	**75,276,054**	**283,470,518**	**4,103,628,412**
Net book value as of March 31, 2025	**390,868,891**	**1,484,021,856**	**1,847,030,205**	**73,811,122**	**196,400,608**	**3,992,132,682**

**) Includes, transfer from property plant and equipment to inventories and intangible assets and other adjustments in amount of RON 1.7 million (2024: RON 2.2 million).*

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- *Construction in progress*

The below tables detail main significant acquisitions for construction in progress and main projects remaining in contraction in progress at 31 March 2025 and 31 December 2024:

Construction in progress as at 31 March 2025

Amount in USD	Additions during the year	Balance as at 31 March
Rompetrol Rafinare SA out of which:	**3,888,669**	**27,411,693**
Replacement of PEM strategic equipment (rotors)	-	4,499,611
Refinery Catalyst Replacement	-	1,765,250
New Traveling crane with clamshell bucket 12,5 t	-	1,449,145
Slow Down 2025 – HB, FG, RC and CX Units Shut Down	1,300,995	1,300,995
Tank rehabilitation	-	1,136,892
Refinery MHC unit restart - Incident June 2023	-	1,133,860
Rehabilitation of C101 tank	846,506	846,506
ISCIR	366,219	366,219
Acquisition and Install of 2 new Reactors -125-DHT	229,040	229,040
Emergency Catalyst Acquisition for 120-R1 – NHT Un	207,008	207,008
DV21 tank rehabilitation	200,093	200,093
Replace cut/drilling system DCU unit	-	183,831
Transform CO Boiler from natural circulation boiler	-	124,218
Rehabilitation of tank no. B51, B52, B89 /	120,187	120,187
Replacement of tubular bundles 120-S1D, H	111,225	111,225
Replace subassembly of reformer heater 352-H201	-	23,795
Replacement static equipment Refinery and Petrochemicals	-	22,772
Safety measures package for PEM Refinery	-	20,501
Other projects	287,859	12,004,846
Vega projects	219,538	1,665,701
Rompetrol Downstream SRL, out of which	**100,269**	**4,109,320**
Construction of new stations RBI, Cuves, Doex, STB, acquisition Fill & GO devices, capital maintenance, acquisitions of new equipment	100,269	3,352,376
Other projects	-	756,944
Romoil SA out of which	**74,047**	**5,884,823**
Modernization for administrative offices	74,047	5,884,823

Construction in progress as at 31 December 2024

Amount in USD	Additions during the year	Balance as at 31 December
Rompetrol Rafinare SA out of which:	**143,537,159**	**45,470,529**
BU Refining General Turnaround 2024	60,525,083	42,323
Expire authorization ISCIR	19,236,365	-
Replace cut/drilling system DCU unit	11,281,169	12,409,189
Acquisition and Install of 2 new Reactors -125-DHT	11,047,323	-
Refinery Catalyst Replacement	7,748,849	1,765,250
Refinery MHC unit restart - Incident June 2023	6,238,185	1,133,860
Replace subassembly of reformer heater 352-H201	4,926,525	23,795
Transform CO Boiler from natural circulation boiler	2,607,717	124,218
Safety measures package for PEM Refinery	2,577,147	20,501
Flue gas pipe support system expert. N-PG-138F-030	1,985,880	2,157,313
Replacement static equipment Refinery and Petrochemicals	1,584,608	22,772
New Traveling crane with clamshell bucket 12,5 t	993,428	1,449,145
Tank rehabilitation	254,598	1,136,892
Replacement of PEM strategic equipment (rotors)	-	4,499,611
Other projects	6,628,314	13,703,376
Vega projects	5,901,968	6,982,285
Rompetrol Downstream SRL out of which	**2,363,791**	**5,169,182**
Construction of new stations RBI, Cuves, Doex, STB, acquisition Fill & GO devices, capital maintenance, acquisitions of new equipment	2,180,932	4,412,238
Other projects	182,859	756,944
Romoil SA out of which	**2,218,354**	**5,810,776**
Modernization for administrative offices	2,218,354	5,810,776

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- *Disposals*

As of March 31, 2025, the disposal of fixed assets mainly relates to Rompetrol Gas and reflects the sale of LPG cylinder racks.

- *Borrowing costs capitalized*

As of March 31, 2025, capital projects (mainly the general turnaround performed every 4 years) are financed from Groups' operating cash flow as well as general borrowings from banks, however capital projects do not meet the definition of a qualifying asset under IAS 23 considering that it is not a long period of time to make the "qualifying asset" ready for use. Therefore, no borrowing cost capitalized under IAS 23 as of 31 March 2025 (31 December 2024: nill).

- *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 USD 4.5 million as of December 31, 2024, in line with applicable accounting standards.

The Group performs an annual assessment for all entities, based on specific asset considerations, as applicable, to identify whether carrying amounts for property, plant 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 Group 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 tests have been performed by the Group 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 6.

- *Revaluation of Property, plant and equipment*

Starting with the financial year ended December 31, 2021, the Group implements the voluntary change of the accounting policy regarding the measurement of equipment and land of the Group 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 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 a number of 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 net revaluation deficit of property plant and equipment of USD 17.88 million was recognized in OCI and a net revaluation loss of USD 227 million was recognized in profit or loss as of 31 December 2023.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The fair value measurement of property, plant and equipment is considered as Level 3 as 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 key inputs used for valuation used for Property, plant and equipment

Asset	Valuation technique	Significant unobservable input	Range (weighted average)
Petromidia Refinery	Net replacement cost	Projected crude oil processing capacity of the refinery	5,320K tons/year (110K 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 Refinery	Net replacement cost	Average 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
Rompetrol Downstream	Net replacement cost	Tank - cost capacity method	18,499 USD – 30,719 USD
		Underground construction related to tank – cost capacity method	15,808 USD – 35,638 USD
		Pipelines and technological network – acquisition cost adjusted with CET index / inflation rate	899 USD/sqm – 1,565 USD/sqm
Rompetrol Gas	Net replacement cost	GPL and water tanks – cost capacity method	USD 174 thousand – USD 454 thousand
RomOil	Net replacement cost	Tank – cost capacity method	337 USD for tanks with capacity of 1,000 cubic meter – 952 USD for tanks with capacity of 5,000 cubic meter
		Special construction (i.e. platforms) – replacement cost estimated based on IROVAL catalogue	126 USD/sqm

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

The fair value of the Group'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 special buildings and constructions, for which technical information was available, was estimated on the basis of technical characteristics, 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.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Physical impairment was estimated based on acquisition date and subsequent upgrades, the environment of use and the normal / technical operating times for each 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 as performed for the revalued property, plant and equipment of the Group. The value in use was estimated based on the approved 5-year Business Plan (2024-2028) prepared by the Group'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, while in case of the other entities from the group that represent Downstream CGU, it was concluded that the fair value estimated based on cost is below recoverable amount as determined through the economic obsolescence test.

As part of the year end impairment tests process carried out as of December 31, 2024, an economic obsolescence test was performed for the Group’s revalued property, plant, and equipment. The impairment test exercise for the two CGUs indicated that the recoverable amount was higher than the carrying value, and therefore no impairment adjustment was required.

- *Pledged property, plant and equipment*

As at March 31, 2025 the Group has pledged property, plant and equipment with a carrying value of USD 299.7 million (31 December 2024: USD 306.8 million) net, for securing banking facilities granted to Group entities.

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 29 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 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 (Note 30).

6. IMPAIRMENT TEST

At the level of KMGI Group impairment test was performed as of 31 December 2024. Management assessed the financial performance of the Refining, Downstream 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 there are no indicators for impairment as of 31 December 2024.

Impairment tests have been performed by the Group 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 and Downstream Romania. Based on the impairment tests performed, no impairment has been identified in addition to the effect of revaluation of property, plant and equipment already reflected in the carrying amounts as detailed at Note 5.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

7. RIGHT OF USE ASSETS

Amounts in USD

	Land, buildings and special constructions	Plant and equipment	Vehicles	Total
Cost:				
As of January 1, 2024	**294,505,006**	**615,358**	**2,049,417**	**297,169,781**
Additions	31,525,317	-	305,333	31,830,650
Disposals	-	-	(54,659)	(54,659)
Re-measurement	2,656,648	187,133	114,753	2,958,534
As of December 31, 2024	**328,686,971**	**802,491**	**2,414,844**	**331,904,306**
Additions	3,296,093	-	47,849	3,343,942
Disposals	-	-	(38,826)	(38,826)
Re-measurement	407,901	-	-	407,901
As of March 31, 2025	**332,390,965**	**802,491**	**2,423,867**	**335,617,323**
Depreciation and Impairment:				
As of January 1, 2024	**(35,646,355)**	**(568,529)**	**(1,627,231)**	**(37,842,115)**
Depreciation	(16,980,315)	(107,092)	(474,392)	(17,561,799)
Accumulated depreciation of disposals	-	-	51,366	51,366
As of December 31, 2024	**(52,626,670)**	**(675,621)**	**(2,050,257)**	**(55,352,548)**
Depreciation	(4,153,877)	(26,328)	(77,988)	(4,258,193)
Accumulated depreciation of disposals	-	-	38,827	38,827
As of March 31, 2025	**(56,780,547)**	**(701,949)**	**(2,089,418)**	**(59,571,914)**
Net Book value at December 31, 2024	**276,060,301**	**126,870**	**364,587**	**276,551,758**
Net Book value at March 31, 2025	**275,610,418**	**100,542**	**334,449**	**276,045,409**

Amounts in RON (supplementary info – see note 2(e))

	Land, buildings and special constructions	Plant and equipment	Vehicles	Total
Cost:				
As of January 1, 2024	**1,354,870,280**	**2,830,954**	**9,428,343**	**1,367,129,577**
Additions	145,032,221	-	1,404,684	146,436,905
Disposals	-	-	(251,457)	(251,457)
Re-measurement	12,221,909	860,905	527,921	13,610,735
As of December 31, 2024	**1,512,124,410**	**3,691,859**	**11,109,491**	**1,526,925,760**
Additions	15,163,676	-	220,129	15,383,805
Disposals	-	-	(178,620)	(178,620)
Re-measurement	1,876,549	-	-	1,876,549
As of March 31, 2025	**1,529,164,635**	**3,691,859**	**11,151,000**	**1,544,007,494**
Depreciation and Impairment:				
As of January 1, 2024	**(163,991,056)**	**(2,615,518)**	**(7,486,076)**	**(174,092,650)**
Depreciation	(78,117,939)	(492,677)	(2,182,440)	(80,793,056)
Accumulated depreciation of disposals	-	-	236,309	236,309
As of December 31, 2024	**(242,108,995)**	**(3,108,195)**	**(9,432,207)**	**(254,649,397)**
Depreciation	(19,109,911)	(121,122)	(358,784)	(19,589,817)
Accumulated depreciation of disposals	-	-	178,624	178,624
As of March 31, 2025	**(261,218,906)**	**(3,229,317)**	**(9,612,367)**	**(274,060,590)**
Net Book value at December 31, 2024	**1,270,015,415**	**583,664**	**1,677,284**	**1,272,276,363**
Net Book value at March 31, 2025	**1,267,945,729**	**462,542**	**1,538,633**	**1,269,946,904**

Rompetrol Downstream SRL won a public auction by CNAIR, securing a service concession to build and operate 12 gas stations on the A1 highway. Construction was subcontracted to KMG Rompetrol Development, which leases the stations to Rompetrol Downstream for 18 years. By early 2024, 12 stations were operational as part of a 2019 framework agreement to develop 66 stations over five years. The A1 stations follow a new “Hei” brand concept with three service lines: Hei & Gourmet (restaurant), Hei & Go (shop), and Hei & Coffee (café). More stations are planned under a new concession agreement.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

7. RIGHT OF USE ASSETS (continued)

In August 2024, Rompetrol Downstream secured a 20-year concession for four stations on the A2 Bucharest-Constanța highway, reinforcing its presence on this strategic route. The investment focuses on modern infrastructure, including fuel stations, parking, retail, and EV charging. Previously, Rompetrol operated these sites under a different concession. The new contracts, signed in October 2024, ensure continued operations and expansion.

