

**ROMPETROL RAFINARE SA**

**CONSOLIDATED FINANCIAL STATEMENTS**

**PREPARED IN ACCORDANCE WITH  
IFRS ACCOUNTING STANDARDS as adopted by the European Union  
(EU)**

**31 DECEMBER 2025**

**ROMPETROL RAFINARE SA  
CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE  
EUROPEAN UNION (EU) AS AT 31 DECEMBER 2025**

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**ROMPETROL RAFINARE SA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

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

	Notes	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
				<i>(supplementary info – see Note 2(e))</i>	
Intangible assets	3	23,843,667	17,333,185	103,522,049	75,255,489
Goodwill	4	82,871,706	82,871,706	359,804,086	359,804,086
Property, plant and equipment	5	838,926,572	891,996,177	3,642,367,498	3,872,779,802
Right of use Assets	7	266,825,660	276,551,758	1,158,476,968	1,200,704,768
Long-term receivable	8	126,447,176	7,838,702	548,995,704	34,033,292
Deferred tax asset	16	29,142,371	21,306,903	126,527,432	92,508,181
<b>Total non current assets</b>		<b><u>1,368,057,152</u></b>	<b><u>1,297,898,431</u></b>	<b><u>5,939,693,737</u></b>	<b><u>5,635,085,618</u></b>
Inventories	10	379,318,460	428,898,189	1,646,886,958	1,862,147,267
Trade and other receivables	11	829,223,437	518,697,141	3,600,239,396	2,252,027,377
Derivative financial instruments	34.5	15,390,695	-	66,821,780	-
Cash and cash equivalents	12	57,284,561	94,030,970	248,712,378	408,254,262
<b>Total current assets</b>		<b><u>1,281,217,153</u></b>	<b><u>1,041,626,300</u></b>	<b><u>5,562,660,512</u></b>	<b><u>4,522,428,906</u></b>
<b>TOTAL ASSETS</b>		<b><u>2,649,274,305</u></b>	<b><u>2,339,524,731</u></b>	<b><u>11,502,354,249</u></b>	<b><u>10,157,514,524</u></b>
Share capital	13	881,102,250	881,102,250	3,825,481,639	3,825,481,639
Share premium	13	74,050,518	74,050,518	321,505,134	321,505,134
Revaluation reserve, net	13	157,337,934	178,928,234	683,114,109	776,852,715
Other reserves	13	4,623,886	(10,257,415)	20,075,526	(44,534,619)
Other reserves - Hybrid loan	13	1,059,285,995	1,059,285,995	4,599,102,004	4,599,102,004
Effect of transfers with equity holders	13	(596,832,659)	(596,832,659)	(2,591,268,356)	(2,591,268,356)
Accumulated losses		(1,367,544,468)	(1,320,145,740)	(5,937,467,817)	(5,731,676,759)
Current year result		16,360,302	(68,989,028)	71,031,523	(299,529,663)
<b>Equity attributable to equity holders of the parent</b>		<b><u>228,383,758</u></b>	<b><u>197,142,155</u></b>	<b><u>991,573,762</u></b>	<b><u>855,932,095</u></b>
Non-Controlling interest		34,640,408	19,787,092	150,398,260	85,909,618
<b>Total equity</b>		<b><u>263,024,166</u></b>	<b><u>216,929,247</u></b>	<b><u>1,141,972,022</u></b>	<b><u>941,841,713</u></b>
Long-term borrowings from banks	14	274,592,685	275,900,000	1,192,199,060	1,197,875,030
Obligations under lease agreements	15	291,871,760	268,112,687	1,267,219,620	1,164,064,853
Deferred tax liabilities	16	15,286,600	16,176,318	66,369,831	70,232,720
Provisions	20	124,246,704	110,055,666	539,441,914	477,828,685
Other non-current liabilities	21	72,904,563	152,917	316,529,741	663,920
<b>Total non-current liabilities</b>		<b><u>778,902,312</u></b>	<b><u>670,397,588</u></b>	<b><u>3,381,760,166</u></b>	<b><u>2,910,665,208</u></b>
Trade and other payables	17	1,439,631,312	1,326,932,258	6,250,447,268	5,761,141,782
Contract liabilities	18	103,424,116	62,467,369	449,036,484	271,214,576
Derivative financial instruments	34.5	-	4,519,724	-	19,623,286
Obligations under lease agreements	15	11,625,403	9,797,590	50,474,012	42,538,197
Short-term borrowings from banks	19	47,417,710	45,838,959	205,873,472	199,019,008
Profit tax payable		5,249,286	2,641,996	22,790,825	11,470,754
<b>Total current liabilities</b>		<b><u>1,607,347,827</u></b>	<b><u>1,452,197,896</u></b>	<b><u>6,978,622,061</u></b>	<b><u>6,305,007,603</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>2,649,274,305</u></b>	<b><u>2,339,524,731</u></b>	<b><u>11,502,354,249</u></b>	<b><u>10,157,514,524</u></b>

The consolidated financial statements have been endorsed by the Board of Directors on 25 March 2026 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2026 by:

**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

**ROMPETROL RAFINARE SA**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

	Notes	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
				<i>(supplementary info – see Note 2(e))</i>	
Revenues from contracts with customers	22	4,404,155,168	3,724,825,212	19,121,520,493	16,172,073,623
Cost of sales	23	(3,921,552,898)	(3,357,819,820)	(17,026,206,217)	(14,578,646,312)
<b>Gross profit</b>		<b><u>482,602,270</u></b>	<b><u>367,005,392</u></b>	<b><u>2,095,314,276</u></b>	<b><u>1,593,427,311</u></b>
Selling, general and administrative expenses, including logistic costs	24	(310,352,299)	(315,970,523)	(1,347,456,577)	(1,371,849,220)
Other operating income	25	64,458,800	47,634,419	279,860,772	206,814,357
Other operating expenses	25	<u>(82,270,741)</u>	<u>(78,523,565)</u>	<u>(357,194,876)</u>	<u>(340,925,762)</u>
<b>Operating profit</b>		<b><u>154,438,030</u></b>	<b><u>20,145,723</u></b>	<b><u>670,523,595</u></b>	<b><u>87,466,686</u></b>
Finance cost	26	(132,981,404)	(146,034,233)	(577,365,362)	(634,036,829)
Finance income	26	52,320,089	51,232,278	227,158,130	222,435,181
Foreign exchange (loss) /gain, net	26	(35,889,125)	6,146,480	(155,819,813)	26,686,171
<b>Profit/(Loss) before income tax</b>		<b><u>37,887,590</u></b>	<b><u>(68,509,752)</u></b>	<b><u>164,496,550</u></b>	<b><u>(297,448,791)</u></b>
Income tax credit/(charge)	27	<u>(6,673,973)</u>	<u>(239,937)</u>	<u>(28,976,389)</u>	<u>(1,041,734)</u>
<b>Profit/(Loss) for the year</b>		<b><u>31,213,617</u></b>	<b><u>(68,749,689)</u></b>	<b><u>135,520,161</u></b>	<b><u>(298,490,525)</u></b>
<i>Attributable to:</i>					
Equity holders of the parent		16,360,302	(68,989,028)	71,031,523	(299,529,663)
Non-Controlling interests		14,853,315	239,339	64,488,638	1,039,138
<b>Earnings per share</b> <i>(USD/RON/share)</i>					
Basic	30	0.062	(0.260)	0.269	(1.129)
Diluted	30	0.021	(0.260)	0.091	(1.129)

The consolidated financial statements have been endorsed by the Board of Directors on 25 March 2026 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2026 by:

**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

**ROMPETROL RAFINARE SA**  
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

	Notes	<u>December</u> <u>31, 2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2025</u> RON	<u>December</u> <u>31, 2024</u> RON
<b>(Loss)/Profit for the year</b>		<b><u>31,213,617</u></b>	<b><u>(68,749,689)</u></b>	<b><u>135,520,161</u></b>	<b><u>(298,490,525)</u></b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to income statement in subsequent periods (net of tax):</i>					
Net gain/(loss) on cash flow hedges	34.5	17,119,653	(2,020,954)	74,328,395	(8,774,376)
<b>Net other comprehensive income to be reclassified to income/(loss) statement in subsequent periods</b>		<b><u>17,119,653</u></b>	<b><u>(2,020,954)</u></b>	<b><u>74,328,395</u></b>	<b><u>(8,774,376)</u></b>
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):</i>					
Actuarial gains / (losses) on defined benefit pension plans		(2,238,352)	1,361,824	(9,718,249)	5,912,628
<b>Net other comprehensive income/(loss) not to be reclassified to income statement in subsequent periods</b>		<b><u>(2,238,352)</u></b>	<b><u>1,361,824</u></b>	<b><u>(9,718,249)</u></b>	<b><u>5,912,628</u></b>
<b>Total other comprehensive income/ (loss) for the year, net of tax</b>		<b><u>14,881,301</u></b>	<b><u>(659,130)</u></b>	<b><u>64,610,146</u></b>	<b><u>(2,861,748)</u></b>
<b>Total comprehensive result for the year, net of tax</b>		<b><u>46,094,918</u></b>	<b><u>(69,408,819)</u></b>	<b><u>200,130,307</u></b>	<b><u>(301,352,273)</u></b>
<i>Attributable to:</i>					
Equity holders of the parent		31,241,603	(69,648,158)	135,641,669	(302,391,411)
Non-Controlling interests		14,853,315	239,339	64,488,638	1,039,138
<b>Total comprehensive result for the year</b>		<b><u>46,094,918</u></b>	<b><u>(69,408,819)</u></b>	<b><u>200,130,307</u></b>	<b><u>(301,352,273)</u></b>

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**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

**ROMPETROL RAFINARE SA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

	Notes	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December</u> <u>31, 2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
				<i>(supplementary info – see Note 2(e))</i>	
<b>(Loss)/Profit before income tax</b>		<b><u>37,887,590</u></b>	<b><u>(68,509,752)</u></b>	<b><u>164,496,550</u></b>	<b><u>(297,448,791)</u></b>
<i>Adjustments for:</i>					
Depreciation and amortization of property, plant and equipment and intangibles assets	3,5	109,162,007	134,079,406	473,948,686	582,132,557
Depreciation of right-of-use assets	7	17,636,652	17,561,799	76,573,052	76,248,063
Provisions for receivables and inventories (incl write-off)	25	(9,050,160)	304,159	(39,293,080)	1,320,567
Impairment for property, plant and equipment (incl write-off)	25	(2,903,240)	4,553,913	(12,604,997)	19,771,724
Provision for environmental and other liabilities	20	6,798,914	(3,690,684)	29,518,845	(16,023,843)
Retirement benefit provisions	20	604,578	419,828	2,624,896	1,822,767
Late payment interest	26	5,694,483	2,254,600	24,723,737	9,788,797
Other financial income	26	(1,363,545)	(3,542,779)	(5,920,103)	(15,381,684)
Interest expense leasing	26	21,150,507	21,467,077	91,829,156	93,203,608
Unwinding of discount environmental provision	26	168,484	(1,372,477)	731,507	(5,958,883)
Interest income	26	(50,956,544)	(47,689,499)	(221,238,027)	(207,053,498)
Interest expense and bank charges		96,968,537	115,522,915	421,008,297	501,565,840
Adjustments for gain loss on disposals of property, plant and equipment	25	(686,707)	(373,306)	(2,981,476)	(1,620,783)
Unrealised foreign exchange (gain)/loss	26	<u>39,760,420</u>	<u>(17,804,238)</u>	<u>172,627,816</u>	<u>(77,300,660)</u>
<b>Cash flows from operations before working capital changes</b>		<b><u>270,871,976</u></b>	<b><u>153,180,962</u></b>	<b><u>1,176,044,859</u></b>	<b><u>665,065,781</u></b>
<i>Net working capital changes:</i>					
Receivables and prepayments		(212,517,766)	58,134,692	(922,688,385)	252,403,392
Inventories		53,509,048	(13,756,189)	232,320,234	(59,725,246)
Adjustments for increase (decrease) in trade and other payables and adjustments for increase (decrease) in contract liabilities		<u>48,753,840</u>	<u>(87,767,106)</u>	<u>211,674,546</u>	<u>(381,058,443)</u>
<b>Change in working capital</b>		<b><u>(110,254,878)</u></b>	<b><u>(43,388,603)</u></b>	<b><u>(478,693,605)</u></b>	<b><u>(188,380,297)</u></b>
<b>Income tax paid</b>		<b><u>(12,478,433)</u></b>	<b><u>(34,013,483)</u></b>	<b><u>(54,177,613)</u></b>	<b><u>(147,676,339)</u></b>
<b>Net cash inflow from operating activities</b>		<b><u>148,138,665</u></b>	<b><u>75,778,876</u></b>	<b><u>643,173,641</u></b>	<b><u>329,009,145</u></b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	5	(54,608,696)	(150,934,364)	(237,094,575)	(655,311,729)
Purchase of intangible assets	3	(7,487,675)	(546,756)	(32,509,239)	(2,373,850)
Proceeds from sale of property, plant and equipment		2,838,034	(258,098)	12,321,892	(1,120,584)
Interest received		43,973,225	41,695,542	190,918,551	181,029,535
Cash flows used in/generated by cash pooling receivables	11,17	<u>(206,786,864)</u>	<u>55,361,721</u>	<u>(897,806,527)</u>	<u>240,363,984</u>
<b>Net cash inflow (outflow) from investing activities</b>		<b><u>(222,071,976)</u></b>	<b><u>(54,681,955)</u></b>	<b><u>(964,169,898)</u></b>	<b><u>(237,412,644)</u></b>
<b>Cash flows from financing activities</b>					
Cash flows used in/generated from cash pooling, payables	17	165,993,250	51,744,869	720,692,894	224,660,698
Long - term loans received from banks	19	280,976,666	10,000,000	1,219,916,391	43,417,000
Long - term loans repaid to banks	19	(282,283,981)	-	(1,225,592,360)	-
Proceeds from current borrowings from banks	19	347,551,929	101,395,809	1,508,966,210	440,230,184
Repayments of current borrowings from banks	19	(345,894,675)	(98,222,719)	(1,501,770,910)	(426,453,579)
Lease repayments (principal and interest)	15	(32,109,247)	(31,939,431)	(139,408,718)	(138,671,428)
Interest and bank charges paid		(97,047,040)	(115,999,679)	(421,349,134)	(503,635,806)
<b>Net cash inflow (outflow) from financing activities</b>		<b><u>37,186,902</u></b>	<b><u>(83,021,151)</u></b>	<b><u>161,454,373</u></b>	<b><u>(360,452,931)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b><u>(36,746,409)</u></b>	<b><u>(61,924,230)</u></b>	<b><u>(159,541,884)</u></b>	<b><u>(268,856,430)</u></b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b><u>94,030,970</u></b>	<b><u>155,955,200</u></b>	<b><u>408,254,262</u></b>	<b><u>677,110,692</u></b>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>57,284,561</u></b>	<b><u>94,030,970</u></b>	<b><u>248,712,378</u></b>	<b><u>408,254,262</u></b>

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**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

The accompanying notes from 1 to 36 are an integral part of these consolidated financial statements.

**ROMPETROL RAFINARE SA**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

(Amounts in US dollars represent the 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, net of 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>
<b>31 December 2023</b>	<b><u>881,102,250</u></b>	<b><u>74,050,518</u></b>	<b><u>(1,366,853,176)</u></b>	<b><u>225,635,669</u></b>	<b><u>(596,832,659)</u></b>	<b><u>1,049,687,710</u></b>	<b><u>266,790,312</u></b>	<b><u>19,547,754</u></b>	<b><u>286,338,066</u></b>
Net loss for 2024	-	-	(68,989,028)	-	-	-	(68,989,028)	239,339	(68,749,689)
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	1,361,824	1,361,824	-	1,361,824
Hedging reserves	-	-	-	-	-	(2,020,954)	(2,020,954)	-	(2,020,954)
<b>Total other comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b><u>(659,130)</u></b>	<b><u>(659,130)</u></b>	<b>≡</b>	<b><u>(659,130)</u></b>
<b>Total comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b><u>(68,989,028)</u></b>	<b>≡</b>	<b>≡</b>	<b><u>(659,130)</u></b>	<b><u>(69,648,158)</u></b>	<b><u>239,339</u></b>	<b><u>(69,408,819)</u></b>
Transfer of realized revaluation reserve to Retained Earnings, net of deferred tax related to realized revaluation reserve	-	-	46,707,436	(46,707,436)	-	-	-	-	-
<b>December 31, 2024</b>	<b><u>881,102,250</u></b>	<b><u>74,050,518</u></b>	<b><u>(1,389,134,768)</u></b>	<b><u>178,928,234</u></b>	<b><u>(596,832,659)</u></b>	<b><u>1,049,028,580</u></b>	<b><u>197,142,155</u></b>	<b><u>19,787,092</u></b>	<b><u>216,929,247</u></b>
<b>31 December 2024</b>	<b><u>881,102,250</u></b>	<b><u>74,050,518</u></b>	<b><u>(1,389,134,768)</u></b>	<b><u>178,928,234</u></b>	<b><u>(596,832,659)</u></b>	<b><u>1,049,028,580</u></b>	<b><u>197,142,155</u></b>	<b><u>19,787,092</u></b>	<b><u>216,929,247</u></b>
Net profit for 2025	-	-	16,360,302	-	-	-	16,360,302	14,853,315	31,213,617
Hedging reserves	-	-	-	-	-	17,119,653	17,119,653	-	17,119,653
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	(2,238,352)	(2,238,352)	-	(2,238,352)
<b>Total other comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b><u>14,881,301</u></b>	<b><u>14,881,301</u></b>	<b>≡</b>	<b><u>14,881,301</u></b>
<b>Total comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b><u>16,360,302</u></b>	<b>≡</b>	<b>≡</b>	<b><u>14,881,301</u></b>	<b><u>31,241,603</u></b>	<b><u>14,853,315</u></b>	<b><u>46,094,918</u></b>
Transfer of realized revaluation reserve to Retained Earnings, net of deferred tax related to realized revaluation reserve	-	-	21,590,300	(21,590,300)	-	-	-	-	-
<b>31 December 2025</b>	<b><u>881,102,250</u></b>	<b><u>74,050,518</u></b>	<b><u>(1,351,184,166)</u></b>	<b><u>157,337,934</u></b>	<b><u>(596,832,659)</u></b>	<b><u>1,063,909,881</u></b>	<b><u>228,383,758</u></b>	<b><u>34,640,408</u></b>	<b><u>263,024,166</u></b>

The consolidated financial statements have been endorsed by the Board of Directors on 25 March 2026 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2026 by:

**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

The accompanying notes from 1 to 36 are an integral part of these consolidated financial statements.

**ROMPETROL RAFINARE SA**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

(Amounts in US dollars represent the 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, net of 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>
<b>31 December 2023</b>	<b><u>3,825,481,639</u></b>	<b><u>321,505,134</u></b>	<b><u>(5,934,466,434)</u></b>	<b><u>979,642,385</u></b>	<b><u>(2,591,268,356)</u></b>	<b><u>4,557,429,131</u></b>	<b><u>1,158,323,499</u></b>	<b><u>84,870,484</u></b>	<b><u>1,243,193,983</u></b>
Net loss for 2024	-	-	(299,529,663)	-	-	-	(299,529,663)	1,039,138	(298,490,525)
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	5,912,628	5,912,628	-	5,912,628
Hedging reserves	-	-	-	-	-	(8,774,376)	(8,774,376)	-	(8,774,376)
<b>Total other comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b><u>(2,861,748)</u></b>	<b><u>(2,861,748)</u></b>	<b>≡</b>	<b><u>(2,861,748)</u></b>
<b>Total comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b><u>(299,529,663)</u></b>	<b>≡</b>	<b>≡</b>	<b><u>(2,861,748)</u></b>	<b><u>(302,391,411)</u></b>	<b><u>1,039,138</u></b>	<b><u>(301,352,273)</u></b>
Transfer of realized revaluation reserve to Retained Earnings, net of deferred tax related to realized revaluation reserve	-	-	202,789,675	(202,789,675)	-	-	-	-	-
<b>December 31, 2024</b>	<b><u>3,825,481,639</u></b>	<b><u>321,505,134</u></b>	<b><u>(6,031,206,422)</u></b>	<b><u>776,852,715</u></b>	<b><u>(2,591,268,356)</u></b>	<b><u>4,554,567,385</u></b>	<b><u>855,932,095</u></b>	<b><u>85,909,618</u></b>	<b><u>941,841,713</u></b>
<b>31 December 2024</b>	<b><u>3,825,481,639</u></b>	<b><u>321,505,134</u></b>	<b><u>(6,031,206,422)</u></b>	<b><u>776,852,715</u></b>	<b><u>(2,591,268,356)</u></b>	<b><u>4,554,567,385</u></b>	<b><u>855,932,095</u></b>	<b><u>85,909,618</u></b>	<b><u>941,841,713</u></b>
Net profit for 2025	-	-	71,031,523	-	-	-	71,031,523	64,488,638	135,520,161
Hedging reserves	-	-	-	-	-	74,328,395	74,328,395	-	74,328,395
Actuarial gains / (losses) on defined benefit pension plans	-	-	-	-	-	(9,718,249)	(9,718,249)	-	(9,718,249)
<b>Total other comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b><u>64,610,146</u></b>	<b><u>64,610,146</u></b>	<b>≡</b>	<b><u>64,610,146</u></b>
<b>Total comprehensive income</b>	<b>≡</b>	<b>≡</b>	<b><u>71,031,523</u></b>	<b>≡</b>	<b>≡</b>	<b><u>64,610,146</u></b>	<b><u>135,641,669</u></b>	<b><u>64,488,638</u></b>	<b><u>200,130,307</u></b>
Transfer of realized revaluation reserve to Retained Earnings, net of deferred tax related to realized revaluation	-	-	93,738,606	(93,738,606)	-	-	-	-	-
<b>31 December 2025</b>	<b><u>3,825,481,639</u></b>	<b><u>321,505,134</u></b>	<b><u>(5,866,436,294)</u></b>	<b><u>683,114,109</u></b>	<b><u>(2,591,268,356)</u></b>	<b><u>4,619,177,530</u></b>	<b><u>991,573,762</u></b>	<b><u>150,398,260</u></b>	<b><u>1,141,972,022</u></b>

The consolidated financial statements have been endorsed by the Board of Directors on 25 March 2026 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2026 by:

**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

The accompanying notes from 1 to 36 are an integral part of these consolidated financial statements.

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**1. GENERAL**

Romp petrol 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).

Romp petrol 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 December 2025 and December 2024 was 1,902 and 1,917 respectively.

The registered address of Rompetrol Rafinare SA is Bd. Navodari no. 215, Navodari, Constanta, Romania. Rompetrol Rafinare SA and its subsidiaries are part of KMG International N.V. group with its registered address located at World Trade Centre, Strawinskyiaan 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. MATERIAL ACCOUNTING POLICY INFORMATION**

**a) Basis of preparation and statement of compliance**

These consolidated financial statements as of 31 December 2025 have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union.

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

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

**b) Going concern**

The financial statements of the Group are prepared on a going concern basis. As of 31 December 2025, and 31 December 2024 the Group reported net assets including non-controlling interest, of USD 263 million and 216.9 million respectively. For the period ended 31 December 2025, the Group recorded profit in amount of USD 31.2 million (2024: loss of USD 68.7 million) and net current liabilities of USD 326.1 million (2024: net current liabilities of USD 410.6 million). The result incurred during 2025 was comprised of operational profit USD 154.4 million (2024: operational profit USD 20.1 million) and net financial losses of USD 116.6 million (2024: net financial losses of USD 88.7 million). The operating profit recorded in 2025 was driven by the specific nature of the refining activity, characterized by record crude throughput, historic highs in middle distillates, gasoline and jet fuel production, and strong integration between refining and petrochemicals activities. Performance was supported by a best-ever white product yield, improved energy efficiency (EII at an all-time low) and reduced utility costs. Overall, 2025 results demonstrate operational flexibility, a strong focus on optimization and the ability to maximize integrated margins and deliver long-term financial performance.

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

On 16 March 2026, the Group received a letter of support from its main shareholder, KMG International NV, valid for the next 13 months from date of approval of financial statements. The support letter provides confirmation that the shareholder will continue to support the Group in meeting its obligations as they fall due. As at 31 December 2025, the Group's statement of financial position includes intercompany liabilities of USD 1,222 million and intercompany receivables of USD 590 million. After excluding intercompany balances, the Group recorded net current assets of USD 306.4 million (2024: USD 458 million). Management believes that the support from KMG International NV and existing facilities from banks, including unutilized amounts is sufficient to enable the Group to continue its operations and settle its obligations in the ordinary course of business without substantial disposal of assets, externally forced, downsizing of its operations or similar actions.

In assessing the Group's ability to continue as a going concern, management considered the potential impact of recent geopolitical developments, including heightened tensions in the Middle East involving Iran, Israel and the United States, which have contributed to increased volatility in global energy markets.

The Group's refining operations primarily process crude oil supplied from Kazakhstan under commercial arrangements. As such, the Group does not have direct operational exposure to crude oil supplies originating from the areas currently affected by the geopolitical tensions from Middle East. Nevertheless, management considered the potential indirect effects of these developments, including volatility in international crude oil prices, potential disruptions in global trading flows and transportation routes, and broader uncertainty in energy markets.

Based on the analyses performed and the information available at the date of approval of these consolidated financial statements, management concluded that these developments do not create material uncertainties that would cast significant doubt on the Group's ability to continue as a going concern.

For climate-related matters and the impact on Group financial statements please refer to Note 33.

Considering the Group's budget for 2026, 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 standards/amendments that are effective and have been endorsed by the European Union

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by the Group as of 1 January 2025:

- **Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).**

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2026 or later, and which the Group has not early adopted.

• **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).**

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Management is in the process of assessing the impact at Group level from application of these amendments.

• **IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).**

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes.

IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. Management is actively assessing the impact at Group level from application of these amendments. As the assessment is ongoing and remains at a preliminary stage, more comprehensive disclosures cannot reasonably be provided. The planned adoption date is 1 January 2027.

