



REPORT OF THE BOARD OF DIRECTORS OF ROMPETROL RAFINARE ON THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED AS OF JUNE 30, 2025

The figures for 2025 include consolidated financial statements in accordance with International Financial Reporting Standards („IFRS”). Consolidated financial statements of Rompetrol Rafinare Group (the Group) include the results of the parent company Rompetrol Rafinare and its subsidiaries Rompetrol Petrochemicals S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Quality Control S.R.L and Rompetrol Logistics S.R.L. (with its subsidiary Rompetrol Gas S.R.L.).

COMPANY HISTORY

Rompetrol Rafinare S.A., Member Company of the KMG International Group, operates Petromidia Refinery located in Navodari, Constanta County. Starting with December 1, 2007, the company also operates Vega Refinery, located in Ploiesti, Prahova County. Starting with January 1, 2014, Rompetrol Rafinare S.A. took over the operational facilities (polymer production and utilities) of Rompetrol Petrochemicals S.R.L.

Petromidia refinery processes a variety of crude oils with different content of sulphur. The crude oil feeding is carried out mainly through the marine terminal built by the KMG International Group, close to Petromidia Refinery, and the rest is carried out through Oil Terminal facilities in Constanta port. The products obtained can be delivered by railway, road and by sea. Vega refinery is a niche refinery specialized in the production of solvents, hexane and bitumen (being the only Romanian producer). Throughout its petrochemicals division the company is the sole polypropylene and polyethylene producer in Romania.

At the end of 2008 the company also finalized the operations for the 350% expansion of the transit capacity for finished products through Midia harbour, by building two new loading and offloading berths, Berth 9B and Berth 9C. In 2012 Rompetrol Rafinare SA completed the extensive process of modernization that allowed expanding refining capacity to 5 million tons/year and efficient production and focus on the petroleum products required by the market.

Petromidia Refinery continued its production process optimization programs (i.e. increase of processing capacity alongside increased production performance of valuable products yields; reduce technological loss, crude diet optimization; constant supply of the crude, alternative and other feedstock; downstream Units operation optimization; mitigation of slowdown/shutdown/ unplanned events) and operating costs optimization (energy efficiency and processing cost reduction), programs successfully continued until present days.

The company employs best practices for attracting, retaining and motivating its employees, who are the principal contributors to the development of the Group. The company is fully committed to its responsibilities for their development and for the communities in which it operates.

In 2020 Vega Refinery celebrated 115 years of activity, being an important landmark in the Romanian energy sector. In 2024, the Petromidia Refinery celebrated 45 years of activity, the period in which it grew up becoming the largest profile unit in Romania and one of the most modern in the Black Sea region.

The number of employees of Rompetrol Rafinare S.A. and its subsidiaries at the end of June 2025 was 1,916.



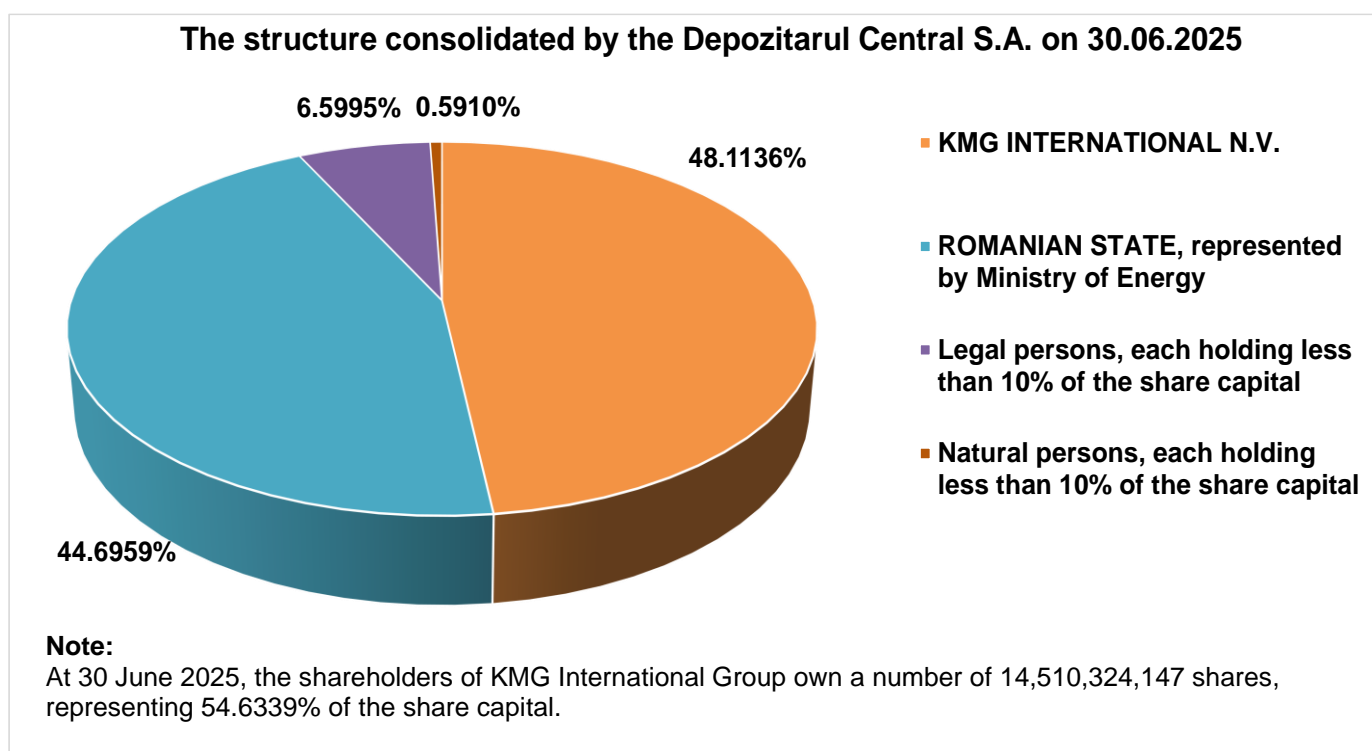
COMPANY SHARES AND LISTING

Since April 7, 2004, the Company's shares are traded on the regulated market administrated by the Bucharest Stock Exchange SA ("BVB") under the symbol "RRC" and ISIN code ROPTRMACNOR5.

The Company's shares are traded on BVB Standard category. On 30.06.2025, the total number of shares issued by the Issuer is 26,559,205,726, representing a total share capital of 2,655,920,572.60 lei. The Company's shares are common, nominative, dematerialized, and the shareholder's register is held by the DEPOZITARUL CENTRAL S.A. Bucuresti, as an independent register, authorized by the Financial Supervisory Authority.

ROMPETROL RAFINARE SHAREHOLDERS STRUCTURE

The structure of the Company's significant shareholders is presented in the following graph:



CORPORATE GOVERNANCE

In 2025, Rompetrol Rafinare continued the process of implementing good corporate governance practices so that the internal practices correspond qualitatively to the new requirements in respect of companies admitted to trading at BVB.



PRESENTATION OF THE COMPANY'S ADMINISTRATORS

The Board of Directors is responsible for fulfilling all the measures necessary for the development of the Company's activity, as well as for supervising the activity. Its composition, organization, attributions and responsibilities are established by the Articles of Incorporation of the Company, available on our website (<https://rompetrol-rafinare.kmginternational.com/>, Investor Relations / Corporate Governance section, Corporate Governance Documents subsection).

At the date of the preparation of this Report, the structure of the Board of Directors was as follows:

- **Yedil Utekov**, citizen of the state of Kazakhstan, Chairman of the Board of Directors;
- **Tamila Mikulich**, citizen of the state of Ukraine, member of the Board of Directors;
- **Erik Sagiyeu**, citizen of the state of Kazakhstan, member of the Board of Directors;
- **Constantin Saragea**, Romanian citizen, member of the Board of Directors;
- **Nicolae Bogdan Codruț Stănescu**, Romanian citizen, member of the Board of Directors;
- **Bogdan-Cătălin Steriopol**, Romanian citizen, member of the Board of Directors;
- **Adrian Tohănean**, Romanian citizen, member of the Board of Directors.

Advisory committees

In its activity, the Board of Directors is supported by two advisory committees, namely: the Audit Committee and the Strategy Committee, being responsible for conducting analyses and developing recommendations for the Board of Directors, in specific areas, having the obligation to submit periodically activity reports to the members of the Board of Directors.

Audit Advisory Committee

The Committee was set up on the basis of Decision no. 1 of the Board of Directors of April 13, 2018.

Strategy Advisory Committee

The Committee was set up on the basis of Decision no. 4 of the Board of Directors of March 20, 2019.

The detailed presentation of the attributions and responsibilities of the Advisory Committees can be found in the Organization and functioning Regulations approved by the Board of Directors, regulations published on the Company's website <https://rompetrol-rafinare.kmginternational.com/>, section Investor Relations - Corporate Governance - Corporate Governance Documents.

INVESTOR RELATIONS CONTACT

The annual, semi-annual and quarterly reports are made available to shareholders upon request. Requests may be submitted electronically, via e-mail at:

Investor.Relations.RRC@rompetrol.com.



FINANCIAL HIGHLIGHTS – CONSOLIDATED

	H1 2025	H1 2024	%	H1 2025	H1 2024	%
Financial	USD	USD		RON	RON	
Gross Revenues	2,799,494,022	2,113,346,130	32%	12,129,927,648	9,156,917,447	32%
Net Revenues	2,067,728,166	1,583,480,138	31%	8,959,259,370	6,861,061,090	31%
EBITDA	77,586,067	44,922,722	73%	336,172,670	194,645,662	73%
EBITDA margin	3.8%	2.8%		3.8%	2.8%	
EBIT	24,753,831	(22,933,701)	N/A	107,255,873	(99,369,432)	N/A
Net profit / (loss)	(53,189,115)	(75,171,660)	-29%	(230,463,117)	(325,711,285)	-29%
Net profit / (loss) margin	-2.6%	-4.7%		-2.6%	-4.7%	

Rompetrol Rafinare S.A. consolidated gross revenues reached USD 2.8 billion for the first 6 months of 2025, higher by 32% as against same period last year. The 2024 reference period was influenced by the scheduled two-month general turnaround of Petromidia refinery.

The results have been supported by an increase in the volume of processed raw materials and of the petroleum products sold, as well as by the increase in net refining margin (26.5 USD/to in H1 2025 as against 19.7 USD/to in H1 2024).

ECONOMIC ENVIRONMENT*

		H1 2025	H1 2024	%
Brent Dated	USD/bbl	71.9	84.1	-15%
CPC Blend CIF	USD/bbl	68.3	80.4	-15%
Brent-CPC Differential	USD/bbl	3.6	3.7	-2%
Premium Unleaded 10 ppm FOB Med	USD/ton	700	846	-17%
Diesel ULSD 10 ppm FOB Med	USD/ton	663	793	-16%
RON/USD Average exchange rate		4.58	4.60	0%
RON/USD Closing exchange rate		4.33	4.65	-7%
RON/EURO Average exchange rate		5.00	4.97	1%
RON/EURO Closing exchange rate		5.08	4.98	2%
USD/EURO Closing rate		1.17	1.07	9%
Inflation in Romania**		3.08%	2.57%	20%

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

In H1 2025 the average price of **Dated Brent** crude oil was at 71.9 \$/bbl., reflecting a decline of 12.2 \$/bbl. (-15%) for the first 6 months of 2025 compared to the same period in 2024.

Similarly, the average **CPC** crude quotation was 68.3 \$/bbl. for H1 2025, representing a drop of 12.1 \$/bbl. (-15%) year-on-year.



In January, Dated Brent price increased from 76 to 83\$/bbl. This increase was 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.

In Q2 2025, Brent continued to decline, reaching a four-year low of around 60 USD/bbl. in early May. The fall was caused by a combination of higher OPEC+ output, renewed global trade uncertainty, and weaker demand projections. From mid-June, the market experienced a partial recovery with Brent prices rising about 33% to approximately 80\$/bbl. due to amplified Middle East tensions, tighter U.S. crude inventories, stronger U.S. demand, and optimism in U.S. - China trade talks.

Despite this recovery, the extensive outlook remains cautious. Forecasts from Morgan Stanley and Barclays point to a potential return to oversupply, tempered demand and Brent prices at 60\$/bbl. by early next year.

European refinery margins decreased by 23.2 \$/MT (-25.9%) for H1 2025 compared to the same period in 2024, and settled at an average of 66.6 \$/MT.

European refinery margins displayed a volatile pattern throughout the first half of 2025.

Early in the year, margins rose steadily until mid-February, supported by strong cracks for diesel and gasoline, seasonal winter demand, and reduced product availability due to maintenance shutdowns. A second upward phase occurred from early April to mid-May, driven by solid gasoline crack spreads and lower crude oil prices.

Mid-Q2, margins came under pressure due to increased refinery activity, weaker diesel demand, and growing competition from product exports out of Asia and the Middle East.

By late June, margins began to recover, influenced by stronger demand for gasoline and jet fuel, combined with tighter product supply across the region.

Gasoline cracks remained one of the most resilient elements throughout H1 2025. They 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. In Q2, cracks remained firm in the early weeks driven by seasonal factors and export demand. However, mid-quarter saw a decline due to stock builds and reduced arbitrage opportunities. By June cracks stabilized again, supported by increased consumption during the peak driving season.

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. Diesel cracks remained weak throughout Q2, pressured by high imports, soft industrial demand, and macroeconomic uncertainty. Minor support emerged in late June from improved inland demand and tighter supply, but levels stayed low.

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. Jet cracks were stable in early Q2, supported by seasonal travel. They softened mid-quarter amid global oversupply - especially from the Middle East and India - but recovered slightly by end of June as summer air traffic increased and supply segment eased.

Looking ahead, European refining margins will face continued pressure in H2 2025 from weak diesel, global oversupply, and economic uncertainty. While gasoline and jet demand may offer seasonal support, margins are likely to remain volatile, with limited positive aspect unless supply tightens, or macroeconomic conditions improve.

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. At the beginning of May 2025, the RON/EUR exchange rate jumped over the threshold of 5 RON/EUR and averaged in Q2 2025 at the level of 5.0317, reflecting the very high uncertainties triggered worldwide and on the international financial market.

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). For Q2 2025, the RON/USD exchange rate saw a reversed trend and strengthened significantly with an average of 4.4385 and 6 months minimum of 4.3254 reached at the end of the quarter on June 26, 2025.

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



REFINING SEGMENT

		H1 2025	H1 2024	%	H1 2025	H1 2024	%
Financial		USD	USD		RON	RON	
Gross Revenues	USD/RON	2,381,507,455	1,733,855,652	37%	10,318,833,652	7,512,623,155	37%
Net Revenues	USD/RON	1,775,290,301	1,312,442,302	35%	7,692,155,345	5,686,681,251	35%
EBITDA	USD/RON	61,239,054	33,890,150	81%	265,342,697	146,842,631	81%
EBITDA margin	%	3.4%	2.6%		3.4%	2.6%	
EBIT	USD/RON	24,325,058	(2,600,434)	N/A	105,398,044	(11,267,420)	N/A
Net profit / (loss)	USD/RON	(48,907,832)	(47,326,517)	3%	(211,912,745)	(205,061,065)	3%
Net profit / (loss) margin	%	-2.8%	-3.6%		-2.8%	-3.6%	
Gross cash refinery margin/ton (Petromidia)	USD/(RON)/ton	69.4	79.4	-13%	300.9	344.1	-13%
Gross cash refinery margin/bbl (Petromidia)	USD/(RON)/bbl	9.6	10.9	-13%	41.4	47.4	-13%
Net cash refinery margin/ton (Petromidia)	USD/(RON)/ton	26.5	19.7	34%	114.6	85.4	34%
Net cash refinery margin/bbl (Petromidia)	USD/(RON)/bbl	3.6	2.7	34%	15.8	11.8	34%
Operational							
Feedstock processed in Petromidia refinery	thousand tons	2,789	1,731	61%			
Feedstock processed in Vega refinery	thousand tons	181	117	54%			
Gasoline produced	thousand tons	845	421	101%			
Diesel & jet fuel produced	thousand tons	1,443	966	49%			
Motor fuels sales - domestic	thousand tons	1,210	973	24%			
Motor fuels sales - export	thousand tons	963	361	167%			
Export	%	44%	27%				
Domestic	%	56%	73%				

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 2.3 billion in H1 2025, showing a 37% increase as against same period last year, as a result of an increase in sales volume levels.

Regarding the first half of 2025, the total throughput for Petromidia refinery was 2.79 million tons, up by 61% compared to the first half of 2024, based on crude availability and constant and continue units' operation. This significant increase reflects the impact of the scheduled general turnaround carried out in H1 2024, which led to approximately two months of halted operations.

In H1 2025 the refining capacity utilization in Petromidia refinery was 95.52%, reflecting optimal crude availability, continuous high-capacity operation and strong market demand.

Petromidia refinery managed to achieve in H1 2025 a very good refining operational performance for the main operational parameters, such as:

- **White finished products yield** of 87.7%wt, exceeding the previous year by **0.7 percentage points**. This was supported by using lighter crude oil and the consumption of unfinished product stock accumulated at the start of the year;
- **Jet Fuel Production** set a record with **277 thousand tons** produced in H1 2025, representing **10.5%** of total crude processed – an increase of **153 thousand tons** compared to H1 2024. The refinery achieved a monthly record in **May 2025** with **50.6 thousand tons** of jet fuel produced. This performance was driven by increased Jet Fuel demand and strategic adjustments to maximize Jet production;
- **Technological loss** of 0.85%wt, reflecting stable operations and process control;
- **Energy Intensity Index (EII)** recorded a new low of 92.6%, an improvement of **15 points** versus the same period last year. This performance underlines the refinery's continued focus on energy efficiency and process optimization.