The operational activity from the gas stations, as well as the prices for petroleum products and shop items are established by the Group under market conditions without any involvement from CNAIR and at the end of concession period, the gas stations and related land plots are transferred to CNAIR, the residual interest of the end of the arrangement being not significant. Thus not in scope of IFRIC 12 Service Concession Arrangements.

The Group recognized right of use assets for the following main categories of leases.

Land, buildings and special construction category includes mainly:

- Rent agreements for gas stations - in Rompetrol Downstream, in this category are included rent agreements for gas station buildings, land (on which the gas station is located) or rent for road utilization (for access to the gas station);
- Rental of administrative buildings;
- Rent for usage of maritime port - berths of Midia Port used by Rompetrol Rafinare;
- Depots rent – used for storage of petroleum products.

USD	**Net book value at March 31, 2025**	**Net book value at December 31, 2024**
Rent agreements for gas stations	263,553,698	263,735,584
Rental of administrative buildings	1,043,057	1,177,207
Rent for usage of maritime port	10,995,645	11,129,152
Depots rent	18,018	18,358
Total	**275,610,418**	**276,060,301**

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

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

The right-of-use assets are also subject to impairment and assessed within the CGUs to which they belong. For details please refer to Note 6.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

8. INVESTMENTS

Investments in Consolidated Subsidiaries

Details of the Group consolidated subsidiaries at 31 March 2025 and 31 December 2024 are as follows:

Company name	Country of incorporation	Range of activity	Effective ownership 31 March 2025 %	Control 31 March 2025 %	Effective ownership 31 December 2024 %	Control 31 December 2024 %
Rompetrol Downstream SRL	Romania	Retail Trade of Fuels and Lubricants	100	100	100	100
Rom Oil SA	Romania	Wholesale of Fuels; fuel storage	100	100	100	100
Rompetrol Logistics SRL	Romania	Logistics operations	66.19	100	66.19	100
Rompetrol Petrochemicals SRL	Romania	Petrochemicals	100	100	100	100
Rompetrol Quality Control SRL	Romania	Quality Control Services	100	100	100	100
Rompetrol Gas SRL	Romania	LPG Sales	66.19	100	66.19	100

Effective ownership interests for the Group takes into consideration indirect shareholding weighted with corresponding Group ownership in the intermediate shareholder and this percentage is used for consolidation, while the control percent takes into consideration the total interest controlled directly and indirectly.

- *Disposals through sales of subsidiaries and liquidations*

During 2025 and 2024, there was no disposal of companies.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

9. INVENTORIES, NET

The inventories balance in 2025 and 2024 is provided below:

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Crude oil and other feedstock materials (at lower of cost and net realisable value)	102,713,974	150,133,605	472,535,637	690,689,650
Petroleum and petrochemical products (at lower of cost and net realisable value)	161,435,538	200,945,134	742,684,194	924,448,089
Work in progress (at cost)	49,341,326	44,295,019	226,994,770	203,779,235
Spare parts (at cost less inventories write-down)	4,780,254	4,805,610	21,991,559	22,108,209
Consumables and other raw materials (at cost less inventories write-down)	5,507,756	4,949,218	25,338,431	22,768,877
Merchandises (at cost less inventories write-down)	18,237,013	21,731,629	83,899,378	99,976,359
Other inventories (at cost less inventories write-down)	1,820,873	2,037,974	8,376,926	9,375,699
	343,836,734	**428,898,189**	**1,581,820,895**	**1,973,146,118**

Movements in inventories reserve:

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Reserve as of January 1	**(37,776,994)**	**(36,494,551)**	**(173,793,061)**	**(167,893,182)**
Accrued provision	(1,664,255)	(28,200,277)	(7,656,405)	(129,735,374)
Reversal of provision	4,620,101	26,917,834	21,254,775	123,835,495
Reserve as of 31 Mar/Dec 31	**(34,821,148)**	**(37,776,994)**	**(160,194,691)**	**(173,793,061)**

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).

Inventories, including work-in-progress are stated at the lower of cost and net realizable value, for more details please refer to Note 2 o).

The Group has pledged inventories in gross amount of USD 335.7 million (2024: USD 422 million) to secure banking facilities.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

10. TRADE AND OTHER RECEIVABLES

As mentioned in Note 1 the Parent company and its subsidiaries are part of KMG International Group. The balances with related parties are disclosed in Note 27.

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Trade receivables	225,725,497	201,085,725	1,038,450,149	925,094,878
Advances to suppliers	2,591,201	6,284,921	11,920,820	28,913,779
Sundry debtors	76,347,673	71,685,667	351,237,470	329,789,911
VAT to be recovered	223,352	213,846	1,027,531	983,799
Cash pooling receivables	344,252,758	241,283,081	1,583,734,813	1,110,022,814
Fuel subsidy	16,531	15,739	76,051	72,407
Other receivables	32,692,511	38,229,231	150,401,897	175,873,577
Provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables	(42,445,488)	(40,101,069)	(195,270,468)	(184,484,968)
	639,404,035	**518,697,141**	**2,941,578,263**	**2,386,266,197**

Movement in the above provision is disclosed below and in Note 23.

As of March 31, 2025 the fuel subsidy in relation to 0.25 RON/liter fuel subvention according to Government Emergency Ordinance OUG 106 that was applicable in 2021, was offset with Rompetrol Downstream tax liabilities and an amount of USD 0.02 million remained to be settled.

Included in Sundry debtors as of March 31, 2025 is an amount of USD 5.5 million (2024: USD 5.3 million) for principal liabilities and related penalties paid to ANAF following General Tax Inspection Report covering 2011 - 2015 period; the amount is fully provided.

Included in Sundry debtors category is an amount of USD 69.9 million (2024: USD 65.5 million) relating to Rompetrol Petrochemicals SRL receivables against KMG International N.V. ("KMGI") as a result of Rompetrol Petrochemicals SRL assignment of receivables to KMGI starting with November 2017 for Rompetrol Rafinare SA debts (see Note 12). Following the contract agreement in place Rompetrol Petrochemicals SRL charges interest for late payment from KMGI. As of 31 March 2025, the interest receivable is in amount of USD 7.8 million.

In 2025, out of the total amount of USD 2.6 million (2024: 6.3 million) representing advances to suppliers, USD 1.8 million (2024: 4.4 million) are in respect of services related to Rompetrol Rafinare and USD 0.3 million (2024: 2.3 million) are in respect of investment projects related to the construction of new stations, rebranding process, advance for utilities and petroleum product related to Rompetrol Downstream and USD 0.4 million related to Romoil.

Cash pooling receivables refers to: Rompetrol Downstream USD 261.9 million (2024: USD 167.6 million), Rompetrol Rafinare USD 14.7 million (2024: USD 7.3 million), Rompetrol Gas USD 34.6 million (2024: USD 34.7 million), Rompetrol Quality Control USD 4.9 million (2024: USD 4.9 million), Rompetrol Logistics USD 5.4 million (2024: USD 5.3 million) and Rompetrol Petrochemicals USD 22.7 million (2024: USD 21.5 million).

Also, in other receivables an amount of USD 13.1 million (2024: USD 14.9 million) refers to excise receivables in Rompetrol Rafinare.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

10. TRADE AND OTHER RECEIVABLES (continued)

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Sundry debtors	76,347,673	71,685,667	351,237,470	329,789,911
Other receivables	32,692,511	38,229,231	150,401,897	175,873,577
Provision for expected credit losses related to sundry debtors and other receivables	(7,756,101)	(7,615,048)	(35,681,943)	(35,033,028)

Out of the total amount of other receivables and sundry debtors of USD 109 million (2024: USD 109.9 million) an amount of USD 7.8 million (2024: USD 7.6 million) is provisioned.

No additional provision was considered in respect of Rompetrol Petrochemicals SRL receivables against KMGI as a result of Rompetrol Petrochemicals SRL assignment of receivables to KMGI starting with November 2017 for Rompetrol Rafinare SA debts.

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 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Balance at the beginning of the year	**(40,101,069)**	**(44,911,098)**	**(184,484,968)**	**(206,613,506)**
Charge for the year	(2,258,126)	(5,315,407)	(10,388,509)	(24,453,530)
Utilised	215,947	3,076,062	993,464	14,151,423
Unused amounts reversed	-	4,621,330	-	21,260,429
Impairment losses reversed	1,235,816	-	5,685,372	-
Exchange rate differences	(1,538,056)	2,428,044	(7,075,827)	11,170,216
Balance at the end of the year	**(42,445,488)**	**(40,101,069)**	**(195,270,468)**	**(184,484,968)**

Trade receivables totaling USD 146.3 million as at 31 March 2025 and USD 116 million as at 31 December 2024 are pledged to obtain credit facilities (see Notes 13 and 18).

11. CASH AND CASH EQUIVALENTS

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Cash at bank	116,464,042	90,202,334	535,792,825	414,975,837
Cash on hand	1,368,501	3,292,329	6,295,789	15,146,360
Cash equivalents	318,979	536,307	1,467,463	2,467,280
	118,151,522	**94,030,970**	**543,556,077**	**432,589,477**

Cash equivalents represent mainly cheques and promissory notes in the course of being settled.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

12. EQUITY

Shareholders' structure as at 31 March 2025 is as follows:

Shareholders	Ownership	Amount per statutory documents [RON]	Amount under IFRS [USD]	Amount under IFRS [RON]
KMG International N.V.	48.11%	1,277,857,773	423,929,605	1,950,288,146
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,811,753,414
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	262,282,141
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	2,019,927
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	27,167,273
Total	**100%**	**2,655,920,573**	**881,102,250**	**4,053,510,901**

Shareholders' structure as at 31 December 2024 was as follows:

Shareholders	Ownership	Amount per statutory documents [RON]	Amount under IFRS [USD]	Amount under IFRS [RON]
KMG International N.V.	48.11%	1,277,857,773	423,929,605	1,950,288,146
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,811,753,414
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	262,282,141
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	2,019,927
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	27,167,273
Total	**100%**	**2,655,920,573**	**881,102,250**	**4,053,510,901**

Share premium and effect of transfers with equity holders

Share premium and effect of transfers with equity holders are the result of conversion of bonds into ordinary shares as at 30 September 2010 in favor of the Romanian State represented by the Ministry of Finance, based on the Emergency Ordinance ("EGO") 118/2003 ratified by Law 89/2005.