The Group is in the early stages of its IFRS 18 implementation project. Key activities are planned for the second half of 2026 and are expected to include, among others: a detailed scoping and impact assessment; identification of required changes to accounting policies, financial statement presentation formats, and related disclosures; assessment of necessary changes to systems, processes, and internal controls; and the preparation of pro-forma financial statements under IFRS 18.

The Group expects to be in a position to provide more comprehensive and progressively more detailed disclosures, including, where appropriate and reliably estimable, quantitative information on the anticipated effects on the statement of profit or loss and related notes, in its financial statements for the year ending 31 December 2026.

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024, then amended on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027)**

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). Management is in the process of assessing the impact at Group level from application of these amendments.

- **IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).**

IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS Accounting Standards. However, to enhance comparability with entities that already apply IFRS Accounting Standards and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents financial statements in compliance with IFRS Accounting Standards is not eligible to apply the standard. This standard will be effective from a date that is yet to be determined by the IASB. Management is in the process of assessing the impact at Group level from application of these amendments.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).**

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely. Management is in the process of assessing the impact at Group level from application of these amendments.

- **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).**

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows. Management is in the process of assessing the impact at Group level from application of these amendments.

**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. Each entity within the Group determines its functional currency based on the currency of the primary economic environment in which it operates, in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. For each entity, items included in the consolidated financial statements are measured using that functional currency.

The determination of the functional currency for the Group's entities requires management judgement and is discussed further in Note 2(f) — Significant Accounting Judgments, Estimates and Assumptions.

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 denominated 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.

**Other matters**

**Romanian lei translation for information purposes basis**

Amounts in Romanian lei for both 2025 and 2024 are provided for information purpose basis only and are translated by multiplying the values in USD with the 31 December 2025 closing exchange rate published by Romanian national Bank of RON 4.3417 = USD 1. Translation is performed for all primary statements using the closing exchange rate.

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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.

- Determination of the functional currency

Determining the functional currency of each entity within the Group requires management judgment in assessing the primary economic environment in which each entity operates, in accordance with IAS 21. The accounting policy for foreign currency translation is set out in Note 2e.

Management assessed the functional currency of the parent company and the Group's principal operating entities based on indicators such as the currency influencing sales prices, operating costs, financing activities and working capital.

A significant portion of revenues is linked to internationally quoted prices for petroleum products, which are denominated in USD. Although part of domestic sales is invoiced in Romanian lei (RON), the underlying pricing mechanism is based on USD-denominated international benchmarks, with local currency prices derived using the exchange rate at the date of invoicing.

In addition, the Group's main raw material purchases, primarily crude oil and other feedstocks sourced from international markets, are priced and settled in USD and represent the most significant component of the cost structure of the Group's main operating entities.

Management also considered the currency in which financing activities are denominated and working capital is generated.

Based on the evaluation of these indicators, management concluded that the US dollar (USD) most faithfully represents the economic effects of the underlying transactions and conditions in which the parent company and the Group's principal operating entities - including Rompetrol Rafinare S.A. and Rompetrol Downstream S.R.L. - operate.

For other Group entities whose activities are closely integrated with those of the Group's principal operating companies, management also concluded that USD represents the functional currency. These

**ROMPETROL RAFINARE SA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

entities operate primarily in support of the Group's refining and distribution activities, and their operations are economically dependent on the activities of the parent company.

Consequently, the consolidated financial statements are presented in USD.

- Presentation of excise duties

The Group is subject to excise duties on certain petroleum products in accordance with applicable fiscal legislation. Excise duties become payable when excisable products are released for consumption, which occurs when the products leave the tax warehouse regime.

Excise duties are determined based on the physical quantity of products released for consumption and the applicable statutory rates established by law and are not dependent on the selling price of the products.

In assessing the appropriate accounting presentation, management considered whether excise duties represent amounts collected on behalf of governmental authorities or a tax obligation of the entity. Although the Group, as the authorized warehouse keeper, is responsible for calculating, declaring and paying excise duties arises upon release for consumption, management concluded that the economic substance of the excise duties is that of amounts collected on behalf of the governmental authorities rather than a tax obligation of the Group in connection with its own operations.

This conclusion reflects the following considerations:

- Excise duties are levied on the end consumer - The excise duty is ultimately a tax on consumption. The Group does not bear the economic burden of the duty; rather, it is embedded in the price charged to customers and is passed on in full to the final consumer.
- The Group acts as an intermediary collection agent - The Group's role is to collect the excise duty from customers as part of the sales price and to remit the corresponding amounts to the State. The Group does not retain any economic benefit from the excise duty collected and has no discretion over the rate or applicability of the duty.
- The duty is not dependent on the Group's pricing decisions - Excise duty rates are fixed by statute and are determined by reference to physical quantities, not by the Group's commercial pricing. The Group has no ability to influence the amount of excise duty payable, which further supports the view that it is acting in an agency capacity.

Accordingly, the Group has concluded that excise duties represent amounts collected on behalf of the State and do not constitute revenue of the Group. Revenue is therefore presented net of excise duties in the consolidated statement of profit or loss.

- 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 are usually carried out every three years and entail determining the net replacement cost, adjusted by the results of 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 most recent fair value assessment of property, plant and equipment was performed as of December 31, 2023, by an independent specialist.

Every year, management engages with external independent valuers to determine whether the carrying amounts differ materially from their fair values, by calculating the recoverable amount of its CGUs. As part of the year end impairment tests process carried out as of December 31, 2025, an economic obsolescence test was performed for the Group's revalued property, plant, and equipment. The impairment test exercise for the three CGUs indicated that the recoverable amount was higher than the carrying value, and therefore no impairment adjustment was required. The recoverable amount

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(determined as fair value less costs of disposal) was considered by management as a proxy for revaluation and as a basis to conclude that carrying amounts as at 31 December 2025 are materially in line with fair values. A fair value exercise will be performed for 31 December 2026.

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 KMG I Group level.

The key assumptions used to determine the fair value are disclosed in Note 2 j), Note 5 and Note 6.

- Impairment of Goodwill

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

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

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

- Impairment of non- financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the carrying amounts for major property, plant and equipment and right of use assets are tested for impairment. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is higher of fair value less costs of disposal, 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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

- 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 20.

- 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 16 and 27.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

- Carrying value of trade and other receivables

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group considers a financial asset in default when contractual payments are 90 days past due, however for trade and other receivables from related parties, expected credit loss is computed considering the probability of default of KMGI Group. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- 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 20, 25 and 32.

**g) Basis of consolidation**

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

**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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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.

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 or 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 into the following categories:

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

**Financial assets at fair value through profit or loss**

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

This category includes derivative instruments 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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Financial assets at amortized cost**

The Group measures financial assets at amortized 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.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, 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 assets 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 flow 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 KMG I Group. In certain cases, the Group may also consider a financial asset to be in default

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

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 using the effective interest method.

**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.

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

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.

Construction in progress represents plants 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

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.

**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.

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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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 of disposal 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.

*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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

**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-use 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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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

In calculating the present value of lease payments, the 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 15).

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.

**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 (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) 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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**r) Revenue from contracts with customers**

Revenue from contracts with customers represents revenue generated from the sale of petroleum products, petrochemical products, merchandise, utilities, transportation services and other services performed in the ordinary course of the Group's operations.

Revenue is recognized when control of the promised 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. Control is generally transferred at a point in time when the goods are delivered to the customer in accordance with the contractual delivery terms (Incoterms).

The Group's main sources of revenue and the related recognition principles are described below.

*Petroleum products production*

Revenue from petroleum products production represents sales of refined petroleum products produced by the Group's refinery operations.

Revenue is recognized at a point in time when control of the products transfers to the customer, which generally occurs upon delivery of the products based on the applicable contractual Incoterms (e.g. FOB, CIF). At that moment the customer obtains legal title, assumes the significant risks and rewards of ownership and the Group has a present right to payment.

**Revenues are presented net of excise duties and other sales-related taxes collected on behalf of fiscal authorities.**

*Petroleum products trading*

Revenue from petroleum products trading arises primarily from the sale of fuel products through the Group's wholesale and retail marketing operations.

Revenue is recognized at the point in time when the customer takes possession of the products, which occurs upon delivery of the products in wholesale transactions or at the moment fuel is dispensed to the end customer at retail stations.

Commercial discounts granted to customers are recognized as a reduction of revenue.

*Petrochemicals production*

Revenue from petrochemical products is recognized when the products are delivered to the customer in accordance with the contractual delivery terms and control is transferred.

*Merchandise sales*

Merchandise sales mainly relate to non-fuel products sold in retail stations (such as food, beverages and other consumer goods).

Revenue is recognized at the point of sale when the merchandise is delivered to the customer and payment is received or becomes receivable.

*Utilities sold*

Revenue from utilities represents sales of utilities generated within refinery operations (such as steam, electricity or other utilities) to third parties.

Revenue is recognized when the utilities are delivered and consumed by the customer, which corresponds to the transfer of control.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

*Transportation services*

Revenue from transportation services represents fees charged for the transport of petroleum products through pipelines or other transportation arrangements.

Revenue is recognized over time as the transportation service is provided, since the customer simultaneously receives and consumes the benefits of the service.

*(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.

*(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.

**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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**s) 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.

**t) 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 present value of this obligation and the related current and past service costs were measured using the Projected Unit Credit Method. The discount rates used were 6.4% (2024: 6.8%) for Romanian subsidiaries with an expected rate of long-term salary increase 3.9% (2024: 3.6%). Also, attrition rate was considered calculated on each company as average number of employees leaving the company in the last 3 years divided by opening number of staff. Retirement age for men 65 years old and for women 63 years old.

The Group has no other liabilities with respect to future pension, health and other costs for its employees.

**u) 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.

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

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

- 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 27 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.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**v) Dividends**

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

**w) Operating lease income**

Where the Group is a lessor in a lease which does not transfers substantially all the risks and rewards incidental to ownership to the lessee (i.e. operating lease), lease payments from operating leases are recognized as other income on a straight-line basis. Modification of a lease is accounted for by the lessor as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

**x) 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. 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 effectiveness 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 34.5).

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.

**y) Emission Rights**

CO<sub>2</sub> (allowances) emission rights quota are allocated to the Group's refining and petrochemicals operations. For the period 2021 - 2025 the allowances have been validated by European Union and are posted on the Romanian Environmental Ministry website. The Group accounts for the liability resulting from generating of these emissions using the net liability approach. The liability is recognized only at a point where the actual emissions exceed the quota allocated to the respective group companies and purchase rights are also initially recognized at cost.

The liability component is measured at the amount that it is expected to cost the entity to settle the obligation after considering the free allocation. The Group measures the provision as the expected cost of the shortfall in number of CO<sub>2</sub> allowances, meaning the amount of emissions exceeding the free allocation, at their market price at the reporting date.

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**2. 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.

**z) 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. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**aa) 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.

The classification of a liability as current or non-current is based on the Group's right to defer settlement existing at the end of the reporting period.

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

**ab) 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.

**ac) Changes in presentation of the statement of cash flows**

During FY 2025, the Group revised the cash flow classification of cash-pooling movements. For the year ended 31 December 2024, the Group presented in the Consolidated Statement of Cash Flows, on a net basis as financing cash flows, the cash pool movements for both receivables and payables positions.

As at 31 December 2025, the RRC Group revised the presentation to present the cash flow related to receivables in investing and the cash flow related to payables in financing activities, as shown in table below.

During Fy 2025, the Group revised the presentation of the interest received in the Consolidated Statement of Cash Flows. For the year ended 31 December 2024, the Group presented on a net basis the interest paid and the interest received under the financing activities cash flow.

As at 31 December 2025, the Group revised the presentation to present the interest received on the investing cash flow line, as shown in the table below.

In prior year the Group overstated the interest received in the Consolidated Cash flow statement with USD 5.9 mil USD and understated the line related to the changes in net working capital (receivable movement) with the same amount; the impact is presented in the table below:

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

<b>Amounts as at 31 December 2024 - USD</b>			
<b>Line of Cash Flow Impacted</b>	<b>Revised</b>	<b>Originally reported</b>	<b>Adjustments</b>
Net working capital changes/Receivables and prepayments	58,134,692	52,140,735	5,993,957
Change in working capital	<u>(43,388,603)</u>	<u>(49,382,560)</u>	<u>5,993,957</u>
<b>Net cash inflow from operating activities</b>	<b><u>75,778,876</u></b>	<b><u>69,784,919</u></b>	<b><u>5,993,957</u></b>
Cash flows from (used in) cash pooling, classified as financing activities	51,744,869	107,106,590	(55,361,721)
Interest and bank charges paid, net	(115,999,679)	(68,310,180)	(47,689,499)
<b>Net cash inflow (outflow) from financing activities</b>	<b><u>(83,021,151)</u></b>	<b><u>20,030,069</u></b>	<b><u>(103,051,220)</u></b>
Cash flows used in cash pooling, classified as investing activities	55,361,721	-	55,361,721
Interest received	41,695,542	-	41,695,542
<b>Net cash inflow (outflow) from investing activities</b>	<b><u>(54,681,955)</u></b>	<b><u>(151,739,218)</u></b>	<b><u>97,057,263</u></b>

(\* the impact on net cash flow from financing/ investing is considered cumulatively (cash pool presentation and interest rate)

(\* prior year error of computation of interest received in value of USD 5.9 million with impact in net working capital changes, receivable and prepayment line

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**3. INTANGIBLE ASSETS**

**Amounts in USD**

	<u>Software</u>	<u>CO<sub>2</sub> certificates and other intangibles</u>	<u>Intangibles in progress</u>	<u>Total</u>
<b>Cost</b>				
<b>Opening balance as of January 1, 2024</b>	<b><u>42,429,185</u></b>	<b><u>67,659,655</u></b>	<b><u>1,365,906</u></b>	<b><u>111,454,746</u></b>
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
<b>Closing balance as of December 31, 2024</b>	<b><u>42,595,504</u></b>	<b><u>59,020,958</u></b>	<b><u>1,380,577</u></b>	<b><u>102,997,039</u></b>
Additions	19,271	42,727	7,425,677	7,487,675
Transfers from CIP	93,721	159,721	(253,442)	-
Disposals	51	(961)	-	(910)
Transfers and reclassifications*	4,944	(94,085)	50,856	(38,285)
<b>Closing balance as of December 31, 2025</b>	<b><u>42,713,491</u></b>	<b><u>59,128,360</u></b>	<b><u>8,603,668</u></b>	<b><u>110,445,519</u></b>
<b>Accumulated amortization</b>				
<b>Opening balance as of January 1, 2024</b>	<b><u>(41,504,023)</u></b>	<b><u>(42,012,119)</u></b>	<b><u>(523,380)</u></b>	<b><u>(84,039,522)</u></b>
Charge for the year	(623,888)	(1,000,444)	-	(1,624,332)
<b>Closing balance as of December 31, 2024</b>	<b><u>(42,127,911)</u></b>	<b><u>(43,012,563)</u></b>	<b><u>(523,380)</u></b>	<b><u>(85,663,854)</u></b>
Charge for the year	(296,017)	(641,981)	-	(937,998)
<b>Closing balance as of December 31, 2025</b>	<b><u>(42,423,928)</u></b>	<b><u>(43,654,544)</u></b>	<b><u>(523,380)</u></b>	<b><u>(86,601,852)</u></b>
<b>Net book value</b>				
<b>As of December 31, 2024</b>	<b><u>467,593</u></b>	<b><u>16,008,395</u></b>	<b><u>857,197</u></b>	<b><u>17,333,185</u></b>
<b>As of December 31, 2025</b>	<b><u>289,563</u></b>	<b><u>15,473,816</u></b>	<b><u>8,080,288</u></b>	<b><u>23,843,667</u></b>

In September 2025, the Rompetrol Rafinare complied with its obligation for the 2024 CO<sub>2</sub> emissions. No disposal of emission allowances was recorded, as the free allocations received for 2024 exceeded the actual emissions for the year, due to the general turnaround that commenced on 8th March and lasted for two months.

In September 2024 Rompetrol Rafinare met its obligation to the Romanian authority by complying with the 2023 quota of CO<sub>2</sub> allowances, resulting in a disposal of USD 9 million that were accounted for as a liability (Note 17), in line with the accounting policy detailed in Note 2y).

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

	<u>Software</u>	<u>CO<sub>2</sub> certificates and other intangibles</u>	<u>Intangibles in progress</u>	<u>Total</u>
<b>Cost</b>				
<b>Opening balance as of January 1, 2024</b>	<b><u>184,214,793</u></b>	<b><u>293,757,924</u></b>	<b><u>5,930,354</u></b>	<b><u>483,903,071</u></b>
Additions	-	1,404,796	969,054	2,373,850
Transfers from CIP	722,107	197,686	(919,793)	-
Disposals	-	(39,192,494)	-	(39,192,494)
Transfers and reclassifications*	-	83,382	14,436	97,818
<b>Closing balance as of December 31, 2024</b>	<b><u>184,936,900</u></b>	<b><u>256,251,294</u></b>	<b><u>5,994,051</u></b>	<b><u>447,182,245</u></b>
Additions	83,669	185,508	32,240,062	32,509,239
Transfers from CIP	406,908	693,461	(1,100,369)	-
Disposals	221	(4,172)	-	(3,951)
Transfers and reclassifications*	21,465	(408,488)	220,801	(166,222)
<b>Closing balance as of December 31, 2025</b>	<b><u>185,449,163</u></b>	<b><u>256,717,603</u></b>	<b><u>37,354,545</u></b>	<b><u>479,521,311</u></b>
<b>Accumulated amortization</b>				
<b>Opening balance as of January 1, 2024</b>	<b><u>(180,198,017)</u></b>	<b><u>(182,404,017)</u></b>	<b><u>(2,272,359)</u></b>	<b><u>(364,874,393)</u></b>
Charge for the year	(2,708,735)	(4,343,628)	-	(7,052,363)
<b>Closing balance as of December 31, 2024</b>	<b><u>(182,906,752)</u></b>	<b><u>(186,747,645)</u></b>	<b><u>(2,272,359)</u></b>	<b><u>(371,926,756)</u></b>
Charge for the year	(1,285,217)	(2,787,289)	-	(4,072,506)
<b>Closing balance as of December 31, 2025</b>	<b><u>(184,191,969)</u></b>	<b><u>(189,534,934)</u></b>	<b><u>(2,272,359)</u></b>	<b><u>(375,999,262)</u></b>
<b>Net book value</b>				
<b>As of December 31, 2024</b>	<b><u>2,030,148</u></b>	<b><u>69,503,649</u></b>	<b><u>3,721,692</u></b>	<b><u>75,255,489</u></b>
<b>As of December 31, 2025</b>	<b><u>1,257,194</u></b>	<b><u>67,182,669</u></b>	<b><u>35,082,186</u></b>	<b><u>103,522,049</u></b>

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**4. GOODWILL**

The carrying value of goodwill as of 31 December 2025 and 31 December 2024 was USD 82,871,706 (RON: 359,804,086).

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 2025 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>
<b>Cost</b>						
<b>As of January 1, 2024</b>	<b>86,178,286</b>	<b>358,811,195</b>	<b>327,176,245</b>	<b>26,451,081</b>	<b>113,773,369</b>	<b>912,390,176</b>
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)
<b>As of December 31, 2024</b>	<b>86,178,286</b>	<b>366,326,403</b>	<b>483,891,558</b>	<b>30,374,045</b>	<b>96,467,354</b>	<b>1,063,237,646</b>
Additions	-	-	722,796	797,765	53,088,135	54,608,696
Transfers from CIP	-	11,713,258	28,096,167	3,804,194	(43,613,619)	-
Disposals	-	(466,963)	(869,538)	(1,438,719)	(1,143,922)	(3,919,142)
Transfers and reclassifications*	-	38,972,207	(39,221,934)	597,624	(195,294)	152,603
<b>As of December 31, 2025</b>	<b>86,178,286</b>	<b>416,544,905</b>	<b>472,619,049</b>	<b>34,134,909</b>	<b>104,602,654</b>	<b>1,114,079,803</b>
<b>Accumulated depreciation &amp; Impairment</b>						
<b>As of January 1, 2024</b>	-	-	-	-	<b>(34,850,026)</b>	<b>(34,850,026)</b>
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
<b>As of December 31, 2024</b>	<b>(991,110)</b>	<b>(42,158,601)</b>	<b>(79,230,268)</b>	<b>(14,011,464)</b>	<b>(34,850,026)</b>	<b>(171,241,469)</b>
Charge for the year	(673,870)	(29,397,538)	(72,569,967)	(5,582,634)	-	(108,224,009)
Accumulated depreciation of disposals	-	52,527	584,148	741,217	-	1,377,892
Impairment	(250,638)	3,189,347	1,262,435	(47,670)	(859,400)	3,294,074
Transfers and reclassifications*	-	(11,614,712)	11,665,852	(410,859)	-	(359,719)
<b>As of December 31, 2025</b>	<b>(1,915,618)</b>	<b>(79,928,977)</b>	<b>(138,287,800)</b>	<b>(19,311,410)</b>	<b>(35,709,426)</b>	<b>(275,153,231)</b>
<b>Net book value as of December 31, 2024</b>	<b>85,187,176</b>	<b>324,167,802</b>	<b>404,661,290</b>	<b>16,362,581</b>	<b>61,617,328</b>	<b>891,996,177</b>
<b>Net book value as of December 31, 2025</b>	<b>84,262,668</b>	<b>336,615,928</b>	<b>334,331,249</b>	<b>14,823,499</b>	<b>68,893,228</b>	<b>838,926,572</b>

\*) Includes, transfer to / from property, plant and equipment to / from inventories, right of use assets and intangibles and other adjustments in amount of USD 0.15 million (2024: USD 0.47 million).

\*\*) Transfers and reclassifications during 2025 mainly relate to the reallocation of assets capitalized in connection with the refinery's major turnaround. In 2024, certain assets related to the general turnaround were initially recognized based on estimates and presented within a single asset category (Plant and equipment). Following the completion of the physical capitalization process in 2025 and the detailed identification of the underlying assets, these amounts were reclassified to the appropriate asset categories to better reflect the nature of the assets. This reclassification represents presentation adjustment within property, plant and equipment and does not impact the total carrying amount of PPE.

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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>
<b>Cost</b>						
<b>As of January 1, 2024</b>	<b>374,160,264</b>	<b>1,557,850,565</b>	<b>1,420,501,103</b>	<b>114,842,658</b>	<b>493,969,836</b>	<b>3,961,324,426</b>
Acquisitions	-	16,498	2,796,420	4,529,366	647,969,445	655,311,729
Transfers from CIP	-	32,755,713	678,066,270	14,631,112	(725,453,095)	-
Disposals	-	(143,432)	(451,815)	(432,090)	2,700,181	1,672,844
Transfers and reclassifications*	-	-	-	(1,696,055)	(354,056)	(2,050,111)
<b>As of December 31, 2024</b>	<b>374,160,264</b>	<b>1,590,479,344</b>	<b>2,100,911,978</b>	<b>131,874,991</b>	<b>418,832,311</b>	<b>4,616,258,888</b>
Additions	-	-	3,138,163	3,463,656	230,492,756	237,094,575
Transfers from CIP	-	50,855,452	121,985,128	16,516,669	(189,357,249)	-
Disposals	-	(2,027,413)	(3,775,273)	(6,246,486)	(4,966,566)	(17,015,738)
Transfers and reclassifications*	-	169,205,631	(170,289,871)	2,594,704	(847,907)	662,557
<b>As of December 31, 2025</b>	<b>374,160,264</b>	<b>1,808,513,014</b>	<b>2,051,970,125</b>	<b>148,203,534</b>	<b>454,153,345</b>	<b>4,837,000,282</b>
<b>Accumulated depreciation &amp; Impairment</b>						
<b>As of January 1, 2024</b>	-	-	-	-	<b>(151,308,358)</b>	<b>(151,308,358)</b>
Charge for the year	(4,303,102)	(169,258,834)	(338,813,699)	(62,704,559)	-	(575,080,194)
Accumulated depreciation of disposals	-	66,024	300,758	258,314	-	625,096
Impairment	-	(13,847,188)	(5,481,114)	-	-	(19,328,302)
Transfers and reclassifications*	-	-	-	1,612,672	-	1,612,672
<b>As of December 31, 2024</b>	<b>(4,303,102)</b>	<b>(183,039,998)</b>	<b>(343,994,055)</b>	<b>(60,833,573)</b>	<b>(151,308,358)</b>	<b>(743,479,086)</b>
Charge for the year	(2,925,741)	(127,635,291)	(315,077,026)	(24,238,122)	-	(469,876,180)
Accumulated depreciation of disposals	-	228,056	2,536,195	3,218,142	-	5,982,393
Impairment	(1,088,195)	13,847,188	5,481,114	(206,969)	(3,731,257)	14,301,881
Transfers and reclassifications*	-	(50,427,595)	50,649,630	(1,783,827)	-	(1,561,792)
<b>As of December 31, 2025</b>	<b>(8,317,038)</b>	<b>(347,027,640)</b>	<b>(600,404,142)</b>	<b>(83,844,349)</b>	<b>(155,039,615)</b>	<b>(1,194,632,784)</b>
<b>Net book value as of December 31, 2024</b>	<b>369,857,162</b>	<b>1,407,439,346</b>	<b>1,756,917,923</b>	<b>71,041,418</b>	<b>267,523,953</b>	<b>3,872,779,802</b>
<b>Net book value as of December 31, 2025</b>	<b>365,843,226</b>	<b>1,461,485,374</b>	<b>1,451,565,983</b>	<b>64,359,185</b>	<b>299,113,730</b>	<b>3,642,367,498</b>

\*) Includes, transfer to / from property, plant and equipment to / from inventories, right of use assets and intangibles and other adjustments in amount of RON 0.66 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 year end for both 2025 and 2024:

**Construction in progress as at 31 December 2025**

**Amount in USD**

**Romp petrol Rafinare SA, out of which:**

	<b>Additions during the year</b>	<b>Balance as at 31 December</b>
	<b>37,647,977</b>	<b>45,138,702</b>
Expire authorization ISCIR	6,266,615	8,305,098
PEM Opex to CAPEX 2025-PEM	3,367,640	-
Tank rehabilitation	4,238,484	2,969,919
2026 Catalyst Replacement Package (SD 2026)	2,915,133	2,915,133
LDPE – K102 hyper compressor rehabilitation	2,823,336	2,823,336
Mounting of electrical equipment	1,336,577	1,691,058
BU Refining General Turnaround 2024	(90,353)	1,654,164
BU Refining Shutdown 2026_PEM-LLI	1,458,860	1,458,860
New HPE Synergy PEM 2025_ADD	1,449,431	1,449,431
Replacement of PEM strategic equipment (rotors)	-	1,352,455
2023 Firefighting package_T065,T069,T072,T79,77;61	302,758	1,272,632
Emergency restoring crude oil storage capacity 100	1,013,949	1,022,859
Up-grade sample points in PEM Refinery units	249,210	964,697
Refinery Catalyst Replacement	(18)	960,952
Expertise of DGRS pipe racks lines DEA and MEA	792,249	792,249
Alarm system implementation according to the 2022	45,242	657,423
Replacement static equipment for Refinery Platform	609,202	609,202
Replacement of static equipment - Refinery and Petrochemicals	489,707	489,990
Emergency CAPEX MHC shutdown 2025 CO Boiler	466,607	466,607
Slow Down 2025 – HB, FG, RC and CX Units Shut Down	1,589,633	156,838
Other projects	6,749,370	10,860,318
Vega projects	1,574,346	2,265,479
	<b>10,635,450</b>	<b>11,198,608</b>
<b>Romp petrol Downstream SRL, out of which</b>		
Construction of new stations RBI, Cuves, Doex, STB, acquisition Fill & GO devices, capital maintenance, acquisitions of new equipment	6,943,960	7,478,877
New Retail System	3,445,221	3,445,221
Other projects	246,269	274,510
<b>Rom oil SA, out of which</b>	<b>2,773,980</b>	<b>6,850,748</b>
Modernization project for storage facilities	2,773,980	6,850,748

**Construction in progress as at 31 December 2024**

**Amount in USD**

**Romp petrol Rafinare SA out of which:**

	<b>Additions during the year</b>	<b>Balance as at 31 December</b>
	<b>143,537,159</b>	<b>45,470,529</b>
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
	<b>2,363,791</b>	<b>5,169,182</b>
<b>Romp petrol Downstream SRL out of which</b>		
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
<b>Rom oil SA out of which</b>	<b>2,218,354</b>	<b>5,810,776</b>
Modernization project for storage facilities	2,218,354	5,810,776

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

- *Disposals*

As of December 31, 2025, the disposal of fixed assets mainly relates to sales of fixed assets and maintenance projects for equipment in Rompetrol Downstream.