In respect of Vega refinery (the only domestic producer of bitumen and hexane), the total throughput was 180,575 tons in H1 2025, higher by 53.77%, compared with the same period last year when the total throughput was 117,434 tons for the first 6 months of 2024.

In the first 6 months of 2025 the refining capacity utilization for Vega refinery was higher by 59.57% compared with the same period last year.

Vega refinery also managed to achieve in H1 2025 good refining performance results, of which the following are emphasized:

- **Technological loss** of 0.69%;
- **Energy consumption** of 2.65 GJ/t.

The financial results of the refining segment have been supported by an increase in the volume of processed raw materials and of the petroleum products sold, as well as by the increase in net refining margin (26.5 USD/to in H1 2025 as against 19.7 USD/to in H1 2024).

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 771 million in H1 2025.



PETROCHEMICALS SEGMENT

		H1 2025	H1 2024	%	H1 2025	H1 2024	%
Financial		USD	USD		RON	RON	
Revenues	USD/RON	45,848,485	34,119,299	34%	198,656,901	147,835,511	34%
EBITDA	USD/RON	(29,701,250)	(23,932,396)	24%	(128,692,546)	(103,696,679)	24%
EBIT	USD/RON	(27,473,616)	(29,436,708)	-7%	(119,040,430)	(127,546,312)	-7%
Net profit / (loss)	USD/RON	(14,106,523)	(29,021,895)	-51%	(61,122,152)	(125,748,968)	-51%
Operational							
Propylene processed	thousand tons	40	33	18%			
Ethylene processed	thousand tons	13	-	N/A			
Total polymers production	thousand tons	40	24	63%			
Sold from own production	thousand tons	41	31	35%			
Sold from trading	thousand tons	-	0.0	N/A			
Total sold	thousand tons	41	31	35%			
Export	%	42%	44%				
Domestic	%	58%	56%				

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

The polypropylene (PP) plant operates using raw material produced and supplied internally by the Petromidia refinery, while the low-density polyethylene (LDPE) plant relies on imported ethylene.

In H1 2025 the total production of polymers in petrochemical division was 40 thousand tons, a significant increase compared to H1 2024 when it produced 24 thousand tons.

The increase in total polymer production in the petrochemical segment was mainly caused by the continuous operation of both the PP and LDPE units. The LDPE unit was successfully restarted on April 30, 2025, contributing to the improved output in Q2.

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.



MARKETING SEGMENT

		H1 2025	H1 2024	%	H1 2025	H1 2024	%
Financial		USD	USD		RON	RON	
Gross Revenues	USD/RON	1,649,734,876	1,545,228,268	7%	7,148,136,244	6,695,319,562	7%
EBITDA	USD/RON	46,422,888	39,634,743	17%	201,145,731	171,733,378	17%
EBIT	USD/RON	29,819,761	15,275,797	95%	129,206,042	66,188,501	95%
Net profit / (loss)	USD/RON	12,988,951	7,381,853	76%	56,279,826	31,984,830	76%
Operational							
Fuels quantities sold in retail	thousand tons	553	578	-4%			
Fuels quantities sold in wholesale	thousand tons	349	263	33%			
LPG quantities sold	thousand tons	133	94	41%			

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

In H1 2025 the marketing segment had a turnover of USD 1.65 billion, higher by 7% as against same period last year, mainly due to the increase in quantities sold. A significant increase in wholesale sales can be observed, by 33% in H1 2025 compared to H1 2024, and a slight decrease in retail sales, of only -4% in H1 2025, compared to similar period of last year.

The decrease in retail sales volumes is partly attributed to a general decline in fuel demand. Meanwhile, the substantial increase in volumes sold on wholesale sales channels highlights Rompetrol's strategic effort to strengthen its market position.

Regarding the financial indicator EBITDA, it increased by 17% in H1 2025 compared to the same period last year. This significant increase in EBITDA compared to the increase in turnover (+7%) suggests increased operational efficiency and better management of direct and indirect costs. Among the most important factors that contributed to the positive variation in EBITDA are the increase in sales and profitability of non-petroleum products sold at fuel distribution stations, the increase in volumes sold through wholesale channels and the increase in the profitability of volumes sold through retail sales channels.

Overall, the distribution segment delivered a positive performance in the first half of 2025, with significant improvements in profitability, despite a moderate increase in turnover.

At the end of June 2025, Rompetrol Downstream's distribution segment contained 1,202 operative points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.



APPENDIX 1 – CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2025, UNAUDITED

	H1 2025	H1 2024	%	H1 2025	H1 2024	%
	USD	USD		RON	RON	
Gross Revenues	2,799,494,022	2,113,346,130	32%	12,129,927,648	9,156,917,447	32%
Sales taxes and discounts	(731,765,856)	(529,865,992)	38%	(3,170,668,278)	(2,295,856,357)	38%
Net revenues	2,067,728,166	1,583,480,138	31%	8,959,259,370	6,861,061,090	31%
Cost of sales	(1,897,725,474)	(1,428,146,472)	33%	(8,222,654,706)	(6,188,015,849)	33%
Gross margin	170,002,692	155,333,666	9%	736,604,664	673,045,241	9%
Selling, general and administration	(148,530,932)	(176,595,800)	-16%	(643,569,675)	(765,171,941)	-16%
Other operating income	32,665,156	17,360,477	88%	141,534,854	75,221,211	88%
Other operating expenses	(29,383,085)	(19,032,044)	54%	(127,313,970)	(82,463,943)	54%
EBIT	24,753,831	(22,933,701)	N/A	107,255,873	(99,369,432)	N/A
Finance, net	(39,293,740)	(49,943,877)	-21%	(170,255,846)	(216,401,825)	-21%
Unrealized net foreign exchange (losses)/gains	(48,282,680)	4,025,912	N/A	(209,204,023)	17,443,874	N/A
Realized net foreign exchange (losses)/gains	14,475,006	(283,040)	N/A	62,718,753	(1,226,384)	N/A
EBT	(48,347,583)	(69,134,706)	-30%	(209,485,243)	(299,553,767)	-30%
Income tax	(4,841,532)	(6,036,954)	-20%	(20,977,874)	(26,157,518)	-20%
Net result	(53,189,115)	(75,171,660)	-29%	(230,463,117)	(325,711,285)	-29%
EBITDA	77,586,067	44,922,722	73%	336,172,670	194,645,662	73%



APPENDIX 2 – CONSOLIDATED BALANCE SHEET JUNE 30, 2025, UNAUDITED

	30 June 2025	31 December 2024	%	30 June 2025	31 December 2024	%
	USD	USD		RON	RON	
Assets						
Non-current assets						
Intangible assets	17,726,823	17,333,185	2%	76,808,551	75,102,957	2%
Goodwill	82,871,706	82,871,706	0%	359,074,815	359,074,815	0%
Property, plant and equipment	848,939,629	891,996,177	-5%	3,678,370,518	3,864,930,235	-5%
Right of use assets	272,932,580	276,551,758	-1%	1,182,589,576	1,198,271,112	-1%
Financial assets and other	16,201,890	7,838,702	107%	70,201,169	33,964,312	107%
Deferred tax asset	21,306,903	21,306,903	0%	92,320,680	92,320,680	0%
Total Non Current Assets	1,259,979,531	1,297,898,431	-3%	5,459,365,309	5,623,664,111	-3%
Current assets						
Inventories	287,728,501	428,898,189	-33%	1,246,698,822	1,858,372,963	-33%
Trade and other receivables	726,743,112	518,697,141	40%	3,148,905,230	2,247,462,842	40%
Derivative financial Instruments	3,076,059	-	N/A	13,328,256	-	N/A
Cash and cash equivalents	211,671,619	94,030,970	125%	917,151,958	407,426,790	125%
Total current assets	1,229,219,291	1,041,626,300	18%	5,326,084,266	4,513,262,595	18%
Total assets	2,489,198,822	2,339,524,731	6%	10,785,449,575	10,136,926,706	6%
Equity and liabilities						
Total Equity	158,110,861	216,929,247	-27%	685,078,549	939,932,735	-27%
Non-current liabilities						
Long-term debt	-	275,900,000	N/A	-	1,195,447,110	N/A
Provisions	114,506,094	110,055,666	4%	496,143,454	476,860,195	4%
Obligations under lease agreements	294,694,045	268,112,687	10%	1,276,879,828	1,161,705,462	10%
Other	21,171,612	16,329,235	30%	91,734,477	70,752,942	30%
Total non-current liabilities	430,371,751	670,397,588	-36%	1,864,757,759	2,904,765,709	-36%
Current Liabilities						
Trade and other payables	1,502,937,202	1,326,932,258	13%	6,512,076,604	5,749,464,780	13%
Contract liabilities	55,843,732	62,467,369	-11%	241,965,306	270,664,863	-11%
Derivative financial instruments	9,523,904	4,519,724	111%	41,266,124	19,583,512	111%
Obligations under lease agreements	11,244,744	9,797,590	15%	48,722,351	42,451,978	15%
Short-term debt	317,848,415	45,838,959	593%	1,377,205,397	198,615,625	593%
Profit tax payable	3,318,213	2,641,996	26%	14,377,485	11,447,504	26%
Total current liabilities	1,900,716,210	1,452,197,896	31%	8,235,613,267	6,292,228,262	31%
Total equity and liabilities	2,489,198,822	2,339,524,731	6%	10,785,449,575	10,136,926,706	6%

**RISK MANAGEMENT**

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 and to develop a culture of risk awareness where all stakeholders proactively contribute to protect Group's financial results from market volatility, to minimize future losses and optimize returns to maximize shareholder value.

Crisis Scenarios have been developed and implemented at all levels and close monitoring of the situations have been performed. The primary focus was to ensure health and safety of all our employees, but also multiple measures were taken to ensure business continuity: cost optimization, adapting the production and sales to the new environment, proper cash management and balance of receivables and payables to ensure proper liquidity and business functioning.

INTEREST RATE RISK

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

FOREIGN EXCHANGE RISK

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

LIQUIDITY AND CASH FLOW RISKS

The liquidity risk consists in not having financial resources available to fulfil company obligations when they are due. Based on the forecasted cash flow, the management of the company checks daily the liquidity level and ensures the fulfilment of obligations to suppliers, to the state budget, to the local tax authorities etc. according to their maturity. The current and immediate liquidity ratios are monitored permanently.

One of the concerns of the management of Rompetrol Rafinare is to know the effects of all these risks to ensure that the economic-financial activity of the company is carried out without any problems. Rompetrol Rafinare is part of the cash pooling facility of the KMG International Group and therefore can cover unexpected cash outflows by drawing from the facility.

Liquidity faced challenges in 2025, stemming from heightened fiscal pressures and shifts in fiscal regulations, but proper cash management measures were implemented both in operational and financial areas.

The risk is managed through financial processes, cash-flow projections, and stress tests, maintaining a sufficient cash buffer, regular reviews of market conditions and our planning and investment processes.

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 Group is exposed to credit risk. Overdue customer receivables are regularly monitored. The requirement for impairment is analysed on a regular basis, being undertaken on an individual basis as well as collectively based on ageing.

- *Financial instruments 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.

COMMODITY PRICE RISK

The Group is affected by the volatility of crude oil, oil product and refinery margin prices. 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, 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 raw materials and petroleum products 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) is 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 effective transactions (purchase of raw materials and sales of petroleum to third parties or Intercompany) and paper trades (for economic hedging purposes). Each physical effective 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 based on the current position at that particular moment. 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. For the current year, the Company has covered the certificate requirements. 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 is within the target level of the Group, hedge operations will be carried on.

OPERATIONAL RISK

The operational risk derives from the possibility that accidents, errors, malfunctions may occur, as well as from the influences of the environment upon the operating and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, as well as eliminating the accidental shutdowns in the industrial process. Also, the Company is preoccupied with maintaining and improving the quality-environment-safety integrated system on a constant basis, aiming to improve the organizational image, by complying with the requirements on quality, environmental protection, and work safety, by improving the relationship with the authorities and with the socio-economic society, by limiting the civil and criminal liability and by meeting the legal requirements for quality-environment-security.

The management system establishes clear rules and principles which govern key risk management activities such as inspections, maintenance, testing and trainings, business continuity and crisis response planning. Security risks



affecting our people and operations are kept as well under close monitoring by specialized departments. The company took significant measures to strengthen existing security and safety controls on all layers.

Environmental risks are strictly monitored, and a special emphasis is given to environment protection activities. The Group is committed to comply with all environmental laws and regulations. Ensuring compliance with environmental obligations put a lot of pressure under the Group's risk profile. To mitigate this risk, the group made a series of investments to ensure integrity of our technical equipment and compliance with environmental limits and put in place complex projects.

In 2025, no major incidents were reported in these areas. However, given the inherently high-risk nature of the Group's operations, management of these risks remains a top priority.

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.

Rompetrol's Code of Ethics and Conduct 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. Rompetrol's employees undergo regular professional trainings, trainings on ethical standards and anti-corruption conduct.

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 endorsement 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.

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.

Company is monitoring very closely the current situation and developments of sanctions and related restrictions applied to Russian environment by relevant international stakeholders and regularly conduct a risk assessment on this basis. Company is in constant dialogue with our customers and suppliers in the region and stay in connection with competent authorities to identify any potential impact of issued sanctions on its business and supply chains 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.

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 several 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.

Consequently, efforts to strengthen the Group's cybersecurity capabilities continued throughout 2025. This involved the implementation of appropriate systems, an increase in the allocation of human resources dedicated to monitoring cybersecurity threats, enhancements to procedural frameworks and controls, and additional training and communication for employees. Our cybersecurity initiatives are closely supervised to ensure the confidentiality, integrity, and availability of data. Moreover, the Group remains committed to continuously educating employees and partners about cybersecurity risks and providing support to promote responsible cyber behavior.

SUPPLY CHAIN AND LOGISTICS RELATED RISKS

The Group's operations depend on efficient supply procurement, streamlined production, and timely product distribution. Macroeconomic fluctuations and rising costs have significantly impacted supply expenses, making this an important risk factor, with some key suppliers increasing costs for their products and services, while the utilities prices have stabilized to a certain extent.

To mitigate these risks, the company has implemented strategies to secure alternative supply sources with minimal financial impact, improving flexibility in production processes and strengthening relationships with key logistics partners. A rolling investment budget has been allocated to strengthen supply chain infrastructure, including storage, measurement, and transportation facilities.

Geopolitical tensions in Ukraine and the Black Sea region continue to pressure logistics, insurance costs, and crude oil supply availability. Despite these challenges, the Group has successfully sourced alternative crude oil grades, maintaining refinery operations and mitigating margin impacts.

STRATEGIC RISK

➤ Macroeconomic and Geopolitical Risks

The Group is exposed to a range of economic and political uncertainties that can affect its strategic decisions and operational stability. Factors such as geopolitical conflicts, inflation, high interest rates, regulatory changes, and technological advancements influence market demand, trade flows, and investment opportunities. The company closely monitors both internal and external developments to anticipate and mitigate potential disruptions.



The ongoing war in Ukraine and its broader socioeconomic consequences, political evolutions, combined with a slowdown in global economic growth due to inflation, strict monetary policies, and tighter credit conditions, present significant challenges. Persistent inflation and increased default risks further complicate financial stability. Additionally, Romania's fiscal instability and shifting regulatory framework create uncertainties that can directly impact the company's financial health and strategic planning. Unpredictable fiscal policies and excessive tax burdens increase operational risks, necessitating a reassessment of financial and investment strategies, tax risk being an important factor to consider.

Geopolitical instability continues to impact global trade and supply chains, potentially triggering economic downturns, increased inflation, higher interest rates, reduced consumer spending, and restricted access to credit. There is also the risk of energy crises, escalating utility costs, and social unrest, all of which could disrupt business activities. The imposition of international sanctions and trade embargoes further complicates supply chain management and operational continuity.

To manage these risks, the Group regularly assesses country-specific risks when considering receivables management, or partnerships with key stakeholders. Given the company's reliance on various service providers, strict oversight is maintained over strategic collaborations. Diversification strategies are actively explored to reduce exposure to single markets or suppliers. Additionally, business forecasts and cash flow projections are frequently updated, allowing for flexible adjustments to investment priorities in response to economic and geopolitical developments.

➤ **Climate change and decarbonization risks**

The transition to a low-carbon economy presents both risks and opportunities for the oil and gas industry. Growing regulatory pressures, evolving consumer preferences, and global sustainability initiatives require a strategic shift in business operations. The Group recognizes the importance of integrating climate risk management into its broader risk framework to ensure resilience amid these changes.

A dynamic regulatory environment at both global and local levels necessitates proactive risk management. The company has implemented ESG risk frameworks to identify material climate-related risks and has initiated action plans to address gaps in its current approach. Regulatory changes, particularly those aimed at reducing carbon emissions, are expected to impact business operations significantly. As demand for fossil fuels declines due to shifting consumer behavior and policy incentives for cleaner energy sources, potential revenue reductions and investment risks must be carefully managed.