The transactions resulted in an impact on the Effect of transfer with equity holders reserve amounting USD 596.83 million and share premium of USD 74 million.

12. EQUITY (continued)

Hybrid Loan

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 200 million were converted (USD 150 million related to Rompetrol Rafinare and USD 50 million to Rompetrol Downstream), the hybrid loan amounting to USD 1,000 million. The loan is 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 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:

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

In 2017, an additional USD 72.2 million related to Rompetrol Rafinare SA were converted to hybrid loan repayable after 51 years. As of 31 December 2017, the total value of the hybrid loan is amounting USD 1,072 million. The additional loan is 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:

- ✓ 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 USD 14.6 million, based on the projected profitability of the business for the upcoming period. This liability was updated in 2018 to USD 17 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.

Revaluation reserve

As of 31 December 2023, the balance of the revaluation reserves is affected by revaluation deficit of USD 17.8 million following the revaluation process carried out at the end of 2023 for property, plant and equipment. The above impact is partially offset by the transfer in retained earnings of the difference between depreciation based on revalued carrying amount and depreciation based on the initial cost of assets in the buildings category. The revaluation surplus included in the revaluation reserve is capitalized by the transfer in retained earnings as a result of the use of the asset or disposal. Thus, as of 31 December 2024, the revaluation surplus transferred to retained earnings was USD 55.5 million.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

13. LONG-TERM BORROWINGS FROM BANKS

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
BCR, ING Bank, Raiffeisen Bank, UniCredit Bank, Alpha Bank, Garanti Bank, Banca Transilvania and Intesa Sanpaolo Bank	275,900,000	275,900,000	1,269,277,950	1,269,277,950
Rompetrol Rafinare: General corporate purposes and working capital facility of USD 551,800,000 with possibility to increase up to USD 600,000,000 considering an accordion clause of USD 48,200,000. 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.				
Total	**275,900,000**	**275,900,000**	**1,269,277,950**	**1,269,277,950**

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
One year or less - principal	216,955	108,640	998,101	499,798
Between two and five years	275,900,000	275,900,000	1,269,277,950	1,269,277,950
Total	**276,116,955**	**276,008,640**	**1,270,276,051**	**1,269,777,748**

The loans bearing guarantees are secured with pledges on property plant and equipment of 299.7 million (31 December 2024: USD 306.8 million), inventories of USD 335.7 million (2024: USD 422.9 million) and trade receivables of USD: 146.3 million (2024: USD 116.1 million).

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

14. OBLIGATIONS UNDER LEASE AGREEMENTS

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
As at 1 January	**277,910,277**	**270,377,695**	**1,278,526,231**	**1,243,872,586**
Additions	3,343,548	31,830,651	15,381,993	146,436,910
Re-measurement	407,891	2,955,200	1,876,503	13,595,398
Payments	(8,215,438)	(31,939,431)	(37,795,123)	(146,937,352)
Interest accrued	4,992,470	21,467,077	22,967,858	98,759,288
Exchange rate impact	10,453,296	(16,780,915)	48,090,386	(77,200,599)
As at 31 March / December	**288,892,044**	**277,910,277**	**1,329,047,848**	**1,278,526,231**
Non-current	278,624,152	268,112,687	1,281,810,411	1,233,452,417
Current	10,267,892	9,797,590	47,237,437	45,073,814

As of 31 December 2024, the Group recognized leasing additions amounting to USD 31.8 million (2023: USD 144.6 million) out of which the most significant relate to Rompetrol Downstream USD 25.87 million (2023: USD 92.9 million), mainly are related to service concession contracts concluded between Rompetrol Downstream and the National Company for Road Infrastructure Administration ("CNAIR"). See also Note 7 for details related to Rompetrol Downstream additions.

The following amounts were recognized in profit or loss:

Recognised in profit or loss	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Depreciation expense of right-of-use assets	4,258,193	5,378,454	19,589,817	24,743,578
Interest expense on lease liabilities	4,992,470	7,177,677	22,967,858	33,020,903
Variable lease payments (included in selling and distribution)	2,075,119	2,277,569	9,546,585	10,477,956
Total amount recognised in profit or loss	**11,325,782**	**14,833,700**	**52,104,260**	**68,242,437**

The Group has lease contracts for gas stations that contain a fixed payment plus a variable payment based on petroleum quantities sold:

	March 31, 2025		December 31, 2024	
	Fixed payments	Variable payments	Fixed payments	Variable payments
Fixed rent	8,215,438	-	31,939,431	-
Variable rent with minimum payment	-	2,075,119	-	8,445,245
Total	**8,215,438**	**2,075,119**	**31,939,431**	**8,445,245**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

15. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax, net balances are presented in the statement of financial position as follows:

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Deferred tax assets	(21,306,903)	(21,306,903)	(98,022,407)	(98,022,407)
Deferred tax liabilities	16,176,318	16,176,318	74,419,151	74,419,151
Deferred tax (asset) / liability, net	**(5,130,585)**	**(5,130,585)**	**(23,603,256)**	**(23,603,256)**

The deferred tax (assets) / liabilities are comprised of the tax effect of the temporary differences related to:

USD

2025	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
Temporary differences				
Intangible assets	49,238	-	-	49,238
Property, plant and equipment	62,697,761	-	-	62,697,761
Inventories	82,619	-	-	82,619
Provisions	(94,895,106)	-	-	(94,895,106)
Other	(663)	-	-	(663)
Total temporary differences (asset)/liability	**(32,066,151)**	**-**	**-**	**(32,066,151)**
Deferred tax effect				
Intangible assets	7,878	-	-	7,878
Property, plant and equipment	10,031,642	-	-	10,031,642
Inventories	13,219	-	-	13,219
Provisions	(15,183,217)	-	-	(15,183,217)
Other	(106)	-	-	(106)
Deferred tax (asset)/liability recognized	**(5,130,585)**	**-**	**-**	**(5,130,585)**

RON (supplementary info – see note 2(e))

2025	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
Temporary differences				
Intangible assets	226,519	-	-	226,519
Property, plant and equipment	288,441,050	-	-	288,441,050
Inventories	380,089	-	-	380,089
Provisions	(436,564,936)	-	-	(436,564,936)
Other	(3,050)	-	-	(3,050)
Total temporary differences (asset)/liability	**(147,520,328)**	**-**	**-**	**(147,520,328)**
Deferred tax effect				
Intangible assets	36,243	-	-	36,243
Property, plant and equipment	46,150,564	-	-	46,150,564
Inventories	60,814	-	-	60,814
Provisions	(69,850,389)	-	-	(69,850,389)
Other	(488)	-	-	(488)
Deferred tax (asset)/liability recognized	**(23,603,256)**	**-**	**-**	**(23,603,256)**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

15. DEFERRED TAX ASSETS AND LIABILITIES (continued)

The deferred tax (assets) / liabilities recognized at each company level is presented below:

USD

Deferred tax (asset)/liability recognized	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
Rompetrol Rafinare S.A.	(21,306,902)	-	-	(21,306,902)
Rompetrol Downstream S.R.L.	8,680,135	-	-	8,680,135
Rom Oil S.A.	5,390,024	-	-	5,390,024
Rompetrol Gas S.R.L.	729,453	-	-	729,453
Rompetrol Logistics S.R.L.	1,327,287	-	-	1,327,287
Rompetrol Quality Control S.R.L.	49,418	-	-	49,418
Deferred tax (asset)/liability recognized	**(5,130,585)**	**-**	**-**	**(5,130,585)**

RON (supplementary info - see Note 2(e))

Deferred tax (asset)/liability recognized	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
Rompetrol Rafinare S.A.	(98,022,403)	-	-	(98,022,403)
Rompetrol Downstream S.R.L.	39,932,961	-	-	39,932,961
Rom Oil S.A.	24,796,805	-	-	24,796,805
Rompetrol Gas S.R.L.	3,355,849	-	-	3,355,849
Rompetrol Logistics S.R.L.	6,106,184	-	-	6,106,184
Rompetrol Quality Control S.R.L.	227,348	-	-	227,348
Deferred tax (asset)/liability recognized	**(23,603,256)**	**-**	**-**	**(23,603,256)**

USD

2024	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
Temporary differences				
Intangible assets	49,238	-	-	49,238
Property, plant and equipment	140,104,874	(77,407,113)	-	62,697,761
Inventories	82,619	-	-	82,619
Provisions	(99,958,269)	5,063,163	-	(94,895,106)
Other	(663)	-	-	(663)
Total temporary differences (asset)/liability	**40,277,800**	**(72,343,950)**	**-**	**(32,066,151)**
Deferred tax effect				
Intangible assets	7,878	-	-	7,878
Property, plant and equipment	22,416,780	(12,385,138)	-	10,031,642
Inventories	13,219	-	-	13,219
Provisions	(15,993,323)	810,106	-	(15,183,217)
Other	(106)	-	-	(106)
Deferred tax (asset)/liability recognized	**6,444,447**	**(11,575,032)**	**-**	**(5,130,585)**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

15. DEFERRED TAX ASSETS AND LIABILITIES (continued)

RON (supplementary info – see note 2(e))

2024	Opening balance	Charged / (Credited) to income	Charged / (Credited) to equity	Closing balance
Temporary differences				
Intangible assets	226,519	- -	-	226,519
Property, plant and equipment	644,552,473	(356,111,423) -	-	288,441,050
Inventories	380,089	- -	-	380,089
Provisions	(459,858,017)	23,293,081 -	-	(436,564,936)
Other	(3,050)	- -	-	(3,050)
Total temporary differences (asset)/liability	**185,298,014**	**(332,818,342) -**	**-**	**(147,520,328)**
Deferred tax effect				
Intangible assets	36,243	- -	-	36,243
Property, plant and equipment	103,128,396	(56,977,832) -	-	46,150,564
Inventories	60,814	- -	-	60,814
Provisions	(73,577,282)	3,726,893 -	-	(69,850,389)
Other	(488)	- -	-	(488)
Deferred tax (asset)/liability recognized	**29,647,683**	**(53,250,939) -**	**-**	**(23,603,256)**

The Group recognized deferred tax asset for the provision related to Vega and Vadu Environmental projects for which reassessment of the provisions as of 31 December 2024 (Note 19), lead to a decrease of USD 0.8 million (2023 increase of USD 0.5 million) in the related deferred tax asset.

The ability of the Group to obtain recovery of its deferred tax asset depends on the entities ability, to generate sufficient taxable income to cover the applicable tax losses available.

Based on the assessment performed as of 31 December 2024 on elements that may generate temporary differences for which deferred tax assets or deferred tax liabilities may be recognized, the Group Management has considered that no deferred tax shall be recognized in addition to the elements already disclosed.

See also Note 25 for details for the income tax rate and other related matters.