- *Borrowing costs capitalized*

As of December 31, 2025, capital projects (mainly the general turnaround performed every 4 years) are financed from Groups' operating cash flow as well as general borrowings from banks, however capital projects do not meet the definition of a qualifying asset under IAS 23 considering that it is not a long period of time to make the "qualifying asset" ready for use. Therefore, no borrowing cost capitalized under IAS 23 as of 31 December 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 favorable 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. At the time of the restart, the previously recorded impairment provision was reversed, following the reassessment of asset recoverability.

The Group performs an annual assessment, for all entities, based on asset-specific considerations, to identify whether there are indicators that the carrying amounts of property, plant and equipment may differ materially from their recoverable amounts, taking into account expectations regarding future market conditions.

As a result of this assessment, the Group performed an economic obsolescence analysis, including a comparison of the carrying amounts of property, plant and equipment with their fair value, as further described in Note 6.

Subsequently, impairment tests were performed by the Group for goodwill, property, plant and equipment and right-of-use assets as of 31 December 2025, at the level of the cash-generating units ("CGUs") presented in Note 6.

In addition to the goodwill impairment test (Note 4), an impairment tests process was carried out as of December 31, 2025, for the Group's revalued property, plant, and equipment. The impairment test exercise for the CGUs indicated that the recoverable amount was higher than the carrying value, and therefore no impairment adjustment was required. Also, considering the headroom available and sensitivity analyses, management concluded that carrying amounts for property plant and equipment approximate their fair values as at 31 December 2025. (Refer Note 6).

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

If the property, plant and equipment was measured using the cost model, the carrying amounts added would be, as follows:

	Land	Buildings	Plant and equipment	Vehicles and others	mil USD Total
<b>At December 31, 2024</b>					
Cost	69.2	771.7	1,633.5	146.4	2,620.7
Accumulated depreciation and impairment	(2.0)	(376.5)	(1,143.0)	(132.8)	(1,654.3)
<b>Net carrying amount</b>	<b><u>67.2</u></b>	<b><u>395.2</u></b>	<b><u>490.5</u></b>	<b><u>13.6</u></b>	<b><u>966.4</u></b>
<b>At December 31, 2025</b>					
Cost	69.2	821.9	1,608.9	148.0	2,647.9
Accumulated depreciation and impairment	(2.2)	(410.2)	(1,186.6)	(135.1)	(1,734.1)
<b>Net carrying amount</b>	<b><u>67.0</u></b>	<b><u>411.7</u></b>	<b><u>422.3</u></b>	<b><u>12.9</u></b>	<b><u>913.8</u></b>

- *Pledged property, plant and equipment*

As at December 31, 2025 the Group has pledged property, plant and equipment with a carrying value of USD 303.4 million (31 December 2024: USD 306.8 million) net, for securing banking facilities granted to Group entities.

In 2010, ANAF (National Tax Administration Agency) imposed a precautionary asset freeze on all fixed assets, investments, and equity as well as on the shares of Rompetrol Rafinare SA, totaling RON 1.59 billion, in favour of the Romanian state (represented by ANAF) – see details under Note 31 Distress assets – Hybrid Conversion. A second-rank guarantee was also set in favour of KMG International N.V.

In 2014 a Memorandum of Understanding was concluded with the Romanian State, which envisaged, among other aspects, the removal of these precautionary measures. However, in 2016 further legal actions resulted in additional seizures over the same assets. Over time, several 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.

Following this decision, ANAF has initiated the necessary formalities to lift the seizure from refinery units. As of December 31, 2025 the lifting of the precautionary seizure is ongoing and most of the assets (lands, constructions, movables) have already been released (Note 32).

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## **6. IMPAIRMENT TEST**

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 2025.

Impairment tests have been performed by the Group as of 31 December 2025 on the following cash generating units (“CGUs”) Refining, Petrochemicals and Downstream Romania. The carrying amount subject to the impairment assessment comprises all assets allocated to each CGU, including, but not limited to: goodwill, property, plant and equipment and right-of-use assets, intangible assets (other than goodwill), working capital and other assets. 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.

As of 31 December 2025, the Group updated the impairment tests for all cash generating units (“CGUs”) based on approved Business Plan covering 2026 – 2030.

The key assumptions used for the impairment assessment prepared as of 31 December 2025 were as following:

- Long-term perspective of the oil & gas sector as per market reports provided by well-known research agencies (i.e. Platts, Wood Mackenzie) related to the market refining margins/oil products demand.
- Long-term decarbonization view - KMGJ decarbonization plan include, PV power plants, EV charging points. In addition to the co-generation power plant investment, Solar Park at Petromidia and Vega projects were included in the 5-year business plan;
- Recent changes in Romanian Fiscal Code - the impact of the revenue tax over the forecast period was considered in the analysis: the 5-year business plan cash-flows were adjusted considering the current fiscal environment.
- the estimated WACC is based on a peer group of listed companies from the oil & gas industry WACC – 10.9% for Romania, average value for the peer group analysed; 6% EMRP (Equity Market Risk Premium) based on latest available data and publications.

### Refining

Refining CGU includes the operations of Petromidia Refinery, Polypropylene Installations, Vega Refinery. The recoverable amount of Refining CGU unit has been determined based on financial budgets approved by senior management covering a five-year period. The cash flows beyond the 5-year period are extrapolated using a negative growth rate of 0.01% (2024: negative growth rate 0.65%). The capitalization rate used for residual values is 10.9% (2024: 11.9%). Discount rate applied to cash flow projections is 10.9% (2024: 11.2%).

The key assumptions used in test of economic obsolescence, performed as part of the fair value assessment, are as following:

- Volumes;
- Contribution margin;
- Cost of capital;
- Perpetuity Growth rate;

The impairment test was based on the Group’s business plan, which reflects assumptions regarding forecast production volumes, product yields, commodity prices and refining margins. The projected volumes incorporate the impact of the planned general turnaround of the Petromidia refinery in 2028.

Brent quotations and refinery market margins were determined by reference to the Group’s business plan and external long-term market outlooks published by reputable agencies, including Kpler, Platts PIRA and Wood Mackenzie. These assumptions indicate a stabilization of refining margins in the medium term followed by a gradual decline over the longer term.

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**6. IMPAIRMENT TEST (continued)**

In assessing the recoverable amount, consideration was also given to net sales premiums/discounts, to the extent supported by observable historical performance and contractual/commercial evidence. Given the inherent volatility of refining margins and commercial premiums, as well as the uncertainty associated with the long-term macroeconomic outlook, the impairment analysis was performed both excluding and including the effect of net sales premiums/discounts.

The impairment assessment also considered, where relevant, the potential effects of climate transition and decarbonization-related developments reflected in management's assumptions.

*Sensitivity analysis*

As part of the economic obsolescence test, a sensitivity analysis was performed for the recoverable amount of the property, plant and equipment held by Rompetrol Rafinare to ascertain the critical (most sensitive) drivers which influence the fair value. As a result, it was considered an increase / decrease for each key value driver as presented in the table below:

Key drivers	Scenario	Key drivers variance (%)	Key drivers value (%)	FVLCOD (k USD)	FVLCOD variation (%)
<b>Volumes</b>	<b>Base case</b>	<b>0%</b>	<b>100.0%</b>	<b>655,975</b>	-
	Worst case	(1%)	99%	601,997	(8.2%)
	Best case	1%	101%	709,727	8.2%
<b>Contribution margin</b>	<b>Base case</b>	<b>0%</b>	<b>100.0%</b>	<b>655,975</b>	-
	Worst case	(1%)	99.0%	603,458	(8%)
	Best case	1%	101.0%	708,427	8%
<b>Cost of capital</b>	<b>Base case</b>	<b>0%</b>	<b>10.9%</b>	<b>655,975</b>	-
	Worst case	0.5%	11.4%	612,717	(6.6%)
	Best case	(0.5%)	10.4%	703,585	7.3%
<b>Perpetuity growth rate</b>	<b>Base case</b>	<b>0%</b>	<b>(0.01) %</b>	<b>655,975</b>	-
	Worst case	(0.4%)	(0.05) %	634,242	(3.3%)
	Best case	0.4%	0.41%	679,246	3.5%

*Downstream Romania*

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.

The recoverable amount of Downstream Romania unit has also been determined based on the fair value less costs of disposal using financial budgets approved by senior management covering a five-year period and same assumptions as for Refining unit. The discount rate applied to cash flow projections is 10.9% (2024: 11.2%) and the long-term growth rate used in perpetuity is of 0.02% (2024: 0.7%), reflecting an average annual market decrease of 2.17%, based on the Wood Mackenzie market study, and long-term U.S. dollar inflation expectations of 2.19%. The capitalization rate used for residual values is 10.9% (2024:10.5%).

The key assumptions used in the fair value less costs of disposal calculations for the above-mentioned CGUs are:

- Volumes;
- Contribution margin;
- Cost of capital;
- Perpetuity Growth rate;

The assumptions stated above reflect past experience and are consistent with external sources of information as included in the impairment report prepared by the independent valuer.

- Volumes

Diesel remains the main petroleum product in terms of sales, with a 78% share in Retail and 87–94% in Wholesale. Gasoline ranks second, with a 20.9% of Retail and about 12% of Wholesale volumes. LPG and Calor account for roughly 1% of total sales.

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**6. IMPAIRMENT TEST (continued)**

- Gross margin

Wholesale gross margins are expected to incur higher volatility compared to the retail segment as they are impacted by a historically different price positioning strategy.

- Cost of capital

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the industry. The weighted average cost of capital of 10.9% used reflects the capital recovery rates expected of shareholders and creditors, weighted according to their contribution to invested capital.

- Perpetuity growth rate

The long-term growth rate applied in the terminal period was set at 0.02%, reflecting an average annual market decrease of 2.17%, based on the Wood Mackenzie market study, and long-term U.S. dollar inflation expectations of 2.19%.

*Sensitivity analysis*

Key drivers	Scenario	Key drivers variance (%)	Key drivers value (%)	FVLCOD (k USD)	FVLCOD variation (%)
<b>Volumes</b>	<b>Base case</b>	<b>0%</b>	<b>100.0%</b>	<b>321,983</b>	-
	Worst case	(2%)	98%	289,372	(10.1%)
	Best case	2%	102%	354,595	10.1%
<b>Gross margin</b>	<b>Base case</b>	<b>0%</b>	<b>100.0%</b>	<b>321,983</b>	-
	Worst case	(2%)	98.0%	272,382	(15.4%)
	Best case	2%	102.0%	371,585	15.4%
<b>Cost of capital</b>	<b>Base case</b>	<b>0%</b>	<b>10.9%</b>	<b>321,983</b>	-
	Worst case	5%	11.4%	305,239	(5.2%)
	Best case	(5%)	10.4%	340,342	5.7%
<b>Perpetuity growth rate</b>	<b>Base case</b>	<b>0%</b>	<b>0.02 %</b>	<b>321,983</b>	-
	Worst case	(5%)	(0.5) %	309,243	(4.0%)
	Best case	5%	0.5%	335,955	4.3%

*Petrochemicals*

Petrochemicals CGU includes the petrochemical business of the group, mainly Low Density Polyethylene Unit, which is included within the Rompetrol Rafinare, legal entity; the unit is involved in the production and distribution of olefins in Romania. The recoverable amount of Rompetrol Petrochemicals has been determined based on financial budgets approved by senior management covering a five-year period. The cash flows beyond the 5-year period are extrapolated using a negative growth rate of 0.01% (2024: negative growth rate 0.65%). The capitalization rate used for residual values is 10.9% (2024: 11.9%). The discount rate applied to cash flow projections is 10.9% (2024: 11.2%).

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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>
<b>Cost:</b>				
<b>As of January 1, 2024</b>	<b>294,505,006</b>	<b>615,358</b>	<b>2,049,417</b>	<b>297,169,781</b>
Additions	31,525,317	-	305,333	31,830,650
Disposals	-	-	(54,659)	(54,659)
Re-measurement	<u>2,656,648</u>	<u>187,133</u>	<u>114,753</u>	<u>2,958,534</u>
<b>As of December 31, 2024</b>	<b><u>328,686,971</u></b>	<b><u>802,491</u></b>	<b><u>2,414,844</u></b>	<b><u>331,904,306</u></b>
Additions	3,296,093	-	1,634,837	4,930,930
Disposals	-	-	(444,807)	(444,807)
Re-measurement	<u>2,973,997</u>	<u>23,231</u>	-	<u>2,997,228</u>
<b>As of December 31, 2025</b>	<b><u>334,957,061</u></b>	<b><u>825,722</u></b>	<b><u>3,604,874</u></b>	<b><u>339,387,657</u></b>
<b>Depreciation and Impairment:</b>				
<b>As of January 1, 2024</b>	<b>(35,646,355)</b>	<b>(568,529)</b>	<b>(1,627,231)</b>	<b>(37,842,115)</b>
Depreciation	(16,980,315)	(107,092)	(474,392)	(17,561,799)
Accumulated depreciation of disposals	-	-	51,366	51,366
<b>As of December 31, 2024</b>	<b><u>(52,626,670)</u></b>	<b><u>(675,621)</u></b>	<b><u>(2,050,257)</u></b>	<b><u>(55,352,548)</u></b>
Depreciation	(17,034,568)	(105,215)	(496,869)	(17,636,652)
Accumulated depreciation of disposals	-	-	427,203	427,203
<b>As of December 31, 2025</b>	<b><u>(69,661,238)</u></b>	<b><u>(780,836)</u></b>	<b><u>(2,119,923)</u></b>	<b><u>(72,561,997)</u></b>
<b>Net Book value at December 31, 2024</b>	<b><u>276,060,301</u></b>	<b><u>126,870</u></b>	<b><u>364,587</u></b>	<b><u>276,551,758</u></b>
<b>Net Book value at December 31, 2025</b>	<b><u>265,295,823</u></b>	<b><u>44,886</u></b>	<b><u>1,484,951</u></b>	<b><u>266,825,660</u></b>

**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>
<b>Cost:</b>				
<b>As of January 1, 2024</b>	<b>1,278,652,385</b>	<b>2,671,700</b>	<b>8,897,954</b>	<b>1,290,222,039</b>
Additions	136,873,469	-	1,325,664	138,199,133
Disposals	-	-	(237,313)	(237,313)
Re-measurement	<u>11,534,369</u>	<u>812,475</u>	<u>498,223</u>	<u>12,845,067</u>
<b>As of December 31, 2024</b>	<b><u>1,427,060,223</u></b>	<b><u>3,484,175</u></b>	<b><u>10,484,528</u></b>	<b><u>1,441,028,926</u></b>
Additions	14,310,647	-	7,097,972	21,408,619
Disposals	-	-	(1,931,219)	(1,931,219)
Re-measurement	<u>12,912,203</u>	<u>100,862</u>	-	<u>13,013,065</u>
<b>As of December 31, 2025</b>	<b><u>1,454,283,073</u></b>	<b><u>3,585,037</u></b>	<b><u>15,651,281</u></b>	<b><u>1,473,519,391</u></b>
<b>Depreciation and Impairment:</b>				
<b>As of January 1, 2024</b>	<b>(154,765,780)</b>	<b>(2,468,382)</b>	<b>(7,064,949)</b>	<b>(164,299,111)</b>
Depreciation	(73,723,434)	(464,961)	(2,059,668)	(76,248,063)
Accumulated depreciation of disposals	-	-	223,016	223,016
<b>As of December 31, 2024</b>	<b><u>(228,489,214)</u></b>	<b><u>(2,933,343)</u></b>	<b><u>(8,901,601)</u></b>	<b><u>(240,324,158)</u></b>
Depreciation	(73,958,984)	(456,812)	(2,157,256)	(76,573,052)
Accumulated depreciation of disposals	-	-	1,854,787	1,854,787
<b>As of December 31, 2025</b>	<b><u>(302,448,198)</u></b>	<b><u>(3,390,155)</u></b>	<b><u>(9,204,070)</u></b>	<b><u>(315,042,423)</u></b>
<b>Net Book value at December 31, 2024</b>	<b><u>1,198,571,009</u></b>	<b><u>550,832</u></b>	<b><u>1,582,927</u></b>	<b><u>1,200,704,768</u></b>
<b>Net Book value at December 31, 2025</b>	<b><u>1,151,834,875</u></b>	<b><u>194,882</u></b>	<b><u>6,447,211</u></b>	<b><u>1,158,476,968</u></b>

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 4.9 million, of which USD 4.83 million in Rompetrol Downstream in connection with the new gas station in Hârsova, Constanța County and also related to new vehicles additions.

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 station buildings and related land plots are transferred to CNAIR. The residual interest at the end of the arrangement is not significant, and accordingly the right-of-use assets are depreciated over the concession term to a nil or immaterial residual value.

The concession agreements do not require the Group to restore the land to its original condition at the end of the concession period. The gas stations are transferred to CNAIR in their then-existing condition. Accordingly, no provision for restoration or decommissioning has been recognized.

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.

<b>USD</b>	<b>Net book value at December 31, 2025</b>	<b>Net book value at December 31, 2024</b>
Gas stations	252,235,725	263,735,584
Administrative buildings	591,712	1,177,207
Usage of maritime port	12,451,385	11,129,152
Depots rent	<u>17,001</u>	<u>18,358</u>
<b>Total</b>	<b>265,295,823</b>	<b>276,060,301</b>

**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. LONG-TERM RECEIVABLES**

Details of the Group consolidated long-term receivables balance in 2025 and 2024 are as follows:

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
Collateral cash - long term receivable	125,522,592	6,399,715	544,981,437	27,785,642
Prepayments long-term	477,710	1,058,502	2,074,074	4,595,698
Others	446,874	380,485	1,940,193	1,651,952
<b>Total</b>	<b>126,447,176</b>	<b>7,838,702</b>	<b>548,995,704</b>	<b>34,033,292</b>

Collateral cash - long term receivable is in respect of

- guarantee bank letters issued for Rompetrol Rafinare SA with cash collateral in favor of ANAF (for tax deferral), in amount of RON 507.3 million (USD 116.8 million) valid until December 31, 2030, issued by the following banks: UniCredit Bank S.A. (take over from Alpha Bank Romania S.A), ING Bank N.V. Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., and Garanti Bank S.A. in respect of 2025 ANAF Decision to accept the deferral of tax payments in the total amount of RON 505.6 million for a period of 58 months, and
- other collateral deposits open at Banca Comerciala Romana S.A. (BCR) to guarantee obligations towards third parties for long term period, in amount of USD 6.4 million (2024: USD 5.8 million).

**9. INVESTMENTS**

**Investments in Consolidated Subsidiaries**

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

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

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

Although the Group holds 51% of the share capital in Global Security Sistem S.A. and Global Security Systems Fire Services S.R.L., these investments are not consolidated, as management assessed that the Group does not have effective control over those entities. In particular, the Group assessed that it does not have substantive power over the relevant activities nor the practical ability to use such power to affect returns, considering the actual governance and decision-making arrangements in place.

- *Disposals through sales of subsidiaries and liquidations*

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

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**10. INVENTORIES**

The inventories balance in 2025 and 2024 is provided below:

	<u>December</u> <u>31, 2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2025</u> RON	<u>December</u> <u>31, 2024</u> RON
Crude oil and other feedstock	171,269,660	150,133,605	743,601,483	651,835,073
Petroleum and petrochemical products	150,200,047	200,945,134	652,123,544	872,443,487
Work in progress	23,120,052	44,295,019	100,380,330	192,315,684
Spare parts	4,292,805	4,805,610	18,638,071	20,864,517
Consumables and other raw materials	5,799,439	4,949,218	25,179,424	21,488,020
Merchandises	22,867,339	21,731,629	99,283,126	94,352,214
Other inventories	1,769,118	2,037,974	7,680,980	8,848,272
	<b><u>379,318,460</u></b>	<b><u>428,898,189</u></b>	<b><u>1,646,886,958</u></b>	<b><u>1,862,147,267</u></b>

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).

As of December 31, 2025, crude oil inventory increased primarily driven by an increase in physical volumes (from 242 kt by the end of 2024 to 354 kt by the end of 2025), while market prices were lower year-on-year.

The main variance in petroleum product inventories relates to to Rompetrol Rafinare (USD 23 million) generated by a decrease in physical quantities, from 109 ktonnes to 85 ktonnes and Rompetrol Downstream SRL, amounting to USD 30 million. This variation is mainly attributable to fluctuations in sales volumes and the pricing strategy applied during the respective periods.

The primary driver for the decrease in Semifinished products (work in progress) was a significant reduction in quantities. The variation is primarily driven by changes in production flows and crude oil types processed during the respective periods. Semifinished products are not a fixed or directly comparable items across months, as are semifinished products of the refining process and strongly depends on the operational setup and crude used. As such, the lower quantity and value recorded year end reflect the natural outcome of these variations.

Movements in inventories allowances:

	<u>December 31,</u> <u>2025</u> USD	<u>December 31,</u> <u>2024</u> USD	<u>December 31,</u> <u>2025</u> RON	<u>December 31,</u> <u>2024</u> RON
<b>Balance as of January 1</b>	<b>(37,776,994)</b>	<b>(36,494,551)</b>	<b>(164,016,375)</b>	<b>(158,448,392)</b>
Write-down of inventories	(19,607,298)	(28,200,277)	(85,129,006)	(122,437,143)
Reversal of inventory write-down	25,611,155	26,917,834	111,195,952	116,869,160
<b>Balance as of Dec 31</b>	<b><u>(31,773,137)</u></b>	<b><u>(37,776,994)</u></b>	<b><u>(137,949,429)</u></b>	<b><u>(164,016,375)</u></b>

The adjustments against inventories mainly represent write-downs to net realizable value in relation to refineries and petrochemical plant inventories (such as petroleum and petrochemicals products from production and trading, raw materials).

Write-downs and reversals of write-downs of inventories were recognized during the period in accordance with IAS 2. These movements were primarily driven by fluctuations in oil and petroleum product market prices and the level of inventories held at the reporting date, which impacted the estimated net realizable value. Reversals were recognized only to the extent of previously recorded write-downs.

The Group has pledged inventories in gross amount of USD 368.6 million (2024: USD 422 million) to secure banking facilities.

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**11. 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 29.

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
<b>Financial assets:</b>				
Trade receivables	249,284,367	201,085,725	1,082,317,934	873,053,892
Sundry debtors	90,764,172	71,685,667	394,070,806	311,237,660
Cash pooling receivables	448,069,945	241,283,081	1,945,385,280	1,047,578,753
Other receivables	69,873,321	38,229,231	303,368,998	165,979,852
Less: Allowance for expected credit losses	(37,527,929)	(40,101,069)	(162,935,009)	(174,106,811)
<b>Subtotal – Financial assets</b>	<b><u>820,463,876</u></b>	<b><u>512,182,635</u></b>	<b><u>3,562,208,009</u></b>	<b><u>2,223,743,346</u></b>
<b>Non-financial assets:</b>				
Advances to suppliers	8,507,751	6,284,921	36,938,103	27,287,242
VAT to be recovered	251,579	213,846	1,092,281	928,455
Fuel subsidy	231	15,739	1,003	68,334
<b>Subtotal – Non-financial assets</b>	<b><u>8,759,561</u></b>	<b><u>6,514,506</u></b>	<b><u>38,031,387</u></b>	<b><u>28,284,031</u></b>
<b>Total trade and other receivables</b>	<b><u>829,223,437</u></b>	<b><u>518,697,141</u></b>	<b><u>3,600,239,396</u></b>	<b><u>2,252,027,377</u></b>

Movement in the above allowance for expected credit losses is disclosed below and in Note 25.

Fuel Subsidy Receivable

As of December 31, 2025 the fuel subsidy in relation to 0.25 RON/liter fuel according to Government Emergency Ordinance OUG 106 that was applicable in 2021, was offset with Rompetrol Downstream tax liabilities (in total amount of USD 42.98 million).