Beyond transition risks, the physical impacts of climate change also pose operational challenges. Initial assessments indicate moderate effects on business continuity, necessitating mitigation strategies. The Group has developed a comprehensive Decarbonization Strategy that outlines economically viable pathways to reduce emissions while maintaining business growth. This strategy is integral to the company's long-term planning as it navigates the complexities of an evolving energy landscape.

By closely monitoring economic, geopolitical, and environmental risks, the Group remains committed to adapting its strategies to safeguard business continuity and drive sustainable growth in an increasingly uncertain global environment.

SUBSEQUENT EVENTS

Rompetrol Rafinare S.A credit facility in amount of up to EUR 30 million granted by Banca Transilvania was extended until July 26, 2026.

Rompetrol Rafinare S.A credit facility in amount of up to EURO 27,96 million granted by Banca Transilvania was extended until July 26, 2026.



Facility Agreement A in amount of USD 275.9 million granted by a consortium of banks, meaning Banca Comerciala Romana S.A. (BCR), ING Bank N.V Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., UniCredit Bank S.A., Alpha Bank Romania S.A., Garanti Bank S.A., Banca Transilvania S.A. (takeover from OTP Bank Romania S.A.) and Intesa Sanpaolo Group through its subsidiaries Banca Comerciala Intesa Sanpaolo Romania and VUB A.S. was extended until April 13, 2027.

On July 29, 2025, the Company received from the National Agency for Fiscal Administration (ANAF-DGAMC) the Decision to amend the deferral of tax payment decision, through which Rompetrol Rafinare was granted a deferral of tax obligations in the total amount of RON 505.6 million for a period of 58 months. This decision amends the initial deferral decision received by the Company in May 2025, which covered tax obligations amounting to RON 26 million. The tax deferral agreement is secured by bank guarantee letters totaling RON 507.3 million, valid until December 31, 2030, issued by the following banks: Alpha Bank Romania S.A., ING Bank N.V. Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., and Garanti Bank S.A.

**Note:**

The Board of Directors Report was prepared based on the unaudited consolidated financial statements.

The functional currency, as basis for preparing the financial statements, is USD. RON currency is used as currency for presenting the informations in USD, according to the International Financial Reporting Standards. All the RON information were obtained by multiplying the USD values with the exchange rate USD/RON = 4.3329 as of 30 June 2025.

BOARD OF DIRECTORS:

**Chairman of the Board of Directors
of ROMPETROL RAFINARE S.A.**

YEDIL UTEKOV

General Manager

Sorin Graure

Finanace Manger

Alexandru Stavarache

ROMPETROL RAFINARE SA

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

30 JUNE 2025

ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ENDORSED BY THE EUROPEAN UNION (EU) AS AT 30 JUNE 2025

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ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

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

	Notes	June 30, 2025 USD	December 31, 2024 USD	June 30, 2025 RON (supplementary info – see Note 2(e))	December 31, 2024 RON
Intangible assets	3	17,726,823	17,333,185	76,808,551	75,102,957
Goodwill	4	82,871,706	82,871,706	359,074,815	359,074,815
Property, plant and equipment	5	848,939,629	891,996,177	3,678,370,518	3,864,930,235
Right of use Assets	7	272,932,580	276,551,758	1,182,589,576	1,198,271,112
Long-term receivable		16,201,890	7,838,702	70,201,169	33,964,312
Deferred tax asset	15	21,306,903	21,306,903	92,320,680	92,320,680
Total non current assets		1,259,979,531	1,297,898,431	5,459,365,309	5,623,664,111
Inventories, net	9	287,728,501	428,898,189	1,246,698,822	1,858,372,963
Trade and other receivables	10	726,743,112	518,697,141	3,148,905,230	2,247,462,842
Derivative financial instruments	32.5	3,076,059	-	13,328,256	-
Cash and cash equivalents	11	211,671,619	94,030,970	917,151,958	407,426,790
Total current assets		1,229,219,291	1,041,626,300	5,326,084,266	4,513,262,595
TOTAL ASSETS		2,489,198,822	2,339,524,731	10,785,449,575	10,136,926,706
Share capital	12	881,102,250	881,102,250	3,817,727,939	3,817,727,939
Share premium	12	74,050,518	74,050,518	320,853,489	320,853,489
Revaluation reserve, net	12	178,928,234	178,928,234	775,278,145	775,278,145
Other reserves	12	(15,886,686)	(10,257,415)	(68,835,422)	(44,444,353)
Other reserves - Hybrid loan	12	1,059,285,995	1,059,285,995	4,589,780,288	4,589,780,288
Effect of transfers with equity holders	12	(596,832,659)	(596,832,659)	(2,586,016,228)	(2,586,016,228)
Accumulated losses		(1,389,134,768)	(1,320,145,740)	(6,018,982,036)	(5,720,059,477)
Current year result		(55,175,409)	(68,989,028)	(239,069,530)	(298,922,559)
Equity attributable to equity holders of the parent		136,337,475	197,142,155	590,736,645	854,197,244
Non-Controlling interest		21,773,386	19,787,092	94,341,904	85,735,491
Total equity		158,110,861	216,929,247	685,078,549	939,932,735
Long-term borrowings from banks	13	-	275,900,000	-	1,195,447,110
Obligations under lease agreements	14	294,694,045	268,112,687	1,276,879,828	1,161,705,462
Deferred tax liabilities	15	16,176,318	16,176,318	70,090,368	70,090,368
Provisions	19	114,506,094	110,055,666	496,143,454	476,860,195
Other non-current liabilities		4,995,294	152,917	21,644,109	662,574
Total non-current liabilities		430,371,751	670,397,588	1,864,757,759	2,904,765,709
Trade and other payables	16	1,502,937,202	1,326,932,258	6,512,076,604	5,749,464,780
Contract liabilities	17	55,843,732	62,467,369	241,965,306	270,664,863
Derivative financial instruments	32.5	9,523,904	4,519,724	41,266,124	19,583,512
Obligations under lease agreements	14	11,244,744	9,797,590	48,722,351	42,451,978
Short-term borrowings from banks	18	317,848,415	45,838,959	1,377,205,397	198,615,625
Profit tax payable		3,318,213	2,641,996	14,377,485	11,447,504
Total current liabilities		1,900,716,210	1,452,197,896	8,235,613,267	6,292,228,262
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,489,198,822	2,339,524,731	10,785,449,575	10,136,926,706

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA**INTERIM CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2025**

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

	Notes	June 30, 2025 USD	June 30, 2024 USD	June 30, 2025 RON <i>(supplementary info – see Note 2(e))</i>	June 30, 2024 RON
Revenues from contracts with customers	20	2,067,728,166	1,583,480,138	8,959,259,370	6,861,061,090
Cost of sales	21	(1,897,725,474)	(1,428,146,472)	(8,222,654,706)	(6,188,015,849)
Gross profit		<u>170,002,692</u>	<u>155,333,666</u>	<u>736,604,664</u>	<u>673,045,241</u>
Selling, general and administrative expenses, including logistic costs	22	(148,530,932)	(176,595,800)	(643,569,675)	(765,171,941)
Other operating income	23	32,665,156	17,360,477	141,534,854	75,221,211
Other operating expenses	23	<u>(29,383,085)</u>	<u>(19,032,044)</u>	<u>(127,313,970)</u>	<u>(82,463,943)</u>
Operating (loss) / profit		<u>24,753,831</u>	<u>(22,933,701)</u>	<u>107,255,873</u>	<u>(99,369,432)</u>
Finance cost	24	(64,162,685)	(73,283,117)	(278,010,498)	(317,528,418)
Finance income	24	24,868,945	23,339,240	107,754,652	101,126,593
Foreign exchange (loss) /gain, net	24	(33,807,674)	3,742,872	(146,485,270)	16,217,490
(Loss)/Profit before income tax		<u>(48,347,583)</u>	<u>(69,134,706)</u>	<u>(209,485,243)</u>	<u>(299,553,767)</u>
Income tax credit/(charge)	25	<u>(4,841,532)</u>	<u>(6,036,954)</u>	<u>(20,977,874)</u>	<u>(26,157,518)</u>
(Loss)/Profit for the period		<u>(53,189,115)</u>	<u>(75,171,660)</u>	<u>(230,463,117)</u>	<u>(325,711,285)</u>
<i>Attributable to:</i>					
Equity holders of the parent		(55,175,409)	(75,327,240)	(239,069,530)	(326,385,398)
Non-Controlling interests		1,986,294	155,580	8,606,413	674,113
Earnings per share (US cents/share)					
Basic	28	(0.208)	(0.284)	(0.901)	(1.231)

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2025

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

	Notes	<u>June 30.</u> <u>2025</u> USD	<u>June 30.</u> <u>2024</u> USD	<u>June 30.</u> <u>2025</u> RON <i>(supplementary info – see Note 2(e))</i>	<u>June 30.</u> <u>2024</u> RON
(Loss)/Profit for the period		<u>(53,189,115)</u>	<u>(75,171,660)</u>	<u>(230,463,117)</u>	<u>(325,711,285)</u>
Other comprehensive income					
<i>Other comprehensive income to be reclassified to income statement in subsequent periods (net of tax):</i>					
Net gain/(loss) on cash flow hedges	32.5	(5,629,271)	11,359,490	(24,391,068)	49,219,534
Net other comprehensive income to be reclassified to income/(loss) statement in subsequent periods		<u>(5,629,271)</u>	<u>11,359,490</u>	<u>(24,391,068)</u>	<u>49,219,534</u>
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		<u>(5,629,271)</u>	<u>11,359,490</u>	<u>(24,391,068)</u>	<u>49,219,534</u>
Total comprehensive result for the period, net of tax		<u>(58,818,386)</u>	<u>(63,812,170)</u>	<u>(254,854,185)</u>	<u>(276,491,751)</u>
<i>Attributable to:</i>					
Equity holders of the parent		(60,804,680)	(63,967,750)	(263,460,598)	(277,165,864)
Non-Controlling interests		1,986,294	155,580	8,606,413	674,113
Total comprehensive result for the period		<u>(58,818,386)</u>	<u>(63,812,170)</u>	<u>(254,854,185)</u>	<u>(276,491,751)</u>

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025

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

	Notes	June 30, 2025 USD	June 30, 2024 USD	June 30, 2025 RON (supplementary info – see Note 2(e))	June 30, 2024 RON
(Loss)/Profit before income tax		<u>(48,347,583)</u>	<u>(69,134,706)</u>	<u>(209,485,243)</u>	<u>(299,553,767)</u>
<i>Adjustments for:</i>					
Depreciation and amortization of property, plant and equipment and intangibles assets	3,5	56,985,829	58,835,652	246,913,898	254,928,997
Depreciation of right-of-use assets	7	8,769,033	9,403,163	37,995,343	40,742,965
Provisions for receivables and inventories (incl write-off)	23	(8,080,563)	1,926,280	(35,012,271)	8,346,379
Impairment for property, plant and equipment (incl write-off)	23	(4,450,854)	(1,028)	(19,285,105)	(4,454)
Provision for environmental and other liabilities	19	69,718	-	302,081	-
Late payment interest	24	(439,762)	889,825	(1,905,445)	3,855,523
Other financial income	24	(953,731)	(248,441)	(4,132,421)	(1,076,470)
Unwinding of discount leasing	24	10,436,256	11,898,763	45,219,254	51,556,150
Interest income	24	(23,915,214)	(23,090,799)	(103,622,231)	(100,050,123)
Interest expense and bank charges		50,447,863	57,320,740	218,585,546	248,365,034
Adjustments for gain loss on disposals of property, plant and equipment	23	(662,659)	(172,757)	(2,871,235)	(748,539)
Unrealised foreign exchange (gain)/loss	24	48,282,680	(4,025,912)	209,204,024	(17,443,874)
Cash flows from operations before working capital changes		<u>88,141,013</u>	<u>43,600,780</u>	<u>381,906,195</u>	<u>188,917,821</u>
<i>Net working capital changes:</i>					
Receivables and prepayments		(68,388,037)	17,212,810	(296,318,526)	74,581,384
Inventories		150,034,724	(9,035,387)	650,085,456	(39,149,428)
Adjustments for increase (decrease) in trade and other payables and adjustments for increase (decrease) in contract liabilities		<u>27,267,442</u>	<u>(101,950,869)</u>	<u>118,147,100</u>	<u>(441,742,923)</u>
Change in working capital		<u>108,914,129</u>	<u>(93,773,446)</u>	<u>471,914,030</u>	<u>(406,310,967)</u>
Income tax paid		<u>(4,011,742)</u>	<u>(32,605,222)</u>	<u>(17,382,477)</u>	<u>(141,275,166)</u>
Net cash inflow from operating activities		<u>193,043,400</u>	<u>(82,777,888)</u>	<u>836,437,748</u>	<u>(358,668,312)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(10,507,187)	(125,324,127)	(45,526,592)	(543,016,910)
Purchase of intangible assets	3	(1,003,534)	(58,643)	(4,348,212)	(254,094)
Proceeds from sale of property, plant and equipment		2,263,577	(422,455)	9,807,853	(1,830,455)
Net cash (outflow) from investing activities		<u>(9,247,144)</u>	<u>(125,805,225)</u>	<u>(40,066,951)</u>	<u>(545,101,459)</u>
Cash flows from financing activities					
Cash flows from (used in) cash pooling, classified as financing activities	10,16	(19,180,674)	163,060,213	(83,107,942)	706,523,597
Long - term loans received from banks	18	-	10,000,000	-	43,329,000
Long - term loans repaid to banks	18	(275,900,000)	-	(1,195,447,110)	-
Proceeds from current borrowings from banks	18	336,748,709	57,969,317	1,459,098,481	251,175,254
Repayments of current borrowings from banks	18	(64,666,796)	(29,287,045)	(280,194,760)	(126,897,837)
Lease repayments	14	(16,551,740)	(18,037,510)	(71,717,034)	(78,154,727)
Interest and bank charges paid, net		<u>(26,605,106)</u>	<u>(34,605,709)</u>	<u>(115,277,264)</u>	<u>(149,943,077)</u>
Net cash inflow (outflow) from financing activities		<u>(66,155,607)</u>	<u>149,099,266</u>	<u>(286,645,629)</u>	<u>646,032,210</u>
Net increase (decrease) in cash and cash equivalents		<u>117,640,649</u>	<u>(59,483,847)</u>	<u>509,725,168</u>	<u>(257,737,561)</u>
Cash and cash equivalents at the beginning of the year		<u>94,030,970</u>	<u>155,955,200</u>	<u>407,426,790</u>	<u>675,738,286</u>
Cash and cash equivalents at the end of the period		<u>211,671,619</u>	<u>96,471,353</u>	<u>917,151,958</u>	<u>418,000,725</u>

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025

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

Amount in USD

	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated losses</u>	<u>Revaluation reserves</u>	<u>Deferred income tax related to revaluation, recognised in equity</u>	<u>Effect of transfers with equity holders</u>	<u>Other reserves</u>	<u>Equity attributable to equity holders of the parent</u>	<u>Non-Controlling interest</u>	<u>Total equity</u>
31 December 2023	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,366,853,176)</u>	<u>269,089,071</u>	<u>(43,453,402)</u>	<u>(596,832,659)</u>	<u>1,049,687,710</u>	<u>266,790,312</u>	<u>19,547,754</u>	<u>286,338,066</u>
Net loss for 2024	-	-	(75,327,240)	-	-	-	-	(75,327,240)	155,580	(75,171,660)
Hedging reserves	-	-	-	-	-	-	11,359,490	11,359,490	-	11,359,490
Total other comprehensive income	=	=	=	=	=	=	<u>11,359,490</u>	<u>11,359,490</u>	=	<u>11,359,490</u>
Total comprehensive income	=	=	<u>(75,327,240)</u>	=	=	=	<u>11,359,490</u>	<u>(63,967,750)</u>	<u>155,580</u>	<u>(63,812,170)</u>
30 June 2024	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,442,180,416)</u>	<u>269,089,071</u>	<u>(43,453,402)</u>	<u>(596,832,659)</u>	<u>1,061,047,200</u>	<u>202,822,562</u>	<u>19,703,334</u>	<u>222,525,896</u>
31 December 2024	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,389,134,768)</u>	<u>213,595,179</u>	<u>(34,666,945)</u>	<u>(596,832,659)</u>	<u>1,049,028,580</u>	<u>197,142,155</u>	<u>19,787,092</u>	<u>216,929,247</u>
Net loss for 2025	-	-	(55,175,409)	-	-	-	-	(55,175,409)	1,986,294	(53,189,115)
Hedging reserves	-	-	-	-	-	-	(5,629,271)	(5,629,271)	-	(5,629,271)
Total other comprehensive income	=	=	=	=	=	=	<u>(5,629,271)</u>	<u>(5,629,271)</u>	=	<u>(5,629,271)</u>
Total comprehensive income	=	=	<u>(55,175,409)</u>	=	=	=	<u>(5,629,271)</u>	<u>(60,804,680)</u>	<u>1,986,294</u>	<u>(58,818,386)</u>
30 June 2025	<u>881,102,250</u>	<u>74,050,518</u>	<u>(1,444,310,177)</u>	<u>213,595,179</u>	<u>(34,666,945)</u>	<u>(596,832,659)</u>	<u>1,043,399,309</u>	<u>136,337,475</u>	<u>21,773,386</u>	<u>158,110,861</u>

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

The accompanying notes from 1 to 33 are an integral part of these consolidated financial statements.