Deferred tax assets and liabilities cannot be offset between the companies from Romania.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

16. TRADE AND OTHER PAYABLES

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Trade payables	728,189,949	879,849,096	3,350,037,861	4,047,745,764
Excise taxes	1,127	1,541	5,185	7,089
Special fund tax for oil products	5,990,854	5,769,818	27,560,924	26,544,048
VAT payable	45,349,683	34,808,808	208,631,217	160,137,921
Other taxes payable	19,679,454	9,840,949	90,535,328	45,273,286
Employees and social obligations	8,235,088	7,919,698	37,885,522	36,434,571
Cash pooling payables	526,077,164	382,009,994	2,420,217,993	1,757,436,977
Other liabilities	68,808,013	6,732,354	316,551,264	30,972,195
Total	**1,402,331,332**	**1,326,932,258**	**6,451,425,294**	**6,104,551,851**

The Group entered into a cash pooling contract for optimizing cash, with KMG Rompetrol SRL ("Master Company"). The amounts in balance as of 31 March 2025 are for the following companies: Rompetrol Rafinare S.A. USD 512.1 million (2024: USD 368.4 million) and Romoil USD 14 million (2024: USD 13.6 million).

Also, in other liabilities short term guarantees are included for Rompetrol Downstream SRL, in amount of USD 6.74 million (2024: USD 6.43 million).

Trade payables line include payable in relation to KazMunayGas Trading AG in amount of USD 594.8 million as of 31 March 2025 (2024: USD 745.7 million) which represents the liability for the acquisition of crude oil. For outstanding trade payables, late payment interest is computed and paid by the Group to KazMunayGas Trading AG (Note 24). 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 24).

17. CONTRACT LIABILITIES

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Short-term advances from wholesale customers	15,731,118	18,136,962	72,371,008	83,439,094
Short-term advances from other customers	24,262,215	35,586,608	111,618,320	163,716,190
Deferred revenues	8,758,816	8,743,799	40,294,933	40,225,847
Total short-term advances	**48,752,149**	**62,467,369**	**224,284,261**	**287,381,131**

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

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

18. SHORT-TERM BORROWINGS FROM BANKS

DEBT SHORT-TERM	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Banca Transilvania	31,573,233	34,231,073	145,252,659	157,480,052
Rompetrol Rafinare S.A.: Two revolving credit ceiling on short term credit facility, one up to EUR 30 million and the second up to EUR 27.96 million, for general purpose utilization. Maturity date is July 27, 2025. Drawings in USD/EUR/RON.				
BCR, ING Bank, Raiffeisen Bank, UniCredit Bank, Alpha Bank, Garanti Bank, Banca Transilvania and Intesa Sanpaolo Bank	12,278,916	11,499,246	56,489,153	52,902,281
Rompetrol Rafinare: General corporate purposes and working capital facility of USD 551,800,000 with possibility to increase up to USD 600,000,000 considering an accordion clause of USD 48,200,000. 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.				
Current portion of long-term debt	216,955	108,640	998,101	499,798
	44,069,104	**45,838,959**	**202,739,913**	**210,882,131**

The loans bearing guarantees are secured with pledges on property plant and equipment of 299.7 million (31 December 2024: USD 306.8 million), inventories of USD 335.7 million (2024: USD 422.9 million) and trade receivables of USD: 146.3 million (2024: USD 116.1 million).

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

18. SHORT-TERM BORROWINGS FROM BANKS (continued)

The movement in loans is presented below:

USD	At 1 January 2024	Drawings	Repayment	Interest accrual	Exchange rate impact	March 31, 2025
Long-term borrowings from banks (Note 13)	275,900,000	-	-	-	-	275,900,000
Short-term borrowings from banks	45,730,319	17,489,086	(19,388,770)	-	21,514	43,852,149
Interest Long-term borrowings banks (Note 13)	-	-	(4,859,818)	4,859,818	-	-
Interest Short-term borrowings from banks	108,640	-	(753,036)	861,351	-	216,955
Total	**321,738,959**	**17,489,086**	**(25,001,624)**	**5,721,169**	**21,514**	**319,969,104**

RON (supplementary info – see Note 2(e))	At 1 January 2024	Drawings	Repayment	Interest accrual	Exchange rate impact	March 31, 2025
Long-term borrowings from banks (Note 13)	1,269,277,950	-	-	-	-	1,269,277,950
Short-term borrowings from banks	210,382,333	80,458,540	(89,198,036)	-	98,975	201,741,812
Interest Long-term borrowings banks (Note 13)	-	-	(22,357,593)	22,357,593	-	-
Interest Short-term borrowings from banks	499,798	-	(3,464,342)	3,962,645	-	998,101
Total	**1,480,160,081**	**80,458,540**	**(115,019,971)**	**26,320,238**	**98,975**	**1,472,017,863**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

18. SHORT-TERM BORROWINGS FROM BANKS (continued)

USD	At 1 January 2024	Drawings	Repayment	Interest accrual	Exchange rate impact	At 31 December 2024
Long-term borrowings from banks (Note 13)	265,900,000	10,000,000	-	-	-	275,900,000
Short-term borrowings from banks	42,557,229	101,395,809	(98,239,376)	-	16,657	45,730,319
Interest Long-term borrowings banks (Note 13)	-	-	(22,116,577)	22,116,577	-	-
Interest Short-term borrowings from banks	299,357	-	(2,781,546)	2,590,829	-	108,640
Total	**308,756,586**	**111,395,809**	**(123,137,499)**	**24,707,406**	**16,657**	**321,738,959**

RON (supplementary info – see Note 2(e))	At 1 January 2024	Drawings	Repayment	Interest accrual	Exchange rate impact	At 31 December 2024
Long-term borrowings from banks (Note 13)	1,223,272,950	46,005,000	-	-	-	1,269,277,950
Short-term borrowings from banks	195,784,532	466,471,419	(451,950,249)	-	76,631	210,382,333
Interest Long-term borrowings banks (Note 13)	-	-	(101,747,312)	101,747,312	-	-
Interest Short-term borrowings from banks	1,377,192	-	(12,796,502)	11,919,108	-	499,798
Total	**1,420,434,674**	**512,476,419**	**(566,494,063)**	**113,666,420**	**76,631**	**1,480,160,081**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

19. PROVISIONS

Provisions comprise the following:

	March 31, 2025 USD	December 31, 2024 USD	March 31, 2025 RON	December 31, 2024 RON
			(supplementary info – see Note 2(e))	
Non-current provisions	110,055,666	110,055,666	506,311,090	506,311,090
Total Provisions	**110,055,666**	**110,055,666**	**506,311,090**	**506,311,090**

The movement in provisions is presented below:

USD	At 1 January 2025	Arising during the year	Utilised	At 31 March 2025
Provision for retirement benefit	14,179,588	-	-	14,179,588
Environmental provisions	94,965,313	897,048	(897,048)	94,965,313
Other provisions	910,765	-	-	910,765
Total	**110,055,666**	**897,048**	**(897,048)**	**110,055,666**

RON (supplementary info – see Note 2(e))	At 1 January 2025	Arising during the year	Utilised	At 31 March 2025
Provision for retirement benefit	65,233,194	-	-	65,233,194
Environmental provisions	436,887,922	4,126,869	(4,126,869)	436,887,922
Other provisions	4,189,974	-	-	4,189,974
Total	**506,311,090**	**4,126,869**	**(4,126,869)**	**506,311,090**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

19. PROVISIONS (continued)

USD	At 1 January 2024	Charged to equity	Arising during the year	Utilised	Unwinding of discount	At 31 December 2024
Provision for retirement benefit	15,121,584	(1,361,824)	2,200,387	(1,780,559)	-	14,179,588
Environmental provisions	100,028,475	-	(3,250,209)	(440,475)	(1,372,478)	94,965,313
Other provisions	910,765	-	-	-	-	910,765
Total	**116,060,824**	**(1,361,824)**	**(1,049,822)**	**(2,221,034)**	**(1,372,478)**	**110,055,666**

RON (supplementary info – see Note 2(e))	At 1 January 2024	Charged to equity	Arising during the year	Utilised	Unwinding of discount	At 31 December 2024
Provision for retirement benefit	69,566,847	(6,265,071)	10,122,880	(8,191,462)	-	65,233,194
Environmental provisions	460,180,999	-	(14,952,587)	(2,026,405)	(6,314,085)	436,887,922
Other provisions	4,189,974	-	-	-	-	4,189,974
Total	**533,937,820**	**(6,265,071)**	**(4,829,707)**	**(10,217,867)**	**(6,314,085)**	**506,311,090**

Environmental provision

Vega lagoons

As of 31 December 2024, the Group recognized an environmental provision of USD 89.28 million (2023: USD 94.32 million) based on reassessment of the site restoration provision. Reassessment was performed considering the following change in assumptions as compared with the 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;
- 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 prevision as per Romanian National Institute of Statistics;
- extended timeline for the rehabilitation plan until the end of 2028.

19. PROVISIONS (continued)

The results of the reassessment lead to a net decrease of provision by USD 5.04 million, being mainly triggered by updated computation due to change in assumptions and a positive foreign exchange effect of USD 5.58 million together with the unwinding of discount positive effect of USD 1.18 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 Group 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 Group submitted necessary documentation, but additional information / clarifications were requested by EPA Constanta, within a new established deadline. Management determined a constructive obligation for parent company 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, though the impact was not material, with a net positive effect of thousand 23 USD. 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 agreements that certain of the Group’s entities have in force, employees are entitled to specific retirement benefits that are payable upon retirement, if the employees are employed with Group entities 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 Labor Agreement signed in 2022; the number of employees working within the relevant Group entities; 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.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

20. REVENUES FROM CONTRACTS WITH CUSTOMERS

2025

USD	Refining	Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Gross revenues from petroleum products production	1,102,229,949	-	-	138,168,073	1,240,398,022
Less sales taxes from petroleum products production	(259,421,660)	-	-	233,504,806	(25,916,854)
Net revenues from petroleum products production	**842,808,289**	**-**	**-**	**371,672,879**	**1,214,481,168**
Gross revenues from petroleum products trading	-	-	703,259,504	(691,189,802)	12,069,702
Less sales taxes petroleum products trading	-	-	(252,978,320)	524,767	(252,453,553)
Less commercial discounts petroleum products trading	-	-	(49,301,010)	645,081	(48,655,929)
Net revenues from petroleum products trading	**-**	**-**	**400,980,174**	**(690,019,954)**	**(289,039,780)**
Revenues from petrochemicals production	-	22,645,291	-	-	22,645,291
Revenues from merchandise sales	377,421	-	41,662,689	(4,439)	42,035,671
Revenues from utilities sold	1,239,999	-	-	(49,120)	1,190,879
Revenues from transportation fees	-	-	610,355	-	610,355
Revenues from rents and other services	989,269	-	5,793,201	(3,177,995)	3,604,475
Total Net Revenues	**845,414,978**	**22,645,291**	**449,046,419**	**(321,578,629)**	**995,528,059**