Sundry Debtors

Included in Sundry debtors as of December 31, 2025 is an amount of USD 9.8 million (2024: RON nil) representing a receivable from Omniasig Vienna Insurance Group in respect of an insurance claim related to the incident that occurred on 21 June 2023 at the Petromidia refinery. There are no remaining amounts recognised in respect of principal liabilities and related penalties paid to ANAF following the General Tax Inspection Report covering the 2011–2015 period (2024: USD 5.3 million), as the litigation was finally resolved during 2025 and the related provision was fully reversed.

Included in Sundry debtors category is an amount of USD 79.3 million (2024: USD 65.5 million) relating to Rompetrol Petrochemicals SRL receivables from KMG International N.V. ("KMGI") as a result of Rompetrol Petrochemicals SRL assignment of receivables from Rompetrol Rafinare SA to KMGI starting with November 2017 (see Note 13). Following the contract agreement in place Rompetrol Petrochemicals SRL charges interest for late payment from KMGI. As of 31 December 2025, the interest receivable is in amount of USD 13 million (2024: USD 6 million).

Advances to Suppliers

In 2025, out of the total amount of USD 8.5 million (2024: 6.3 million) representing advances to suppliers, USD 5.6 million (2024: 4.4 million) are in respect of services related to Rompetrol Rafinare and USD 3.1 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

Cash pooling receivables refers to: Rompetrol Downstream USD 340.6 million (2024: USD 167.6 million), Rompetrol Rafinare USD 35.9 million (2024: USD 7.3 million), Rompetrol Gas USD 24.1 million (2024: USD 34.7 million), Rompetrol Quality Control USD 4.2 million (2024: USD 4.9 million), Rompetrol

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**11. TRADE AND OTHER RECEIVABLES (continued)**

Logistics USD 18.8 million (2024: USD 5.3 million) and Rompetrol Petrochemicals USD 24.6 million (2024: USD 21.5 million). For additional details please see Note 29 and for further details on movements during the year, please see Note 17.

Cash pooling receivables represent balances arising from the Group's participation in the intra-group cash pooling arrangement within the KMG International Group treasury system. At the reporting date, the Group's overall position within the cash pooling arrangement represents a net payable position, as the Group is a net recipient of funds from the pool. Accordingly, management assessed that no expected credit loss allowance is required for these balances, considering the nature of the arrangement and the creditworthiness of the counterparties within the KMG International Group. The balance presented above reflects gross receivable positions with certain entities participating in the cash pooling mechanism while the Group also records significant payables to other entities within the same arrangement (see note 17).

Other receivables

Also, in other receivables an amount of USD 37.6 million (2024: USD 14.9 million) representing excise paid in advance by Rompetrol Rafinare, which is settled shortly after year-end when the related petroleum products are sold.

Allowance for Expected Credit Losses

	<u>December</u> <u>31, 2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2025</u> RON	<u>December</u> <u>31, 2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
<b>Trade receivables</b>				
Gross carrying amount	249,284,367	201,085,725	1,082,317,934	873,053,892
Allowance for expected credit losses	(35,176,061)	(32,486,021)	(152,723,904)	(141,044,557)
<b>Net trade receivables</b>	<b><u>214,108,306</u></b>	<b><u>168,599,704</u></b>	<b><u>929,594,030</u></b>	<b><u>732,009,335</u></b>
<b>Sundry debtors and other receivables</b>				
Sundry debtors	90,764,172	71,685,667	394,070,806	311,237,660
Other receivables	69,873,321	38,229,231	303,368,998	165,979,852
Allowance for expected credit losses related to sundry debtors and other receivables	(2,351,868)	(7,615,048)	(10,211,105)	(33,062,254)
	<b><u>158,285,625</u></b>	<b><u>102,299,850</u></b>	<b><u>687,228,699</u></b>	<b><u>444,155,258</u></b>
<b>Total allowance for expected credit losses</b>	<b><u>(37,527,929)</u></b>	<b><u>(40,101,069)</u></b>	<b><u>(162,935,009)</u></b>	<b><u>(174,106,811)</u></b>

No 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 allowance for expected credit losses related to trade receivables and allowance for sundry debtors and other receivables is as follows:

	<u>December 31,</u> <u>2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December 31,</u> <u>2025</u> RON	<u>December</u> <u>31, 2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
<b>Balance at 1 January</b>	<b>(40,101,069)</b>	<b>(44,911,098)</b>	<b>(174,106,811)</b>	<b>(194,990,514)</b>
Increase in allowance recognised in profit or loss	(5,017,465)	(5,315,407)	(21,784,328)	(23,077,903)
Decrease in allowance recognised in profit or loss	10,396,998	3,076,062	45,140,646	13,355,338
Write-offs	1,099,253	4,621,330	4,772,627	20,064,428
Foreign exchange differences	(3,905,646)	2,428,044	(16,957,143)	10,541,840
<b>Balance at 31 December</b>	<b><u>(37,527,929)</u></b>	<b><u>(40,101,069)</u></b>	<b><u>(162,935,009)</u></b>	<b><u>(174,106,811)</u></b>

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**11. TRADE AND OTHER RECEIVABLES (continued)**

Ageing Analysis of Trade Receivables and Expected Credit Losses

The Group applies a simplified approach to measuring expected credit losses for trade receivables, using a provision matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

		Trade receivables						
		Days past due						
		Current	<30 days	30-60 days	61-90 days	90-120 days	>120 days	Total
<b>31-Dec-25</b>								
<b>USD</b>								
Expected credit loss rate		<b>0.25%</b>	<b>0.38%</b>	<b>7.65%</b>	<b>13.14%</b>	<b>22.55%</b>	<b>88.95%</b>	
Estimated total gross carrying amount at default		184,250,463	15,412,649	5,247,398	3,558,982	3,795,891	37,018,984	<b>249,284,367</b>
Expected credit loss		463,938	58,615	401,240	467,529	856,078	32,928,661	<b>35,176,061</b>
<b>31-Dec-25</b>								
<b>RON</b>								
Expected credit loss rate		<b>0.25%</b>	<b>0.38%</b>	<b>7.65%</b>	<b>13.14%</b>	<b>22.55%</b>	<b>88.95%</b>	
Estimated total gross carrying amount at default		799,960,235	66,917,098	22,782,628	15,452,032	16,480,620	160,725,321	<b>1,082,317,934</b>
Expected credit loss		2,014,280	254,489	1,742,064	2,029,871	3,716,834	142,966,366	<b>152,723,904</b>
<b>31-Dec-24</b>								
<b>USD</b>								
Expected credit loss rate		<b>1.56%</b>	<b>1.21%</b>	<b>0.90%</b>	<b>3.53%</b>	<b>6.19%</b>	<b>94.21%</b>	
Estimated total gross carrying amount at default		124,074,945	30,777,832	9,252,689	3,933,640	1,340,689	31,705,930	<b>201,085,725</b>
Expected credit loss		1,938,592	371,709	83,453	138,834	82,939	29,870,494	<b>32,486,021</b>
<b>31-Dec-24</b>								
<b>RON</b>								
Expected credit loss rate		<b>1.56%</b>	<b>1.21%</b>	<b>0.90%</b>	<b>3.53%</b>	<b>6.19%</b>	<b>94.21%</b>	
Estimated total gross carrying amount at default		538,696,189	133,628,113	40,172,400	17,078,685	5,820,869	137,657,636	<b>873,053,892</b>
Expected credit loss		8,416,785	1,613,849	362,328	602,776	360,096	129,688,723	<b>141,044,557</b>

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**11. TRADE AND OTHER RECEIVABLES (continued)**

*Ageing Analysis of Sundry Debtors and Expected Credit Losses*

<b>31-Dec-25</b>		<b>Sundry debtors</b>					
<b>USD</b>		<b>Days past due</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>90-120 days</b>	<b>&gt;120 days</b>	<b>Total</b>
Expected credit loss rate	<b>0.00%</b>	<b>0.01%</b>	<b>1.01%</b>	<b>1.13%</b>	<b>8.52%</b>	<b>0.57%</b>	
Estimated total gross carrying amount at default	10,236,592	116,709	13,047	530	317	80,396,977	<b>90,764,172</b>
Expected credit loss	-	11	132	6	27	458,863	<b>459,039</b>
<b>31-Dec-25</b>		<b>Sundry debtors</b>					
<b>RON</b>		<b>Days past due</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>90-120 days</b>	<b>&gt;120 days</b>	<b>Total</b>
Expected credit loss rate	<b>0.00%</b>	<b>0.01%</b>	<b>1.01%</b>	<b>1.13%</b>	<b>8.50%</b>	<b>0.57%</b>	
Estimated total gross carrying amount at default	44,444,211	506,715	56,646	2,301	1,376	349,059,557	<b>394,070,806</b>
Expected credit loss	-	48	573	26	117	1,992,245	<b>1,993,009</b>
<b>31-Dec-24</b>		<b>Sundry debtors</b>					
<b>USD</b>		<b>Days past due</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>90-120 days</b>	<b>&gt;120 days</b>	<b>Total</b>
Expected credit loss rate	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.87%</b>	
Estimated total gross carrying amount at default	(7,538)	14	-	-	-	71,693,191	<b>71,685,667</b>
Expected credit loss	-	-	-	-	-	5,644,864	<b>5,644,864</b>
<b>31-Dec-24</b>		<b>Sundry debtors</b>					
<b>RON</b>		<b>Days past due</b>					
	<b>Current</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>90-120 days</b>	<b>&gt;120 days</b>	<b>Total</b>
Expected credit loss rate	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.87%</b>	
Estimated total gross carrying amount at default	(32,728)	61	-	-	-	311,270,327	<b>311,237,660</b>
Expected credit loss	-	-	-	-	-	24,508,306	<b>24,508,306</b>

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**11. TRADE AND OTHER RECEIVABLES (continued)**

As at 31 December 2025 a recoverability analysis was performed for trade receivables balance that resulted in an amount of USD 35 million (2024: USD 32.5 million) being impaired. See below the movements in the allowance for impairment of trade receivables.

	<u>Individually impaired</u> <u>USD</u>	<u>Collectively impaired</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>At 1 January 2024</b>	<b>29,399,101</b>	<b>7,543,805</b>	<b>36,942,906</b>
Increase in allowance recognised in profit or loss	710,187	4,532,858	5,243,045
Decrease in allowance recognised in profit or loss	(598,245)	(2,477,911)	(3,076,156)
Write-offs	(3,483,631)	(1,137,699)	(4,621,330)
Foreign exchange differences	<u>(1,253,412)</u>	<u>(749,032)</u>	<u>(2,002,444)</u>
<b>At 31 December 2024</b>	<b><u>24,774,000</u></b>	<b><u>7,712,021</u></b>	<b><u>32,486,021</u></b>
Increase in allowance recognised in profit or loss	631,649	4,502,133	5,133,782
Decrease in allowance recognised in profit or loss	(388,059)	(4,217,561)	(4,605,620)
Write-offs	(744,902)	(354,351)	(1,099,253)
Reclassification between individually and collectively	1,323,494	(1,323,494)	-
Reclassification between categories trade receivables and other receivables	(36,596)	-	(36,596)
Foreign exchange differences	<u>2,482,583</u>	<u>815,144</u>	<u>3,297,727</u>
<b>At 31 December 2025</b>	<b><u>28,042,169</u></b>	<b><u>7,133,892</u></b>	<b><u>35,176,061</u></b>

(supplementary info – see Note 2(e))

	<u>Individually impaired</u> <u>RON</u>	<u>Collectively impaired</u> <u>RON</u>	<u>Total</u> <u>RON</u>
<b>At 1 January 2024</b>	<b>127,642,077</b>	<b>32,752,938</b>	<b>160,395,015</b>
Increase in allowance recognised in profit or loss	3,083,419	19,680,310	22,763,729
Decrease in allowance recognised in profit or loss	(2,597,400)	(10,758,346)	(13,355,746)
Write-offs	(15,124,881)	(4,939,548)	(20,064,429)
Foreign exchange differences	<u>(5,441,940)</u>	<u>(3,252,072)</u>	<u>(8,694,012)</u>
<b>At 31 December 2024</b>	<b><u>107,561,275</u></b>	<b><u>33,483,282</u></b>	<b><u>141,044,557</u></b>
Increase in allowance recognised in profit or loss	2,742,430	19,546,911	22,289,341
Decrease in allowance recognised in profit or loss	(1,684,836)	(18,311,385)	(19,996,221)
Write-offs	(3,234,141)	(1,538,486)	(4,772,627)
Reclassification between individually and collectively	5,746,214	(5,746,214)	-
Reclassification between categories trade receivables and other receivables	(158,889)	-	(158,889)
Foreign exchange differences	<u>10,778,632</u>	<u>3,539,111</u>	<u>14,317,743</u>
<b>At 31 December 2025</b>	<b><u>121,750,685</u></b>	<b><u>30,973,219</u></b>	<b><u>152,723,904</u></b>

Pledged Trade Receivables

Trade receivables totaling USD 153.9 million as at 31 December 2025 and USD 116 million as at 31 December 2024 are pledged as collateral to secure the Group's credit facilities. Further details regarding the related borrowing arrangements and security packages are disclosed in Notes 14 and 19.

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**12. CASH AND CASH EQUIVALENTS**

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>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	54,726,646	90,202,334	237,606,678	391,631,473
Cash on hand	2,466,903	3,292,329	10,710,553	14,294,305
Cash equivalents	91,012	536,307	395,147	2,328,484
	<b><u>57,284,561</u></b>	<b><u>94,030,970</u></b>	<b><u>248,712,378</u></b>	<b><u>408,254,262</u></b>

Cash equivalents represent mainly cheques and promissory notes in the course of being settled, with short remaining maturity (under 90 days) that have an insignificant risk of changes in value due to interest rate fluctuations or credit risk.

**13. EQUITY**

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

Shareholders	Ownership	Amount per statutory documents [RON]	Amount under IFRS [USD]	Supplementary information presented in RON
KMG International N.V.	48.11%	1,277,857,773	423,929,605	1,840,575,165
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,709,833,670
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	247,527,523
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	1,906,296
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	25,638,985
<b>Total</b>	<b>100%</b>	<b><u>2,655,920,573</u></b>	<b><u>881,102,250</u></b>	<b><u>3,825,481,639</u></b>

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

Shareholders	Ownership	Amount per statutory documents [RON]	Amount under IFRS [USD]	Supplementary information presented in RON
KMG International N.V.	48.11%	1,277,857,773	423,929,605	1,840,575,165
Romanian State represented by the Ministry of Energy	44.70%	1,187,087,758	393,816,632	1,709,833,670
Rompetrol Financial Group S.R.L.	6.47%	171,851,155	57,011,660	247,527,523
Rompetrol Well Services S.A.	0.05%	1,323,486	439,067	1,906,296
Others (not State or KMGI Group)	0.67%	17,800,400	5,905,287	25,638,985
<b>Total</b>	<b>100%</b>	<b><u>2,655,920,573</u></b>	<b><u>881,102,250</u></b>	<b><u>3,825,481,639</u></b>

The reserves are further described as follows:

*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.

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**13. 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 shares (or both). 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 principal amounted to USD 1,072 million which is the case also for 31 December 2025. The additional loan is subordinated to any present and future liability of the companies. At maturity the loan can be repaid in cash or shares (or both) at the option of the borrower. 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.

As of 31 December 2025, 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.

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*

The Group transfers annually from revaluation reserves to accumulated losses the depreciation of the revaluation gains for the buildings category. The revaluation surplus for assets disposed during the year is also transferred to accumulated losses upon disposal. Thus, as of 31 December 2025, the revaluation surplus transferred to retained earnings was USD 21.6 million (out of which USD 25.7 million is related to the disposed assets carrying amount, less the related deferred tax impact of USD 4.1 million).

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**14. LONG-TERM BORROWINGS FROM BANKS**

	<u>December 31,</u> <u>2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2025</u> RON	<u>December</u> <u>31, 2024</u> RON
<b>BCR, ING Bank, Raiffeisen Bank, UniCredit 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</b>	274,592,685	275,900,000	1,192,199,060	1,197,875,030
Romp petrol 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, 2027 with an option of adding another 1 year 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.				
<b>Total</b>	<b><u>274,592,685</u></b>	<b><u>275,900,000</u></b>	<b><u>1,192,199,060</u></b>	<b><u>1,197,875,030</u></b>

(supplementary info – see Note 2(e))

The bank borrowings of 274.6 million as at 31 December 2025 are due on 13 April 2027 (within two years from reporting date).

The Group's borrowing arrangements contain financial covenants that are calculated by reference to the consolidated financial statements of KMG International ("KMG I"), the ultimate parent of the Group.

These covenants are measured every six months, at the half-year (30 June) and at the year-end (31 December). The next measurement date is 30 June 2026.

For both 2025 and 2024, there were no instances of non-compliance.

As at the date of authorization of these financial statements, management has no indication that the Group would have difficulty meeting its covenant requirements at the next measurement date of 30 June 2026, based on its current financial projections and expected operating performance.

The total borrowings of the Group that are subject to these covenant requirements are as follows:

	<u>December</u> <u>31, 2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December 31,</u> <u>2025</u> RON	<u>December 31,</u> <u>2024</u> RON
Short-term borrowings subject to covenants	7,997,105	11,499,246	34,721,031	49,926,276
Long-term borrowings subject to covenants	<u>274,592,685</u>	<u>275,900,000</u>	<u>1,192,199,060</u>	<u>1,197,875,030</u>
<b>Total borrowings subject to covenants</b>	<b><u>282,589,790</u></b>	<b><u>287,399,246</u></b>	<b><u>1,226,920,091</u></b>	<b><u>1,247,801,306</u></b>

(supplementary info – see Note 2(e))

The loans bearing guarantees are secured with pledges on property plant and equipment of USD 303.4 million (31 December 2024: USD 306.8 million), inventories of USD 368.6 million (2024: USD 422.9 million) and trade receivables of USD: 153.9 million (2024: USD 116.1 million).

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**15. OBLIGATIONS UNDER LEASE AGREEMENTS**

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
<b>As at 1 January</b>	<b>277,910,277</b>	<b>270,377,695</b>	<b>1,206,603,050</b>	<b>1,173,898,838</b>
Additions	4,928,635	31,830,651	21,398,655	138,199,137
Re-measurement	2,978,197	2,955,200	12,930,438	12,830,592
Payments	(32,109,247)	(31,939,431)	(139,408,718)	(138,671,428)
Interest expense accrued	21,150,507	21,467,077	91,829,156	93,203,608
Exchange rate impact	28,638,794	(16,780,915)	124,341,051	(72,857,697)
<b>As at 31 December</b>	<b><u>303,497,163</u></b>	<b><u>277,910,277</u></b>	<b><u>1,317,693,632</u></b>	<b><u>1,206,603,050</u></b>
Non-current	291,871,760	268,112,687	1,267,219,620	1,164,064,853
Current	11,625,403	9,797,590	50,474,012	42,538,197

(supplementary info – see Note 2(e))

As of December 31, 2025, the Group recognized leasing additions of USD 4.93 million, of which USD 4.83 million in Rompetrol Downstream in connection with the new gas station in Hârsova, Constanța County and also related to new vehicles additions.

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>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
<b>Recognised in profit or loss</b>				
Depreciation expense of right-of-use assets	17,636,652	17,561,458	76,573,052	76,246,582
Interest expense on lease liabilities	21,150,507	21,467,077	91,829,156	93,203,608
Variable lease payments (included in selling and distribution)	<u>9,362,213</u>	<u>8,445,245</u>	<u>40,647,920</u>	<u>36,666,720</u>
<b>Total amount recognised in profit or loss</b>	<b><u>48,149,372</u></b>	<b><u>47,473,780</u></b>	<b><u>209,050,128</u></b>	<b><u>206,116,910</u></b>

(supplementary info – see Note 2(e))

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

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Fixed</u> <u>payments</u>	<u>Variable</u> <u>payments</u>	<u>Fixed</u> <u>payments</u>	<u>Variable</u> <u>payments</u>
Fixed rent	32,109,247	-	31,939,431	-
Variable rent with minimum payment	-	9,362,213	-	8,445,245
<b>Total</b>	<b><u>32,109,247</u></b>	<b><u>9,362,213</u></b>	<b><u>31,939,431</u></b>	<b><u>8,445,245</u></b>

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**16. DEFERRED TAX ASSETS AND LIABILITIES**

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

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Deferred tax assets	(29,142,371)	(21,306,903)	(126,527,432)	(92,508,181)
Deferred tax liabilities	15,286,600	16,176,318	66,369,831	70,232,720
<b>Deferred tax (asset) / liability, net</b>	<b><u>(13,855,771)</u></b>	<b><u>(5,130,585)</u></b>	<b><u>(60,157,601)</u></b>	<b><u>(22,275,461)</u></b>

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

**USD**

<u>2025</u>	<u>Opening</u> <u>balance</u>	<u>Charged /</u> <u>(Credited)</u> <u>to income</u>	<u>Charged /</u> <u>(Credited)</u> <u>to equity</u>	<u>Closing</u> <u>balance</u>
<b>Temporary differences</b>				
Intangible assets	49,238	-	-	49,238
Property, plant and equipment	62,697,761	(51,861,513)	-	10,836,248
Inventories	82,619	-	-	82,619
Provisions	(94,895,106)	(2,670,900)	-	(97,566,006)
Other	(663)	-	-	(663)
<b>Total temporary differences (asset)/liability</b>	<b><u>(32,066,151)</u></b>	<b><u>(54,532,413)</u></b>	<b>=</b>	<b><u>(86,598,564)</u></b>
<b>Deferred tax effect</b>				
Intangible assets	7,878	-	-	7,878
Property, plant and equipment	10,031,642	(8,297,842)	-	1,733,800
Inventories	13,219	-	-	13,219
Provisions	(15,183,217)	(427,344)	-	(15,610,561)
Other	(106)	-	-	(106)
<b>Deferred tax (asset)/liability recognized</b>	<b><u>(5,130,585)</u></b>	<b><u>(8,725,186)</u></b>	<b>=</b>	<b><u>(13,855,771)</u></b>

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

<u>2025</u>	<u>Opening</u> <u>balance</u>	<u>Charged /</u> <u>(Credited)</u> <u>to income</u>	<u>Charged /</u> <u>(Credited)</u> <u>to equity</u>	<u>Closing</u> <u>balance</u>
<b>Temporary differences</b>				
Intangible assets	213,777	-	-	213,777
Property, plant and equipment	272,214,868	(225,167,131)	-	47,047,737
Inventories	358,707	-	-	358,707
Provisions	(412,006,082)	(11,596,247)	-	(423,602,329)
Other	(2,879)	-	-	(2,879)
<b>Total temporary differences (asset)/liability</b>	<b><u>(139,221,609)</u></b>	<b><u>(236,763,378)</u></b>	<b>=</b>	<b><u>(375,984,987)</u></b>
<b>Deferred tax effect</b>				
Intangible assets	34,204	-	-	34,204
Property, plant and equipment	43,554,376	(36,026,741)	-	7,527,635
Inventories	57,393	-	-	57,393
Provisions	(65,920,974)	(1,855,399)	-	(67,776,373)
Other	(460)	-	-	(460)
<b>Deferred tax (asset)/liability recognized</b>	<b><u>(22,275,461)</u></b>	<b><u>(37,882,140)</u></b>	<b>=</b>	<b><u>(60,157,601)</u></b>

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**16. DEFERRED TAX ASSETS AND LIABILITIES (continued)**

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

**USD**

<b>Deferred tax (asset)/liability recognized</b>	<b><u>Opening balance</u></b>	<b><u>Charged / (Credited) to income</u></b>	<b><u>Charged / (Credited) to equity</u></b>	<b><u>Closing balance</u></b>
Romp petrol Rafinare S.A.	(21,306,902)	(7,706,497)	-	(29,013,399)
Romp petrol Downstream S.R.L.	8,680,135	(676,221)	-	8,003,914
Rom Oil S.A.	5,390,024	(228,664)	-	5,161,360
Romp petrol Gas S.R.L.	729,453	(47,700)	-	681,753
Romp petrol Logistics S.R.L.	1,327,287	(50,949)	-	1,276,338
Romp petrol Quality Control S.R.L.	49,418	(15,155)	-	34,263
<b>Deferred tax (asset)/liability recognized</b>	<b><u>(5,130,585)</u></b>	<b><u>(8,725,186)</u></b>	<b>=</b>	<b><u>(13,855,771)</u></b>

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

<b>Deferred tax (asset)/liability recognized</b>	<b><u>Opening balance</u></b>	<b><u>Charged / (Credited) to income</u></b>	<b><u>Charged / (Credited) to equity</u></b>	<b><u>Closing balance</u></b>
Romp petrol Rafinare S.A.	(92,508,176)	(33,459,299)	-	(125,967,475)
Romp petrol Downstream S.R.L.	37,686,542	(2,935,949)	-	34,750,593
Rom Oil S.A.	23,401,867	(992,790)	-	22,409,077
Romp petrol Gas S.R.L.	3,167,066	(207,099)	-	2,959,967
Romp petrol Logistics S.R.L.	5,762,682	(221,205)	-	5,541,477
Romp petrol Quality Control S.R.L.	214,558	(65,798)	-	148,760
<b>Deferred tax (asset)/liability recognized</b>	<b><u>(22,275,461)</u></b>	<b><u>(37,882,140)</u></b>	<b>=</b>	<b><u>(60,157,601)</u></b>

**USD**

<b><u>2024</u></b>	<b><u>Opening balance</u></b>	<b><u>Charged / (Credited) to income</u></b>	<b><u>Charged / (Credited) to equity</u></b>	<b><u>Closing balance</u></b>
<b>Temporary differences</b>				
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)
<b>Total temporary differences (asset)/liability</b>	<b><u>40,277,800</u></b>	<b><u>(72,343,950)</u></b>	<b>=</b>	<b><u>(32,066,151)</u></b>
<b>Deferred tax effect</b>				
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)
<b>Deferred tax (asset)/liability recognized</b>	<b><u>6,444,447</u></b>	<b><u>(11,575,032)</u></b>	<b>=</b>	<b><u>(5,130,585)</u></b>

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**16. DEFERRED TAX ASSETS AND LIABILITIES (continued)**

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

<u>2024</u>	<u>Opening balance</u>	<u>Charged / (Credited) to income</u>	<u>Charged / (Credited) to equity</u>	<u>Closing balance</u>
<b>Temporary differences</b>				
Intangible assets	213,777	-	-	213,777
Property, plant and equipment	608,293,331	(336,078,463)	-	272,214,868
Inventories	358,707	-	-	358,707
Provisions	(433,988,817)	21,982,735	-	(412,006,082)
Other	(2,879)	=	=	(2,879)
<b>Total temporary differences (asset)/liability</b>	<b><u>174,874,119</u></b>	<b><u>(314,095,728)</u></b>	<b>=</b>	<b><u>(139,221,609)</u></b>
<b>Deferred tax effect</b>				
Intangible assets	34,204	-	-	34,204
Property, plant and equipment	97,326,934	(53,772,558)	-	43,554,376
Inventories	57,393	-	-	57,393
Provisions	(69,438,211)	3,517,237	-	(65,920,974)
Other	(460)	=	=	(460)
<b>Deferred tax (asset)/liability recognized</b>	<b><u>27,979,860</u></b>	<b><u>(50,255,321)</u></b>	<b>=</b>	<b><u>(22,275,461)</u></b>

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 2025 (Note 20), lead to a increase of USD 1.8 million (2024 decrease of USD 0.8 million) in the related deferred tax asset.