ROMPETROL RAFINARE SA
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025

(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))

	<u>Share capital</u>	<u>Share premium</u>	<u>Accumulated losses</u>	<u>Revaluation reserves</u>	<u>Deferred income tax related to revaluation, recognised in equity</u>	<u>Effect of transfers with equity holders</u>	<u>Other reserves</u>	<u>Equity attributable to equity holders of the parent</u>	<u>Non-Controlling interest</u>	<u>Total equity</u>
31 December 2023	<u>3,817,727,939</u>	<u>320,853,489</u>	<u>(5,922,438,126)</u>	<u>1,165,936,036</u>	<u>(188,279,246)</u>	<u>(2,586,016,228)</u>	<u>4,548,191,879</u>	<u>1,155,975,743</u>	<u>84,698,463</u>	<u>1,240,674,206</u>
Net loss for 2024	-	-	(326,385,398)	-	-	-	-	(326,385,398)	674,113	(325,711,285)
Hedging reserves	-	-	-	-	-	-	49,219,534	49,219,534	-	49,219,534
Total other comprehensive income	=	=	=	=	=	=	<u>49,219,534</u>	<u>49,219,534</u>	=	<u>49,219,534</u>
Total comprehensive income	=	=	<u>(326,385,398)</u>	=	=	=	<u>49,219,534</u>	<u>(277,165,864)</u>	<u>674,113</u>	<u>(276,491,751)</u>
30 June 2024	<u>3,817,727,939</u>	<u>320,853,489</u>	<u>(6,248,823,524)</u>	<u>1,165,936,036</u>	<u>(188,279,246)</u>	<u>(2,586,016,228)</u>	<u>4,597,411,413</u>	<u>878,809,879</u>	<u>85,372,576</u>	<u>964,182,455</u>
31 December 2024	<u>3,817,727,939</u>	<u>320,853,489</u>	<u>(6,018,982,036)</u>	<u>925,486,551</u>	<u>(150,208,406)</u>	<u>(2,586,016,228)</u>	<u>4,545,335,935</u>	<u>854,197,244</u>	<u>85,735,491</u>	<u>939,932,735</u>
Net loss for 2025	-	-	(239,069,530)	-	-	-	-	(239,069,530)	8,606,413	(230,463,117)
Hedging reserves	-	-	-	-	-	-	(24,391,068)	(24,391,068)	-	(24,391,068)
Total other comprehensive income	=	=	=	=	=	=	<u>(24,391,068)</u>	<u>(24,391,068)</u>	=	<u>(24,391,068)</u>
Total comprehensive income	=	=	<u>(239,069,530)</u>	=	=	=	<u>(24,391,068)</u>	<u>(263,460,598)</u>	<u>8,606,413</u>	<u>(254,854,185)</u>
30 June 2025	<u>3,817,727,939</u>	<u>320,853,489</u>	<u>(6,258,051,566)</u>	<u>925,486,551</u>	<u>(150,208,406)</u>	<u>(2,586,016,228)</u>	<u>4,520,944,866</u>	<u>590,736,645</u>	<u>94,341,904</u>	<u>685,078,549</u>

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

The accompanying notes from 1 to 33 are an integral part of these consolidated financial statements.

ROMPETROL RAFINARE SA
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

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

1. GENERAL

Rompotrol 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).

Rompotrol 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 June 2025 and December 2024 was 1,916 and 1,917 respectively.

The registered address of Rompotrol Rafinare SA is Bd. Navodari no. 215, Navodari, Constanta, Romania. Rompotrol 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 30 June 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 30 June 2025, and 31 December 2024 the Group reported net assets including non-controlling interest, of USD 158.1 million and 216.9 million respectively. For the period ended 30 June 2025, the Group recorded losses in amount of USD 55.2 million (2024: loss of USD 75.3 million) and net current liabilities of USD 671.5 million (2024: net current liabilities of USD 410.6 million). The results incurred during 2025 was comprised of operational profit USD 24.8 million (2024: operational loss USD 22.9 million) and financial losses of USD 73.1 million (2024: financial losses of USD 46.2 million).

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.

ROMPETROL RAFINARE SA
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

(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)

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.

ROMPETROL RAFINARE SA
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

(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)

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 30 June 2025 closing exchange rate published by Romanian national Bank of RON 4.3329 = 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.

ROMPETROL RAFINARE SA
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

(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)

- 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 FVLCO 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.

ROMPETROL RAFINARE SA
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

(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)

- 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 KMG I 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.

ROMPETROL RAFINARE SA
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

(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)

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 30 June 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.

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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.

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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.

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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.

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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.

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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.

	<u>Years</u>
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.

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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.

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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 as 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.

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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 I) 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.

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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.

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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.

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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.

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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.

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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).

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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

CO2 (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 CO2 allowances, meaning the amount of emissions exceeding the free allocation, at their market price at the reporting date.

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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.

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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.

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3. INTANGIBLE ASSETS

Amounts in USD

	Software	Other	Intangibles in progress	Total
Cost				
Opening balance as of January 1, 2024	<u>42,429,185</u>	<u>67,659,655</u>	<u>1,365,906</u>	<u>111,454,746</u>
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	<u>42,595,504</u>	<u>59,020,958</u>	<u>1,380,577</u>	<u>102,997,039</u>
Additions	19,271	-	984,263	1,003,534
Transfers from CIP	66,945	60,126	(127,071)	-
Transfers and reclassifications*	42,431	(105,286)	13,207	(49,648)
Closing balance as of June 30, 2025	<u>42,724,151</u>	<u>58,975,798</u>	<u>2,250,976</u>	<u>103,950,925</u>
Accumulated amortization				
Opening balance as of January 1, 2024	<u>(41,504,023)</u>	<u>(42,012,119)</u>	<u>(523,380)</u>	<u>(84,039,522)</u>
Charge for the year	(623,888)	(1,000,444)	-	(1,624,332)
Closing balance as of December 31, 2024	<u>(42,127,911)</u>	<u>(43,012,563)</u>	<u>(523,380)</u>	<u>(85,663,854)</u>
Charge for the year	(164,558)	(395,690)	-	(560,248)
Closing balance as of June 30, 2025	<u>(42,292,469)</u>	<u>(43,408,253)</u>	<u>(523,380)</u>	<u>(86,224,102)</u>
Net book value				
As of December 31, 2024	<u>467,593</u>	<u>16,008,395</u>	<u>857,197</u>	<u>17,333,185</u>
As of June 30, 2025	<u>431,682</u>	<u>15,567,545</u>	<u>1,727,596</u>	<u>17,726,823</u>

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	<u>183,841,416</u>	<u>293,162,519</u>	<u>5,918,334</u>	<u>482,922,269</u>
Additions	-	1,401,949	967,090	2,369,039
Transfers from CIP	720,644	197,286	(917,930)	-
Disposals	-	(39,113,058)	-	(39,113,058)
Transfers and reclassifications*	-	83,212	14,407	97,619
Closing balance as of December 31, 2024	<u>184,562,060</u>	<u>255,731,908</u>	<u>5,981,901</u>	<u>446,275,869</u>
Additions	83,499	-	4,264,713	4,348,212
Transfers from CIP	290,066	260,520	(550,586)	-
Transfers and reclassifications*	183,849	(456,194)	57,225	(215,120)
Closing balance as of June 30, 2025	<u>185,119,474</u>	<u>255,536,234</u>	<u>9,753,253</u>	<u>450,408,961</u>
Accumulated amortization				
Opening balance as of January 1, 2024	<u>(179,832,781)</u>	<u>(182,034,310)</u>	<u>(2,267,753)</u>	<u>(364,134,844)</u>
Charge for the year	(2,703,244)	(4,334,824)	-	(7,038,068)
Closing balance as of December 31, 2024	<u>(182,536,025)</u>	<u>(186,369,134)</u>	<u>(2,267,753)</u>	<u>(371,172,912)</u>
Charge for the year	(713,013)	(1,714,485)	-	(2,427,498)
Closing balance as of June 30, 2025	<u>(183,249,038)</u>	<u>(188,083,619)</u>	<u>(2,267,753)</u>	<u>(373,600,410)</u>
Net book value				
As of December 31, 2024	<u>2,026,035</u>	<u>69,362,774</u>	<u>3,714,148</u>	<u>75,102,957</u>
As of June 30, 2025	<u>1,870,436</u>	<u>67,452,615</u>	<u>7,485,500</u>	<u>76,808,551</u>

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4. GOODWILL

The carrying value of goodwill as of 30 June 2025 and 31 December 2024 was USD 82,871,706 (RON: 359,074,815).

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.

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5. PROPERTY, PLANT AND EQUIPMENT

Amounts in USD

	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Vehicles and others</u>	<u>Construction in progress</u>	<u>Total</u>
Cost						
As of January 1, 2024	<u>86,178,286</u>	<u>358,811,195</u>	<u>327,176,245</u>	<u>26,451,081</u>	<u>113,773,369</u>	<u>912,390,176</u>
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	<u>86,178,286</u>	<u>366,326,403</u>	<u>483,891,558</u>	<u>30,374,045</u>	<u>96,467,354</u>	<u>1,063,237,646</u>
Additions	-	-	128,344	59,461	10,319,382	10,507,187
Transfers from CIP	-	7,490,771	22,256,251	2,770,050	(32,517,072)	-
Disposals	-	(413,102)	(740,839)	(493,937)	(701,016)	(2,348,894)
Transfers and reclassifications*	-	(77,146)	-	77,146	11,909	11,909
As of June 30, 2025	<u>86,178,286</u>	<u>373,326,926</u>	<u>505,535,314</u>	<u>32,786,765</u>	<u>73,580,557</u>	<u>1,071,407,848</u>
Accumulated depreciation & Impairment						
As of January 1, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,850,026)</u>	<u>(34,850,026)</u>
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	<u>(991,110)</u>	<u>(42,158,601)</u>	<u>(79,230,268)</u>	<u>(14,011,464)</u>	<u>(34,850,026)</u>	<u>(171,241,469)</u>
Charge for the year	(477,390)	(15,561,252)	(37,495,647)	(2,891,292)	-	(56,425,581)
Accumulated depreciation of disposals	-	44,075	511,572	191,402	-	747,049
Impairment	-	3,189,347	1,262,435	-	-	4,451,782
As of June 30, 2025	<u>(1,468,500)</u>	<u>(54,486,431)</u>	<u>(114,951,908)</u>	<u>(16,711,354)</u>	<u>(34,850,026)</u>	<u>(222,468,219)</u>
Net book value as of December 31, 2024	<u>85,187,176</u>	<u>324,167,802</u>	<u>404,661,290</u>	<u>16,362,581</u>	<u>61,617,328</u>	<u>891,996,177</u>
Net book value as of June 30, 2025	<u>84,709,786</u>	<u>318,840,495</u>	<u>390,583,406</u>	<u>16,075,411</u>	<u>38,730,531</u>	<u>848,939,629</u>

*) Includes, transfer from property, plant and equipment to inventories and intangibles and other adjustments in amount of USD 0.01 million (2024: USD 0.47 million).

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	<u>Land</u>	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Vehicles and others</u>	<u>Construction in progress</u>	<u>Total</u>
Cost						
As of January 1, 2024	373,401,895	1,554,693,027	1,417,621,952	114,609,889	492,968,631	3,953,295,394
Acquisitions	-	16,465	2,790,752	4,520,185	646,656,104	653,983,506
Transfers from CIP	-	32,689,321	676,691,927	14,601,457	(723,982,705)	-
Disposals	-	(143,142)	(450,899)	(431,215)	2,694,709	1,669,453
Transfers and reclassifications*	-	-	-	(1,692,617)	(353,338)	(2,045,955)
As of December 31, 2024	373,401,895	1,587,255,671	2,096,653,732	131,607,699	417,983,401	4,606,902,398
Additions	-	-	556,102	257,639	44,712,850	45,526,591
Transfers from CIP	-	32,456,762	96,434,110	12,002,350	(140,893,222)	-
Disposals	-	(1,789,930)	(3,209,981)	(2,140,180)	(3,037,432)	(10,177,523)
Transfers and reclassifications*	-	(334,266)	-	334,267	51,600	51,601
As of June 30, 2025	373,401,895	1,617,588,237	2,190,433,963	142,061,775	318,817,197	4,642,303,067
Accumulated depreciation & Impairment						
As of January 1, 2024	-	-	-	-	(151,001,678)	(151,001,678)
Charge for the year	(4,294,381)	(168,915,772)	(338,126,972)	(62,577,466)	-	(573,914,591)
Accumulated depreciation of disposals	-	65,890	300,149	257,790	-	623,829
Impairment	-	(13,819,122)	(5,470,005)	-	-	(19,289,127)
Transfers and reclassifications*	-	-	-	1,609,404	-	1,609,404
As of December 31, 2024	(4,294,381)	(182,669,004)	(343,296,828)	(60,710,272)	(151,001,678)	(741,972,163)
Charge for the year	(2,068,483)	(67,425,349)	(162,464,889)	(12,527,679)	-	(244,486,400)
Accumulated depreciation of disposals	-	190,973	2,216,590	829,326	-	3,236,889
Impairment	-	13,819,120	5,470,005	-	-	19,289,125
As of June 30, 2025	(6,362,864)	(236,084,260)	(498,075,122)	(72,408,625)	(151,001,678)	(963,932,549)
Net book value as of December 31, 2024	369,107,514	1,404,586,667	1,753,356,904	70,897,427	266,981,723	3,864,930,235
Net book value as of June 30, 2025	367,039,031	1,381,503,977	1,692,358,841	69,653,150	167,815,519	3,678,370,518

*) Includes, transfer from property plant and equipment to inventories and intangible assets and other adjustments in amount of RON 0.05 million (2024: RON 2 million).

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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 30 June 2025 and 31 December 2024:

Construction in progress as at 30 June 2025

Amount in USD

Romp petrol Rafinare SA, out of which

Tank rehabilitation	2,383,014	3,609,451
Expire authorization ISCIR	-	2,961,454
Refinery Catalyst Replacement	-	1,765,232
Slow Down 2025 – HB, FG, RC and CX Units Shut Down	1,539,246	1,539,246
Mandatory renewal ISCIR Authorization for static ech.	1,388,995	1,388,995
Replacement of PEM strategic equipment (rotors)	-	1,352,455
ISCIR Renewal (PEM & PET 2025–2026)	1,271,097	1,271,097
Replace cut/drilling system DCU unit	-	419,243
Replacement static equipment for Refinery Platform	391,588	391,588
Expertise of DGRS pipe racks lines DEA and MEA	258,593	258,593
Other projects	1,397,176	8,094,504
Vega projects	488,029	1,934,192

**Additions during
the year**

**Balance as
at 30 Jun**

8,629,708

23,051,857

Romp petrol Downstream SRL, out of which

Construction of new stations RBI, Cuves, Doex, STB, acquisition Fill & GO devices, capital maintenance, acquisitions of new equipment	665,741	3,045,175
Other projects	95,926	676,380

761,667

3,721,555

Rom oil SA, out of which

Modernization for administrative offices	261,159	4,994,954
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261,159

4,994,954

Construction in progress as at 31 December 2024

Amount in USD

Romp petrol Rafinare SA out of which:

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

**Additions
during the year**

**Balance as at
31 December**

143,537,159

45,470,529

Romp petrol Downstream SRL out of which

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

2,363,791

5,169,182

Rom oil SA out of which

Modernization for administrative offices	2,218,354	5,810,776
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2,218,354

5,810,776

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

- *Disposals*

As of June 30, 2025, the disposal of fixed assets mainly relates to the sale of racks for LPG cylinders in Rompetrol Gas, sales of fixed assets and maintenance projects for equipment in Rompetrol Downstream and write-off catalysts that were replaced during the 2024 Refinery General Turnaround in Rompetrol Rafinare.

- *Borrowing costs capitalized*

As of June 30, 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 30 June 2025 (31 December 2024: nil).

- *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.

At the beginning of May 2025, the Rompetrol Rafinare SA restarted the Low-Density Polyethylene (LDPE) plant. 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. As at June 30, 2025, the previously recorded impairment provision was reversed, following the reassessment of asset recoverability.

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 plant 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.

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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 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);	5,320K tons/year (110K bbl/day) 35.7 USD/ton
Vega Refinery	Net replacement cost	Average processing capacity of the refinery 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); The Nelson complexity factor	500K tons/year (11K bbl/day) 70 USD / ton Vacuum distillation plant 2.0 n-Hexan 1.5 Rectification 1.0
Rompetrol Downstream	Net replacement cost	Tank - cost capacity method Underground construction related to tank – cost capacity method Pipelines and technological network – acquisition cost adjusted with CET index / inflation rate	18,499 USD – 30,719 USD 15,808 USD – 35,638 USD 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 Special construction (i.e. platforms) – replacement cost estimated based on IROVAL catalogue	337 USD for tanks with capacity of 1,000 cubic meter – 952 USD for tanks with capacity of 5,000 cubic meter 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.

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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 June 30, 2025 the Group has pledged property, plant and equipment with a carrying value of USD 293.9 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 June 30, 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.