RON (supplementary info – see Note 2(e))	Refining	Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Gross revenues from petroleum products production	5,070,808,880	-	-	635,642,220	5,706,451,100
Less sales taxes from petroleum products production	(1,193,469,347)	-	-	1,074,238,860	(119,230,487)
Net revenues from petroleum products production	**3,877,339,533**	**-**	**-**	**1,709,881,080**	**5,587,220,613**
Gross revenues from petroleum products trading	-	-	3,235,345,348	(3,179,818,684)	55,526,664
Less sales taxes petroleum products trading	-	-	(1,163,826,761)	2,414,191	(1,161,412,570)
Less commercial discounts petroleum products trading	-	-	(226,809,297)	2,967,695	(223,841,602)
Net revenues from petroleum products trading	**-**	**-**	**1,844,709,290**	**(3,174,436,798)**	**(1,329,727,508)**
Revenues from petrochemicals production	-	104,179,661	-	-	104,179,661
Revenues from merchandise sales	1,736,325	-	191,669,202	(20,422)	193,385,105
Revenues from utilities sold	5,704,616	-	-	(225,977)	5,478,639
Revenues from transportation fees	-	-	2,807,938	-	2,807,938
Revenues from rents and other services	4,551,132	-	26,651,621	(14,620,366)	16,582,387
Total Net Revenues	**3,889,331,606**	**104,179,661**	**2,065,838,051**	**(1,479,422,483)**	**4,579,926,835**

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

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

20. REVENUES FROM CONTRACTS WITH CUSTOMERS (continued)

2024

USD	Refining	Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Gross revenues from petroleum products production	925,559,861	-	-	17,787,750	943,347,611
Less sales taxes from petroleum products production	(215,930,297)	-	-	214,856,110	(1,074,187)
Net revenues from petroleum products production	**709,629,564**	**-**	**-**	**232,643,860**	**942,273,424**
Gross revenues from petroleum products trading	-	-	701,235,754	(645,377,137)	55,858,617
Less sales taxes petroleum products trading	-	-	(210,120,477)	527,143	(209,593,334)
Less commercial discounts petroleum products trading	-	-	(46,306,372)	676,456	(45,629,916)
Net revenues from petroleum products trading	**-**	**-**	**444,808,905**	**(644,173,538)**	**(199,364,633)**
Revenues from petrochemicals production	-	27,458,999	-	-	27,458,999
Revenues from petrochemicals trading	-	5,060	-	-	5,060
Revenues from merchandise sales	4,242,020	-	51,657,652	-	55,899,672
Revenues from utilities sold	6,950,632	-	-	(46,975)	6,903,657
Revenues from transportation fees	-	-	691,935	-	691,935
Revenues from rents and other services	964,119	-	5,517,810	(3,095,982)	3,385,947
Total Net Revenues	**721,786,335**	**27,464,059**	**502,676,302**	**(414,672,635)**	**837,254,061**

RON (supplementary info – see Note 2(e))	Refining	Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Gross revenues from petroleum products production	4,258,038,141	-	-	81,832,544	4,339,870,685
Less sales taxes from petroleum products production	(993,387,331)	-	-	988,445,534	(4,941,797)
Net revenues from petroleum products production	**3,264,650,810**	**-**	**-**	**1,070,278,078**	**4,334,928,888**
Gross revenues from petroleum products trading	-	-	3,226,035,086	(2,969,057,519)	256,977,567
Less sales taxes petroleum products trading	-	-	(966,659,254)	2,425,121	(964,234,133)
Less commercial discounts petroleum products trading	-	-	(213,032,464)	3,112,036	(209,920,428)
Net revenues from petroleum products trading	**-**	**-**	**2,046,343,368**	**(2,963,520,362)**	**(917,176,994)**
Revenues from petrochemicals production	-	126,325,124	-	-	126,325,124
Revenues from petrochemicals trading	-	23,279	-	-	23,279
Revenues from merchandise sales	19,515,414	-	237,651,027	-	257,166,441
Revenues from utilities sold	31,976,383	-	-	(216,108)	31,760,275
Revenues from transportation fees	-	-	3,183,247	-	3,183,247
Revenues from rents and other services	4,435,428	-	25,384,685	(14,243,065)	15,577,048
Total Net Revenues	**3,320,578,035**	**126,348,403**	**2,312,562,327**	**(1,907,701,457)**	**3,851,787,308**

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

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

21. COST OF SALES

	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Crude oil and other raw materials	769,343,051	631,150,987	3,539,362,706	2,903,610,114
Consumables and other materials	2,957,752	1,728,103	13,607,138	7,950,138
Utilities	41,176,394	36,198,940	189,432,001	166,533,223
Staff costs	12,401,624	9,457,322	57,053,671	43,508,410
Transportation	58,505	57,218	269,152	263,231
Maintenance and repairs	9,097,959	6,883,295	41,855,160	31,666,599
Insurance	1,272,887	1,009,836	5,855,917	4,645,751
Environmental expenses	2,901,681	501,407	13,349,183	2,306,723
Other	2,549,204	2,580,413	11,727,613	11,871,190
Total	**841,759,057**	**689,567,521**	**3,872,512,541**	**3,172,355,379**
Depreciation and amortization	21,525,431	13,443,192	99,027,745	61,845,405
Total	**863,284,488**	**703,010,713**	**3,971,540,286**	**3,234,200,784**
Plus: Change in inventories	17,712,176	5,147,142	81,484,866	23,679,427
Less: Own production of property, plant & equipment	(316,515)	(355,311)	(1,456,127)	(1,634,608)
Cost of petroleum products trading	10,772,209	7,880,803	49,557,548	36,255,634
Cost of petrochemicals trading	-	9,590	-	44,119
Cost of merchandise sold	31,496,246	44,351,392	144,898,480	204,038,579
Cost of utilities resold	872,124	151,262	4,012,206	695,881
Realized (gains)/losses on derivatives	2,202,608	(375,283)	10,133,098	(1,726,489)
Total	**926,023,336**	**759,820,308**	**4,260,170,357**	**3,495,553,327**

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 USD +5.5 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. Additionally, the Romanian natural gas market price rose by +23%. 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 USD +1 million, following a +7% salary increase applied across the Group starting January 2025.
- ✓ Maintenance costs increased by USD +1.7 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 USD +2.4 million, reflecting both an increase in the quantity and value of CO_2 certificates required for Petromidia refinery.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, INCLUDING LOGISTIC COSTS

	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Staff costs	8,767,065	10,130,703	40,332,883	46,606,299
Utilities	2,996,230	2,451,745	13,784,156	11,279,253
Transportation	18,920,362	19,822,434	87,043,126	91,193,108
Professional and consulting fees	9,759,725	7,652,419	44,899,615	35,204,954
Royalties and rents	1,574,525	(1,538,926)	7,243,602	(7,079,829)
Consumables	95,143	55,132	437,705	253,635
Marketing	388,955	278,272	1,789,387	1,280,190
Taxes	726,227	879,220	3,341,007	4,044,852
Communications	182,727	179,438	840,636	825,505
Insurance	615,761	756,000	2,832,808	3,477,978
IT services	2,297,125	2,750,621	10,567,924	12,654,232
Environmental expenses	43,048	43,158	198,042	198,548
Maintenance and repairs	3,655,029	4,307,359	16,814,961	19,816,005
Other expenses	9,088,758	9,175,791	41,812,831	42,213,226
Costs before depreciation	**59,110,680**	**56,943,366**	**271,938,683**	**261,967,956**
Depreciation and amortisation	11,561,414	20,444,567	53,188,285	94,055,230
Total	**70,672,094**	**77,387,933**	**325,126,968**	**356,023,186**

23. OTHER OPERATING INCOME / (EXPENSES), NET

	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Net gain /(loss) on disposal of assets	353,481	162,633	1,626,189	748,193
Provision for receivables and write-off, net	(926,291)	(842,087)	(4,261,402)	(3,874,021)
Provision for inventories, net	2,955,847	8,661,295	13,598,374	39,846,288
Tangible and intangible assets write-off	(928)	1,028	(4,269)	4,729
Inventories write-off	66	(8,416)	304	(38,718)
Other provisions, net	(897,048)	(93,850)	(4,126,869)	(431,757)
Turnover tax	(8,344,738)	-	(38,389,967)	-
Other, net	172,854	123,491	795,216	568,121
Total	**(6,686,757)**	**8,004,094**	**(30,762,424)**	**36,822,835**

In 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, Rompetrol Downstream, Rompetrol Gas). In 2025 the turnover tax recognized for the first quarter is in amount of USD 8.3 million, while for the first quarter of 2024 is in amount of USD 6.3 million and was reported as income tax expense (for details see note 25).

The movement in provisions is presented in Notes 5, 9 and 10.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

24. FINANCE COST, FINANCE INCOME AND FOREIGN EXCHANGE

	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Finance cost				
Late payment interest	136,211	(402,409)	626,639	(1,851,283)
Interest expense	(16,069,785)	(15,907,228)	(73,929,046)	(73,181,202)
Unwinding of discount - lease	(4,992,470)	(7,177,677)	(22,967,858)	(33,020,903)
Other financial expense	(11,275,255)	(14,284,297)	(51,871,811)	(65,714,908)
Total	**(32,201,299)**	**(37,771,611)**	**(148,142,076)**	**(173,768,296)**
Finance income				
Interest income	11,206,056	12,118,808	51,553,461	55,752,576
Other financial income	179,510	147,772	825,835	679,825
Total	**11,385,566**	**12,266,580**	**52,379,296**	**56,432,401**
Finance income/(cost) net	**(20,815,733)**	**(25,505,031)**	**(95,762,780)**	**(117,335,895)**
Unrealized net foreign exchange (losses)/gains	(18,564,499)	3,479,508	(85,405,978)	16,007,476
Realized net foreign exchange (losses)/gains	11,702,316	(965,519)	53,836,505	(4,441,870)
Foreign exchange gain/(loss), net	**(6,862,183)**	**2,513,989**	**(31,569,473)**	**11,565,606**
Total	**(27,677,916)**	**(22,991,042)**	**(127,332,253)**	**(105,770,289)**

In 2025 out of the total of USD 11.3 million (2024: USD 14.3 million) representing other financial expenses an amount of approximately USD 9 million (2024: USD 12.4 million) represents late payment interest owed to KMG Trading for financing.

25. INCOME TAX

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

	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Tax expense comprises:				
Current tax expense	(1,794,249)	(2,592,098)	(8,254,443)	(11,924,947)
Turnover tax	-	(6,287,272)	-	(28,924,595)
Total tax (expense)/income	**(1,794,249)**	**(8,879,370)**	**(8,254,443)**	**(40,849,542)**

b) The deferred tax assets and liabilities details are disclosed in Note 15.

26. OPERATING SEGMENT INFORMATION

a. Operating Segments

For management purposes the Group is currently organized in 3 segments – refining, petrochemicals and marketing. Refining comprises Petromidia and Vega refineries, Petrochemicals comprises petrochemical division of Rompetrol Rafinare SA and Rompetrol Petrochemicals operations and Marketing comprises the operations of Rompetrol Downstream, Rom Oil, Rompetrol Logistics, Rompetrol Gas and Rompetrol Quality Control SRL.