<b>Category</b>	<b>Carrying amount (USD)</b>		<b>Tax rate</b>	<b>Deferred tax (USD)</b>	
	<b>December 30, 2025</b>	<b>December 31, 2024</b>		<b>December 30, 2025</b>	<b>December 31, 2024</b>
Right-of-use assets	266,825,660	276,551,758	16%	42,692,106	44,248,281
Lease liabilities (total)	303,497,163	277,910,277	16%	48,559,546	44,465,644
<b>Net position</b>				<b><u>5,867,440</u></b>	<b><u>217,363</u></b>

  

<b>Category</b>	<b>Carrying amount (RON)</b>		<b>Tax rate</b>	<b>Deferred tax (RON)</b>	
	<b>December 30, 2025</b>	<b>December 31, 2024</b>		<b>December 30, 2025</b>	<b>December 31, 2024</b>
Right-of-use assets	1,158,476,968	1,200,704,768	16%	185,356,315	192,112,763
Lease liabilities (total)	1,317,693,632	1,206,603,050	16%	210,830,981	193,056,488
<b>Net position</b>				<b><u>25,474,666</u></b>	<b><u>943,725</u></b>

The Group performed a simplified deferred tax analysis on right-of-use assets and lease liabilities using a 16% tax rate. As at 31 December 2025, the gross deferred tax amounts of USD 42.7 million (right of use assets) and USD 48.6 million (lease liabilities) result in a net position of approximately USD 5.9 million (2024: USD 0.2 million).

As the net impact is not material at Group level in both periods, no deferred tax asset or liability has been recognized in respect of these items.

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

The Group has USD 40.66 million (2024: USD 114.12 million) of tax losses carried forward, for which no deferred tax asset was recognized as of 31 December 2025 (2024: nil) considering the historical fiscal results recorded.

Based on the assessment performed as of 31 December 2025 on elements that may generate temporary differences for which deferred tax assets or deferred tax liabilities may be recognized, the Group

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**16. DEFERRED TAX ASSETS AND LIABILITIES (continued)**

Management has considered that no deferred tax shall be recognized in addition to the elements already disclosed.

See also Note 27 for details for the income tax rate and other related matters.

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

**17. TRADE AND OTHER PAYABLES**

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
<b>Financial liabilities:</b>				
Trade payables	763,727,271	879,849,096	3,315,874,694	3,820,040,817
Cash pooling payables (intra-group)	548,003,244	382,009,994	2,379,265,684	1,658,572,791
Other liabilities	5,555,864	6,732,354	24,121,895	29,229,861
<b>Subtotal – Financial liabilities</b>	<b><u>1,317,286,379</u></b>	<b><u>1,268,591,444</u></b>	<b><u>5,719,262,273</u></b>	<b><u>5,507,843,469</u></b>
<b>Non-financial liabilities:</b>				
Excise taxes	-	1,541	-	6,691
Special fund tax for oil products	6,347,765	5,769,818	27,560,091	25,050,819
VAT payable	91,504,074	34,808,808	397,283,238	151,129,402
Other taxes payable	9,949,061	9,840,949	43,195,838	42,726,448
Employees and social security obligations	14,544,033	7,919,698	63,145,828	34,384,953
<b>Subtotal – Non-financial liabilities</b>	<b><u>122,344,933</u></b>	<b><u>58,340,814</u></b>	<b><u>531,184,995</u></b>	<b><u>253,298,313</u></b>
<b>Total</b>	<b><u>1,439,631,312</u></b>	<b><u>1,326,932,258</u></b>	<b><u>6,250,447,268</u></b>	<b><u>5,761,141,782</u></b>

Cash Pooling Payables

The Group entered into a cash pooling contract for optimizing cash, with KMG Rompetrol SRL (“Master Company”). The amounts in balance as of 31 December 2025 are for the following companies: Rompetrol Rafinare S.A. USD 517.2 million (2024: USD 368.4 million), Romoil USD 13.8 million (2024: USD 13.6 million) and Rompetrol Downstream USD 16.3 million. The corresponding gross receivable positions of the Group within the same cash pooling arrangement are disclosed in Note 11 – Trade and Other receivables. For additional details please see Note 29.

The table below presents the movement in cash pooling balances and related interest, including both cash and non-cash changes during the year:

Amounts in USD	<u>At 1 January</u> <u>2025</u>	<u>Cash</u> <u>movements in</u> <u>cash pooling</u>	<u>Interest</u> <u>accrual –</u> <u>non-cash</u>	<u>Cash interest</u> <u>received/paid</u>	<u>Exchange</u> <u>rate</u> <u>impact (non-</u> <u>cash)</u>	<u>At 31</u> <u>December</u> <u>2025</u>
Cash pooling receivable	239,618,776	176,456,606	-	-	29,237,229	445,312,611
Interest receivable	1,664,305	-	28,107,715	(27,066,246)	51,560	2,757,334
Cash pooling payable	(379,312,914)	(131,677,345)	-	-	(33,259,399)	(544,249,658)
Interest payable	(2,697,079)	-	(39,315,182)	38,249,325	9,351	(3,753,586)
<b>Amounts in USD</b>	<b><u>At 1 January</u></b>	<b><u>Cash</u></b>	<b><u>Interest</u></b>	<b><u>Cash interest</u></b>	<b><u>Exchange</u></b>	<b><u>At 31</u></b>
	<b><u>2024</u></b>	<b><u>movements in</u></b>	<b><u>accrual –</u></b>	<b><u>received/paid</u></b>	<b><u>rate</u></b>	<b><u>December</u></b>
		<b><u>cash pooling</u></b>	<b><u>non-cash</u></b>		<b><u>impact (non-</u></b>	<b><u>2024</u></b>
		<b><u>cash)</u></b>			<b><u>cash)</u></b>	
Cash pooling receivable	294,825,968	(36,264,769)	-	-	(18,942,423)	239,618,776
Interest receivable	1,818,833	-	21,607,364	(21,761,089)	(802)	1,664,305
Cash pooling payable	(328,141,575)	(71,830,685)	-	-	20,659,345	(379,312,914)
Interest payable	(2,123,326)	-	(30,609,099)	30,031,006	4,340	(2,697,079)

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**17. TRADE AND OTHER PAYABLES (continued)**

Other liabilities

Also, in other liabilities short term guarantees are included for Rompetrol Downstream SRL, in amount of USD 5.5 million (2024: USD 6.43 million).

Trade Payables

Trade payables line include payable in relation to KazMunayGas Trading AG in amount of USD 579.7 million as of 31 December 2025 (2024: USD 745.7 million) resulting from the acquisition of crude oil. This balance constitutes the most significant component of the trade payables balance, representing approximately 76% of total trade payables at the reporting date (2024: approximately 85%). For outstanding trade payables, late payment interest is computed and paid by the Group to KazMunayGas Trading AG in accordance with the contractual terms in place (Note 26).

**18. CONTRACT LIABILITIES**

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Short-term advances from wholesale customers	21,301,135	18,136,962	92,483,138	78,745,248
Short-term advances from other customers	70,450,562	35,586,608	305,875,204	154,506,376
Deferred revenues	<u>11,672,419</u>	<u>8,743,799</u>	<u>50,678,142</u>	<u>37,962,952</u>
<b>Total short-term advances</b>	<b><u>103,424,116</u></b>	<b><u>62,467,369</u></b>	<b><u>449,036,484</u></b>	<b><u>271,214,576</u></b>

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.

Short-term advances from other customers mainly represent advance payments received from third-party customers for petroleum products and related excise duties prior to delivery.

The increase compared to the prior year is primarily driven by higher advance payments received by Rompetrol Rafinare S.A., mainly from counterparties under commercial arrangements requiring prepayment before product delivery.

The following table provides a reconciliation of the opening and closing balances of contract liabilities, together with an explanation of the significant movements during the year:

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Contract liabilities at 1 January	53,723,570	68,295,176	233,251,624	296,517,166
Advances received from customers during the year	1,045,556,978	854,095,248	4,539,494,731	3,708,225,338
Revenue recognised that was included in the opening balance of contract liabilities	(46,657,276)	(66,869,627)	(202,571,895)	(290,327,860)
Revenue recognised from advances received and fulfilled within the same reporting period	(960,871,575)	(801,797,227)	(4,171,816,118)	(3,481,163,020)
<b>Contract liabilities at 31 December</b>	<b><u>91,751,697</u></b>	<b><u>53,723,570</u></b>	<b><u>398,358,342</u></b>	<b><u>233,251,624</u></b>

The contract liability balance at 31 December 2025 increased by USD 38 million (71%) compared to 31 December 2024, from USD 53.7 million to USD 91.8 million. This increase is primarily attributable to advance payments received by Rompetrol Rafinare S.A. from counterparties, close to the year-end under commercial arrangements requiring prepayment before product delivery.

The corresponding petroleum products had not yet been delivered as at 31 December 2025, and accordingly the amounts remained recognized as a contract liability at the reporting date.

The related performance obligation was satisfied through product delivery in early Q1 2026 for most such transactions, at which point the contract liability was derecognized and revenue was recognized.

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**19. SHORT-TERM BORROWINGS FROM BANKS**

<b><u>DEBT SHORT-TERM</u></b>	<b><u>December 31,</u></b> <b><u>2025</u></b> <b><u>USD</u></b>	<b><u>December 31,</u></b> <b><u>2024</u></b> <b><u>USD</u></b>	<b><u>December 31,</u></b> <b><u>2025</u></b> <b><u>RON</u></b> <i>(supplementary info – see Note 2(e))</i>	<b><u>December 31,</u></b> <b><u>2024</u></b> <b><u>RON</u></b>
<b>Banca Transilvania</b> Romp petrol 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 26, 2026. Drawings in USD/EUR/RON.	39,390,468	34,231,073	171,021,595	148,621,050
<b>BCR, ING Bank, Raiffeisen Bank, UniCredit 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</b> Romp petrol 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, 2027 with an option of adding another 1 year 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.	7,997,105	11,499,246	34,721,031	49,926,276
Current portion of long-term debt – interest payable	30,137	108,640	130,846	471,682
	<b><u>47,417,710</u></b>	<b><u>45,838,959</u></b>	<b><u>205,873,472</u></b>	<b><u>199,019,008</u></b>

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**19. SHORT-TERM BORROWINGS FROM BANKS (continued)**

The movement in loans is presented below:

	<u>At 1 January</u> <u>2025</u>	<u>Drawings</u>	<u>Repayment</u>	<u>Interest</u> <u>accrual</u>	<u>Exchange</u> <u>rate</u> <u>impact</u>	<u>December 31,</u> <u>2025</u>
<b>USD</b>						
Long-term borrowings from banks (Note 13)	275,900,000	280,976,666	(283,692,517)	-	1,408,536	274,592,685
Short-term borrowings from banks	45,730,319	347,551,929	(357,429,865)	-	11,535,190	47,387,573
Interest Long-term borrowings banks (Note 13)	-	-	(14,482,939)	14,482,939	-	-
Interest Short-term borrowings from banks	108,640	-	(3,398,928)	3,320,425	-	30,137
<b>Total</b>	<b><u>321,738,959</u></b>	<b><u>628,528,595</u></b>	<b><u>(659,004,249)</u></b>	<b><u>17,803,364</u></b>	<b><u>12,943,726</u></b>	<b><u>322,010,395</u></b>
<b>RON (supplementary info – see Note 2(e))</b>						
Long-term borrowings from banks (Note 13)	1,197,875,030	1,219,916,391	(1,231,707,801)	-	6,115,441	1,192,199,061
Short-term borrowings from banks	198,547,326	1,508,966,210	(1,551,853,245)	-	50,082,335	205,742,626
Interest Long-term borrowings banks (Note 13)	-	-	(62,880,576)	62,880,576	-	-
Interest Short-term borrowings from banks	471,682	-	(14,757,126)	14,416,289	-	130,845
<b>Total</b>	<b><u>1,396,894,038</u></b>	<b><u>2,728,882,601</u></b>	<b><u>(2,861,198,748)</u></b>	<b><u>77,296,865</u></b>	<b><u>56,197,776</u></b>	<b><u>1,398,072,532</u></b>

The significant movements in long-term loans received from banks and long-term loans repaid to banks relate mainly to the refinancing of the Group's syndicated loan facility. During the year, the USD-denominated balance was repaid and subsequently replaced by a drawdown under the same facility denominated in EUR.

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**19. SHORT-TERM BORROWINGS FROM BANKS (continued)**

	<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>
<b>USD</b>						
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
<b>Total</b>	<b><u>308,756,586</u></b>	<b><u>111,395,809</u></b>	<b><u>(123,137,499)</u></b>	<b><u>24,707,406</u></b>	<b><u>16,657</u></b>	<b><u>321,738,959</u></b>

	<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>
<b>RON (supplementary info – see Note 2(e))</b>						
Long-term borrowings from banks (Note 13)	1,154,458,030	43,417,000	-	-	-	1,197,875,030
Short-term borrowings from banks	184,770,721	440,230,184	(426,525,899)	-	72,320	198,547,326
Interest Long-term borrowings banks (Note 13)	-	-	(96,023,542)	96,023,542	-	-
Interest Short-term borrowings from banks	1,299,718	-	(12,076,638)	11,248,602	-	471,682
<b>Total</b>	<b><u>1,340,528,469</u></b>	<b><u>483,647,184</u></b>	<b><u>(534,626,079)</u></b>	<b><u>107,272,144</u></b>	<b><u>72,320</u></b>	<b><u>1,396,894,038</u></b>

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**20. PROVISIONS**

Provisions comprise the following:

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
Non-current provisions	124,246,704	110,055,666	539,441,914	477,828,685
<b>Total Provisions</b>	<b><u>124,246,704</u></b>	<b><u>110,055,666</u></b>	<b><u>539,441,914</u></b>	<b><u>477,828,685</u></b>

(supplementary info – see Note 2(e))

The movement in provisions is presented below:

<b>USD</b>	<u>At 1 January</u> <u>2025</u>	<u>Charged to OCI</u>	<u>Arising during</u> <u>the year</u>	<u>Utilised</u>	<u>Unwinding</u> <u>of</u> <u>discount</u>	<u>Reclassification</u> <u>between balance</u> <u>sheet items</u>	<u>At 31</u> <u>December</u> <u>2025</u>
Provision for retirement benefit	14,179,588	2,238,351	2,382,251	(1,777,673)	-	-	17,022,517
Environmental provisions	94,965,313	-	9,873,601	(7,371,191)	168,484	-	97,636,207
Other provisions	910,765	-	4,296,504	-	-	4,380,711	9,587,980
<b>Total</b>	<b><u>110,055,666</u></b>	<b><u>2,238,351</u></b>	<b><u>16,552,356</u></b>	<b><u>(9,148,864)</u></b>	<b><u>168,484</u></b>	<b><u>4,380,711</u></b>	<b><u>124,246,704</u></b>

  

<b>RON (supplementary info – see Note 2(e))</b>	<u>At 1 January</u> <u>2025</u>	<u>Charged to OCI</u>	<u>Arising during</u> <u>the year</u>	<u>Utilised</u>	<u>Unwinding</u> <u>of</u> <u>discount</u>	<u>Reclassification</u> <u>between balance</u> <u>sheet items</u>	<u>At 31</u> <u>December</u> <u>2025</u>
Provision for retirement benefit	61,563,517	9,718,249	10,343,019	(7,718,123)	-	-	73,906,662
Environmental provisions	412,310,900	-	42,868,213	(32,003,500)	731,507	-	423,907,120
Other provisions	3,954,268	-	18,654,131	-	-	19,019,733	41,628,132
<b>Total</b>	<b><u>477,828,685</u></b>	<b><u>9,718,249</u></b>	<b><u>71,865,363</u></b>	<b><u>(39,721,623)</u></b>	<b><u>731,507</u></b>	<b><u>19,019,733</u></b>	<b><u>539,441,914</u></b>

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**20. PROVISIONS (continued)**

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

	<u>At 1 January 2024</u>	<u>Charged to OCI</u>	<u>Arising during the year</u>	<u>Utilised</u>	<u>Unwinding of discount</u>	<u>At 31 December 2024</u>
<b>RON (supplementary info – see Note 2(e))</b>						
Provision for retirement benefit	65,653,381	(5,912,631)	9,553,420	(7,730,653)	-	61,563,517
Environmental provisions	434,293,630	-	(14,111,432)	(1,912,410)	(5,958,888)	412,310,900
Other provisions	3,954,268	-	-	-	-	3,954,268
<b>Total</b>	<b><u>503,901,279</u></b>	<b><u>(5,912,631)</u></b>	<b><u>(4,558,012)</u></b>	<b><u>(9,643,063)</u></b>	<b><u>(5,958,888)</u></b>	<b><u>477,828,685</u></b>

*Environmental provision*

**Vega lagoons**

As of 31 December 2025, the Group recognized an environmental provision of USD 90.09 million (2024: USD 89.28 million) based on reassessment of the site restoration provision. Reassessment was carried out 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 25% 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 4.7768 RON/USD to 4.3417 RON/USD, decreased discount rate from 6.81% used for the provision assessment as of 31 December 2024 to 6.72% as of 31 December 2025 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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**20. PROVISIONS (continued)**

The results of the reassessment lead to a net increase of provision by USD 0.8 million, being mainly triggered by updated computation due to change in assumptions and a negative foreign exchange effect of USD 8.21 million together with the unwinding of discount negative effect of USD 0.13 million.

**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 2025, the environmental provision was reassessed to reflect updated assumptions (discount rate, exchange rate, inflation). The reassessment resulted in a revised provision of USD 7.5 million (2024: USD 5.6 million), with a charge in profit or loss of USD 1.9 million.

*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 2025; 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.

The present value of this obligation and the related current and past service costs were measured using the Projected Unit Credit Method. The discount rates used were 6.4% (2024: 6.8%) for Romanian subsidiaries with an expected rate of long-term salary increase 3.9% (2024: 3.6%). Also, attrition rate was calculated on each company as average number of employees leaving the company in the last 3 years divided by opening number of staff. Retirement age for men is 65 years old and for women 63 years old.

Amounts recognized in profit or loss in respect of this obligation are as follows:

	<u>December 31,</u> <u>2025</u> <u>USD</u>	<u>December 31,</u> <u>2024</u> <u>USD</u>	<u>December 31,</u> <u>2025</u> <u>RON</u>	<u>December 31,</u> <u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Interest on obligation	1,038,977	952,784	4,510,926	4,136,702
Service cost	1,343,274	1,247,603	5,832,093	5,416,718
Release related to benefits granted during the year	<u>(1,777,674)</u>	<u>(1,780,559)</u>	<u>(7,718,123)</u>	<u>(7,730,656)</u>
<b>Total recognised in profit or loss</b>	<b><u>604,577</u></b>	<b><u>419,828</u></b>	<b><u>2,624,896</u></b>	<b><u>1,822,764</u></b>

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**20. PROVISIONS (continued)**

The amounts included in the statement of financial position arising from the retirement benefit obligation are as follows:

	<u>December</u> <u>31, 2025</u> USD	<u>December</u> <u>31, 2024</u> USD	<u>December</u> <u>31, 2025</u> RON	<u>December</u> <u>31, 2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
<b>Opening balance</b>	<b>14,179,588</b>	<b>15,121,584</b>	<b>61,563,517</b>	<b>65,653,381</b>
Amounts recognized in income statement	604,577	419,828	2,624,896	1,822,764
Actuarial losses / (gains) recorded in the year (amounts recognized in "Other comprehensive income")	<u>2,238,352</u>	<u>(1,361,824)</u>	<u>9,718,249</u>	<u>(5,912,628)</u>
<b>Closing balance</b>	<b><u>17,022,517</u></b>	<b><u>14,179,588</u></b>	<b><u>73,906,662</u></b>	<b><u>61,563,517</u></b>

Actuarial loss refer to change in assumption in amount of USD 2.2 million (2024: gains of USD 1.4 million) (using a discount rate of 6.4% (2024: 6.8%), with an expected rate of long-term salary increase of 3.9% (2024: 3.6%)), the charge for the year is included in the staff costs in the income statement for 2025, amounting to USD 0.6 million (2024: USD 0.4 million).

No significant amounts relating to these provisions are expected to be settled within the twelve months ending 31 December 2026.

A quantitative sensitivity analysis for significant assumptions as of December, is shown below:

	<u>Impact on defined benefit obligation</u>	
	<u>2025</u>	<u>2024</u>
	USD million	USD million
<b>Discount rate assumptions:</b>		
1% increase	(1.54)	(1.3)
1% decrease	1.78	1.5
	<u>2025</u>	<u>2024</u>
	USD million	USD million
<b>Salary sensitivity assumption:</b>		
1% increase	1.86	1.55
1% decrease	(1.62)	(1.36)
	<u>2025</u>	<u>2024</u>
	USD million	USD million
<b>Longevity sensitivity assumption:</b>		
1% increase	0.09	0.36

The other variables (exchange rate, mortality rate and turnover) had no significant impact in 2025.

*Other provisions*

In 2025, for Rompetrol Downstream SRL, an of USD 4.4 million relating to the turnover tax was reclassified from tax liabilities to other provisions, reflecting the uncertainty in legislation regarding the treatment of excise duties in determining the turnover tax. This approach was applied as a prudent measure pending further legal clarification.

Also, Rompetrol Rafinare S.A. recognized a tax provision of USD 3.23 million as at December 31, 2025, reflecting a prudent estimate of the potential exposure arising from an ongoing tax audit conducted by ANAF covering the period 2017–2021, which has not yet been finalized.

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**21. OTHER NON-CURRENT LIABILITIES**

As of December 31, 2025, other non-current liabilities of USD 72.9 million in Rompetrol Rafinare S.A. mainly relate to the Decision to amend the deferral of tax payment received from the National Agency for Fiscal Administration (ANAF-DGAMC) on July 29, 2025.

Under this decision, Rompetrol Rafinare was granted a deferral of tax obligations totaling RON 505.6 million for a period of 58 months. This decision replaces the initial deferral granted in May 2025, which covered tax obligations of RON 26 million.

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**22. REVENUES FROM CONTRACTS WITH CUSTOMERS**

The Group's revenues from contracts with customers are derived from three principal operating segments: Refining, Petrochemicals and Marketing (downstream distribution).

**2025**

**USD**

*Petroleum products:*

	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products (combined production and trading)	5,277,281,845	-	3,479,539,766	(2,938,382,160)	5,818,439,451
Less: excise taxes from petroleum products production	(1,502,786,261)	-	(1,351,508,019)	1,318,015,565	(1,536,278,715)
Less: commercial discounts petroleum products trading	=	=	(222,080,812)	3,210,444	(218,870,368)
<b>Net revenues from petroleum products (combined production and trading)</b>	<b><u>3,774,495,584</u></b>	<b>=</b>	<b><u>1,905,950,935</u></b>	<b><u>(1,617,156,151)</u></b>	<b><u>4,063,290,368</u></b>

*Petrochemicals:*

Revenues from petrochemicals production	-	95,273,250	-	-	95,273,250
Revenues from merchandise sales	573,324	-	217,987,821	(4,977)	218,556,168
Revenues from utilities sold	7,542,703	-	-	(173,118)	7,369,585
Revenues from transportation fees	-	-	3,411,514	-	3,411,514
Revenues from other services	4,293,378	-	25,609,442	(13,648,537)	16,254,283
<b>Total Net Revenues</b>	<b><u>3,786,904,989</u></b>	<b><u>95,273,250</u></b>	<b><u>2,152,959,712</u></b>	<b><u>(1,630,982,783)</u></b>	<b><u>4,404,155,168</u></b>

**2025**

**RON (supplementary info – see Note 2(e))**

*Petroleum products:*

	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
Gross revenues from petroleum products (combined production and trading)	22,912,374,586	-	15,107,117,802	(12,757,573,824)	25,261,918,564
Less: excise taxes from petroleum products production	(6,524,647,109)	-	(5,867,842,366)	5,722,428,179	(6,670,061,296)
Less: commercial discounts petroleum products trading	=	=	(964,208,261)	13,938,785	(950,269,476)
<b>Net revenues from petroleum products (combined production and trading)</b>	<b><u>16,387,727,477</u></b>	<b>=</b>	<b><u>8,275,067,175</u></b>	<b><u>(7,021,206,860)</u></b>	<b><u>17,641,587,792</u></b>

*Petrochemicals:*

Revenues from petrochemicals production	-	413,647,870	-	-	413,647,870
Revenues from merchandise sales	2,489,201	-	946,437,722	(21,609)	948,905,314
Revenues from utilities sold	32,748,154	-	-	(751,626)	31,996,528
Revenues from transportation fees	-	-	14,811,770	-	14,811,770
Revenues from other services	18,640,559	-	111,188,515	(59,257,855)	70,571,219
<b>Total Net Revenues</b>	<b><u>16,441,605,391</u></b>	<b><u>413,647,870</u></b>	<b><u>9,347,505,182</u></b>	<b><u>(7,081,237,950)</u></b>	<b><u>19,121,520,493</u></b>

The year-on-year variation in revenues between 2025 and 2024 was influenced by the planned general turnaround carried out in 2024 starting 8 March for approximately two months together with the slowdown in operations during January and February 2024, which temporarily reduced production volumes and sales in the comparative period. At the same time, 2025 was characterised by lower international quotations for both crude oil and refined products compared to 2024, with average gasoline and diesel quotations decreasing by approximately 12% and 9%, respectively, which negatively impacted revenue levels.