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7. RIGHT OF USE ASSETS

Amounts in USD

	<u>Land, buildings and special constructions</u>	<u>Plant and equipment</u>	<u>Vehicles</u>	<u>Total</u>
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	-	867,318	4,163,411
Disposals	-	-	(64,255)	(64,255)
Re-measurement	980,818	23,231	-	1,004,049
As of June 30, 2025	332,963,882	825,722	3,217,907	337,007,511
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	(8,491,284)	(52,623)	(225,126)	(8,769,033)
Accumulated depreciation of disposals	-	-	46,650	46,650
As of June 30, 2025	(61,117,954)	(728,244)	(2,228,733)	(64,074,931)
Net Book value at December 31, 2024	276,060,301	126,870	364,587	276,551,758
Net Book value at June 30, 2025	271,845,928	97,478	989,174	272,932,580

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

	<u>Land, buildings and special constructions</u>	<u>Plant and equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:				
As of January 1, 2024	1,276,060,740	2,666,285	8,879,919	1,287,606,944
Additions	136,596,046	-	1,322,977	137,919,023
Disposals	-	-	(236,832)	(236,832)
Re-measurement	11,510,990	810,829	497,213	12,819,032
As of December 31, 2024	1,424,167,776	3,477,114	10,463,277	1,438,108,167
Additions	14,281,641	-	3,758,002	18,039,643
Disposals	-	-	(278,411)	(278,411)
Re-measurement	4,249,786	100,658	-	4,350,444
As of June 30, 2025	1,442,699,203	3,577,772	13,942,868	1,460,219,843
Depreciation and Impairment:				
As of January 1, 2024	(154,452,092)	(2,463,379)	(7,050,629)	(163,966,100)
Depreciation	(73,574,007)	(464,019)	(2,055,493)	(76,093,519)
Accumulated depreciation of disposals	-	-	222,564	222,564
As of December 31, 2024	(228,026,099)	(2,927,398)	(8,883,558)	(239,837,055)
Depreciation	(36,791,884)	(228,010)	(975,448)	(37,995,342)
Accumulated depreciation of disposals	-	-	202,130	202,130
As of June 30, 2025	(264,817,983)	(3,155,408)	(9,656,876)	(277,630,267)
Net Book value at December 31, 2024	1,196,141,677	549,716	1,579,719	1,198,271,112
Net Book value at June 30, 2025	1,177,881,220	422,364	4,285,992	1,182,589,576

Romp petrol 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.

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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.

In 2025 the Group recognized additions for right of use assets of USD 4.2 million, of which USD 4.07 million in Rompetrol Downstream in connection with the new gas station in Hârsova, Constanța County.

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 June 30, 2025	Net book value at December 31, 2024
Rent agreements for gas stations	260,076,269	263,735,584
Rental of administrative buildings	889,840	1,177,207
Rent for usage of maritime port	10,862,139	11,129,152
Depots rent	<u>17,680</u>	<u>18,358</u>
Total	271,845,928	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.

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8. INVESTMENTS

Investments in Consolidated Subsidiaries

Details of the Group consolidated subsidiaries at 30 June 2025 and 31 December 2024 are as follows:

Company name	Country of incorporation	Range of activity	Effective ownership	Control	Effective ownership	Control
			30 June 2025	30 June 2025	31 December 2024	31 December 2024
			%	%	%	%
Romp petrol 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
Romp petrol Logistics SRL	Romania	Logistics operations	66.19	100	66.19	100
Romp petrol Petrochemicals SRL	Romania	Petrochemicals	100	100	100	100
Romp petrol Quality Control SRL	Romania	Quality Control Services	100	100	100	100
Romp petrol 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.

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9. INVENTORIES, NET

The inventories balance in 2025 and 2024 is provided below:

	<u>June 30,</u> <u>2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>June 30,</u> <u>2025</u> RON	<u>December</u> <u>31, 2024</u> RON
			(supplementary info – see Note 2(e))	
Crude oil and other feedstock materials (at lower of cost and net realisable value)	78,042,098	150,133,605	338,148,606	650,513,897
Petroleum and petrochemical products (at lower of cost and net realisable value)	153,283,955	200,945,134	664,164,049	870,675,170
Work in progress (at cost)	24,994,337	44,295,019	108,297,963	191,925,888
Spare parts (at cost less inventories write-down)	4,788,945	4,805,610	20,750,020	20,822,228
Consumables and other raw materials (at cost less inventories write-down)	5,826,419	4,949,218	25,245,291	21,444,467
Merchandises (at cost less inventories write-down)	19,049,724	21,731,629	82,540,549	94,160,975
Other inventories (at cost less inventories write-down)	<u>1,743,023</u>	<u>2,037,974</u>	<u>7,552,344</u>	<u>8,830,338</u>
	<u>287,728,501</u>	<u>428,898,189</u>	<u>1,246,698,822</u>	<u>1,858,372,963</u>

Movements in inventories reserve:

	<u>June 30, 2025</u> USD	<u>December 31,</u> <u>2024</u> USD	<u>June 30, 2025</u> RON	<u>December 31,</u> <u>2024</u> RON
			(supplementary info – see Note 2(e))	
Reserve as of January 1	(37,776,994)	(36,494,551)	(163,683,937)	(158,127,240)
Accrued provision	(6,590,045)	(28,200,277)	(28,554,006)	(122,188,980)
Reversal of provision	15,418,298	26,917,834	66,805,943	116,632,283
Reserve as of Dec 31 / Jun 30	<u>(28,948,741)</u>	<u>(37,776,994)</u>	<u>(125,432,000)</u>	<u>(163,683,937)</u>

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 279.3 million (2024: USD 422 million) to secure banking facilities.

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(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.

	<u>June 30,</u> <u>2025</u> <u>USD</u>	<u>December</u> <u>31, 2024</u> <u>USD</u>	<u>June 30,</u> <u>2025</u> <u>RON</u>	<u>December</u> <u>31, 2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Trade receivables	235,035,698	201,085,725	1,018,386,175	871,284,337
Advances to suppliers	13,335,634	6,284,921	57,781,969	27,231,934
Sundry debtors	92,033,712	71,685,667	398,772,871	310,606,827
VAT to be recovered	240,510	213,846	1,042,106	926,573
Cash pooling receivables	392,862,133	241,283,081	1,702,232,336	1,045,455,462
Fuel subsidy	17,551	15,739	76,047	68,196
Other receivables	37,658,783	38,229,231	163,171,741	165,643,435
Provision for expected credit losses related to trade receivables and provision for sundry debtors and other receivables	<u>(44,440,909)</u>	<u>(40,101,069)</u>	<u>(192,558,015)</u>	<u>(173,753,922)</u>
	<u>726,743,112</u>	<u>518,697,141</u>	<u>3,148,905,230</u>	<u>2,247,462,842</u>

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

As of June 30, 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 June 30, 2025 is an amount of USD 5.8 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, and also an amount of USD 6 million. (2024: RON zero) in respect of Omniasig Vienna Insurance Group for insurance claim related to 21st of June 2023 incident occurred at Petromidia refinery.

Included in Sundry debtors category is an amount of USD 75.9 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 30 June 2025, the interest receivable is in amount of USD 9.4 million.

In 2025, out of the total amount of USD 13.3 million (2024: 6.3 million) representing advances to suppliers, USD 11.8 million (2024: 4.4 million) are in respect of services related to Rompetrol Rafinare and USD 1.3 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 292.1 million (2024: USD 167.6 million), Rompetrol Rafinare USD 20 million (2024: USD 7.3 million), Rompetrol Gas USD 45.3 million (2024: USD 34.7 million), Rompetrol Quality Control USD 5.6 million (2024: USD 4.9 million), Rompetrol Logistics USD 5.8 million (2024: USD 5.3 million) and Rompetrol Petrochemicals USD 24 million (2024: USD 21.5 million).

Also, in other receivables an amount of USD 14.1 million (2024: USD 14.9 million) refers to excise receivables in Rompetrol Rafinare.

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10. TRADE AND OTHER RECEIVABLES (continued)

	<u>June 30,</u> <u>2025</u> <u>USD</u>	<u>December</u> <u>31, 2024</u> <u>USD</u>	<u>June 30,</u> <u>2025</u> <u>RON</u>	<u>December</u> <u>31, 2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Sundry debtors	92,033,712	71,685,667	398,772,871	310,606,827
Other receivables	37,658,783	38,229,231	163,171,741	165,643,435
Provision for expected credit losses related to sundry debtors and other receivables	(8,118,418)	(7,615,048)	(35,176,293)	(32,995,241)

Out of the total amount of other receivables and sundry debtors of USD 129.7 million (2024: USD 109.9 million) an amount of USD 8.1 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:

	<u>June 30, 2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>June 30, 2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Balance at the beginning of the year	(40,101,069)	(44,911,098)	(173,753,922)	(194,595,297)
Charge for the year	(2,754,332)	(5,315,407)	(11,934,245)	(23,031,127)
Utilised	1,253,159	3,076,062	5,429,813	13,328,269
Unused amounts reversed	-	4,621,330	-	20,023,761
Impairment losses reversed	1,238,925	-	5,368,138	-
Exchange rate differences	(4,077,592)	2,428,044	(17,667,799)	10,520,472
Balance at the end of the year	(44,440,909)	(40,101,069)	(192,558,015)	(173,753,922)

Trade receivables totaling USD 165.1 million as at 30 June 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

	<u>June 30, 2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>June 30, 2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Cash at bank	209,289,437	90,202,334	906,830,202	390,837,693
Cash on hand	1,768,340	3,292,329	7,662,040	14,265,332
Cash equivalents	613,842	536,307	2,659,716	2,323,765
	<u>211,671,619</u>	<u>94,030,970</u>	<u>917,151,958</u>	<u>407,426,790</u>

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

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12. EQUITY

Shareholders' structure as at 30 June 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	1,836,844,585
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,706,368,083
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	247,025,821
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	1,902,432
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	25,587,018
Total	100%	2,655,920,573	881,102,250	3,817,727,939

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	1,836,844,585
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,706,368,083
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	247,025,821
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	1,902,432
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	25,587,018
Total	100%	2,655,920,573	881,102,250	3,817,727,939

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.

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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.

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13. LONG-TERM BORROWINGS FROM BANKS

	<u>June 30,</u> <u>2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>June 30,</u> <u>2025</u> RON	<u>December</u> <u>31, 2024</u> RON
			(supplementary info – see Note 2(e))	
BCR, ING Bank, Raiffeisen Bank, UniCredit Bank, Alpha Bank, Garanti Bank, Banca Transilvania S.A. (takeover from OTP Bank Romania S.A.) and Intesa Sanpaolo Group through its subsidiaries Banca Comerciala Intesa Sanpaolo Romania and VUB A.S.	-	275,900,000	-	1,195,447,110
Rompotrol 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	=	<u>275,900,000</u>	=	<u>1,195,447,110</u>
	<u>June 30,</u> <u>2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>June 30,</u> <u>2025</u> RON	<u>December</u> <u>31, 2024</u> RON
			(supplementary info – see Note 2(e))	
One year or less - principal	-	108,640	-	470,726
Between two and five years	=	<u>275,900,000</u>	=	<u>1,195,447,110</u>
Total	=	<u>276,008,640</u>	=	<u>1,195,917,836</u>

The loans bearing guarantees are secured with pledges on property plant and equipment of 293.9 million (31 December 2024: USD 306.8 million), inventories of USD 279.3 million (2024: USD 422.9 million) and trade receivables of USD: 165.1 million (2024: USD 116.1 million).

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14. OBLIGATIONS UNDER LEASE AGREEMENTS

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	USD	USD	RON	RON
			(supplementary info – see Note 2(e))	
As at 1 January	277,910,277	270,377,695	1,204,157,440	1,171,519,515
Additions	4,163,015	31,830,651	18,037,928	137,919,028
Re-measurement	985,045	2,955,200	4,268,101	12,804,586
Payments	(16,551,740)	(31,939,431)	(71,717,034)	(138,390,361)
Interest accrued	10,436,258	21,467,077	45,219,262	93,014,698
Exchange rate impact	28,995,934	(16,780,915)	125,636,482	(72,710,026)
As at 30 June / 31 December	<u>305,938,789</u>	<u>277,910,277</u>	<u>1,325,602,179</u>	<u>1,204,157,440</u>
Non-current	294,694,045	268,112,687	1,276,879,828	1,161,705,462
Current	11,244,744	9,797,590	48,722,351	42,451,978

As of June 30, 2025, the Group recognized leasing additions of USD 4.2 million, of which USD 4.07 million in Rompetrol Downstream in connection with the new gas station in Hârsova, Constanța County.

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:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	USD	USD	RON	RON
			(supplementary info – see Note 2(e))	
Recognised in profit or loss				
Depreciation expense of right-of-use assets	8,769,033	19,302,824	37,995,343	83,637,206
Interest expense on lease liabilities	10,436,258	11,898,763	45,219,262	51,556,150
Variable lease payments (included in selling and distribution)	<u>4,437,264</u>	<u>4,742,574</u>	<u>19,226,221</u>	<u>20,549,099</u>
Total amount recognised in profit or loss	<u>23,642,555</u>	<u>35,944,161</u>	<u>102,440,826</u>	<u>155,742,455</u>

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

	<u>June 30, 2025</u>		<u>December 31, 2024</u>	
	<u>Fixed payments</u>	<u>Variable payments</u>	<u>Fixed payments</u>	<u>Variable payments</u>
Fixed rent	16,551,740	-	31,939,431	-
Variable rent with minimum payment	-	4,437,264	-	8,445,245
Total	<u>16,551,740</u>	<u>4,437,264</u>	<u>31,939,431</u>	<u>8,445,245</u>

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15. DEFERRED TAX ASSETS AND LIABILITIES

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

	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>
	USD	USD	RON	RON
			(supplementary info – see Note 2(e))	
Deferred tax assets	(21,306,903)	(21,306,903)	(92,320,680)	(92,320,680)
Deferred tax liabilities	16,176,318	16,176,318	70,090,368	70,090,368
Deferred tax (asset) / liability, net	<u>(5,130,585)</u>	<u>(5,130,585)</u>	<u>(22,230,312)</u>	<u>(22,230,312)</u>

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

USD

<u>2025</u>	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
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	<u>(32,066,151)</u>	=	=	<u>(32,066,151)</u>
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	<u>(5,130,585)</u>	=	=	<u>(5,130,585)</u>

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

<u>2025</u>	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
Temporary differences				
Intangible assets	213,343	-	-	213,343
Property, plant and equipment	271,663,129	-	-	271,663,129
Inventories	357,980	-	-	357,980
Provisions	(411,171,005)	-	-	(411,171,005)
Other	(2,873)	-	-	(2,873)
Total temporary differences (asset)/liability	<u>(138,939,426)</u>	=	=	<u>(138,939,426)</u>
Deferred tax effect				
Intangible assets	34,135	-	-	34,135
Property, plant and equipment	43,466,097	-	-	43,466,097
Inventories	57,277	-	-	57,277
Provisions	(65,787,362)	-	-	(65,787,362)
Other	(459)	-	-	(459)
Deferred tax (asset)/liability recognized	<u>(22,230,312)</u>	=	=	<u>(22,230,312)</u>

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

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

Deferred tax (asset)/liability recognized	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
Romp petrol Rafinare S.A.	(92,320,676)	-	-	(92,320,676)
Romp petrol Downstream S.R.L.	37,610,157	-	-	37,610,157
Rom Oil S.A.	23,354,435	-	-	23,354,435
Romp petrol Gas S.R.L.	3,160,647	-	-	3,160,647
Romp petrol Logistics S.R.L.	5,751,002	-	-	5,751,002
Romp petrol Quality Control S.R.L.	214,123	-	-	214,123
Deferred tax (asset)/liability recognized	<u>(22,230,312)</u>	=	=	<u>(22,230,312)</u>

USD

<u>2024</u>	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
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	<u>40,277,800</u>	<u>(72,343,950)</u>	=	<u>(32,066,151)</u>
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	<u>6,444,447</u>	<u>(11,575,032)</u>	=	<u>(5,130,585)</u>

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15. DEFERRED TAX ASSETS AND LIABILITIES (continued)

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

2024	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
<i>Temporary differences</i>				
Intangible assets	213,343	-	-	213,343
Property, plant and equipment	607,060,409	(335,397,280)	-	271,663,129
Inventories	357,980	-	-	357,980
Provisions	(433,109,184)	21,938,179	-	(411,171,005)
Other	(2,873)	=	=	(2,873)
<i>Total temporary differences (asset)/liability</i>	<u>174,519,675</u>	<u>(313,459,101)</u>	<u>=</u>	<u>(138,939,426)</u>
<i>Deferred tax effect</i>				
Intangible assets	34,135	-	-	34,135
Property, plant and equipment	97,129,666	(53,663,569)	-	43,466,097
Inventories	57,277	-	-	57,277
Provisions	(69,297,470)	3,510,108	-	(65,787,362)
Other	(459)	=	=	(459)
<i>Deferred tax (asset)/liability recognized</i>	<u>27,923,149</u>	<u>(50,153,461)</u>	<u>=</u>	<u>(22,230,312)</u>

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.