For the income statement, management analysis is made separately for the 3 segments: Refining, Petrochemicals and Marketing. The balance sheet is analyzed by management at cumulated level for Refining and Petrochemicals segments. As a result, the balance sheet information for segments Refining and Petrochemicals are presented together.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

26. OPERATING SEGMENT INFORMATION (continued)

Income Statement information for the period January – March 2025

USD	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	526,892,860	22,645,291	-	445,989,908	-	995,528,059
Net revenues "Inter segment"	318,522,118	-	-	3,056,511	(321,578,629)	-
Cost of sales	(828,410,492)	(39,374,191)	-	(391,707,957)	333,469,304	(926,023,336)
Gross margin	**17,004,486**	**(16,728,900)**	**-**	**57,338,462**	**11,890,675**	**69,504,723**
Selling, general and administrative expenses	(17,688,320)	(2,830,106)	-	(40,241,579)	(9,912,089)	(70,672,094)
Other operating income/(expenses), net	(6,374,903)	5,074,056	-	(5,394,313)	8,403	(6,686,757)
Operating margin (EBIT)	**(7,058,737)**	**(14,484,950)**	**-**	**11,702,570**	**1,986,989**	**(7,854,128)**
Financial expenses, net	-	-	(19,421,755)	(1,392,713)	(1,265)	(20,815,733)
Net foreign exchange result	-	-	(2,010,036)	(4,852,147)	-	(6,862,183)
Profit/(loss) before income tax	**(7,058,737)**	**(14,484,950)**	**(21,431,791)**	**5,457,710**	**1,985,724**	**(35,532,044)**
Income tax	-	-	(736,503)	(1,057,746)	-	(1,794,249)
Net Profit/(Loss)	**(7,058,737)**	**(14,484,950)**	**(22,168,294)**	**4,399,964**	**1,985,724**	**(37,326,293)**
Depreciation and amortization	21,163,082	2,704,364	-	8,439,501	779,898	33,086,845

RON (supplementary info – see Note 2(e))	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	2,423,970,602	104,179,661	-	2,051,776,572	-	4,579,926,835
Net revenues "Inter segment"	1,465,361,004	-	-	14,061,479	(1,479,422,483)	-
Cost of sales	(3,811,102,468)	(181,140,966)	-	(1,802,052,456)	1,534,125,533	(4,260,170,357)
Gross margin	**78,229,138**	**(76,961,305)**	**-**	**263,785,595**	**54,703,050**	**319,756,478**
Selling, general and administrative expenses	(81,375,116)	(13,019,903)	-	(185,131,384)	(45,600,565)	(325,126,968)
Other operating income/(expenses), net	(29,327,741)	23,343,195	-	(24,816,537)	38,659	(30,762,424)
Operating margin (EBIT)	**(32,473,719)**	**(66,638,013)**	**-**	**53,837,674**	**9,141,144**	**(36,132,914)**
Financial expenses, net	-	-	(89,349,784)	(6,407,176)	(5,820)	(95,762,780)
Net foreign exchange result	-	-	(9,247,171)	(22,322,302)	-	(31,569,473)
Profit/(loss) before income tax	**(32,473,719)**	**(66,638,013)**	**(98,596,955)**	**25,108,196**	**9,135,324**	**(163,465,167)**
Income tax	-	-	(3,388,282)	(4,866,161)	-	(8,254,443)
Net Profit/(Loss)	**(32,473,719)**	**(66,638,013)**	**(101,985,237)**	**20,242,035**	**9,135,324**	**(171,719,610)**
Depreciation and amortization	97,360,759	12,441,427	-	38,825,924	3,587,920	152,216,030

For additional information regarding operating segments and streams please also see Note 20 Revenues from contract with customers.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

26. OPERATING SEGMENT INFORMATION (continued)

Statement of financial position information as at March 31, 2025

USD	Refining & Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Total non current assets	1,361,185,027	525,534,009	(613,661,048)	1,273,057,988
Total current assets	715,583,065	560,441,403	(172,650,510)	1,103,373,958
TOTAL ASSETS	**2,076,768,092**	**1,085,975,412**	**(786,311,558)**	**2,376,431,946**
Total equity	289,482,891	502,291,494	(607,921,744)	183,852,641
Total non-current liabilities	391,833,192	289,159,560	(28,284)	680,964,468
Total current liabilities	1,395,452,009	294,524,358	(178,361,530)	1,511,614,837
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,076,768,092**	**1,085,975,412**	**(786,311,558)**	**2,376,431,946**
Capital expenditure	3,963,655	4,156,640	(609)	8,119,686

RON (supplementary info – see Note 2(e))	Refining & Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Total non current assets	6,262,131,718	2,417,719,207	(2,823,147,652)	5,856,703,273
Total current assets	3,292,039,890	2,578,310,675	(794,278,671)	5,076,071,894
TOTAL ASSETS	**9,554,171,608**	**4,996,029,882**	**(3,617,426,323)**	**10,932,775,167**
Total equity	1,331,766,040	2,310,792,018	(2,796,743,982)	845,814,076
Total non-current liabilities	1,802,628,600	1,330,278,555	(130,122)	3,132,777,033
Total current liabilities	6,419,776,968	1,354,959,309	(820,552,219)	6,954,184,058
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,554,171,608**	**4,996,029,882**	**(3,617,426,323)**	**10,932,775,167**
Capital expenditure	18,234,795	19,122,622	(2,801)	37,354,616

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

26. OPERATING SEGMENT INFORMATION (continued)

Income Statement information for the period January – March 2024

USD	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	310,085,815	27,464,059	-	499,704,186	-	837,254,061
Net revenues "Inter segment"	411,700,520	-	-	2,972,116	(414,672,635)	-
Cost of sales	(687,281,685)	(42,795,802)	-	(450,866,169)	421,123,348	(759,820,308)
Gross margin	**34,504,650**	**(15,331,743)**	**-**	**51,810,133**	**6,450,713**	**77,433,753**
Selling, general and administrative expenses	(22,769,888)	(3,799,964)	-	(40,090,320)	(10,727,761)	(77,387,933)
Other operating income/(expenses), net	8,005,079	(7,511)	-	(2,095)	8,621	8,004,094
Operating margin (EBIT)	**19,739,841**	**(19,139,218)**	**-**	**11,717,718**	**(4,268,427)**	**8,049,914**
Financial expenses, net	-	-	(20,987,088)	(4,516,759)	(1,184)	(25,505,031)
Net foreign exchange result	-	-	(114,301)	2,628,290	-	2,513,989
Profit/(loss) before income tax	**19,739,841**	**(19,139,218)**	**(21,101,389)**	**9,829,249**	**(4,269,611)**	**(14,941,128)**
Income tax	-	-	(3,866,759)	(5,012,611)	-	(8,879,370)
Net Profit/(Loss)	**19,739,841**	**(19,139,218)**	**(24,968,148)**	**4,816,638**	**(4,269,611)**	**(23,820,498)**
Depreciation and amortization	17,324,166	2,853,304	-	12,950,349	759,940	33,887,759

RON (supplementary info – see Note 2(e))	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	1,426,549,793	126,348,403	-	2,298,889,112	-	3,851,787,308
Net revenues "Inter segment"	1,894,028,242	-	-	13,673,215	(1,907,701,457)	-
Cost of sales	(3,161,839,392)	(196,882,087)	-	(2,074,209,810)	1,937,377,962	(3,495,553,327)
Gross margin	**158,738,643**	**(70,533,684)**	**-**	**238,352,517**	**29,676,505**	**356,233,981**
Selling, general and administrative expenses	(104,752,870)	(17,481,734)	-	(184,435,517)	(49,353,065)	(356,023,186)
Other operating income/(expenses), net	36,827,366	(34,554)	-	(9,638)	39,661	36,822,835
Operating margin (EBIT)	**90,813,139**	**(88,049,972)**	**-**	**53,907,362**	**(19,636,899)**	**37,033,630**
Financial expenses, net	-	-	(96,551,098)	(20,779,350)	(5,447)	(117,335,895)
Net foreign exchange result	-	-	(525,842)	12,091,448	-	11,565,606
Profit/(loss) before income tax	**90,813,139**	**(88,049,972)**	**(97,076,940)**	**45,219,460**	**(19,642,346)**	**(68,736,659)**
Income tax	-	-	(17,789,025)	(23,060,517)	-	(40,849,542)
Net Profit/(Loss)	**90,813,139**	**(88,049,972)**	**(114,865,965)**	**22,158,943**	**(19,642,346)**	**(109,586,201)**
Depreciation and amortization	79,699,826	13,126,625	-	59,578,081	3,496,104	155,900,636

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

26. OPERATING SEGMENT INFORMATION (continued)

In total net revenues are included customers that own more than 10% of total sales (i.e. KazMunayGas Trading AG), their value amounting USD 247.6 million in 2025 and USD 122.5 million in 2024 for the period January - March.

Statement of financial position information as at December 31, 2024

USD	Refining & Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Total non current assets	1,381,024,107	529,534,599	(612,660,275)	1,297,898,431
Total current assets	688,559,504	496,897,550	(143,830,754)	1,041,626,300
TOTAL ASSETS	**2,069,583,611**	**1,026,432,149**	**(756,491,029)**	**2,339,524,731**
Total equity	328,884,849	497,951,869	(609,907,471)	216,929,247
Total non-current liabilities	391,487,748	278,938,124	(28,284)	670,397,588
Total current liabilities	1,349,211,014	249,542,156	(146,555,274)	1,452,197,896
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,069,583,611**	**1,026,432,149**	**(756,491,029)**	**2,339,524,731**
Capital expenditure	145,388,184	40,883,372	(1,253)	186,270,303

RON (supplementary info – see Note 2(e))	Refining & Petrochemicals	Marketing	Consolidation adjustments	Consolidated
Total non current assets	6,353,401,404	2,436,123,923	(2,818,543,595)	5,970,981,732
Total current assets	3,167,717,998	2,285,977,179	(661,693,385)	4,792,001,792
TOTAL ASSETS	**9,521,119,402**	**4,722,101,102**	**(3,480,236,980)**	**10,762,983,524**
Total equity	1,513,034,749	2,290,827,573	(2,805,879,321)	997,983,001
Total non-current liabilities	1,801,039,384	1,283,254,840	(130,121)	3,084,164,103
Total current liabilities	6,207,045,269	1,148,018,689	(674,227,538)	6,680,836,420
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,521,119,402**	**4,722,101,102**	**(3,480,236,980)**	**10,762,983,524**
Capital expenditure	668,858,340	188,083,953	(5,761)	856,936,532

- Inter - segment revenues are eliminated on consolidation.
- Transfer pricing between operating segments is determined based on market rules agreed between the segments. These transfer prices take in to account the latest Crude/Refined products prices on markets adjusted by various margins / discounts taking into account quantity, quality, payment terms, transportation costs etc.

b. Geographical segments

All the Group’s production facilities are located in Romania. The following table provides an analysis of the Group’s net revenues by geographical market (based on customers’ location):

Net revenues	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Romania	**577,704,063**	**584,652,627**	**2,657,727,542**	**2,689,694,411**
Export	**417,823,996**	**252,601,434**	**1,922,199,293**	**1,162,092,897**
out of which				
Europa	397,993,492	245,027,213	1,830,969,060	1,127,247,693
Asia	19,828,084	7,571,801	91,219,100	34,834,071
America	2,420	2,420	11,133	11,133
Total	**995,528,059**	**837,254,061**	**4,579,926,835**	**3,851,787,308**