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

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**22. REVENUES FROM CONTRACTS WITH CUSTOMERS (continued)**

**2024**

**USD**

	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
<i>Petroleum products:</i>					
Gross revenues from petroleum products (combined production and trading)	4,167,603,132	-	2,912,591,291	(2,505,738,485)	4,574,455,938
Less: excise taxes from petroleum products production	(1,001,421,643)	-	(940,057,650)	935,596,441	(1,005,882,852)
Less: commercial discounts petroleum products trading	=	=	(199,240,592)	2,980,186	(196,260,406)
<b>Net revenues from petroleum products (combined production and trading)</b>	<b><u>3,166,181,489</u></b>	<b>=</b>	<b><u>1,773,293,049</u></b>	<b><u>(1,567,161,858)</u></b>	<b><u>3,372,312,680</u></b>
<i>Petrochemicals:</i>					
Revenues from petrochemicals production	-	71,973,572	-	-	71,973,572
Revenues from petrochemicals trading	=	<u>5,060</u>	=	=	<u>5,060</u>
<b>Total revenues from petrochemicals</b>	<b>=</b>	<b><u>71,978,632</u></b>	<b>=</b>	<b>=</b>	<b><u>71,978,632</u></b>
Revenues from merchandise sales	17,308,686	-	240,503,217	-	257,811,903
Revenues from utilities sold	4,689,661	-	-	(150,012)	4,539,649
Revenues from transportation fees	-	-	2,832,897	-	2,832,897
Revenues from other services	<u>3,971,398</u>	-	<u>23,176,642</u>	<u>(11,798,589)</u>	<u>15,349,451</u>
<b>Total Net Revenues</b>	<b><u>3,192,151,234</u></b>	<b><u>71,978,632</u></b>	<b><u>2,039,805,805</u></b>	<b><u>(1,579,110,459)</u></b>	<b><u>3,724,825,212</u></b>

**2024**

**RON (supplementary info – see Note 2(e))**

	<u>Refining</u>	<u>Petrochemicals</u>	<u>Marketing</u>	<u>Consolidation adjustments</u>	<u>Consolidated</u>
<i>Petroleum products:</i>					
Gross revenues from petroleum products (combined production and trading)	18,094,482,518	-	12,645,597,608	(10,879,164,780)	19,860,915,346
Less: excise taxes from petroleum products production	(4,347,872,347)	-	(4,081,448,299)	4,062,079,068	(4,367,241,578)
Less: commercial discounts petroleum products trading	-	-	(865,042,878)	12,939,074	(852,103,804)
<b>Net revenues from petroleum products (combined production and trading)</b>	<b><u>13,746,610,171</u></b>	<b>=</b>	<b><u>7,699,106,431</u></b>	<b><u>(6,804,146,638)</u></b>	<b><u>14,641,569,964</u></b>
<i>Petrochemicals:</i>					
Revenues from petrochemicals production	-	312,487,658	-	-	312,487,658
Revenues from petrochemicals trading	-	21,969	-	-	21,969
<b>Total revenues from petrochemicals</b>	<b>=</b>	<b><u>312,509,627</u></b>	<b>=</b>	<b>=</b>	<b><u>312,509,627</u></b>
Revenues from merchandise sales	75,149,122	-	1,044,192,817	-	1,119,341,939
Revenues from utilities sold	20,361,101	-	-	(651,307)	19,709,794
Revenues from transportation fees	-	-	12,299,589	-	12,299,589
Revenues from other services	<u>17,242,619</u>	-	<u>100,626,027</u>	<u>(51,225,936)</u>	<u>66,642,710</u>
<b>Total Net Revenues</b>	<b><u>13,859,363,013</u></b>	<b><u>312,509,627</u></b>	<b><u>8,856,224,864</u></b>	<b><u>(6,856,023,881)</u></b>	<b><u>16,172,073,623</u></b>

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

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**22. REVENUES FROM CONTRACTS WITH CUSTOMERS (continued)**

	<u>2025</u> <u>USD</u>	<u>2024</u> <u>USD</u>	<u>2025</u> <u>RON</u>	<u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Gross revenues - petroleum products	5,818,439,451	4,574,455,938	25,261,918,564	19,860,915,346
Less excises taxes	(1,536,278,715)	(1,005,882,852)	(6,670,061,296)	(4,367,241,578)
Less commercial discount	(218,870,368)	(196,260,406)	(950,269,476)	(852,103,804)
Revenues- petrochemicals	95,273,250	71,978,632	413,647,870	312,509,627
Revenues- merchandise	218,556,168	257,811,903	948,905,314	1,119,341,939
Revenues - utilities	7,369,585	4,539,649	31,996,528	19,709,794
Revenues - transportation	3,411,514	2,832,897	14,811,770	12,299,589
Revenues - other services	<u>16,254,283</u>	<u>15,349,451</u>	<u>70,571,219</u>	<u>66,642,710</u>
	<b><u>4,404,155,168</u></b>	<b><u>3,724,825,212</u></b>	<b><u>19,121,520,493</u></b>	<b><u>16,172,073,623</u></b>

**23. COST OF SALES**

	<u>2025</u> <u>USD</u>	<u>2024</u> <u>USD</u>	<u>2025</u> <u>RON</u>	<u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
Crude oil and other raw materials	3,218,067,186	2,862,039,721	13,971,882,300	12,426,117,854
Consumables and other materials	10,966,212	8,909,958	47,612,003	38,684,365
Utilities	171,634,986	138,102,969	745,187,619	599,601,661
Staff costs	61,407,122	40,503,403	266,611,302	175,853,625
Transportation	246,009	220,815	1,068,097	958,712
Maintenance and repairs	38,186,396	29,469,010	165,793,876	127,945,601
Insurance	5,287,460	3,994,731	22,956,565	17,343,924
Environmental expenses	15,646,117	3,151,668	67,930,746	13,683,597
Other	11,574,882	9,264,679	50,254,665	40,224,457
<b>Total</b>	<b><u>3,533,016,370</u></b>	<b><u>3,095,656,954</u></b>	<b><u>15,339,297,173</u></b>	<b><u>13,440,413,796</u></b>
Depreciation and amortization	82,128,779	76,017,025	356,578,520	330,043,117
<b>Total</b>	<b><u>3,615,145,149</u></b>	<b><u>3,171,673,979</u></b>	<b><u>15,695,875,693</u></b>	<b><u>13,770,456,913</u></b>
Plus: Change in inventories	57,270,836	(30,541,804)	248,652,789	(132,603,350)
Less: Own production of property, plant & equipment	(482,942)	(5,114,624)	(2,096,789)	(22,206,163)
Cost of petroleum products trading	43,065,934	51,634,368	186,979,366	224,180,936
Cost of petrochemicals trading	-	9,586	-	41,620
Cost of merchandise sold	164,489,991	207,811,821	714,166,194	902,256,583
Cost of utilities resold	5,501,611	3,902,640	23,886,344	16,944,092
Realized (gains)/losses on derivatives	36,562,319	(41,556,146)	158,742,620	(180,424,319)
<b>Total</b>	<b><u>3,921,552,898</u></b>	<b><u>3,357,819,820</u></b>	<b><u>17,026,206,217</u></b>	<b><u>14,578,646,312</u></b>

2024 year 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, 2025 reflected a return to full operational capacity (the total throughput for Petromidia refinery was 5.89 million tons, up by 27% compared 2024), also LDPE unit restarted at the end of April 2025, resulting in higher production volumes and significantly increased costs compared to the previous year.

Additional 2025-specific cost drivers include:

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**23. COST OF SALES (continued)**

- Utilities costs were higher compared to 2024 mainly due to the fact that the refineries operated at full capacity; besides the feedstock effect, there is also negative price effect and exchange rate effect following the increase of natural gas price by +36% on the Romanian market.
- 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 10.2 million, due to CO<sub>2</sub> certificate requirements
- 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 March-May 2024 due to the turnaround period.

The decrease in cost of merchandise sold in 2025 compared to 2024 was mainly attributable to Rompetrol Downstream SRL, amounting to USD 26.35 million. The variation primarily reflects lower volumes in the non-fuel (dry) segment, as 2024 benefited from active marketing campaigns that supported higher cigarette sales volumes. Also, for Rompetrol Rafinare SA the cost of merchandise decreased against 2024 by USD 17 million and was primarily driven by the general turnaround. Since production was suspended during this period, the company had to purchase additional quantities of diesel to fulfil existing sales contracts.

Rompetrol Rafinare has an obligation to comply with the CO<sub>2</sub> emission rights quota. Thus, Refinery CO<sub>2</sub> emissions are offset with EUA certificates. In 2025 the actual emissions have exceeded the free allocated certificates and in this respect USD 10.5 million were recognized as environmental costs (for 2024 the actual emissions have not exceeded the free allocated certificates, thus no additional expenses were recognized).

During 2025, the realized result on derivatives was a loss of USD 36.56 million, compared with a gain of USD 41.55 million in 2024. The negative result recorded in 2025 resulted mainly from the Rompetrol Rafinare cracks hedging program (USD -32.24 million). Additional impacts were generated by inventory hedging activities, including a gain of USD +2.66 million from Rompetrol Rafinare and a loss of USD -5.09 million from Rompetrol Downstream.

By comparison, in 2024 the realized hedging result was a gain of USD 41.55 million, mainly driven by the Rompetrol Rafinare cracks hedging program (USD +32.59 million), together with additional positive impacts from inventory hedging activities (USD +3.44 million from Rompetrol Rafinare and USD +4.7 million from Rompetrol Downstream).

The change from a gain of USD 41.55 million in 2024 to a loss of USD 36.56 million in 2025 is mainly explained by the following:

- a gain of USD +2.66 million generated by refinery inventory hedging activities during 2025, primarily aimed at mitigating price decrease risks associated with Base Operating Stocks (BOS) using ICE Brent futures. During 2025, the ICE Brent Front quotation decreased from USD 76.3/bbl to USD 61.6/bbl (-19.3%), generating a positive realized impact recorded through profit or loss.
- the OTC swaps program used to hedge diesel, gasoline, jet and naphtha cracks generated a realized loss of USD -32.24 million. Rompetrol Rafinare hedged approximately 1,089 kt at an average hedge level of USD 137.3/MT, while the realized market price during 2025 was USD 166.9/MT, resulting in a realized loss of USD -29.6/MT due to the increase in market crack spreads compared to the hedge level. This impact is recorded through profit or loss.
- a loss of USD -6.98 million recorded in 2025 related to Downstream hedging activities, including hedging around benchmark gasoline and diesel stocks in deposits and auctions (USD -5.09 million) and foreign exchange hedging (USD -1.89 million), recognized through profit or loss.

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**24. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, INCLUDING LOGISTIC COSTS**

	<u>2025</u> USD	<u>2024</u> USD	<u>2025</u> RON	<u>2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Staff costs	34,720,621	39,575,817	150,746,520	171,826,325
Utilities	11,599,768	10,842,372	50,362,713	47,074,327
Transportation and logistics cost	94,879,402	82,379,600	411,937,900	357,667,510
Professional and consulting fees	39,179,136	29,335,506	170,104,055	127,365,966
Royalties and rents	12,525,428	8,521,265	54,381,651	36,996,776
Consumables	464,764	672,369	2,017,866	2,919,224
Marketing	2,849,526	1,678,549	12,371,787	7,287,756
Taxes	3,443,881	2,954,209	14,952,298	12,826,289
Communications	908,185	720,997	3,943,067	3,130,353
Insurance	2,427,486	2,658,348	10,539,416	11,541,750
IT services	8,731,294	9,031,842	37,908,659	39,213,548
Environmental expenses	239,318	87,600	1,039,047	380,333
Maintenance and repairs	15,150,744	17,183,700	65,779,985	74,606,470
Other expenses	38,562,865	34,704,169	167,428,391	150,675,091
<b>Costs before depreciation</b>	<b>265,682,418</b>	<b>240,346,343</b>	<b>1,153,513,355</b>	<b>1,043,511,718</b>
Depreciation and amortisation	44,669,881	75,624,180	193,943,222	328,337,502
<b>Total</b>	<b><u>310,352,299</u></b>	<b><u>315,970,523</u></b>	<b><u>1,347,456,577</u></b>	<b><u>1,371,849,220</u></b>

The higher amount of depreciation and amortization expenses in 2024 is primarily driven by the two-month turnaround period in Rompetrol Rafinare SA resulted in under-absorption of costs, which were subsequently reclassified from Cost of Sales (COS) to Selling, General & Administrative expenses (SG&A).

**25. OTHER OPERATING INCOME / (EXPENSES)**

	<u>2025</u> USD	<u>2024</u> USD	<u>2025</u> RON	<u>2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Net gain on disposal of assets	2,841,773	(186,310)	12,338,126	(808,902)
Reserve for impairment of tangible assets	8,566,036	7,867,164	37,191,158	34,156,866
Provision for receivables and write-off	11,497,035	7,697,797	49,916,677	33,421,525
Provision for inventories and write-off	25,611,152	26,917,829	111,195,939	116,869,138
Tangible and intangible assets write-off	201,434	-	874,566	-
Other provisions	58,803	3,895,694	255,305	16,913,935
Other	<u>15,682,567</u>	<u>1,442,245</u>	<u>68,089,001</u>	<u>6,261,795</u>
<b>Other operating income</b>	<b><u>64,458,800</u></b>	<b><u>47,634,419</u></b>	<b><u>279,860,772</u></b>	<b><u>206,814,357</u></b>
Net loss on disposal of assets	(2,155,066)	559,616	(9,356,650)	2,429,685
Reserve for impairment of tangible assets	(5,271,962)	(12,318,946)	(22,889,277)	(53,485,168)
Provision for receivables and write-off	(6,130,793)	(6,394,675)	(26,618,064)	(27,763,760)
Provision for inventories and write-off	(21,927,234)	(28,525,110)	(95,201,472)	(123,847,470)
Tangible and intangible assets write-off	(592,268)	(102,131)	(2,571,450)	(443,422)
Other provisions	(14,228,908)	(645,485)	(61,777,650)	(2,802,503)
Turnover tax	(31,742,606)	(30,762,468)	(137,816,872)	(133,561,407)
Other	<u>(221,904)</u>	<u>(334,366)</u>	<u>(963,441)</u>	<u>(1,451,717)</u>
<b>Other operating expenses</b>	<b><u>(82,270,741)</u></b>	<b><u>(78,523,565)</u></b>	<b><u>(357,194,876)</u></b>	<b><u>(340,925,762)</u></b>
<b>Other operating income / (expenses), net</b>	<b><u>(17,811,941)</u></b>	<b><u>(30,889,146)</u></b>	<b><u>(77,334,104)</u></b>	<b><u>(134,111,405)</u></b>

In 2025 the impairment related to specific equipment in amount of USD 4.5 million (for LDPE unit) recognized in 2024 was reversed (also detailed in Note 5) as LDPE operations restarted. Also the related provision recognised in respect of principal liabilities and related penalties paid to ANAF following the General Tax Inspection Report covering the 2011–2015 period in amount of USD 5.3 million was reversed, as the litigation was finally resolved during 2025.

For further details in net movement in provision see Note 20.

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**25. OTHER OPERATING INCOME / (EXPENSES), NET (continued)**

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, Rompetrol Downstream, Rompetrol Gas). The amount registered in relation to this tax was USD 31.8 million (2024 USD 30.8 million).

In 2025 an amount of USD 14.8 million included in Other, net refers to the revenue from insurance claim recognized by Rompetrol 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, 10 and 11.

**26. FINANCE COST, FINANCE INCOME AND FOREIGN EXCHANGE**

	<u>2025</u> USD	<u>2024</u> USD	<u>2025</u> RON	<u>2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
<b>Finance cost</b>				
Late payment interest (tax obligation)	(5,694,483)	(2,254,600)	(24,723,737)	(9,788,797)
Interest expense	(64,311,001)	(69,001,575)	(279,219,073)	(299,584,137)
Interest expense - lease	(21,150,507)	(21,467,077)	(91,829,156)	(93,203,608)
Unwinding of discount - environmental provision	(168,484)	1,372,477	(731,507)	5,958,883
Late payment interest on trade payables	(29,989,421)	(44,154,998)	(130,205,069)	(191,707,755)
Other financial expense	(11,667,508)	(10,528,460)	(50,656,820)	(45,711,415)
<b>Total</b>	<b><u>(132,981,404)</u></b>	<b><u>(146,034,233)</u></b>	<b><u>(577,365,362)</u></b>	<b><u>(634,036,829)</u></b>
<b>Finance income</b>				
Interest income	50,956,544	47,689,499	221,238,028	207,053,497
Other financial income	1,363,545	3,542,779	5,920,102	15,381,684
<b>Total</b>	<b><u>52,320,089</u></b>	<b><u>51,232,278</u></b>	<b><u>227,158,130</u></b>	<b><u>222,435,181</u></b>
<b>Finance income/(cost) net</b>	<b><u>(80,661,315)</u></b>	<b><u>(94,801,955)</u></b>	<b><u>(350,207,232)</u></b>	<b><u>(411,601,648)</u></b>
Unrealized net foreign exchange (losses)/gains	(39,760,420)	17,804,238	(172,627,815)	77,300,659
Realized net foreign exchange (losses)/gains	3,871,295	(11,657,758)	16,808,002	(50,614,488)
<b>Foreign exchange gain/(loss), net</b>	<b><u>(35,889,125)</u></b>	<b><u>6,146,480</u></b>	<b><u>(155,819,813)</u></b>	<b><u>26,686,171</u></b>
<b>Total</b>	<b><u>(116,550,440)</u></b>	<b><u>(88,655,475)</u></b>	<b><u>(506,027,045)</u></b>	<b><u>(384,915,477)</u></b>

In 2025 out of the total of USD 41.7 million (2024: USD 54.7 million) representing other financial expenses an amount of approximately USD 30 million (2024: USD 44.2 million) represents late payment interest charged by KMG Trading on outstanding commercial payables settled beyond the agreed contractual payment terms.

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**27. INCOME TAX**

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

	<u>2025</u> USD	<u>2024</u> USD	<u>2025</u> RON	<u>2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
Tax expense comprises:				
Current tax expense	(15,399,159)	(11,069,621)	(66,858,529)	(48,060,973)
Deferred tax credit relating to the origination and reversal of temporary differences	8,725,186	11,575,032	37,882,140	50,255,316
Solidarity tax	=	<u>(745,348)</u>	=	<u>(3,236,077)</u>
<b>Total tax (expense)/income</b>	<b><u>(6,673,973)</u></b>	<b><u>(239,937)</u></b>	<b><u>(28,976,389)</u></b>	<b><u>(1,041,734)</u></b>

The net effect of deferred tax in 2025 was in amount of USD 8.7 million (2024: USD 11.6 million).

As of 31 December 2025, the Group had the following total unused fiscal losses:

<u>Entity</u>	<u>Carried forward fiscal losses 2025</u> USD million	<u>Recognised</u> Deferred Tax Asset 2025	<u>Carry forward fiscal losses 2024</u> USD million	<u>Recognised</u> Deferred Tax Asset 2024
Romp petrol Rafinare SA	39.01	-	113.54	-
Romp petrol Logistics SRL	1.65	-	0.58	-
<b>As at December 31</b>	<b><u>40.66</u></b>	<b>=</b>	<b><u>114.12</u></b>	<b>=</b>

The Group has USD 40.66 million (2024: USD 114.12 million) of tax losses carried forward, for which no deferred tax asset was recognized as of 31 December 2025 (2024: nil) on the basis of the assessment made.

<u>Entity</u>	<u>Taxable loss Amount USD million</u>	<u>Taxable loss Amount RON million</u>	<u>Tax loss Expires in</u>
<b>Romp petrol Rafinare SA</b>			
2021	23.29	101.13	2028
2024	15.72	68.25	2031
	<b>39.01</b>	<b>169.38</b>	
<b>Romp petrol Logistics SRL</b>			
2019	0.11	0.48	2026
2023	0.38	1.63	2030
2025	1.16	5.04	2032
	<b>1.65</b>	<b>7.15</b>	
	<b><u>40.66</u></b>	<b><u>176.53</u></b>	

The Romanian Government has a number of agencies that are authorized to conduct audits (controls) of Romanian companies as well as foreign companies doing business in Romania. These controls are similar in nature to tax audits performed by tax authorities in many countries but may extend not only to tax matters but to other legal and regulatory matters in which the applicable agency may be interested.

Management believes that it has adequately provided for tax liabilities in the accompanying financial statements.

**b) The deferred tax assets and liabilities details are disclosed in Note 16.**

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**27. INCOME TAX (continued)**

c) The prima facie tax charge to the statements of income calculated based on regulatory accounts is reconciled to the profit tax expense calculated based on tax rules as follows, taking into account temporary differences and non-deductible items:

	<u>2025</u> USD	<u>2024</u> USD	<u>2025</u> RON	<u>2024</u> RON
			<i>(supplementary info – see Note 2(e))</i>	
<b>Tax reconciliation</b>				
<b>Profit before tax</b>	<b>37,887,590</b>	<b>(68,509,752)</b>	<b>164,496,550</b>	<b>(297,448,790)</b>
Tax 16% * PBT	6,062,014	(10,961,560)	26,319,446	(47,591,805)
Non-deductible taxes (ICAS)	5,078,817	4,921,995	22,050,700	21,369,826
Non-deductible expenses	15,592,893	2,049,893	67,699,664	8,900,020
Non-taxable revenues	(13,687,030)	(17,228,042)	(59,424,978)	(74,798,990)
Other taxable elements / realized revaluation reserve	1,845,543	4,861,621	8,012,794	21,107,700
Effect of current year tax loss	180,662	2,375,095	784,380	10,311,950
Effect of IFRS to statutory accounting basis differences	10,500,362	496,461	45,589,422	2,155,485
<i>Tax effect of temporary differences for which no deferred tax is recognized:</i>				
Non-deductible portion of Interest expense limitation (net unrecognized portion)	3,085,915	17,980,396	13,398,117	78,065,484
Non-deductible depreciation for RUA	(2,821,864)	(2,809,888)	(12,251,687)	(12,199,691)
<i>Tax effect of fiscal incentives and local regulations:</i>				
Non-taxable legal reserve deduction	(1,203,303)	(407,574)	(5,224,381)	(1,769,564)
Utilization of previously unrecognized tax losses	(15,295,046)	(12,114)	(66,406,501)	(52,595)
<i>Tax credits and incentives:</i>				
Sponsorship tax credits	(1,238,450)	(504,915)	(5,376,978)	(2,192,189)
Early payment bonus	(1,426,540)	(1,266,779)	(6,193,609)	(5,499,974)
Solidarity tax	-	<u>745,348</u>	-	<u>3,236,077</u>
<b>TOTAL</b>	<b><u>6,673,973</u></b>	<b><u>239,937</u></b>	<b><u>28,976,389</u></b>	<b><u>1,041,734</u></b>

**d) Other taxes – Solidarity contribution**

During 2024 Rompetrol Rafinare SA together with its subsidiaries Rompetrol Quality Control SRL and Rom Oil SA paid a solidarity contribution of USD 31.2 million related to 2023.

**e) Pillar Two**

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules – the Group applied the temporary exception for deferred taxes in respect of Pillar Two Rules at 31 December 2025;

And

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, as described below.

The Organization for Economic Co-operation and Development ("OECD") agreed to a coordinated system of Global anti-Base Erosion ("GloBE") rules that are designed to ensure large multinational enterprises with annual revenues exceeding EUR 750 million pay a minimum level of tax of 15% on the income arising in each jurisdiction where they operate. Taxpayers in scope of the GloBE rules must calculate their effective tax rate for each jurisdiction in which they operate and pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate.

The EU minimum taxation directive ( EU Council Directive 2022/2523) entered into force on 23 December 2022 and had to be transposed into the domestic law of the EU member states by 31 December 2023. The

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**27. INCOME TAX (continued)**

directive is based on the OECD Pillar GloBE rules and commentaries and provides a common framework for implementing those rules into the domestic laws of the EU member states, adjusted to take into account certain features of EU law. The EU Directive on Pillar Two has been transposed in Romania by Law no. 431/2023 on ensuring a global minimum level of taxation for large multinational and national enterprise groups applicable starting with financial year 2024. The law will apply together with all guidance, explanations and examples provided by the OECD.

The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT);
- The Income Inclusion Rule (IIR);
- The Under Taxed Payments/Profits Rule (UTPR).

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the ETR, determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

According to the GloBE rules, the effective tax rate ("ETR") is calculated annually at the jurisdictional level, based on the financial statements prepared for consolidation at the Group level. The ETR is determined as the ratio between the adjusted covered taxes of the Constituent Entities ("CE") - at the numerator - and respectively, the qualified net income of the Constituent Entities - the denominator. Both the numerator and the denominator represent the aggregated amounts of all CEs located in a given jurisdiction.

Recognizing that the Pillar Two rules are complex and introduce new rules for computation of indicators, the OECD has introduced a series of safe harbor regimes aimed at simplifying the computation for taxpayers, particularly during the initial years of implementing the new regime.

As long as at least one of the tests specified under the safe harbor regimes is met in a given year, the additional tax in that jurisdiction for the Group can be considered zero. In other words, if the safe harbor regime applies, there is no need for a complex computation of the effective tax rate or an additional national tax (although the multinational group still has certain reporting obligations).

The transitional safe harbor for Country-by-Country Reporting ("CbCR") identifies "low-risk" jurisdictions by applying three quantitative tests, leveraging existing data from the CbCR report and the accounting records of the entities within the multinational group.