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16. TRADE AND OTHER PAYABLES

	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>
	USD	USD	RON	RON
			<i>(supplementary info – see Note 2(e))</i>	
Trade payables	736,141,517	879,849,096	3,189,627,581	3,812,298,148
Excise taxes	1,446	1,541	6,265	6,677
Special fund tax for oil products	6,360,718	5,769,818	27,560,355	25,000,044
VAT payable	149,175,839	34,808,808	646,363,993	150,823,084
Other taxes payable	13,578,775	9,840,949	58,835,474	42,639,848
Employees and social obligations	8,319,929	7,919,698	36,049,420	34,315,259
Cash pooling payables	514,408,372	382,009,994	2,228,880,035	1,655,211,103
Other liabilities	74,950,606	6,732,354	324,753,481	29,170,617
Total	<u>1,502,937,202</u>	<u>1,326,932,258</u>	<u>6,512,076,604</u>	<u>5,749,464,780</u>

The Group entered into a cash pooling contract for optimizing cash, with KMG Rompetrol SRL (“Master Company”). The amounts in balance as of 30 June 2025 are for the following companies: Rompetrol Rafinare S.A. USD 500.7 million (2024: USD 368.4 million) and Romoil USD 13.7 million (2024: USD 13.6 million).

Also, in other liabilities short term guarantees are included for Rompetrol Downstream SRL, in amount of USD 7.24 million (2024: USD 6.43 million).

Trade payables line include payable in relation to KazMunayGas Trading AG in amount of USD 588.3 million as of 30 June 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

	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>
	USD	USD	RON	RON
			<i>(supplementary info – see Note 2(e))</i>	
Short-term advances from wholesale customers	16,515,209	18,136,962	71,558,749	78,585,643
Short-term advances from other customers	30,169,999	35,586,608	130,723,588	154,193,213
Deferred revenues	<u>9,158,524</u>	<u>8,743,799</u>	<u>39,682,969</u>	<u>37,886,007</u>
Total short-term advances	<u>55,843,732</u>	<u>62,467,369</u>	<u>241,965,306</u>	<u>270,664,863</u>

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.

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18. SHORT-TERM BORROWINGS FROM BANKS

<u>DEBT SHORT-TERM</u>	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>
	USD	USD	RON	RON
Banca Transilvania			<i>(supplementary info – see Note 2(e))</i>	
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.	39,398,993	34,231,073	170,711,897	148,319,816
BCR, ING Bank, Raiffeisen Bank, UniCredit Bank, Alpha Bank, Garanti Bank, Banca Transilvania S.A. (takeover from OTP Bank Romania S.A.) and Intesa Sanpaolo Group through its subsidiaries Banca Comerciala Intesa Sanpaolo Romania and VUB A.S.				
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.	278,413,239	11,499,246	1,206,336,723	49,825,083
Current portion of long-term debt	-	108,640	-	470,726
	317,848,415	45,838,959	1,377,205,397	198,615,625

The loans bearing guarantees are secured with pledges on property plant and equipment of 293.9 million (31 December 2024: USD 306.8 million), inventories of USD 279.3 million (2024: USD 422.9 million) and trade receivables of USD: 165.1 million (2024: USD 116.1 million).

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18. SHORT-TERM BORROWINGS FROM BANKS (continued)

The movement in loans is presented below:

USD	<u>At 1 January 2025</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest accrual</u>	<u>Exchange rate impact</u>	<u>June 30, 2025</u>
Long-term borrowings from banks (Note 13)	275,900,000	-	(275,900,000)	-	-	-
Short-term borrowings from banks	45,730,319	336,748,709	(76,889,199)	-	12,222,403	317,812,232
Interest Long-term borrowings banks (Note 13)	-	-	(108,640)	108,640	-	-
Interest Short-term borrowings from banks	108,640	-	(11,374,378)	11,301,921	-	36,183
Total	<u>321,738,959</u>	<u>336,748,709</u>	<u>(364,272,217)</u>	<u>11,410,561</u>	<u>12,222,403</u>	<u>317,848,415</u>
 RON (supplementary info – see Note 2(e))	 <u>At 1 January 2025</u>	 <u>Drawings</u>	 <u>Repayment</u>	 <u>Interest accrual</u>	 <u>Exchange rate impact</u>	 <u>June 30, 2025</u>
Long-term borrowings from banks (Note 13)	1,195,447,110	-	(1,195,447,110)	-	-	-
Short-term borrowings from banks	198,144,899	1,459,098,481	(333,153,210)	-	52,958,449	1,377,048,619
Interest Long-term borrowings banks (Note 13)	-	-	(470,726)	470,726	-	-
Interest Short-term borrowings from banks	470,726	-	(49,284,042)	48,970,094	-	156,778
Total	<u>1,394,062,735</u>	<u>1,459,098,481</u>	<u>(1,578,355,088)</u>	<u>49,440,820</u>	<u>52,958,449</u>	<u>1,377,205,397</u>

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18. SHORT-TERM BORROWINGS FROM BANKS (continued)

USD	<u>At 1 January</u> <u>2024</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest accrual</u>	<u>Exchange</u> <u>rate</u> <u>impact</u>	<u>At 31 December</u> <u>2024</u>
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	<u>308,756,586</u>	<u>111,395,809</u>	<u>(123,137,499)</u>	<u>24,707,406</u>	<u>16,657</u>	<u>321,738,959</u>
RON (supplementary info – see Note 2(e))	<u>At 1 January</u> <u>2024</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest accrual</u>	<u>Exchange</u> <u>rate</u> <u>impact</u>	<u>At 31 December</u> <u>2024</u>
Long-term borrowings from banks (Note 13)	1,152,118,110	43,329,000	-	-	-	1,195,447,110
Short-term borrowings from banks	184,396,218	439,337,901	(425,661,392)	-	72,172	198,144,899
Interest Long-term borrowings banks (Note 13)	-	-	(95,828,916)	95,828,916	-	-
Interest Short-term borrowings from banks	1,297,084	-	(12,052,161)	11,225,803	-	470,726
Total	<u>1,337,811,412</u>	<u>482,666,901</u>	<u>(533,542,469)</u>	<u>107,054,719</u>	<u>72,172</u>	<u>1,394,062,735</u>

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19. PROVISIONS

Provisions comprise the following:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	USD	USD	RON	RON
Non-current provisions	114,506,094	110,055,666	496,143,454	476,860,195
Total Provisions	<u>114,506,094</u>	<u>110,055,666</u>	<u>496,143,454</u>	<u>476,860,195</u>

The movement in provisions is presented below:

USD	<u>At 1 January 2025</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Reclassification between balance sheet items</u>	<u>At 30 June 2025</u>
Provision for retirement benefit	14,179,588	-	-	-	14,179,588
Environmental provisions	94,965,313	949,420	(949,420)	-	94,965,313
Other provisions	910,765	69,718	-	4,380,710	5,361,193
Total	<u>110,055,666</u>	<u>1,019,138</u>	<u>(949,420)</u>	<u>4,380,710</u>	<u>114,506,094</u>

RON (supplementary info – see Note 2(e))	<u>At 1 January 2025</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Reclassification between balance sheet items</u>	<u>At 30 June 2025</u>
Provision for retirement benefit	61,438,737	-	-	-	61,438,737
Environmental provisions	411,475,204	4,113,742	(4,113,742)	-	411,475,204
Other provisions	3,946,254	302,081	-	18,981,178	23,229,513
Total	<u>476,860,195</u>	<u>4,415,823</u>	<u>(4,113,742)</u>	<u>18,981,178</u>	<u>496,143,454</u>

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19. PROVISIONS (continued)

	<u>At 1 January 2024</u>	<u>Charged to equity</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Unwinding of discount</u>	<u>At 31 December 2024</u>
USD						
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	<u>116,060,824</u>	<u>(1,361,824)</u>	<u>(1,049,822)</u>	<u>(2,221,034)</u>	<u>(1,372,478)</u>	<u>110,055,666</u>

	<u>At 1 January 2024</u>	<u>Charged to equity</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Unwinding of discount</u>	<u>At 31 December 2024</u>
RON (supplementary info – see Note 2(e))						
Provision for retirement benefit	65,520,311	(5,900,647)	9,534,057	(7,714,984)	-	61,438,737
Environmental provisions	433,413,379	-	(14,082,831)	(1,908,534)	(5,946,810)	411,475,204
Other provisions	3,946,254	-	-	-	-	3,946,254
Total	<u>502,879,944</u>	<u>(5,900,647)</u>	<u>(4,548,774)</u>	<u>(9,623,518)</u>	<u>(5,946,810)</u>	<u>476,860,195</u>

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.

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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 30 June 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 30 June 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.

Other provisions

In 2025, for Rompetrol Downstream SRL, a provision in amount of USD 4.4 million was recognized in relation to the turnover tax, reflecting the current uncertainty in legislation regarding the treatment of excise duties. Although the tax expense was reduced accordingly, there was no impact on profit and loss account, as the decrease was fully offset by the provision. This approach was applied as a prudent measure pending further legal clarification.

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20. REVENUES FROM CONTRACTS WITH CUSTOMERS

2025

USD	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	2,376,616,999	-	-	248,328,172	2,624,945,171
Less sales taxes from petroleum products production	(606,217,154)	-	-	554,954,370	(51,262,784)
Net revenues from petroleum products production	<u>1,770,399,845</u>	-	-	<u>803,282,542</u>	<u>2,573,682,387</u>
Gross revenues from petroleum products trading	-	-	1,541,542,762	(1,519,497,533)	22,045,229
Less sales taxes petroleum products trading	-	-	(577,619,395)	1,150,655	(576,468,740)
Less commercial discounts petroleum products trading	-	-	(105,470,295)	1,435,964	(104,034,331)
Net revenues from petroleum products trading	-	-	<u>858,453,072</u>	<u>(1,516,910,914)</u>	<u>(658,457,842)</u>
Revenues from petrochemicals production	-	45,848,485	-	-	45,848,485
Revenues from merchandise sales	412,088	-	94,804,831	(4,439)	95,212,480
Revenues from utilities sold	2,485,641	-	-	(90,794)	2,394,847
Revenues from transportation fees	-	-	1,483,808	-	1,483,808
Revenues from rents and other services	<u>1,992,727</u>	<u>-</u>	<u>11,903,475</u>	<u>(6,332,201)</u>	<u>7,564,001</u>
Total Net Revenues	<u>1,775,290,301</u>	<u>45,848,485</u>	<u>966,645,186</u>	<u>(720,055,806)</u>	<u>2,067,728,166</u>

2025

RON (supplementary info – see Note 2(e))	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	10,297,643,795	-	-	1,075,981,136	11,373,624,931
Less sales taxes from petroleum products production	(2,626,678,307)	-	-	2,404,561,790	(222,116,517)
Net revenues from petroleum products production	<u>7,670,965,488</u>	-	-	<u>3,480,542,926</u>	<u>11,151,508,414</u>
Gross revenues from petroleum products trading	-	-	6,679,350,633	(6,583,830,861)	95,519,772
Less sales taxes petroleum products trading	-	-	(2,502,767,077)	4,985,673	(2,497,781,404)
Less commercial discounts petroleum products trading	-	-	(456,992,241)	6,221,888	(450,770,353)
Net revenues from petroleum products trading	-	-	<u>3,719,591,315</u>	<u>(6,572,623,300)</u>	<u>(2,853,031,985)</u>
Revenues from petrochemicals production	-	198,656,901	-	-	198,656,901
Revenues from merchandise sales	1,785,536	-	410,779,852	(19,234)	412,546,154
Revenues from utilities sold	10,770,034	-	-	(393,401)	10,376,633
Revenues from transportation fees	-	-	6,429,192	-	6,429,192
Revenues from rents and other services	<u>8,634,287</u>	<u>-</u>	<u>51,576,567</u>	<u>(27,436,793)</u>	<u>32,774,061</u>
Total Net Revenues	<u>7,692,155,345</u>	<u>198,656,901</u>	<u>4,188,376,926</u>	<u>(3,119,929,802)</u>	<u>8,959,259,370</u>

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

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20. REVENUES FROM CONTRACTS WITH CUSTOMERS (continued)

2024

USD	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	1,702,129,266	-	-	220,124,721	1,922,253,987
Less sales taxes from petroleum products production	<u>(421,413,350)</u>	-	-	<u>413,338,463</u>	<u>(8,074,887)</u>
Net revenues from petroleum products production	<u>1,280,715,916</u>	-	-	<u>633,463,184</u>	<u>1,914,179,100</u>
Gross revenues from petroleum products trading	-	-	1,422,888,275	(1,413,654,763)	9,233,512
Less sales taxes petroleum products trading	-	-	(427,726,316)	1,091,344	(426,634,972)
Less commercial discounts petroleum products trading	-	-	<u>(96,567,209)</u>	<u>1,411,076</u>	<u>(95,156,133)</u>
Net revenues from petroleum products trading	-	-	<u>898,594,750</u>	<u>(1,411,152,343)</u>	<u>(512,557,593)</u>
Revenues from petrochemicals production	-	34,114,239	-	-	34,114,239
Revenues from petrochemicals trading	-	5,060	-	-	5,060
Revenues from merchandise sales	17,238,086	-	109,433,712	-	126,671,798
Revenues from utilities sold	12,545,819	-	-	(79,810)	12,466,009
Revenues from transportation fees	-	-	1,427,467	-	1,427,467
Revenues from rents and other services	<u>1,942,481</u>	-	<u>11,478,814</u>	<u>(6,247,237)</u>	<u>7,174,058</u>
Total Net Revenues	<u>1,312,442,302</u>	<u>34,119,299</u>	<u>1,020,934,743</u>	<u>(784,016,206)</u>	<u>1,583,480,138</u>

2024

RON (supplementary info – see Note 2(e))	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products production	7,375,155,897	-	-	953,778,404	8,328,934,301
Less sales taxes from petroleum products production	<u>(1,825,941,904)</u>	-	-	<u>1,790,954,226</u>	<u>(34,987,678)</u>
Net revenues from petroleum products production	<u>5,549,213,993</u>	-	-	<u>2,744,732,630</u>	<u>8,293,946,623</u>
Gross revenues from petroleum products trading	-	-	6,165,232,607	(6,125,224,723)	40,007,884
Less sales taxes petroleum products trading	-	-	(1,853,295,355)	4,728,684	(1,848,566,671)
Less commercial discounts petroleum products trading	-	-	<u>(418,416,060)</u>	<u>6,114,051</u>	<u>(412,302,009)</u>
Net revenues from petroleum products trading	-	-	<u>3,893,521,192</u>	<u>(6,114,381,988)</u>	<u>(2,220,860,796)</u>
Revenues from petrochemicals production	-	147,813,587	-	-	147,813,587
Revenues from petrochemicals trading	-	21,924	-	-	21,924
Revenues from merchandise sales	74,690,904	-	474,165,331	-	548,856,235
Revenues from utilities sold	54,359,779	-	-	(345,809)	54,013,970
Revenues from transportation fees	-	-	6,185,072	-	6,185,072
Revenues from rents and other services	<u>8,416,575</u>	-	<u>49,736,553</u>	<u>(27,068,653)</u>	<u>31,084,475</u>
Total Net Revenues	<u>5,686,681,251</u>	<u>147,835,511</u>	<u>4,423,608,148</u>	<u>(3,397,063,820)</u>	<u>6,861,061,090</u>

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

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21. COST OF SALES

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	USD	USD	RON	RON
			(supplementary info – see Note 2(e))	
Crude oil and other raw materials	1,552,179,153	1,160,162,919	6,725,437,050	5,026,869,912
Consumables and other materials	5,425,631	3,189,279	23,508,717	13,818,827
Utilities	81,214,990	63,801,599	351,896,430	276,445,948
Staff costs	27,394,111	18,616,209	118,695,944	80,662,172
Transportation	118,607	111,505	513,912	483,140
Maintenance and repairs	20,075,265	11,769,189	86,984,116	50,994,719
Insurance	2,597,704	1,805,878	11,255,592	7,824,689
Environmental expenses	7,437,669	749,545	32,226,676	3,247,704
Other	5,747,014	4,697,669	24,901,237	20,354,530
Total	1,702,190,144	1,264,903,792	7,375,419,674	5,480,701,641
Depreciation and amortization	42,970,912	24,763,103	186,188,665	107,296,049
Total	1,745,161,056	1,289,666,895	7,561,608,339	5,587,997,690
Plus: Change in inventories	53,937,649	10,675,341	233,706,439	46,255,185
Less: Own production of property, plant & equipment	(388,255)	(733,093)	(1,682,270)	(3,176,419)
Cost of petroleum products trading	19,551,790	34,909,720	84,715,951	151,260,326
Cost of petrochemicals trading	-	9,590	-	41,553
Cost of merchandise sold	71,471,005	103,149,727	309,676,718	446,937,452
Cost of utilities resold	1,656,609	1,337,627	7,177,921	5,795,804
Realized (gains)/losses on derivatives	6,335,620	(10,869,335)	27,451,608	(47,095,742)
Total	<u>1,897,725,474</u>	<u>1,428,146,472</u>	<u>8,222,654,706</u>	<u>6,188,015,849</u>

H1 2024 was marked by atypical operations, with limited refinery activity due to the delayed restart of the Mild Hydrocracking (MHC) unit (resumed on February 26, 2024) and the full turnaround at Petromidia starting March 8, 2024. Following IFRS principles, a significant portion of the production costs incurred during the turnaround was reclassified as underabsorption costs within SG&A, leading to an unusually low COS in that period.

In contrast, H1 2025 reflected a return to full operational capacity (the total throughput for Petromidia refinery was 2.79 million tons, up by 61% compared to the first half of 2024), resulting in higher production volumes and significantly increased costs compared to the previous year.

Additional 2025-specific cost drivers include:

- Staff costs: the main deviation was driven by a +7% salary adjustment implemented across the Group starting with January 2025.
- Environmental costs: Up by approx. USD 4.8 million, due to both higher CO₂ certificate requirements and increased certificate prices.
- Maintenance costs: Significantly higher, mainly due to increased contractor and supplier service rates—impacted by minimum wage hikes in Romania effective July 1, 2024 and January 1, 2025. Additionally, maintenance costs were minimal during H1 2024 due to the turnaround period.