27. RELATED PARTIES

The ultimate parent of the Group is the "National Welfare Fund Samruk Kazyna" JSC, an entity with its headquarters in Kazakhstan, fully owned by State of Kazakhstan. The related parties and the nature of relationship is presented below:

Name of related party	Nature of relationship
KMG International N.V.	Majority Shareholder
The Romanian State and the Romanian Authorities	Significant shareholder
Byron Shipping Ltd.	Company owned by KMG International Group
Byron Shipping S.R.L.	Company owned by KMG International Group
Fondul de Investitii in Energie Kazah - Roman S.A.	Company owned by KMG International Group
Global Security Sistem S.A.	Company owned by KMG International Group
Global Security Systems Fire Services S.R.L.	Company owned by KMG International Group
KazMunayGas Engineering B.V.	Company owned by KMG International Group - Merged into KMG International N.V.
KazMunayGas Trading AG	Company owned by KMG International Group
KMG Rompetrol S.R.L	Company owned by KMG International Group
KMG Rompetrol Services Center S.R.L.	Company owned by KMG International Group
KMG Rompetrol Development S.R.L.	Company owned by KMG International Group
Midia Marine Terminal S.R.L.	Company owned by KMG International Group
Oilfield Exploration Business Solutions S.A.	Company owned by KMG International Group
Rominserv S.R.L.	Company owned by KMG International Group
Rompetrol Bulgaria	Company owned by KMG International Group
Rompetrol Energy S.A.	Company owned by KMG International Group
Rompetrol Financial Group S.R.L.	Company owned by KMG International Group
Rompetrol Georgia	Company owned by KMG International Group
Rompetrol Moldova S.A.	Company owned by KMG International Group
Rompetrol Well Services S.A.	Company owned by KMG International Group
TRG Petrol Ticaret Anonim Sirketi	Company owned by KMG International Group
Midia Green Energy S.A. former Uzina Termoelectrica Midia S.A.	Associate of KMG International Group

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.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

27. RELATED PARTIES (continued)

	Receivables and other assets			
Name of related party	**March 31, 2025 USD**	**December 31, 2024 USD**	**March 31, 2025 RON**	**December 31, 2024 RON**
			(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	3,255,583	3,249,868	14,977,310	14,951,018
Rominserv S.R.L.	36,234,575	4,844,515	166,697,162	22,287,191
KMG International N.V.	69,863,922	65,547,443	321,408,973	301,551,012
KMG Rompetrol S.R.L	6,066,434	259,162	27,908,630	1,192,275
KMG Rompetrol S.R.L. - cash pooling	338,805,903	241,283,081	1,558,676,557	1,110,022,814
Oilfield Exploration Business Solutions S.A.	706,837	664,420	3,251,804	3,056,664
Rompetrol Well Services S.A.	121,429	83,313	558,634	383,281
KMG Rompetrol Services Center S.R.L.	12,954	12,005	59,595	55,229
Rompetrol Bulgaria	4,204,983	8,123,929	19,345,024	37,374,135
Rompetrol Moldova S.A.	6,954,332	12,958,932	31,993,404	59,617,567
Rompetrol Financial Group S.R.L.	2,445	2,370	11,248	10,903
Rompetrol Energy S.A.	20,387,406	14,516,407	93,792,261	66,782,730
Byron Shipping S.R.L.	1,822	2,014	8,382	9,265
Midia Marine Terminal S.R.L.	328,981	308,340	1,513,477	1,418,518
Rompetrol Georgia	1,493	2,878	6,869	13,240
Midia Green Energy S.A. former Uzina Termoelectrica Midia S.A.	59,773	57,568	274,986	264,842
KMG Rompetrol Development S.R.L.	337,405	237,465	1,552,232	1,092,458
Global Security Sistem S.A.	219,620	184,784	1,010,362	850,099
Total	**487,565,897**	**352,338,494**	**2,243,046,910**	**1,620,933,241**

	Payables, loans and other liabilities			
Name of related party	**March 31, 2025 USD**	**December 31, 2024 USD**	**March 31, 2025 RON**	**December 31, 2024 RON**
			(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	667,707,101	754,510,444	3,071,786,518	3,471,125,298
Rominserv S.R.L.	65,700,640	43,306,909	302,255,794	199,233,435
KMG International N.V.	1,125,373	265,175	5,177,278	1,219,938
KMG Rompetrol S.R.L	3,979,303	(453,388)	18,306,783	(2,085,811)
KMG Rompetrol S.R.L. - cash pooling	526,077,164	382,009,994	2,420,217,993	1,757,436,977
Oilfield Exploration Business Solutions S.A.	476,356	447,407	2,191,476	2,058,296
Rompetrol Well Services S.A.	6,683	6,845	30,745	31,490
KMG Rompetrol Services Center S.R.L.	883,443	425,691	4,064,280	1,958,391
Rompetrol Bulgaria	195,618	146,218	899,941	672,676
Rompetrol Moldova S.A.	13,161,977	26,990,379	60,551,675	124,169,239
Byron Shipping Ltd.	2,097	2,018	9,647	9,284
Rompetrol Energy S.A.	6,547,967	5,968,490	30,123,922	27,458,038
Midia Marine Terminal S.R.L.	2,214,135	1,213,065	10,186,128	5,580,706
KMG Rompetrol Development S.R.L.	4,456,880	4,863,185	20,503,876	22,373,083
Global Security Sistem S.A.	707,645	819,226	3,255,521	3,768,849
Global Security Sistems - Fire Services S.R.L.	643,527	389,177	2,960,546	1,790,409
TRG Petrol Ticaret Anonim Sirketi	2,538	2,538	11,676	11,676
Total	**1,293,888,447**	**1,220,913,373**	**5,952,533,799**	**5,616,811,974**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

27. RELATED PARTIES (continued)

During the period ended March 31, 2025 respectively March 31, 2024, Rompetrol Rafinare Group entered into the following transactions with related parties:

Name of related party	Nature of transaction	Sales and other revenues March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
				(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	Fuel	247,684,091	122,472,501	1,139,470,661	563,434,741
Rominserv S.R.L.	Fuel, utilities and other services	224,102	240,127	1,030,981	1,104,704
KMG International N.V.	Interest	1,765,598	1,530,580	8,122,634	7,041,433
KMG Rompetrol S.R.L	Fuel and other services	7,840,650	8,640,766	36,070,910	39,751,844
Oilfield Exploration Business Solutions S.A.	Fuel	676	1,086	3,110	4,996
Rompetrol Well Services S.A.	Fuel and other services	150,119	183,009	690,622	841,933
Rompetrol Bulgaria	Fuel	4,527,310	6,121,781	20,827,890	28,163,253
Rompetrol Moldova S.A.	Fuel	87,897,771	80,293,896	404,373,695	369,392,069
Rompetrol Georgia	Fuel	1,987	50	9,141	230
KMG Rompetrol Services Center S.R.L.	Rent and other services	38,327	38,152	176,323	175,518
Midia Marine Terminal S.R.L.	Fuel, rent and other services	171,132	74,620	787,293	343,289
Byron Shipping S.R.L.	Fuel and other services	4,581	4,076	21,075	18,752
Rompetrol Energy S.A.	Other services	10,180,108	8,262,466	46,833,587	38,011,475
Global Security Sistem S.A.	Fuel	20,856	23,836	95,948	109,658
KMG Rompetrol Development S.R.L.	PPE and other services	155,328	124,889	714,586	574,552
Total		**360,662,636**	**228,011,835**	**1,659,228,456**	**1,048,968,447**

Name of related party	Nature of transaction	Purchases and other costs March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
				(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	Purchase of crude oil and other raw materials	686,215,808	523,249,279	3,156,935,825	2,407,208,308
Rominserv S.R.L.	Acquisition and maintenance of fixed assets	15,737,964	48,212,718	72,402,503	221,802,609
KMG International N.V.	Management services	1,406,439	589,594	6,470,323	2,712,427
KMG Rompetrol S.R.L	Management services	21,441,630	19,145,570	98,642,219	88,079,195
Oilfield Exploration Business Solutions S.A.	Management services	21,475	15,177	98,796	69,822
Rompetrol Well Services S.A.	Other services	15,929	13,580	73,281	62,475
Rompetrol Bulgaria	Sales intermediary services	157	-	722	-
Rompetrol Moldova SA	Sales intermediary services	236,844	46,237	1,089,601	212,713
KMG Rompetrol Services Center S.R.L.	Shared services	2,166,376	2,318,448	9,966,413	10,666,020
Midia Marine Terminal S.R.L.	Handling services/Transit	5,122,373	4,385,749	23,565,477	20,176,638
Rompetrol Energy S.A.	Acquisition of utilities	16,419,347	15,317,458	75,537,206	70,467,966
KMG Rompetrol Development S.R.L.	Retail	5,368,209	4,921,840	24,696,446	22,642,925
Global Security Sistem S.A.	Security and protection services	1,085,270	877,123	4,992,785	4,035,204
Global Security Sistems - Fire Services S.R.L.	Fire protection services	579,738	504,838	2,667,085	2,322,507
Total		**755,817,559**	**619,597,611**	**3,477,138,682**	**2,850,458,809**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

27. RELATED PARTIES (continued)

The nature of sale transactions consists in sale of petroleum products. Sales to related parties include sales taxes.

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.

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. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 March 2025 and 31 December 2024, the Group has recorded an impairment of receivables relating to Oilfield Exploration Business Solutions S.A. in amount of USD 4.1 million (2024: USD 3.9 million). This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

28. EARNINGS PER SHARE

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

	March 31, 2025 USD	March 31, 2024 USD	March 31, 2025 RON	March 31, 2024 RON
			(supplementary info – see Note 2(e))	
Earnings				
Profit/(Loss) for the year attributable to ordinary equity holders of the parent entity	(38,128,114)	(23,747,847)	(175,408,388)	(109,251,970)
Number of shares				
Weighted average number of shares for the purpose of basic earnings per share (see Note 12)	26,559,205,726	26,559,205,726	26,559,205,726	26,559,205,726
Earnings per share *(US cents/share)*				
Basis	**(0.144)**	**(0.089)**	**(0.662)**	**(0.409)**

29. CONTINGENCIES

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 KMG International NV.

In accordance with the above-mentioned deed, Rompetrol Rafinare S.A. performed several steps by increasing the share capital in June 2010 with USD 100 million, redeemed 2,160,000 Bonds for EUR 54 million 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.

Following a first court decision favorable to KMG International NV ("KMGI Group") 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 Rompetrol Rafinare SA.

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 30 - 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 Memorandum, Rompetrol Rafinare submitted to the Romanian authorities a requirement for the annulment of the precautionary seizure, but no positive reply was received.

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 the 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

29. CONTINGENCIES (continued)

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.

Contingencies – risk management and internal control

The Group commitment to integrity, responsibility and ethical conduct is particularly important in the area of bribery and corruption prevention and detection.

The Group is committed to conducting its business fairly, honorably, with integrity and honesty and in compliance with all applicable laws. The Group adopts an approach of zero -tolerance to bribery and corruption in all its business dealings and relationships, wherever it operates. The Group 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 Group’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 Group. The Code creates a frame of reference for understanding and putting into practice the Group’s expectations as to each person’s behavior, in light of the Group’s principles of action. Group’s employees undergo regular professional trainings, trainings 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.