1. **De Minimis Test** – This test is considered to be met if the total revenue from the CbCR report does not exceed EUR 10 million, and the profit before tax from the CbCR report does not exceed EUR 1 million.
2. **Simplified ETR Test** – This test considers the simplified covered taxes as a percentage of the profit before tax from the CbCR report of the jurisdiction. The test is met when this percentage exceeds the applicable minimum effective tax rate. The minimum rate for this test is set at 15% for the financial year starting in 2024, increasing to 16% in 2025 and respectively, 17% in 2026.
3. **Routine Profits Test** – This test applies to the jurisdictions where the exclusion of profits based on economic substance ("SBIE") is equal to or exceeds the CbCR profit/loss before tax for that jurisdiction. SBIE is an indicator calculated based on fixed assets and payroll costs of the group in that jurisdiction.

Entities part of a multinational group in a given jurisdiction need to meet only one of the three tests to qualify for the transitional CbCR safe harbor regime.

According to Pillar Two rules presented above, the Group is considered a multinational enterprise to which such rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

The obligations in respect of Pillar Two Rules belongs in principle to the Ultimate Parent Entity (UPE) in Kazakhstan, which should perform an assessment of the potential exposure to Pillar Two income taxes.

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**27. INCOME TAX (continued)**

However, no Pillar Two legislation has been enacted in Kazakhstan for full year 2025. The Pillar 2 impact analysis for 2025 is still in progress at the UPE level.

However, KMGI Group has performed an assessment of each jurisdiction in which the group operates based on 2025 financial information for the constituent entities in the Group.

The EU Directive on Pillar Two has been transposed in Romania by Law no. 431/2023 on ensuring a global minimum level of taxation for large multinational and national enterprise groups applicable starting with financial year 2024. The law will apply together with all guidance, explanations and examples provided by the OECD.

In light of the requirement to perform jurisdictional-level QDMTT computations, an assessment of the safe harbor regimes applicable for 2025 was carried out for the Group's Constituent Entities located in Romania.

The analysis was based on the indicators to be reported in the 2025 financial year Country-by-Country Report (CbCR). Following this review, it was concluded that the Group would not qualify for the application of the transitional CbCR safe harbor regime in Romania for 2025.

As per Law no. 431/2023, where Romanian Constituent Entities apply different accounting standards for statutory purposes, the QDMTT must be computed based on the accounting standards used in the KMGI Group's consolidated financial statements. Given that two Romanian entities prepare their statutory financial statements under IFRS, while the remaining Romanian entities apply local accounting standards, the Pillar Two analysis was therefore performed using the information reflected in the KMGI Group reporting package. Based on this analysis, the Effective Tax Rate (ETR), as determined in accordance with the GloBE Rules, exceeds 15% (being estimated at 18.43% under the GloBE framework). Accordingly, no additional top-up tax should be due in Romania.

Therefore, the Romanian jurisdiction did not record an additional tax estimate for Pillar Two purposes in the financial statements for the financial year 2025.

KMGI Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

**28. 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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**28. OPERATING SEGMENT INFORMATION (continued)**

**2025 Income Statement information**

<b>USD</b>	<b>Refining</b>	<b>Petrochemicals</b>	<b>Amounts not allocated between Refining &amp; Petrochemicals segments</b>	<b>Marketing</b>	<b>Impact from transactions between segments</b>	<b>Consolidated</b>
Net revenues "external customers"	2,169,077,318	95,273,250	-	2,139,804,600	-	4,404,155,168
Net revenues "Inter segment"	1,617,827,671	-	-	13,155,112	(1,630,982,783)	-
Cost of sales	(3,543,234,827)	(153,438,123)	-	(1,903,387,625)	1,678,507,677	(3,921,552,898)
<b>Gross profit</b>	<b>243,670,162</b>	<b>(58,164,873)</b>	<b>-</b>	<b>249,572,087</b>	<b>47,524,894</b>	<b>482,602,270</b>
Selling, general and administrative expenses	(76,776,647)	(11,097,849)	-	(172,581,834)	(49,895,969)	(310,352,299)
Other operating income/(expenses), net	(9,857,469)	5,867,131	-	(13,880,405)	58,802	(17,811,941)
<b>Operating margin (EBIT)</b>	<b>157,036,046</b>	<b>(63,395,591)</b>	<b>-</b>	<b>63,109,848</b>	<b>(2,312,273)</b>	<b>154,438,030</b>
Financial expenses, net	-	-	(77,884,061)	(1,528,644)	(1,248,610)	(80,661,315)
Net foreign exchange result	-	-	(23,028,000)	(12,861,125)	-	(35,889,125)
<b>Profit/(loss) before income tax</b>	<b>157,036,046</b>	<b>(63,395,591)</b>	<b>(100,912,061)</b>	<b>48,720,079</b>	<b>(3,560,883)</b>	<b>37,887,590</b>
Income tax	-	-	373,320	(7,047,293)	-	(6,673,973)
<b>Net Profit/(Loss)</b>	<b>157,036,046</b>	<b>(63,395,591)</b>	<b>(100,538,741)</b>	<b>41,672,786</b>	<b>(3,560,883)</b>	<b>31,213,617</b>
Depreciation and amortization	79,969,975	9,914,939	-	33,794,152	3,119,593	126,798,659

<b>RON (supplementary info – see Note 2(e))</b>	<b>Refining</b>	<b>Petrochemicals</b>	<b>Amounts not allocated between Refining &amp; Petrochemicals segments</b>	<b>Marketing</b>	<b>Impact from transactions between segments</b>	<b>Consolidated</b>
Net revenues "external customers"	9,417,482,992	413,647,870	-	9,290,389,631	-	19,121,520,493
Net revenues "Inter segment"	7,024,122,399	-	-	57,115,551	(7,081,237,950)	-
Cost of sales	(15,383,662,648)	(666,182,299)	-	(8,263,938,051)	7,287,576,781	(17,026,206,217)
<b>Gross profit</b>	<b>1,057,942,743</b>	<b>(252,534,429)</b>	<b>-</b>	<b>1,083,567,131</b>	<b>206,338,831</b>	<b>2,095,314,276</b>
Selling, general and administrative expenses	(333,341,168)	(48,183,531)	-	(749,298,549)	(216,633,329)	(1,347,456,577)
Other operating income/(expenses), net	(42,798,173)	25,473,323	-	(60,264,554)	255,300	(77,334,104)
<b>Operating margin (EBIT)</b>	<b>681,803,402</b>	<b>(275,244,637)</b>	<b>-</b>	<b>274,004,028</b>	<b>(10,039,198)</b>	<b>670,523,595</b>
Financial expenses, net	-	-	(338,149,228)	(6,636,914)	(5,421,090)	(350,207,232)
Net foreign exchange result	-	-	(99,980,668)	(55,839,145)	-	(155,819,813)
<b>Profit/(loss) before income tax</b>	<b>681,803,402</b>	<b>(275,244,637)</b>	<b>(438,129,896)</b>	<b>211,527,969</b>	<b>(15,460,288)</b>	<b>164,496,550</b>
Income tax	-	-	1,620,844	(30,597,233)	-	(28,976,389)
<b>Net Profit/(Loss)</b>	<b>681,803,402</b>	<b>(275,244,637)</b>	<b>(436,509,052)</b>	<b>180,930,736</b>	<b>(15,460,288)</b>	<b>135,520,161</b>
Depreciation and amortization	347,205,640	43,047,691	-	146,724,070	13,544,337	550,521,738

For additional information regarding operating segments and streams please also see Note 22 Revenues from contract with customers.

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**28. OPERATING SEGMENT INFORMATION (continued)**

**Statement of financial position information as at December 31, 2025**

<b>USD</b>	<b><u>Refining &amp; Petrochemicals</u></b>	<b><u>Marketing</u></b>	<b><u>Consolidation adjustments</u></b>	<b><u>Consolidated</u></b>
Total non current assets	1,463,668,000	513,660,069	(609,270,917)	1,368,057,152
Total current assets	829,212,724	711,285,868	(259,281,439)	1,281,217,153
<b>TOTAL ASSETS</b>	<b><u>2,292,880,724</u></b>	<b><u>1,224,945,937</u></b>	<b><u>(868,552,356)</u></b>	<b><u>2,649,274,305</u></b>
Total equity	337,468,081	537,781,363	(612,225,278)	263,024,166
Total non-current liabilities	473,268,579	305,635,748	(2,015)	778,902,312
Total current liabilities	1,482,144,064	381,528,826	(256,325,063)	1,607,347,827
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>2,292,880,724</u></b>	<b><u>1,224,945,937</u></b>	<b><u>(868,552,356)</u></b>	<b><u>2,649,274,305</u></b>
Capital expenditure	41,952,239	28,065,553	6,737	70,024,529
<b><u>RON (supplementary info – see Note 2(e))</u></b>	<b><u>Refining &amp; Petrochemicals</u></b>	<b><u>Marketing</u></b>	<b><u>Consolidation adjustments</u></b>	<b><u>Consolidated</u></b>
Total non current assets	6,354,807,357	2,230,157,923	(2,645,271,543)	5,939,693,737
Total current assets	3,600,192,883	3,088,189,852	(1,125,722,223)	5,562,660,512
<b>TOTAL ASSETS</b>	<b><u>9,955,000,240</u></b>	<b><u>5,318,347,775</u></b>	<b><u>(3,770,993,766)</u></b>	<b><u>11,502,354,249</u></b>
Total equity	1,465,185,167	2,334,885,344	(2,658,098,489)	1,141,972,022
Total non-current liabilities	2,054,790,189	1,326,978,727	(8,750)	3,381,760,166
Total current liabilities	6,435,024,884	1,656,483,704	(1,112,886,527)	6,978,622,061
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>9,955,000,240</u></b>	<b><u>5,318,347,775</u></b>	<b><u>(3,770,993,766)</u></b>	<b><u>11,502,354,249</u></b>
Capital expenditure	182,144,036	121,852,211	29,251	304,025,498

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**28. OPERATING SEGMENT INFORMATION (continued)**

**2024 Income Statement information**

<b>USD</b>	<b>Refining</b>	<b>Petrochemicals</b>	<b>Amounts not allocated between Refining &amp; Petrochemicals segments</b>	<b>Marketing</b>	<b>Impact from transactions between segments</b>	<b>Consolidated</b>
Net revenues "external customers"	1,624,364,158	71,978,632	-	2,028,482,422	-	3,724,825,212
Net revenues "Inter segment"	1,567,787,076	-	-	11,323,383	(1,579,110,459)	-
Cost of sales	(3,030,018,644)	(110,421,750)	-	(1,833,900,900)	1,616,521,474	(3,357,819,820)
<b>Gross profit</b>	<b><u>162,132,590</u></b>	<b><u>(38,443,118)</u></b>	<b>=</b>	<b><u>205,904,905</u></b>	<b><u>37,411,015</u></b>	<b><u>367,005,392</u></b>
Selling, general and administrative expenses	(88,616,335)	(15,950,404)	-	(166,866,505)	(44,537,279)	(315,970,523)
Other operating income/(expenses), net	(13,997,731)	(4,881,813)	-	(11,938,951)	(70,651)	(30,889,146)
<b>Operating margin (EBIT)</b>	<b><u>59,518,524</u></b>	<b><u>(59,275,335)</u></b>	<b>=</b>	<b><u>27,099,449</u></b>	<b><u>(7,196,915)</u></b>	<b><u>20,145,723</u></b>
Financial expenses, net	-	-	(87,156,434)	(7,610,338)	(35,183)	(94,801,955)
Net foreign exchange result	-	-	(392,295)	6,538,775	-	6,146,480
<b>Profit/(loss) before income tax</b>	<b><u>59,518,524</u></b>	<b><u>(59,275,335)</u></b>	<b><u>(87,548,729)</u></b>	<b><u>26,027,886</u></b>	<b><u>(7,232,098)</u></b>	<b><u>(68,509,752)</u></b>
Income tax	-	-	6,911,566	(7,151,503)	-	(239,937)
<b>Net Profit/(Loss)</b>	<b><u>59,518,524</u></b>	<b><u>(59,275,335)</u></b>	<b><u>(80,637,163)</u></b>	<b><u>18,876,383</u></b>	<b><u>(7,232,098)</u></b>	<b><u>(68,749,689)</u></b>
Depreciation and amortization	89,221,600	11,340,118	-	47,959,893	3,119,594	151,641,205

<b>RON (supplementary info – see Note 2(e))</b>	<b>Refining</b>	<b>Petrochemicals</b>	<b>Amounts not allocated between Refining &amp; Petrochemicals segments</b>	<b>Marketing</b>	<b>Impact from transactions between segments</b>	<b>Consolidated</b>
Net revenues "external customers"	7,052,501,865	312,509,627	-	8,807,062,131	-	16,172,073,623
Net revenues "Inter segment"	6,806,861,148	-	-	49,162,733	(6,856,023,881)	-
Cost of sales	(13,155,431,947)	(479,418,112)	-	(7,962,247,538)	7,018,451,285	(14,578,646,312)
<b>Gross profit</b>	<b><u>703,931,066</u></b>	<b><u>(166,908,485)</u></b>	<b>=</b>	<b><u>893,977,326</u></b>	<b><u>162,427,404</u></b>	<b><u>1,593,427,311</u></b>
Selling, general and administrative expenses	(384,745,542)	(69,251,869)	-	(724,484,305)	(193,367,504)	(1,371,849,220)
Other operating income/(expenses), net	(60,773,949)	(21,195,368)	-	(51,835,344)	(306,744)	(134,111,405)
<b>Operating margin (EBIT)</b>	<b><u>258,411,575</u></b>	<b><u>(257,355,722)</u></b>	<b>=</b>	<b><u>117,657,677</u></b>	<b><u>(31,246,844)</u></b>	<b><u>87,466,686</u></b>
Financial expenses, net	-	-	(378,407,090)	(33,041,804)	(152,754)	(411,601,648)
Net foreign exchange result	-	-	(1,703,227)	28,389,398	-	26,686,171
<b>Profit/(loss) before income tax</b>	<b><u>258,411,575</u></b>	<b><u>(257,355,722)</u></b>	<b><u>(380,110,317)</u></b>	<b><u>113,005,271</u></b>	<b><u>(31,399,598)</u></b>	<b><u>(297,448,791)</u></b>
Income tax	-	-	30,007,946	(31,049,680)	-	(1,041,734)
<b>Net Profit/(Loss)</b>	<b><u>258,411,575</u></b>	<b><u>(257,355,722)</u></b>	<b><u>(350,102,371)</u></b>	<b><u>81,955,591</u></b>	<b><u>(31,399,598)</u></b>	<b><u>(298,490,525)</u></b>
Depreciation and amortization	387,373,421	49,235,390	-	208,227,467	13,544,342	658,380,620

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**28. 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 761.9 million in 2025 and USD 588 million in 2024.

**Statement of financial position information as at December 31, 2024**

<b>USD</b>	<b>Refining &amp; Petrochemicals</b>	<b>Marketing</b>	<b>Consolidation adjustments</b>	<b>Consolidated</b>
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
<b>TOTAL ASSETS</b>	<b><u>2,069,583,611</u></b>	<b><u>1,026,432,149</u></b>	<b><u>(756,491,029)</u></b>	<b><u>2,339,524,731</u></b>
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
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>2,069,583,611</u></b>	<b><u>1,026,432,149</u></b>	<b><u>(756,491,029)</u></b>	<b><u>2,339,524,731</u></b>
Capital expenditure	145,388,184	40,883,372	(1,253)	186,270,303

<b>RON (supplementary info – see Note 2(e))</b>	<b>Refining &amp; Petrochemicals</b>	<b>Marketing</b>	<b>Consolidation adjustments</b>	<b>Consolidated</b>
Total non current assets	5,995,992,364	2,299,080,369	(2,659,987,115)	5,635,085,618
Total current assets	2,989,518,799	2,157,380,093	(624,469,986)	4,522,428,906
<b>TOTAL ASSETS</b>	<b><u>8,985,511,163</u></b>	<b><u>4,456,460,462</u></b>	<b><u>(3,284,457,101)</u></b>	<b><u>10,157,514,524</u></b>
Total equity	1,427,919,349	2,161,957,630	(2,648,035,266)	941,841,713
Total non-current liabilities	1,699,722,355	1,211,065,653	(122,800)	2,910,665,208
Total current liabilities	5,857,869,459	1,083,437,179	(636,299,035)	6,305,007,603
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>8,985,511,163</u></b>	<b><u>4,456,460,462</u></b>	<b><u>(3,284,457,101)</u></b>	<b><u>10,157,514,524</u></b>
Capital expenditure	631,231,878	177,503,336	(5,435)	808,729,779

- 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 markets**

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

Net revenues	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>USD</b>	<b>USD</b>	<b>RON</b>	<b>RON</b>
			<i>(supplementary info – see Note 2(e))</i>	
<b>Romania</b>	<b>2,888,015,868</b>	<b>2,570,559,603</b>	<b>12,538,898,494</b>	<b>11,160,598,628</b>
<b>Export</b>	<b><u>1,516,139,300</u></b>	<b><u>1,154,265,609</u></b>	<b><u>6,582,621,999</u></b>	<b><u>5,011,474,995</u></b>
<i>out of which</i>				
<b>Europa</b>	1,422,871,603	1,115,841,944	6,177,681,639	4,844,650,968
<b>Asia</b>	93,260,437	38,413,985	404,908,839	166,781,999
<b>America</b>	7,260	9,680	31,521	42,028
<b>Total</b>	<b><u>4,404,155,168</u></b>	<b><u>3,724,825,212</u></b>	<b><u>19,121,520,493</u></b>	<b><u>16,172,073,623</u></b>

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**28. OPERATING SEGMENT INFORMATION (continued)**

	December 31, 2025 USD	December 31, 2024 USD	December 31, 2025 RON	December 31, 2024 RON
			<i>(supplementary info – see Note 2(e))</i>	
<b>Romania</b>	<b>2,888,015,868</b>	<b>2,570,559,603</b>	<b>12,538,898,494</b>	<b>11,160,598,628</b>
<b>Europa</b>	<b>1,422,871,603</b>	<b>1,115,841,944</b>	<b>6,177,681,639</b>	<b>4,844,650,968</b>
Switzerland	835,108,667	595,680,113	3,625,791,300	2,586,264,347
Moldova	466,501,519	367,444,138	2,025,409,645	1,595,332,214
Bulgaria	33,669,286	32,980,280	146,181,939	143,190,482
United Kingdom	7,180,749	49,288,275	31,176,658	213,994,904
Germany	18,158,648	14,319,106	78,839,402	62,169,263
Malta	15,197,682	10,259,273	65,983,776	44,542,686
Estonia	168,240	16,274,578	730,448	70,659,335
Hungary	10,132,225	5,873,847	43,991,081	25,502,482
Italy	5,109,566	5,353,561	22,184,203	23,243,556
Cyprus	8,878,073	1,144,090	38,545,930	4,967,296
Other	22,766,948	17,224,683	98,847,257	74,784,403
<b>Asia</b>	<b>93,260,437</b>	<b>38,413,985</b>	<b>404,908,839</b>	<b>166,781,999</b>
United Arab Emirates	74,470,677	4,358,451	323,329,338	18,923,087
Singapore	-	10,381,428	-	45,073,046
Turkey	18,789,760	23,674,106	81,579,501	102,785,866
<b>United States of America</b>	<b>7,260</b>	<b>9,680</b>	<b>31,521</b>	<b>42,028</b>
<b>Total</b>	<b>4,404,155,168</b>	<b>3,724,825,212</b>	<b>19,121,520,493</b>	<b>16,172,073,623</b>

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**29. 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.

In accordance with IAS 24 'Related Party Disclosures', the Group applies the partial exemption from disclosure requirements for government-related entities. Consequently, the Group does not disclose details about individual transactions and balances with the Government of the Republic of Kazakhstan and the Government of Romania, nor with entities controlled, jointly controlled, or significantly influenced by these governments.

The related parties and the nature of relationship is presented below:

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

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

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**29. RELATED PARTIES (continued)**

Name of related party	December 31,	Receivables and other assets		December 31,
	2025 USD	December 31, 2024 USD	December 31, 2025 RON	December 31, 2024 RON
			<i>(supplementary info – see Note 2(e))</i>	
KazMunayGas Trading AG	6,163,338	3,249,868	26,759,365	14,109,952
Rominserv S.R.L.	371,196	4,844,515	1,611,622	21,033,431
KMG International N.V.	85,188,033	65,547,443	369,860,883	284,587,333
KMG Rompetrol S.R.L.	(284,725)	259,162	(1,236,191)	1,125,204
KMG Rompetrol S.R.L. - cash pooling	448,069,945	241,283,081	1,945,385,280	1,047,578,753
Oilfield Exploration Business Solutions S.A.	789,023	664,420	3,425,701	2,884,712
Rompetrol Well Services S.A.	1,466,815	83,313	6,368,471	361,720
KMG Rompetrol Services Center S.R.L.	10,725	12,005	46,565	52,122
Rompetrol Bulgaria	1,285,876	8,123,929	5,582,888	35,271,663
Rompetrol Moldova S.A.	21,088,227	12,958,932	91,558,755	56,263,795
Rompetrol Financial Group S.R.L.	2,615	2,370	11,354	10,290
Rompetrol Energy S.A.	24,155,806	14,516,407	104,877,263	63,025,884
Byron Shipping S.R.L.	1,740	2,014	7,555	8,744
Midia Marine Terminal S.R.L.	495,767	308,340	2,152,472	1,338,720
Rompetrol Georgia	1,450	2,878	6,295	12,495
Midia Green Energy S.A. former Uzina Termoelectrica Midia S.A.	63,335	57,568	274,982	249,943
KMG Rompetrol Development S.R.L.	409,476	237,465	1,777,822	1,031,002
Global Security Sistem S.A.	324,163	184,784	1,407,418	802,277
<b>Total</b>	<b>589,602,805</b>	<b>352,338,494</b>	<b>2,559,878,500</b>	<b>1,529,748,040</b>

Name of related party	December 31,	Payables, loans and other liabilities		December 31,
	2025 USD	December 31, 2024 USD	December 31, 2025 RON	December 31, 2024 RON
			<i>(supplementary info – see Note 2(e))</i>	
KazMunayGas Trading AG	588,836,767	754,510,444	2,556,552,591	3,275,857,995
Rominserv S.R.L.	27,989,989	43,306,909	121,524,135	188,025,607
KMG International N.V.	(411,260)	265,175	(1,785,568)	1,151,310
KMG Rompetrol S.R.L.	513,319	(453,388)	2,228,677	(1,968,475)
KMG Rompetrol S.R.L. - cash pooling	548,003,244	382,009,994	2,379,265,684	1,658,572,791
Oilfield Exploration Business Solutions S.A.	622,526	447,407	2,702,821	1,942,507
Rompetrol Well Services S.A.	8,802	6,845	38,216	29,719
KMG Rompetrol Services Center S.R.L.	1,299,917	425,691	5,643,850	1,848,223
Rompetrol Bulgaria	264,936	146,218	1,150,273	634,835
Rompetrol Moldova S.A.	26,745,326	26,990,379	116,120,182	117,184,129
Byron Shipping Ltd.	2,276	2,018	9,882	8,762
Rompetrol Energy S.A.	18,337,969	5,968,490	79,617,960	25,913,393
Midia Marine Terminal S.R.L.	2,906,917	1,213,065	12,620,962	5,266,764
KMG Rompetrol Development S.R.L.	5,792,825	4,863,185	25,150,708	21,114,490
Global Security Sistem S.A.	825,749	819,226	3,585,154	3,556,834
Global Security Systems - Fire Services S.R.L.	428,318	389,177	1,859,628	1,689,690
TRG Petrol Ticaret Anonim Sirketi	2,538	2,538	11,019	11,019
<b>Total</b>	<b>1,222,170,158</b>	<b>1,220,913,373</b>	<b>5,306,296,174</b>	<b>5,300,839,593</b>

Cash Pooling System is implemented in KMG International Group for 20 entities, one main company (master account company) and 19 participants across 4 banks: BCR, UniCredit, Raiffeisen and ING for 3 currencies: RON, USD and EUR. The system is working as a ZERO BALANCE scheme, whereby at the end of each day the balances of each participant (including the ones of Rompetrol Rafinare) are transferred (if are positive) or covered (if they are negative) to or by the master account company, which is KMG Rompetrol. These daily transfers give rise to intercompany loan positions, treated as uncommitted short-term loans, for which an arm's length interest rate is computed. In case of the existence of a cumulative negative balance inside a system, this can be covered by the overdraft loans which are attached to each system and provided by the above-mentioned 4 banks. These loans are utilized by KMG Rompetrol. For additional details please see Note 11 and 17.