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	USD	USD	RON	RON
			(supplementary info – see Note 2(e))	
Staff costs	16,116,991	22,817,859	69,833,310	98,867,501
Utilities	5,352,795	4,276,457	23,193,125	18,529,461
Transportation	43,370,456	40,197,687	187,919,848	174,172,555
Professional and consulting fees	19,917,172	14,893,242	86,299,115	64,530,928
Royalties and rents	4,834,639	1,984,328	20,948,007	8,597,895
Consumables	174,555	219,317	756,329	950,279
Marketing	1,573,254	770,221	6,816,752	3,337,291
Taxes	1,673,408	13,017,312	7,250,710	56,402,711
Communications	417,206	361,690	1,807,712	1,567,167
Insurance	1,170,832	1,732,711	5,073,098	7,507,663
IT services	5,079,458	5,576,325	22,008,784	24,161,659
Environmental expenses	149,973	62,817	649,818	272,180
Maintenance and repairs	7,530,095	9,724,886	32,627,149	42,136,959
Other expenses	18,386,148	17,485,236	79,665,341	75,761,779
Costs before depreciation	125,746,982	133,120,088	544,849,098	576,796,028
Depreciation and amortisation	22,783,950	43,475,712	98,720,577	188,375,913
Total	<u>148,530,932</u>	<u>176,595,800</u>	<u>643,569,675</u>	<u>765,171,941</u>

23. OTHER OPERATING INCOME / (EXPENSES), NET

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	USD	USD	RON	RON
			(supplementary info – see Note 2(e))	
Net gain /(loss) on disposal of assets	662,659	172,757	2,871,235	748,539
(Reserve)/reversal for/of impairment of tangible assets, net	4,451,782	-	19,289,126	-
Provision for receivables and write-off, net	(746,734)	(2,070,510)	(3,235,524)	(8,971,313)
Provision for inventories, net	8,828,251	472,656	38,251,929	2,047,971
Tangible and intangible assets write-off	(928)	1,028	(4,021)	4,454
Inventories write-off	(954)	(328,426)	(4,134)	(1,423,037)
Other provisions, net	(1,019,138)	(264,049)	(4,415,823)	(1,144,098)
Turnover tax	(15,127,796)	-	(65,547,227)	-
Other, net	6,234,929	344,977	27,015,323	1,494,752
Total	<u>3,282,071</u>	<u>(1,671,567)</u>	<u>14,220,884</u>	<u>(7,242,732)</u>

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 (Romp petrol Rafinare, Rom petrol Downstream, Rom petrol Gas). In 2025 the turnover tax recognized for the first half of the year is in amount of USD 15.1 million, while for the same period last year was in amount of USD 11.6 million and was reported in Taxes in Selling expenses (for details see note 22).

In the first semester of 2025 an amount of USD 6 million included in Other, net refers to the revenue from insurance claim recognized by Rom petrol Rafinare SA for the claim file related to the incident occurred at Petromidia refinery on June 21, 2023.

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

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24. FINANCE COST, FINANCE INCOME AND FOREIGN EXCHANGE

	<u>June 30, 2025</u> USD	<u>June 30, 2024</u> USD	<u>June 30, 2025</u> RON (supplementary info – see Note 2(e))	<u>June 30, 2024</u> RON
Finance cost				
Late payment interest	439,762	(889,825)	1,905,445	(3,855,523)
Interest expense	(32,782,572)	(33,842,355)	(142,043,607)	(146,635,540)
Unwinding of discount - lease	(10,436,258)	(11,898,763)	(45,219,262)	(51,556,150)
Other financial expense	(21,383,617)	(26,652,174)	(92,653,074)	(115,481,205)
Total	<u>(64,162,685)</u>	<u>(73,283,117)</u>	<u>(278,010,498)</u>	<u>(317,528,418)</u>
Finance income				
Interest income	23,915,214	23,090,799	103,622,232	100,050,123
Other financial income	953,731	248,441	4,132,420	1,076,470
Total	<u>24,868,945</u>	<u>23,339,240</u>	<u>107,754,652</u>	<u>101,126,593</u>
Finance income/(cost) net	<u>(39,293,740)</u>	<u>(49,943,877)</u>	<u>(170,255,846)</u>	<u>(216,401,825)</u>
Unrealized net foreign exchange (losses)/gains	(48,282,680)	4,025,912	(209,204,023)	17,443,874
Realized net foreign exchange (losses)/gains	14,475,006	(283,040)	62,718,753	(1,226,384)
Foreign exchange gain/(loss), net	<u>(33,807,674)</u>	<u>3,742,872</u>	<u>(146,485,270)</u>	<u>16,217,490</u>
Total	<u>(73,101,414)</u>	<u>(46,201,005)</u>	<u>(316,741,116)</u>	<u>(200,184,335)</u>

In 2025 out of the total of USD 21.4 million (2024: USD 26.7 million) representing other financial expenses an amount of approximately USD 16.6 million (2024: USD 22.2 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.

	<u>June 30, 2025</u> USD	<u>June 30, 2024</u> USD	<u>June 30, 2025</u> RON (supplementary info – see Note 2(e))	<u>June 30, 2024</u> RON
Tax expense comprises:				
Current tax expense	(4,841,532)	(5,291,606)	(20,977,874)	(22,928,000)
Solidarity tax	-	(745,348)	-	(3,229,518)
Total tax (expense)/income	<u>(4,841,532)</u>	<u>(6,036,954)</u>	<u>(20,977,874)</u>	<u>(26,157,518)</u>

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.

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26. OPERATING SEGMENT INFORMATION (continued)

Income Statement information for the period January – June 2025

USD	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	1,061,320,103	45,848,485	-	960,559,578	-	2,067,728,166
Net revenues "Inter segment"	713,970,198	-	-	6,085,608	(720,055,806)	-
Cost of sales	(1,717,647,330)	(75,456,254)	-	(845,298,552)	740,676,662	(1,897,725,474)
Gross margin	57,642,971	(29,607,769)	-	121,346,634	20,620,856	170,002,692
Selling, general and administrative expenses	(35,757,925)	(5,251,920)	-	(84,965,764)	(22,555,323)	(148,530,932)
Other operating income/(expenses), net	2,440,012	7,386,073	-	(6,561,109)	17,095	3,282,071
Operating margin (EBIT)	24,325,058	(27,473,616)	-	29,819,761	(1,917,372)	24,753,831
Financial expenses, net	-	-	(36,891,476)	(1,155,925)	(1,246,339)	(39,293,740)
Net foreign exchange result	-	-	(20,878,289)	(12,929,385)	-	(33,807,674)
Profit/(loss) before income tax	24,325,058	(27,473,616)	(57,769,765)	15,734,451	(3,163,711)	(48,347,583)
Income tax	-	-	(2,096,032)	(2,745,500)	-	(4,841,532)
Net Profit/(Loss)	24,325,058	(27,473,616)	(59,865,797)	12,988,951	(3,163,711)	(53,189,115)
Depreciation and amortization	41,711,059	5,405,337	-	17,078,668	1,559,798	65,754,862

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"	4,598,593,874	198,656,901	-	4,162,008,595	-	8,959,259,370
Net revenues "Inter segment"	3,093,561,471	-	-	26,368,331	(3,119,929,802)	-
Cost of sales	(7,442,394,116)	(326,944,403)	-	(3,662,594,096)	3,209,277,909	(8,222,654,706)
Gross margin	249,761,229	(128,287,502)	-	525,782,830	89,348,107	736,604,664
Selling, general and administrative expenses	(154,935,513)	(22,756,044)	-	(368,148,159)	(97,729,959)	(643,569,675)
Other operating income/(expenses), net	10,572,328	32,003,116	-	(28,428,629)	74,069	14,220,884
Operating margin (EBIT)	105,398,044	(119,040,430)	-	129,206,042	(8,307,783)	107,255,873
Financial expenses, net	-	-	(159,847,076)	(5,008,507)	(5,400,263)	(170,255,846)
Net foreign exchange result	-	-	(90,463,538)	(56,021,732)	-	(146,485,270)
Profit/(loss) before income tax	105,398,044	(119,040,430)	(250,310,614)	68,175,803	(13,708,046)	(209,485,243)
Income tax	-	-	(9,081,897)	(11,895,977)	-	(20,977,874)
Net Profit/(Loss)	105,398,044	(119,040,430)	(259,392,511)	56,279,826	(13,708,046)	(230,463,117)
Depreciation and amortization	180,729,848	23,420,785	-	74,000,161	6,758,446	284,909,240

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

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26. OPERATING SEGMENT INFORMATION (continued)

Statement of financial position information as at June 30, 2025

<u>USD</u>	<u>Refining & Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Total non current assets	1,356,148,168	518,690,619	(614,859,256)	1,259,979,531
Total current assets	806,101,011	631,197,751	(208,079,471)	1,229,219,291
TOTAL ASSETS	<u>2,162,249,179</u>	<u>1,149,888,370</u>	<u>(822,938,727)</u>	<u>2,489,198,822</u>
Total equity	260,226,472	509,712,496	(611,828,107)	158,110,861
Total non-current liabilities	121,518,143	308,881,892	(28,284)	430,371,751
Total current liabilities	1,780,504,564	331,293,982	(211,082,336)	1,900,716,210
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2,162,249,179</u>	<u>1,149,888,370</u>	<u>(822,938,727)</u>	<u>2,489,198,822</u>
Capital expenditure	9,364,623	7,315,450	(1,892)	16,678,181

<u>RON (supplementary info – see Note 2(e))</u>	<u>Refining & Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Total non current assets	5,876,054,397	2,247,434,583	(2,664,123,671)	5,459,365,309
Total current assets	3,492,755,070	2,734,916,735	(901,587,539)	5,326,084,266
TOTAL ASSETS	<u>9,368,809,467</u>	<u>4,982,351,318</u>	<u>(3,565,711,210)</u>	<u>10,785,449,575</u>
Total equity	1,127,535,281	2,208,533,273	(2,650,990,005)	685,078,549
Total non-current liabilities	526,525,961	1,338,354,350	(122,552)	1,864,757,759
Total current liabilities	7,714,748,225	1,435,463,695	(914,598,653)	8,235,613,267
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>9,368,809,467</u>	<u>4,982,351,318</u>	<u>(3,565,711,210)</u>	<u>10,785,449,575</u>
Capital expenditure	40,575,975	31,697,113	(8,198)	72,264,890

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26. OPERATING SEGMENT INFORMATION (continued)

Income Statement information for the period January – June 2024

USD	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	534,427,377	34,119,299	-	1,014,933,462	-	1,583,480,138
Net revenues "Inter segment"	778,014,925	-	-	6,001,281	(784,016,206)	-
Cost of sales	(1,257,522,385)	(55,010,062)	-	(915,474,161)	799,860,136	(1,428,146,472)
Gross margin	<u>54,919,917</u>	<u>(20,890,763)</u>	=	<u>105,460,582</u>	<u>15,843,930</u>	<u>155,333,666</u>
Selling, general and administrative expenses	(56,299,762)	(8,420,935)	-	(89,954,219)	(21,920,884)	(176,595,800)
Other operating income/(expenses), net	(1,220,589)	(125,010)	-	(230,566)	(95,402)	(1,671,567)
Operating margin (EBIT)	<u>(2,600,434)</u>	<u>(29,436,708)</u>	=	<u>15,275,797</u>	<u>(6,172,356)</u>	<u>(22,933,701)</u>
Financial expenses, net	-	-	(43,599,195)	(6,311,937)	(32,745)	(49,943,877)
Net foreign exchange result	-	-	328,447	3,414,425	-	3,742,872
Profit/(loss) before income tax	<u>(2,600,434)</u>	<u>(29,436,708)</u>	<u>(43,270,748)</u>	<u>12,378,285</u>	<u>(6,205,101)</u>	<u>(69,134,706)</u>
Income tax	-	-	(1,040,522)	(4,996,432)	-	(6,036,954)
Net Profit/(Loss)	<u>(2,600,434)</u>	<u>(29,436,708)</u>	<u>(44,311,270)</u>	<u>7,381,853</u>	<u>(6,205,101)</u>	<u>(75,171,660)</u>
Depreciation and amortization	36,677,026	5,504,313	-	24,537,594	1,519,882	68,238,815

<u>RON (supplementary info – see Note 2(e))</u>	Refining	Petrochemicals	Amounts not allocated between Refining & Petrochemicals segments	Marketing	Impact from transactions between segments	Consolidated
Net revenues "external customers"	2,315,620,382	147,835,511	-	4,397,605,197	-	6,861,061,090
Net revenues "Inter segment"	3,371,060,869	-	-	26,002,951	(3,397,063,820)	-
Cost of sales	(5,448,718,742)	(238,353,098)	-	(3,966,657,992)	3,465,713,983	(6,188,015,849)
Gross margin	<u>237,962,509</u>	<u>(90,517,587)</u>	=	<u>456,950,156</u>	<u>68,650,163</u>	<u>673,045,241</u>
Selling, general and administrative expenses	(243,941,239)	(36,487,069)	-	(389,762,636)	(94,980,997)	(765,171,941)
Other operating income/(expenses), net	(5,288,690)	(541,656)	-	(999,019)	(413,367)	(7,242,732)
Operating margin (EBIT)	<u>(11,267,420)</u>	<u>(127,546,312)</u>	=	<u>66,188,501</u>	<u>(26,744,201)</u>	<u>(99,369,432)</u>
Financial expenses, net	-	-	(188,910,952)	(27,348,992)	(141,881)	(216,401,825)
Net foreign exchange result	-	-	1,423,128	14,794,362	-	16,217,490
Profit/(loss) before income tax	<u>(11,267,420)</u>	<u>(127,546,312)</u>	<u>(187,487,824)</u>	<u>53,633,871</u>	<u>(26,886,082)</u>	<u>(299,553,767)</u>
Income tax	-	-	(4,508,477)	(21,649,041)	-	(26,157,518)
Net Profit/(Loss)	<u>(11,267,420)</u>	<u>(127,546,312)</u>	<u>(191,996,301)</u>	<u>31,984,830</u>	<u>(26,886,082)</u>	<u>(325,711,285)</u>
Depreciation and amortization	158,917,886	23,849,638	-	106,318,941	6,585,497	295,671,962

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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 475.1 million in 2025 and USD 175.9 million in 2024 for the period January - June.

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	<u>2,069,583,611</u>	<u>1,026,432,149</u>	<u>(756,491,029)</u>	<u>2,339,524,731</u>
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	<u>2,069,583,611</u>	<u>1,026,432,149</u>	<u>(756,491,029)</u>	<u>2,339,524,731</u>
Capital expenditure	145,388,184	40,883,372	(1,253)	186,270,303

<u>RON (supplementary info – see Note 2(e))</u>	<u>Refining & Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Total non current assets	5,983,839,353	2,294,420,464	(2,654,595,706)	5,623,664,111
Total current assets	2,983,459,475	2,153,007,394	(623,204,274)	4,513,262,595
TOTAL ASSETS	<u>8,967,298,828</u>	<u>4,447,427,858</u>	<u>(3,277,799,980)</u>	<u>10,136,926,706</u>
Total equity	1,425,025,162	2,157,575,653	(2,642,668,080)	939,932,735
Total non-current liabilities	1,696,277,263	1,208,610,997	(122,551)	2,904,765,709
Total current liabilities	5,845,996,403	1,081,241,208	(635,009,349)	6,292,228,262
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>8,967,298,828</u>	<u>4,447,427,858</u>	<u>(3,277,799,980)</u>	<u>10,136,926,706</u>
Capital expenditure	629,952,462	177,143,563	(5,425)	807,090,600

- 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):

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net revenues	USD	USD	RON	RON
			<i>(supplementary info – see Note 2(e))</i>	
Romania	1,266,935,579	1,211,317,331	5,489,505,170	5,248,516,863
Export	<u>800,792,587</u>	<u>372,162,807</u>	<u>3,469,754,200</u>	<u>1,612,544,227</u>
<i>out of which</i>				
Europa	762,220,435	361,466,939	3,302,624,923	1,566,200,101
Asia	38,567,312	10,691,028	167,108,306	46,323,155
America	4,840	4,840	20,971	20,971
Total	<u>2,067,728,166</u>	<u>1,583,480,138</u>	<u>8,959,259,370</u>	<u>6,861,061,090</u>

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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
Rominerv 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.