Whistleblowing incidents are taken very seriously by the Group and its directors. Any complaints or allegations received are investigated properly by the assigned departments. The Group 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.

30. 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 as 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 USD 106.5 million) in case any alleged civil party is damaged by the said ordinance.

In 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, finalizing the resolution of the case.

30. LEGAL MATTERS (continued)

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 USD 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 USD 55 million as principal (USD 118 million 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, the 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 now all claims of Faber either have been withdrawn by Faber or have been dismissed by the Court (for couple of them a final and irrevocably decision being issued).

Litigation on Tax Assessments received by Rompetrol Rafinare S.A. 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 S.A. was challenged on 26 February 2018. The contestation received a partial negative answer and the Group 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 not grounded.

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 cancelled mainly the fiscal authority decision regarding the amount of RON 6.47 million (USD 1.41 million) referring to withholding tax for non-residents and related penalties, and sets that the amount of RON 80.5 million (USD 17.5 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 USD 5.4 million.

30. 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 of Petromidia refinery on 22 August 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 S.A., 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 USD 0.8 million (RON 3.6 million).

Regarding this legal matter Rompetrol Rafinare booked a provision in amount of USD 0.8 million.

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 as well as 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 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 employees who 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. 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 group 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.

30. LEGAL MATTERS (continued)

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.

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 Labour 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 Constanta 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 Petrosani prepared and filed a technical judicial expertise in order to establish the causes of the incident. 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 Labour 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 USD 128 million.

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

30. LEGAL MATTERS (continued)

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.

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. The Supreme Court’s final decision on suspension is expected until March 31, 2025 unless postponed.

To date, Rompetrol Rafinare has paid a total of $6.2 million in turnover tax for the first two 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. The next hearing date in front of the Constitutional Court has not yet been set.

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.

30. LEGAL MATTERS (continued)

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.

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.

31. COMMITMENTS

Environmental risks and obligation

The Group's business activities are 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 Group activities.

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

As of 31 December 2024, the Group reassessed environmental provision considering changes in assumptions as compared with previous period as mentioned in Note 19.

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

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

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.

KMGI Group 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 Group'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 Group's reasonable expectations of how the next 5 years will progress.

The Group 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 Group'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 Group's primary focus this year has shifted towards operational efficiency, increasing vertical integration for better value along the Group'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 Group'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

31. COMMITMENTS (continued)

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 Group, 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).

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 risk

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, the Group is monitoring very closely the current situation and developments of sanctions and related restrictions applied to Russia by international stakeholders and regularly conduct a risk assessment on this basis. The Group is in constant dialogue with customers and suppliers in the region and stays in connection with competent authorities in order to identify any potential impact of newly issued sanctions on business and supply chains at an early stage and act accordingly.

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

31. COMMITMENTS (continued)

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 Group. The risks are not only technical but also business related and may lead to operational disruptions, fraud or theft of sensitive information.

The Group is heavily dependent on the information technology systems, including the network infrastructure for the safe and effective operation of the business. The Group 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 Group continuously improves cyber security capabilities and supervise the cyber security activity, ensuring the protection of the confidentiality, integrity and availability of data. Also, the Group continuously educates their employees and partners about cyber security risks and support them to act in a responsible way.

Work safety and safe operations

Protecting people is a priority of the Group and the Group 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.

Although the Group has a set of measures and policies in place, work accidents can still occur. The Group top priorities remain the improvement of industrial safety, reduce work-related injuries and accidents-free operation of production facilities.

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1. Capital risk management

The Group manages its capital to ensure that entities in the Group 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 Group consists of bank debt and shareholder loans (see Note 13 and Note 18), cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the "Consolidated Statement of Changes In The Shareholders' Equity".

32.2. Gearing ratio

The gearing ratio at the year-end was as follows:

	March 31, 2025	December 31, 2024
	USD	**USD**
Debt (excluding shareholder loans and related parties)	608,861,148	599,649,236
Cash and cash equivalents	(118,151,522)	(94,030,970)
Net debt	**490,709,626**	**505,618,266**
Equity (including shareholder loans and related parties)	183,852,641	216,929,247
Net debt to equity ratio	**2.67**	**2.33**

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

32.3. Categories of financial instruments and fair values

	March 31, 2025	December 31, 2024
Financial assets		
Trade and other receivables	619,701,982	495,036,761
Long-term receivables	7,968,829	7,838,702
Derivative financial instruments	1,981,667	-
Cash and cash equivalents	118,151,522	94,030,970
TOTAL FINANCIAL ASSETS	**747,804,000**	**596,906,433**
Financial liabilities		
Long-term borrowings	275,900,000	275,900,000
Derivative financial instruments	2,159,755	4,519,724
Other non-current liabilities	208,332	152,917
Trade and other payables	1,323,075,126	1,268,591,444
Short-term borrowings banks	44,069,104	45,838,959
TOTAL FINANCIAL LIABILITIES	**1,645,412,317**	**1,595,003,044**

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

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

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

- Excises taxes;
- Special found tax for oil products;
- VAT payable;
- Profit tax payable;
- Salaries and related taxes payable;
- Other taxes;

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 Group 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 recognized at fair value.

32.4. Fair value hierarchy

The Group 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.

	March 31, 2025	Level 1	Level 2	Level 3
Financial assets				
Trade and other receivables	619,701,982	-	619,701,982	-
Long-term receivables	7,968,829	-	7,968,829	-
Derivative financial instruments	1,981,667	-	1,981,667	-
Cash and cash equivalents	118,151,522	118,151,522	-	-
TOTAL FINANCIAL ASSETS	**747,804,000**	**118,151,522**	**629,652,478**	**-**
Financial liabilities				
Long-term borrowings	275,900,000	-	275,900,000	-
Derivative financial instruments	2,159,755	-	2,159,755	-
Other non-current liabilities	208,332	-	208,332	-
Trade and other payables	1,323,075,126	-	1,323,075,126	-
Short-term borrowings banks	44,069,104	-	44,069,104	-
TOTAL FINANCIAL LIABILITIES	**1,645,412,317**	**-**	**1,645,412,317**	**-**

(Amounts in US dollars represent the functional and presentation currency. Amounts in RON are supplementary financial information (see Note 2e))

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	December 31, 2024	Level 1	Level 2	Level 3
Financial assets				
Trade and other receivables	495,036,761	-	495,036,761	-
Long-term receivables	7,838,702	-	7,838,702	-
Cash and cash equivalents	94,030,970	94,030,970	-	-
TOTAL FINANCIAL ASSETS	**596,906,433**	**94,030,970**	**502,875,463**	**-**
Financial liabilities				
Long-term borrowings	275,900,000	-	275,900,000	-
Derivative financial instruments	4,519,724	-	4,519,724	-
Other non-current liabilities	152,917	-	152,917	-
Trade and other payables	1,268,591,444	-	1,268,591,444	-
Short-term borrowings banks	45,838,959	-	45,838,959	-
TOTAL FINANCIAL LIABILITIES	**1,595,003,044**	**-**	**1,595,003,044**	**-**

During the reporting period ending 31 March 2025 and 31 December 2024, 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.

32.5 Derivative financial instruments

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

Statement of financial position:

	March 31, 2025	December 31, 2024
Derivative financial asset	1,981,667	-
Derivative financial liability	(2,159,755)	(4,519,724)
Net position - asset/(liability)	**(178,088)**	**(4,519,724)**

Income Statement:

	March 31, 2025	March 31, 2024
Realised (gains)/losses - net	2,202,608	(375,283)
Total position - loss/(gain) - in Cost of sales	**2,202,608**	**(375,283)**

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

A movement in derivatives assets/ (liabilities) is shown below:

	March 31, 2025	December 31, 2024
Derivative asset/(liability) 2024	(4,519,724)	(251,864)
Cash payments	91,950	(2,246,906)
Reserves	4,249,686	(2,020,954)
Derivative asset/(liability) 2025	**(178,088)**	**(4,519,724)**

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 hedge are recognized in profit or loss as they arise.

The income statement results recorded in January – March 2025 and 2024 are presented in Cost of sales, detailed in Note 21.

The Group has the following hedge transactions that qualify for cash flow hedge:

Transaction	Hedged item	Risk hedged	Hedging instrument
Commodity purchase / sell at fixed price	Base operating stock (BOS) – meaning crude oil, feedstock, diesel, gasoline and jet Priced operational stock above or below BOS	Commodity price risk	Swap, Future, Purchase put / call option
Forecasted commodity price	Base operating stock (BOS) – meaning crude oil, feedstock, diesel, gasoline and jet Priced operational stock above or below BOS	Commodity price risk	Swap, Future, Purchase put / call option
Forecasted commodity purchase / sell	Forecasted refinery margin basket and forecasted Dated Brent differential	Commodity price risk	Swap, Future, Purchased put / call option

The Group has also derivative instruments for foreign exchange and interest rates (swap and currency forward) which are not designated in a hedge relationship. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge.

32.6 Market risk

The Group'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 Group's overall risk management main objective is to minimize the potential adverse effects on the financial performance of the Group companies.

32.7. Foreign currency risk management

The Group's functional currency is United States Dollar ("USD") and crude oil imports and a significant part of petroleum products sales are all denominated principally in US Dollars, therefore, limited foreign currency exposure arises in this context. Certain assets and liabilities are denominated in other currencies, which are translated at the prevailing exchange rate at each balance sheet date. The unrealized differences are charged or credited to the income statement but do not affect cash flows. Group Treasury is responsible for handling the Group foreign currency transactions.

32.8. 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 Group has long-term debt and short-

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

term debt that incur interest at fixed and variable interest rates that exposes the Group to both fair value and cash flow risk.

32.9. Commodity price risk

The Group is affected by the volatility of prices of crude oil, oil products and by refinery margins. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil prices, the management developed a hedge policy which was presented to the Group'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 Group started on January 2011 to hedge commodities held by Rompetrol Rafinare and in 2014 it was implemented a hedging program in Rompetrol Downstream.

According to the hedge policy, on the commodity side, the flat price risk for priced inventories above a certain threshold (called base operating stock in case of Rompetrol Refinery, benchmark stock for Rompetrol Downstream) can be hedged using future contracts traded on ICE Exchange and some OTC instruments. The base operating stock is the equivalent of priced stocks that are held at any moment in time in the Group, 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 Group sells or buys 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.

The Group's refining activity is exposed to the rising prices of EUA certificates. The CO2 emissions of the Rompetrol refinery are offset with EUA certificates. As a mitigation measure, the Financial Risk Management Department is monitoring the EUA certificate market to cover the EUA deficit of the refinery for the remaining years of Phase IV (2024-2025) and the subsequent years. When the market price will be within the target level of the Group, hedge operations will be carried on.

32.10. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group 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

The retail operational segment is exposed to credit risk. Outstanding customer receivables are regularly monitored. Sales to KazMunayGas Trading AG, a related party represent 25% of the Group's revenues. The requirement for impairment is analyzed on a regular basis, being undertaken on an individual basis as well as collectively on the basis of ageing.

Cash pooling and bank deposits

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

33. 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 unfavourable 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.

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