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27. RELATED PARTIES (continued)

Name of related party	Receivables and other assets			
	June 30, 2025	December 31,	June 30, 2025	December 31,
	USD	2024	RON	2024
		USD		RON
			<i>(supplementary info – see Note 2(e))</i>	
KazMunayGas Trading AG	6,584,597	3,249,868	28,530,400	14,081,353
Rominerv S.R.L.	638,928	4,844,515	2,768,411	20,990,799
KMG International N.V.	75,894,693	65,547,443	328,844,115	284,010,516
KMG Rompetrol S.R.L.	654,606	259,162	2,836,342	1,122,923
KMG Rompetrol S.R.L. - cash pooling	392,862,133	241,283,081	1,702,232,336	1,045,455,462
Oilfield Exploration Business Solutions S.A.	758,027	664,420	3,284,455	2,878,865
Rompetrol Well Services S.A.	107,233	83,313	464,630	360,987
KMG Rompetrol Services Center S.R.L.	11,729	12,005	50,821	52,016
Rompetrol Bulgaria	2,245,212	8,123,929	9,728,279	35,200,172
Rompetrol Moldova S.A.	8,805,963	12,958,932	38,155,357	56,149,756
Rompetrol Financial Group S.R.L.	2,610	2,370	11,309	10,269
Rompetrol Energy S.A.	18,964,775	14,516,407	82,172,474	62,898,140
Byron Shipping S.R.L.	1,754	2,014	7,600	8,726
Midia Marine Terminal S.R.L.	360,969	308,340	1,564,043	1,336,006
Rompetrol Georgia	1,347	2,878	5,836	12,470
Midia Green Energy S.A. former Uzina Termoelectrica				
Midia S.A.	63,464	57,568	274,983	249,436
KMG Rompetrol Development S.R.L.	2,319,223	237,465	10,048,961	1,028,912
Global Security Sistem S.A.	<u>262,492</u>	<u>184,784</u>	<u>1,137,352</u>	<u>800,651</u>
Total	<u>510,539,755</u>	<u>352,338,494</u>	<u>2,212,117,704</u>	<u>1,526,647,459</u>

Name of related party	Payables, loans and other liabilities			
	June 30, 2025	December 31,	June 30, 2025	December 31,
	USD	2024	RON	2024
		USD		RON
			<i>(supplementary info – see Note 2(e))</i>	
KazMunayGas Trading AG	673,289,757	754,510,444	2,917,297,188	3,269,218,303
Rominerv S.R.L.	24,209,779	43,306,909	104,898,551	187,644,506
KMG International N.V.	1,071,964	265,175	4,644,713	1,148,977
KMG Rompetrol S.R.L.	5,063,344	(453,388)	21,938,963	(1,964,485)
KMG Rompetrol S.R.L. - cash pooling	514,408,372	382,009,994	2,228,880,035	1,655,211,103
Oilfield Exploration Business Solutions S.A.	546,442	447,407	2,367,679	1,938,570
Rompetrol Well Services S.A.	6,867	6,845	29,754	29,659
KMG Rompetrol Services Center S.R.L.	969,685	425,691	4,201,548	1,844,477
Rompetrol Bulgaria	180,053	146,218	780,152	633,548
Rompetrol Moldova S.A.	17,977,100	26,990,379	77,892,977	116,946,613
Byron Shipping Ltd.	2,271	2,018	9,840	8,744
Rompetrol Energy S.A.	5,692,609	5,968,490	24,665,506	25,860,870
Midia Marine Terminal S.R.L.	2,333,465	1,213,065	10,110,670	5,256,089
KMG Rompetrol Development S.R.L.	5,121,533	4,863,185	22,191,090	21,071,694
Global Security Sistem S.A.	777,537	819,226	3,368,990	3,549,624
Global Security Systems - Fire Services S.R.L.	429,263	389,177	1,859,954	1,686,265
TRG Petrol Ticaret Anonim Sirketi	<u>2,538</u>	<u>2,538</u>	<u>10,997</u>	<u>10,997</u>
Total	<u>1,252,082,579</u>	<u>1,220,913,373</u>	<u>5,425,148,607</u>	<u>5,290,095,554</u>

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27. RELATED PARTIES (continued)

During the period ended June 30, 2025 respectively June 30, 2024, Rompetrol Rafinare Group entered into the following transactions with related parties:

Name of related party	Nature of transaction	Sales and other revenues			
		June 30,	June 30,	June 30,	June 30,
		2025 USD	2024 USD	2025 RON	2024 RON
(supplementary info – see Note 2(e))					
KazMunayGas Trading AG	Fuel	475,073,155	175,913,018	2,058,444,473	762,213,516
Rominerv S.R.L.	Fuel, utilities and other services	412,154	447,612	1,785,822	1,939,458
KMG International N.V.	Interest	3,443,441	3,035,170	14,920,086	13,151,088
KMG Rompetrol S.R.L.	Fuel and other services	16,530,847	16,916,671	71,626,507	73,298,244
Oilfield Exploration Business Solutions S.A.	Fuel	1,497	2,026	6,486	8,778
Rompetrol Well Services S.A.	Fuel and other services	328,205	367,839	1,422,079	1,593,810
Rompetrol Bulgaria	Fuel	7,064,008	7,366,754	30,607,640	31,919,408
Rompetrol Moldova S.A.	Fuel	167,539,099	125,344,337	725,930,162	543,104,478
Rompetrol Georgia	Fuel	1,987	50	8,609	217
KMG Rompetrol Services Center S.R.L.	Rent and other services	66,327	66,726	287,388	289,117
Midia Marine Terminal S.R.L.	Fuel, rent and other services	296,039	159,321	1,282,707	690,322
Byron Shipping S.R.L.	Fuel and other services	8,653	7,599	37,493	32,926
Rompetrol Energy S.A.	Other services	18,407,563	15,900,250	79,758,130	68,894,193
Global Security Sistem S.A.	Fuel	40,603	52,032	175,929	225,449
KMG Rompetrol Development S.R.L.	PPE and other services	2,033,596	572,108	8,811,368	2,478,887
Total		691,247,174	346,151,513	2,995,104,879	1,499,839,891

Name of related party	Nature of transaction	Purchases and other costs			
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		USD	USD	RON	RON
				(supplementary info – see Note 2(e))	
KazMunayGas Trading AG	Purchase of crude oil and other raw materials	1,398,741,722	1,133,058,737	6,060,608,007	4,909,430,202
Rominerv S.R.L.	Acquisition and maintenance of fixed assets	35,837,054	134,627,849	155,278,371	583,329,007
KMG International N.V.	Management services	2,175,341	1,121,656	9,425,535	4,860,023
KMG Rompetrol S.R.L.	Management services	44,964,273	40,210,879	194,825,698	174,229,718
Oilfield Exploration Business Solutions S.A.	Management services	45,218	30,616	195,925	132,656
Rompetrol Well Services S.A.	Other services	33,193	27,071	143,822	117,296
Rompetrol Bulgaria	Sales intermediary services	278	66	1,205	286
Rompetrol Moldova SA	Sales intermediary services	236,844	46,237	1,026,221	200,340
KMG Rompetrol Services Center S.R.L.	Shared services	4,606,054	4,557,894	19,957,571	19,748,899
Midia Marine Terminal S.R.L.	Handling services/Transit	11,053,644	9,444,977	47,894,334	40,924,141
Rompetrol Energy S.A.	Acquisition of utilities	31,944,393	31,420,029	138,411,860	136,139,844
KMG Rompetrol Development S.R.L.	Retail	11,925,404	11,528,379	51,671,583	49,951,313
Global Security Sistem S.A.	Security and protection services	2,273,330	1,751,043	9,850,112	7,587,094
Global Security Systems - Fire Services S.R.L.	Fire protection services	<u>1,211,524</u>	<u>1,010,384</u>	<u>5,249,412</u>	<u>4,377,893</u>
Total		1,545,048,272	1,368,835,817	6,694,539,656	5,931,028,712

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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 30 June 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 4.4 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:

	<u>June 30, 2025</u> USD	<u>June 30, 2024</u> USD	<u>June 30, 2025</u> RON	<u>June 30, 2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Earnings				
Profit/(Loss) for the year attributable to ordinary equity holders of the parent entity	(55,175,409)	(75,327,240)	(239,069,530)	(326,385,398)
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	(0.208)	(0.284)	(0.901)	(1.231)

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29. CONTINGENCIES

Romp petrol 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 Romp petrol Rafinare S.A., at the option of the KMG International NV.

In accordance with the above-mentioned deed, Romp petrol 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 bonds 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 court 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 Romp petrol Rafinare S.A. and its affiliates as well as on all movable and immovable assets of Romp petrol 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 Romp petrol 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 Romp petrol 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, Romp petrol Rafinare submitted to the Romanian authorities a requirement for the annulment of the seizure. On 9 May 2016, Romp petrol 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 Romp petrol 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, Romp petrol 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

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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 June 30, 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.

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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 was scheduled for June 19, 2025.

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30. LEGAL MATTERS (continued)

On June 24, 2025, the Supreme Court partially admitted both appeals, the Company's appeal as well as the ANAF's appeal, and cancelled the fiscal authority's decision on 4.69 million RON in withholding tax for non-residents and related penalties and 210,157 lei representing VAT and related penalties. The Court also ruled that 82.2 million RON should be included in the fiscal loss.

Regarding this legal matter Rompetrol Rafinare recognized a provision in amount of USD 5.4 million.

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 October 14, 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 "instalatie 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.

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30. LEGAL MATTERS (continued)

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 was postponed for June 2025.

On June 11, 2025, all appeals were dismissed as unfounded. Consequently, the commencement of the trial was ordered, with the first hearing date to be set in due course.

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. On July 16, 2025, the Territorial Labour Inspectorate issued the Report on the incident. According to the conclusions of the Report the individuals responsible are indicated as being the victims involved in the accident – main cause minimizing the risks of injury by voluntarily entering a confined space.

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.

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.

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30. LEGAL MATTERS (continued)

Case for 2023 windfall tax

Additionally, the Company has filed an administrative challenge regarding the windfall tax paid in 2024 for the fiscal year of 2023. Being rejected by fiscal authority, the Company submitted a similar claim on February 4, 2025, for challenging the 2023 windfall tax. The hearing was on May 19, 2025, and on June 02, 2025; and on June 18, 2025, is expected a resolution on submission of the case to the ECJ (European Court of Justice) and the Constitutional Court.

On June 16, 2025, the Court admitted the request for submission to the Romanian Constitutional Court and on June 18, 2025, to the CJUE (The Court of Justice of the European Union) for all 6 preliminary questions proposed by the company. Until receiving the ruling from CJUE (The Court of Justice of the European Union), the court suspended the file (the decision is subject of appeal).

Turnover tax litigation

I. Rompetrol Rafinare

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. On March 28, the Supreme Court rejected the appeal against denial of suspension.

To date, Rompetrol Rafinare has paid a total of \$11.3 million in turnover tax for the first three 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.

II. Rompetrol Downstream submitted its claim against turnover tax on May 9, 2025, asking the cancellation of the said tax for 2024 for an amount of USD 9 million.

Also, Rompetrol Downstream submitted on May 23, 2025, an administrative complaint against the turnover tax for Q1 2025 for an amount of USD 2.3 million. On July 2, 2025, the administrative complaint submitted by Rompetrol Downstream for Q1 2025 was rejected by tax authority. On July 3, 2025, the administrative complaint submitted by Rompetrol Gas and Rompetrol Downstream against GD no. 1393/2024 (Methodological norms for ICAS – computation of turnover including the excise due amounts) was rejected as well.

On July 28, 2025, the Rompetrol Downstream claim against turnover tax for Q1 2025, was submitted to the competent court.

Vega Refinery (wastewater treatment supply services)

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

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

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30. LEGAL MATTERS (continued)

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

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

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

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

A main claim was submitted on June 17, 2024.

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.

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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

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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 (KREIF).

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.

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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.

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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:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	USD	USD
Debt (excluding shareholder loans and related parties)	623,787,204	599,649,236
Cash and cash equivalents	(211,671,619)	(94,030,970)
Net debt	412,115,585	505,618,266
Equity (including shareholder loans and related parties)	158,110,861	216,929,247
Net debt to equity ratio	2.61	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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Financial assets		
Trade and other receivables	694,654,724	495,036,761
Long-term receivables	16,201,890	7,838,702
Derivative financial instruments	3,076,059	-
Cash and cash equivalents	211,671,619	94,030,970
TOTAL FINANCIAL ASSETS	925,604,292	596,906,433
Financial liabilities		
Long-term borrowings	-	275,900,000
Derivative financial instruments	9,523,904	4,519,724
Other non-current liabilities	4,995,294	152,917
Trade and other payables	1,325,500,495	1,268,591,444
Short-term borrowings banks	317,848,415	45,838,959
TOTAL FINANCIAL LIABILITIES	1,657,868,108	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.

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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 30 June 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.

	<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets				
Trade and other receivables	694,654,724	-	694,654,724	-
Long-term receivables	16,201,890	-	16,201,890	-
Derivative financial instruments	3,076,059	-	3,076,059	-
Cash and cash equivalents	<u>211,671,619</u>	<u>211,671,619</u>	-	-
TOTAL FINANCIAL ASSETS	<u>925,604,292</u>	<u>211,671,619</u>	<u>713,932,673</u>	<u>=</u>
Financial liabilities				
Long-term borrowings	-	-	-	-
Derivative financial instruments	9,523,904	-	9,523,904	-
Other non-current liabilities	4,995,294	-	4,995,294	-
Trade and other payables	1,325,500,495	-	1,325,500,495	-
Short-term borrowings banks	<u>317,848,415</u>	<u>=</u>	<u>317,848,415</u>	<u>=</u>
TOTAL FINANCIAL LIABILITIES	<u>1,657,868,108</u>	<u>=</u>	<u>1,657,868,108</u>	<u>=</u>

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	<u>December 31,</u> <u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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	<u>94,030,970</u>	<u>94,030,970</u>	-	-
TOTAL FINANCIAL ASSETS	<u>596,906,433</u>	<u>94,030,970</u>	<u>502,875,463</u>	<u>=</u>
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	<u>45,838,959</u>	-	<u>45,838,959</u>	-
TOTAL FINANCIAL LIABILITIES	<u>1,595,003,044</u>	<u>=</u>	<u>1,595,003,044</u>	<u>=</u>

During the reporting period ending 30 June 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:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Derivative financial asset	3,076,059	-
Derivative financial liability	(9,523,904)	(4,519,724)
Net position - asset/(liability)	(6,447,845)	(4,519,724)

Income Statement:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Realised (gains)/losses - net	6,335,620	(10,869,335)
Total position - loss/(gain) - in Cost of sales	6,335,620	(10,869,335)

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32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

	June 30, 2025	December 31, 2024
Derivative asset/(liability) 2024	(4,519,724)	(251,864)
Cash payments	3,701,150	(2,246,906)
Reserves	(5,629,271)	(2,020,954)
Derivative asset/(liability) 2025	(6,447,845)	(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 – June 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-

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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 23% 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.

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33. SUBSEQUENT EVENTS

Rompetrol Rafinare S.A credit facility in amount of up to EUR 30 million granted by Banca Transilvania was extended until July 26, 2026.

Rompetrol Rafinare S.A credit facility in amount of up to EURO 27,96 million granted by Banca Transilvania was extended until July 26, 2026.

Facility Agreement A in amount of USD 275.9 million granted by a consortium of banks, meaning Banca Comerciala Romana S.A. (BCR), ING Bank N.V Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., UniCredit Bank S.A., Alpha Bank Romania S.A., Garanti Bank S.A., Banca Transilvania S.A. (takeover from OTP Bank Romania S.A.) and Intesa Sanpaolo Group through its subsidiaries Banca Comerciala Intesa Sanpaolo Romania and VUB A.S. was extended until April 13, 2027.

On July 29, 2025, the Company received from the National Agency for Fiscal Administration (ANAF-DGAMC) the Decision to amend the deferral of tax payment decision, through which Rompetrol Rafinare was granted a deferral of tax obligations in the total amount of RON 505.6 million for a period of 58 months. This decision amends the initial deferral decision received by the Company in May 2025, which covered tax obligations amounting to RON 26 million.

The tax deferral agreement is secured by bank guarantee letters totaling RON 507.3 million, valid until December 31, 2030, issued by the following banks: Alpha Bank Romania S.A., ING Bank N.V. Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., and Garanti Bank S.A.

SORIN GRAURE
GENERAL MANAGER

ALEXANDRU STAVARACHE
FINANCE MANAGER

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ROMPETROL RAFINARE S.A.
COMPANY MANAGED IN ONE-TIER MANAGEMENT SYSTEM
ROMANIA
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ROMANIA
Manufacture of products obtained from crude oil processing - CAEN 1920
KMG INTERNATIONAL N.V.
National Welfare Fund "Samruk Kazyna" JSC (67.48%), Ministry of Finance of Republic of Kazakhstan (20%),
National Bank of the Republic of Kazakhstan Banca (9.58%) and other shareholders (2.94%)

**AFFIDAVIT**

The undersigned, Yedil Utekov, acting as Chairman of the Board of Directors, Sorin Graure, acting as General Manager of Rompetrol Rafinare S.A. and Alexandru Stavarache, acting as Financial Manager of Rompetrol Rafinare S.A., in consideration of art. 67, alin (2) lit. c) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations,

Hereby declare that, as far as we are aware, the individual unaudited half-year financial-accounting statements as of 30.06.2025, drafted in compliance with the applicable accounting standards, provide a correct and accurate image of the actual assets, liabilities, financial status, profit and losses account of Rompetrol Rafinare S.A. and, respectively, of its subsidiaries included in the financial statements' consolidation process, as well as that the Reports of the Board of Directors (on the individual financial statements drafted in compliance with the Order of the Minister of Public Finance no. 2844/2016 for approval of the accounting regulations in compliance with the International Financial Reporting Standards ("IFRS") and on the consolidated financial statements drafted in compliance with IFRS) are presenting the information concerning the Company's activity in a correct and complete manner.

Chairman of the Board of Directors of
Rompetrol Rafinare S.A.

Yedil Utekov

General Manager

Sorin Graure

Financial Manager

Alexandru Stavarache

Date: August 13, 2025