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**29. RELATED PARTIES (continued)**

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

Name of related party	Nature of transaction	<b>Sales and other revenues</b>			
		<b>December 31, 2025 USD</b>	<b>December 31, 2024 USD</b>	<b>December 31, 2025 RON</b>	<b>December 31, 2024 RON</b>
				<i>(supplementary info – see Note 2(e))</i>	
KazMunayGas Trading AG	Fuel	761,920,280	588,029,599	3,308,029,280	2,553,048,110
Rominserv S.R.L.	Fuel, utilities and other services	790,547	827,133	3,432,318	3,591,163
KMG International N.V.	Interest	6,983,319	5,993,957	30,319,476	26,023,963
KMG Rompetrol S.R.L.	Fuel and other services	34,929,291	35,421,464	151,652,503	153,789,370
Oilfield Exploration Business Solutions S.A.	Fuel	3,482	4,333	15,118	18,813
Rompetrol Well Services S.A.	Fuel and other services	615,490	743,001	2,672,273	3,225,887
Rompetrol Bulgaria	Fuel	10,828,889	21,588,306	47,015,787	93,729,948
Rompetrol Moldova S.A.	Fuel	414,335,643	346,436,053	1,798,921,061	1,504,121,411
Rompetrol Georgia	Fuel	5,171	1,737	22,451	7,542
KMG Rompetrol Services Center S.R.L.	Rent and other services	120,662	124,449	523,878	540,320
Midia Marine Terminal S.R.L.	Fuel, rent and other services	599,534	437,654	2,602,997	1,900,162
Byron Shipping S.R.L.	Fuel and other services	16,829	15,821	73,066	68,690
Rompetrol Energy S.A.	Other services	36,171,453	35,048,208	157,045,597	152,168,805
Global Security Sistem S.A.	Fuel	83,872	86,329	364,147	374,815
KMG Rompetrol Development S.R.L.	PPE and other services	<u>2,346,206</u>	<u>(418,077)</u>	<u>10,186,523</u>	<u>(1,815,165)</u>
<b>Total</b>		<b><u>1,269,750,668</u></b>	<b><u>1,034,339,967</u></b>	<b><u>5,512,876,475</u></b>	<b><u>4,490,793,834</u></b>

Name of related party	Nature of transaction	<b>Purchases and other costs</b>			
		<b>December 31, 2025 USD</b>	<b>December 31, 2024 USD</b>	<b>December 31, 2025 RON</b>	<b>December 31, 2024 RON</b>
				<i>(supplementary info – see Note 2(e))</i>	
KazMunayGas Trading AG	Purchase of crude oil and other raw materials	3,074,220,048	2,700,594,682	13,347,341,182	11,725,171,931
Rominserv S.R.L.	Acquisition and maintenance of fixed assets	83,695,319	177,358,943	363,379,967	770,039,323
KMG International N.V.	Management services	2,878,913	1,805,068	12,499,377	7,837,064
KMG Rompetrol S.R.L.	Management services	89,915,606	78,924,969	390,386,587	342,668,538
Oilfield Exploration Business Solutions S.A.	Management services	97,049	64,641	421,358	280,652
Rompetrol Well Services S.A.	Other services	71,814	57,742	311,795	250,698
Rompetrol Bulgaria	Sales intermediary services	244,517	128,992	1,061,619	560,045
Rompetrol Moldova SA	Sales intermediary services	237,399	46,237	1,030,715	200,747
KMG Rompetrol Services Center S.R.L.	Shared services	9,943,683	8,733,994	43,172,488	37,920,382
Midia Marine Terminal S.R.L.	Handling services/Transit	22,437,216	18,164,426	97,415,661	78,864,488
Rompetrol Energy S.A.	Acquisition of utilities	83,680,884	62,724,772	363,317,294	272,332,143
KMG Rompetrol Development S.R.L.	Retail	25,210,178	23,169,816	109,455,030	100,596,390
Global Security Sistem S.A.	Security and protection services	4,664,506	4,275,202	20,251,886	18,561,645
Global Security Systems - Fire Services S.R.L.	Fire protection services	<u>2,479,825</u>	<u>2,347,102</u>	<u>10,766,656</u>	<u>10,190,413</u>
<b>Total</b>		<b><u>3,399,776,957</u></b>	<b><u>3,078,396,586</u></b>	<b><u>14,760,811,615</u></b>	<b><u>13,365,474,459</u></b>

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**29. 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 amount of remuneration for key management personnel and Board of Directors for 2025 was of USD 0.89 million (2024: USD 0.75 million), including short-term benefits and bonuses. No member of Board of Directors is entitled to any benefits upon termination of his employment. The Group does not provide loans either to members of the Board of Directors or to members of Group Management. There are no loans outstanding.

The sales to and purchases from related parties are made in the ordinary course of business and are undertaken on a basis that considers prevailing market terms and conditions as applicable to the nature of goods and services provided or received. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 December 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.

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**30. 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>2025</u> <u>USD</u>	<u>2024</u> <u>USD</u>	<u>2025</u> <u>RON</u>	<u>2024</u> <u>RON</u>
			<i>(supplementary info – see Note 2(e))</i>	
<b>Earnings</b>				
Profit/(Loss) for the year attributable to ordinary equity holders of the parent entity	16,360,302	(68,989,028)	71,031,523	(299,529,663)
<b>Number of shares</b>				
Weighted average number of shares for the purpose of basic earnings per share (see Note 13)	26,559,205,726	26,559,205,726	26,559,205,726	26,559,205,726
Weighted average number of shares for the purpose of diluted earnings per share	76,514,848,244	26,559,205,726	76,514,848,244	26,559,205,726
<b>Earnings per share (USD/RON/share)</b>				
Basis	0.062	(0.260)	0.269	(1.129)
Diluted	0.021	(0.260)	0.091	(1.129)

The diluted earnings per share is calculated in accordance with IAS 33, which requires the assumption of the hypothetical full conversion of the hybrid loan into share capital at the beginning of the reporting period. The number of shares resulting from the assumed conversion was determined based on the nominal value of shares of RON 0.10 per share and the carrying amounts of the hybrid instrument components, translated into RON using the applicable exchange rates corresponding to each tranche of the instrument.

This calculation is required by the applicable financial reporting standards and does not reflect any actual or expected change in the Group's shareholding structure. The conversion of the hybrid instrument is subject to agreement between the parties and the approval of the relevant corporate bodies.

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**31. 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. 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 litigation 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 projects 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 32 - 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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**31. 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 over Rompetrol Rafinare' assets. As of 31 December 2025, certain obligations undertaken through the MoU — including the Romanian State obligation to sale the 26.6959% stake in Rompetrol Rafinare SA for USD 200 million remain unfulfilled while MoU is considered to have expired by effluxion of time on 30 April 2025. Management will continue to assess the potential implications arising from the lifting of the seizure, including in the context of the specific obligations undertaken Memorandum of Understanding concluded with the Romanian State. As of December 31, 2025 the lifting of the precautionary seizure is in progress while most of the assets (lands, constructions, movables) have already been released as of today.

**32. 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.

***II. Civil files***

**A.** Once the criminal case was closed, Faber (a former minority shareholder of Rompetrol Rafinare) 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 Rompetrol Rafinare (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 April 7, 2026.

**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.

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**32. LEGAL MATTERS (continued)**

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 (USD 6.1 million) representing VAT (of which RON 13.1 million (USD 3 million)) related to VAT of Rompetrol Rafinare SA the rest belonging to the VAT group companies), RON 6.5 million (USD 1.5 million) representing Rompetrol Rafinare SA withholding tax and decrease of Rafinare's fiscal loss with RON 144.4 million (USD 33.6 million). The related penalties assessed are in amount of RON 16.3 million (USD 3.8 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 6.5 million (USD 1.4 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. 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 4.7 million RON (USD 1.1 million) in withholding tax for non-residents and related penalties and 210,157 RON (USD 49 thousand) representing VAT and related penalties. The Court also ruled that 82.2 million RON (USD 19.1 million) should be included in the fiscal loss.

Regarding this legal matter Rompetrol Rafinare recognized a provision in amount of USD 5.4 million that was reversed by the end of 2025, following the case closure.

**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 April 7, 2026.

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.

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**32. LEGAL MATTERS (continued)**

**Criminal case concerning Petromidia Refinery incident on July 2nd 2021**

On July 2, 2021 there was an explosion followed by a fire at Petromidia refinery, Diesel Hydrotreatment Unit (in Romanian "instalatia Hidrofinare Petrol Motorina" hereinafter HPM plant). As a result of the incident, 3 employees of the company died and one employee was hospitalized due to a hip fracture. The criminal investigations are carried out by the Prosecutor's Office attached to the Constanta Tribunal, was finalized and communicated to the Company the technical expertise carried out by INCD INSEMEX Petrosani, at the request of the criminal investigation bodies, document analyzed 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 Rompetrol Rafinare 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 Rompetrol Rafinare if it intends to become a civil party in the criminal proceedings mentioned above, the Company reserve right in relation to the evolution of the criminal case that is the subject of criminal case 279 / D / P / 2020, to make such a request to become a civil party, if the case.

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

On October 15, 2025, in the context of the magistrates' protests, the case was postponed without discussion. The next hearing is set for April 8, 2026.

**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

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**32. LEGAL MATTERS (continued)**

being the victims involved in the accident – main cause minimizing the risks of injury by voluntarily entering a confined space. By Ordinance No. 4861 issued by the case prosecutor on August 19, 2025, the case was dismissed in respect to all offenses for which the criminal file was opened. The ordinance is not final and can be appealed according to the legal procedure. A complaint was filed against the cassation decision by the successors of the deceased victims, the case is pending in court.

**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. On February 4, 2026, the Company was summoned by the criminal investigation bodies, and it was announced that criminal proceedings had been initiated against it for the crime of failing to take legal safety and health measures, incriminated by art. 349 paragraph 1) and 2) of the Criminal Code, and culpable destruction, a crime incriminated by art. 255 paragraph 1) of the Criminal Code. 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.

**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).

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**32. LEGAL MATTERS (continued)**

**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 for the cancellation of the said tax for 2024 for an amount of USD 9 million. The file is on the merit of the Bucharest Court of Appeal, with the first hearing scheduled on 22 October 2025. The next hearing term was scheduled for May 20, 2026.

In addition, specifically for Q4 2024 turnover tax, both Rompetrol Downstream and Rompetrol Gas submitted separate administrative challenges to MFP/DGSC on 5 August 2025. On 13 August 2025, MFP/DGSC rejected the administrative challenge submitted by Rompetrol Downstream (communicated on 22 August 2025). On 22 September 2025, both Rompetrol Downstream and Rompetrol Gas submitted legal challenges in court against ANAF and MFP-DGSC for the Q4 2024 turnover tax.

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. The next hearing term was scheduled for 21 November 2025. The court admitted DWS's request to connect this file to the file no. 3152/2/2025 on the merits in Bucharest Court of Appeal (DWS, for Q1-Q3 2024, see above) – that means this file will be judged along with the initial DWS file (see above). At the hearing on 14.01.2026, the judge submitted a request for abstaining which will be forwarded to a different panel for a resolution. The request for abstain was rejected on 22 January 2026. No new hearing date set.

On 1<sup>st</sup> of August 2025, Rompetrol Downstream and Rompetrol Gas submitted the lawsuit in court against GD no. 1393/2024 (Methodological norms for ICAS – computation of turnover including the excise due amounts). The next hearing term was scheduled for 2 February 2026. The ruling was postponed to 2 March 2026.

On 2 March 2026, the Court admitted the DWS/RGS request to notice/report the case to the Romanian Constitutional Court (the RCC) and, as a result, has submitted the case to the RCC. Until the ruling of the RCC, the judgment in the case is suspended. The ruling is subject to recourse during the whole duration of the case suspension.

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**32. LEGAL MATTERS (continued)**

**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.

In May 2024, the treatment facilities were leased to Astra Ecoclean SRL, which initially requested a service fee of 38-40 Euros/m<sup>3</sup>, later reducing it to 35 Euros/m<sup>3</sup>. 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 m<sup>3</sup>/month, while the Vega Refinery's planned discharge is 90,000 m<sup>3</sup>/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 January 23, 2025, exception of material incompetence of the Ploiesti Court (Judecatoria Ploiesti) was invoked, and 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 to 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 hearing is scheduled for May 6, 2026.

**Lawsuit Ilias Kuldzhanov v. Rompetrol Rafinare SA**

On February 4, 2026, the action filed by the shareholder Ilias Kuldzhanov was received by Rompetrol Rafinare SA, requesting:

- the annulment of the Decision no. 6/2025 of the Extraordinary General Meeting of Shareholders of December 18, 2025, approving the conclusion by Rompetrol Rafinare SA of a crude oil purchase contract as buyer, with KMGT, as seller, for the period 2026-2030.
- to oblige Rompetrol Rafinare S.A. to organise a competitive, transparent and non-discriminatory procedure (tender) for the selection of crude oil suppliers.

Rompetrol Rafinare SA submitted the statement of defence, and the court set the trial term on 26 May 2026.

**33. 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 2025, the Group reassessed environmental provision considering changes in assumptions as compared with previous period as mentioned in Note 20.

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

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**33. COMMITMENTS (continued)**

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 continues to navigate a complex landscape amid the global shift toward a low-carbon economy. While sustainability and climate considerations remain central, the pace of the energy transition has slowed compared to earlier expectations, influenced by delays in regulatory approvals and implementation across key jurisdictions, including challenges in transposing and enforcing elements of the EU's Fit for 55 package and REPowerEU initiatives. This evolving dynamic presents both ongoing risks and opportunities, as the world seeks to balance greenhouse gas emissions reductions with sustained economic growth and energy security.

Meeting low-carbon economy objectives remains a global aspiration requiring coordinated, multifaceted transformation of the world economy. The Group's consolidated Financial Statements for the year ended 31 December 2025 reflect the prevailing realities and Management's evidence-based outlook for the foreseeable future.

The Group's strategy, initially approved in March 2022, emphasized transitioning from a traditional oil and gas downstream company to a diversified downstream player. Selected after a thorough evaluation of multiple options, this strategy aligns with the Group's strategic objectives, decarbonization targets, and long-term sustainability.

KMGI Group recognizes the critical importance of climate issues and remains committed to supporting European commitments under the Paris Agreement. The Group aims to build a sustainable and resilient business over the long term.

In light of dynamic geopolitical, fiscal, and market developments in 2025, including a slowing pace of energy transition and delays in certain regulatory approvals, the Group's primary focus has shifted toward strengthening operational efficiency, deepening vertical integration to capture greater value across the value chain, and enhancing performance in core businesses. Highest priority continues to be given to the safety of all operations throughout the Group. These measures are vital to sustaining strong financial performance and adapting to changing conditions. Decarbonization initiatives, while progressing, are being pursued in a measured, pragmatic manner as part of the Group's long-term sustainability framework.

In 2025 the Group achieved notable progress on priority initiatives. The EU co-funded project for installing ultrafast EV chargers at Rompetrol stations was successfully completed and operationalized. This has enabled Rompetrol to deploy its own proprietary EV charging solution, enter the market as an operator, address rising demand for charging infrastructure, and comply with relevant legislative requirements. The Group now operates its EV chargers and continues targeted development in this area as a complementary business line.

Study has been completed for project of advanced biodiesel and sustainable aviation fuel (SAF) on the platform of Petromidia refinery, aimed at meeting growing mandates for renewable energy in transport sector. By 2030, these ongoing efforts in biofuels and EV infrastructure are expected to contribute to CO<sub>2</sub> emissions reductions, supporting longer-term decarbonization goals while bolstering operational sustainability.

2025 marked the completion and launch of the large investment project of the Group, the cogeneration plant on the Petromidia platform. The plant ensure the stable supply of electricity and steam to Petromidia refinery, with excess of electricity being injected into the national grid. The new plant complies with the highest technological standards of energy efficiency. Project is operated by Rompetrol Energy, majority owned by the Kazakh-Romanian Energy Investment Fund (KREIF), along with Rominserv and the Midia Thermal Power Plant (currently owned by the Ministry of Energy (56.58%) and KMG International (43.42%). The project, worth over 164 million USD, is financed by the Kazakh Romanian Energy Investment Fund (KRIEF).

Overall, KMGI remains committed to adapting its strategy to prevailing and emerging market realities, with sharpened emphasis on operational excellence and core business performance. The Group upholds a balanced, pragmatic approach to sustainability and decarbonization through high-value, targeted projects that align with realistic timelines and external developments.

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**33. COMMITMENTS (continued)**

**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 as well as pressure on exchange rates depreciation.

In addition, recent geopolitical developments in the Middle East, including heightened tensions involving Iran, Israel and the United States, have contributed to increased uncertainty and volatility in global energy markets. These developments may affect crude oil prices, international trading flows and global supply chains.

The Group is closely monitoring the evolution of these geopolitical developments, including sanctions regimes and potential impacts on international trade and energy markets. The Group regularly performs risk assessments and maintains ongoing dialogue with its customers, suppliers and relevant authorities in order to identify and mitigate any potential impact on its operations and supply chains.

The Group does not have direct exposure to related parties and/or key customers or suppliers from Russia or Ukraine. The Group's crude oil supply is primarily sourced from Kazakhstan under established commercial arrangements, and the Group does not have operations in Russia, Ukraine or the areas currently affected by the recent geopolitical tensions in the Middle East.

Based on the information available at the reporting date, management has not identified any direct material impact of these events on the Group's operations or financial position.

**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 relies 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.

The Group continuously improves cyber security capabilities and supervises 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.

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**33. COMMITMENTS (continued)**

**Work safety and safe operations**

Protecting people is a priority for 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, reducing work-related injuries and accidents - free operation of production facilities.

**Other commitments**

As of 31 December 2025, Rompetrol Rafinare S.A. has contracted capital commitments for various projects at the Petromidia refinery of USD 82.56 million (2024: USD 20.4 million) and Vega refinery of USD 7.93 million (2024: USD 0.68 million). As of 31 December 2025, Rompetrol Downstream S.R.L has contracted capital commitments of USD 0.01 million (2024: USD 0.04 million).

**Sale and purchase commitments**

As of 31 December 2025, the Group's main commitments relate to Rompetrol Rafinare S.A. which has non-group commitments for purchases of raw materials and utilities of USD 3,451.36 million (2024: USD 3,498.23 million) and for sales of petroleum, petrochemicals products and utilities sales of USD 2,591.17 million (2024: USD 2,212.10 million).

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**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34.1. 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 14 and Note 19), lease liabilities (Note 15) cash and cash equivalents (note 12) 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".

**34.2. Gearing ratio**

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	USD	USD
Debt (bank loans and lease liabilities)	625,507,558	599,649,236
Cash and cash equivalents	(57,284,561)	(94,030,970)
<b>Net debt</b>	<b>568,222,997</b>	<b>505,618,266</b>
Equity (including shareholder loans and related parties)	263,024,166	216,929,247
<b>Net debt to equity ratio</b>	<b>2.16</b>	<b>2.33</b>

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group aims to have a net debt not higher than equity level and consequently try to maintain a maximum 1 gearing ratio.

As of 31 December 2025, the Group's net debt to adjusted equity ratio stood at 2.16 (2024: 2.33), which exceeds the Group's stated target of 1.0. The ratio improved year-on-year primarily due to an increase in adjusted equity of USD 46.1 million, partially offset by an increase in net debt of USD 62.6 million driven by operational cash flow generation.

The Group was in compliance with all externally imposed financial covenants as of 31 December 2025.

**34.3. Categories of financial instruments and fair values**

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<b>Financial assets</b>		
Trade and other receivables	820,463,876	512,182,635
Long-term receivables	126,447,176	7,838,702
Derivative financial instruments	15,390,695	-
Cash and cash equivalents	57,284,561	94,030,970
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,019,586,308</b>	<b>614,052,307</b>
<b>Financial liabilities</b>		
Long-term borrowings	274,592,685	275,900,000
Derivative financial instruments	-	4,519,724
Trade and other payables	1,317,286,379	1,268,591,444
Short-term borrowings banks	47,417,710	45,838,959
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>1,639,296,774</b>	<b>1,594,850,127</b>

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.
- Advances to suppliers
- Fuel subsidy

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**34. 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 equity instruments designated at FVOCI is estimated using appropriate valuation techniques;
- The Group enters into derivative financial instruments with various counterparties. As at 31 December 2025, the marked to market value of derivative position is for financial instruments recognized at fair value.

**34.4. 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>December 31,</u> <u>2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Financial assets</b>				
Trade and other receivables	820,463,876	-	820,463,876	-
Long-term receivables	126,447,176	-	126,447,176	-
Derivative financial instruments	15,390,695	-	15,390,695	-
Cash and cash equivalents	57,284,561	-	57,284,561	-
<b>TOTAL FINANCIAL ASSETS</b>	<b><u>1,019,586,308</u></b>	<b>=</b>	<b><u>1,019,586,308</u></b>	<b>=</b>
<b>Financial liabilities</b>				
Long-term borrowings	274,592,685	-	274,592,685	-
Trade and other payables	1,317,286,379	-	1,317,286,379	-
Short-term borrowings banks	47,417,710	-	47,417,710	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b><u>1,639,296,774</u></b>	<b>=</b>	<b><u>1,639,296,774</u></b>	<b>=</b>

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**34. 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>
<b>Financial assets</b>				
Trade and other receivables	512,182,635	-	512,182,635	-
Long-term receivables	7,838,702	-	7,838,702	-
Cash and cash equivalents	<u>94,030,970</u>	-	<u>94,030,970</u>	-
<b>TOTAL FINANCIAL ASSETS</b>	<b><u>614,052,307</u></b>	<b>=</b>	<b><u>614,052,307</u></b>	<b>=</b>
<b>Financial liabilities</b>				
Long-term borrowings	275,900,000	-	275,900,000	-
Derivative financial instruments	4,519,724	-	4,519,724	-
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>	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b><u>1,594,850,127</u></b>	<b>=</b>	<b><u>1,594,850,127</u></b>	<b>=</b>

During the reporting period ending 31 December 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.

**34.5 Derivative financial instruments**

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

**Statement of financial position:**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Derivative financial asset	15,390,695	-
Derivative financial liability	-	(4,519,724)
<b>Net position - asset/(liability)</b>	<b>15,390,695</b>	<b>(4,519,724)</b>

**Income Statement:**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Realised (gains)/losses - net	36,562,319	(41,556,146)
<b>Total position - loss/(gain) - in Cost of sales</b>	<b>36,562,319</b>	<b>(41,556,146)</b>

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**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Derivative asset/(liability) 2024</b>	(4,519,724)	(251,864)
Variance in Fair Value Hedge posted on inventory	2,790,766	(2,246,906)
Reserves	17,119,653	(2,020,954)
<b>Derivative asset/(liability) 2025</b>	<b><u>15,390,695</u></b>	<b><u>(4,519,724)</u></b>

Amounts under settlement for closed hedging positions:

<b>Opening balance as of 1 January 2025</b>	<b>855,253</b>
PL impact (hedge cogs & forex impact)	(36,562,319)
PL impact- hedge commission	(1,410,372)
Payments/encashments (including for hedge commission)	29,684,448
<b>Closing balance as of 31 December 2025</b>	<b>(7,432,990)</b>

The Group is exposed to fluctuations in market prices. The table below presents the sensitivity of the Group's open hedged positions to a 50% increase or decrease in the market price compared with the market level as at 31 December 2025.

At year-end 2025, the market level was 64.88 USD/MT, generating an unrealized favorable paper result of USD 14.734 thousand for a hedged volume of 1.125 KT, traded at 77.97 USD/MT for the January–September 2026 period.

A 50% increase in the market level (to approximately 97 USD/MT) would result in an unfavorable paper result of USD 21.759 thousand. Conversely, a 50% decrease in the market level (to approximately 32 USD/MT) would generate a favorable paper result of USD 51.227 thousand.

This sensitivity analysis reflects only the open hedged positions existing at 31 December 2025:

Scenario	Quantity hedge	Traded level	Budget level	Market level	Physical Result	Paper Result	Saving vs Budget
	KT	\$/MT	\$/MT	\$/MT	K\$	K\$	K\$
Base case	1,125	78	44	65	23,237	14,734	37,971
50% increase in market price	1,125	78	44	97	59,731	-21,759	37,971
50% decrease in market price	1,125	78	44	32	-13,256	51,227	37,971

Derivative financial instruments are initially measured at fair value on the contract date and are re-measured at fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments for fair value hedge are recognized in other comprehensive income.

The income statement results recorded in 2025 and 2024 are presented in Cost of sales, detailed in Note 23.

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**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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

<b>Transaction</b>	<b>Hedged item</b>	<b>Risk hedged</b>	<b>Hedging instrument</b>
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.

**34.6 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.

**34.7. 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.

	<b>Liabilities</b>		<b>Assets</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Currency RON	1,931,167,685	718,588,544	896,323,770	549,250,956
Currency EUR	188,989,553	34,517,310	44,070,820	13,687,586

**34.8. Foreign currency sensitivity analysis**

The Group is mainly exposed to the RON and EUR currencies.

The following table details the Group's sensitivity to a 5% increase and decrease in the USD against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity here the USD strengthens 5% against the relevant currency. For a 5% weakening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

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**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

USD	USD	RON		EUR	
		2025	2024	2025	2024
Profit/ (loss)	5%	(51,742,196)	(8,466,879)	(7,245,937)	(1,041,486)
	-5%	51,742,196	8,466,879	7,245,937	1,041,486

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

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease / increase by USD 1.6 million thousand (2024: decrease / increase by USD 1.6 million).

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**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**34.10. Liquidity risk management**

The tables below summarize the maturity profile of the Group's financial liabilities at 31 December 2025 and 31 December 2024 based on contractual undiscounted payments, including interest payable until the end of the contracts for finance leasing and loans.

<b>Year ended December 31, 2025</b>	<b><u>Less than 1 month or on demand</u></b>	<b><u>&lt;3 months</u></b>	<b><u>3-12 months</u></b>	<b><u>1-5 years</u></b>	<b><u>&gt;5 years</u></b>	<b><u>Total</u></b>
Long-term debt	-	2,745,927	8,237,781	277,338,612	-	<b>288,322,320</b>
Long-term net obligations under lease agreements	-	-	-	126,788,488	363,527,976	<b>490,316,464</b>
Trade and other payables	942,040,476	370,470,318	4,775,585	-	-	<b>1,317,286,379</b>
Short-term net obligations under lease agreements	47,765	8,105,825	24,460,772	-	-	<b>32,614,362</b>
Short-term debt	-	8,459,314	39,902,783	30,137	-	<b>48,392,234</b>
	<b><u>942,088,241</u></b>	<b><u>389,781,384</u></b>	<b><u>77,376,921</u></b>	<b><u>404,157,237</u></b>	<b><u>363,527,976</u></b>	<b><u>2,176,931,759</u></b>
<b>Year ended December 31, 2024</b>	<b><u>Less than 1 month or on demand</u></b>	<b><u>&lt;3 months</u></b>	<b><u>3-12 months</u></b>	<b><u>1-5 years</u></b>	<b><u>&gt;5 years</u></b>	<b><u>Total</u></b>
Long-term debt	-	4,890,328	14,670,983	280,790,327	-	<b>300,351,638</b>
Long-term net obligations under lease agreements	-	-	-	105,209,734	343,752,380	<b>448,962,114</b>
Trade and other payables	546,619,256	720,625,662	1,346,526	-	-	<b>1,268,591,444</b>
Derivative financial instruments	-	4,519,724	-	-	-	<b>4,519,724</b>
Short-term net obligations under lease agreements	-	6,958,149	20,874,446	-	-	<b>27,832,595</b>
Short-term debt	-	12,281,286	35,011,611	108,640	-	<b>47,401,537</b>
	<b><u>546,619,256</u></b>	<b><u>749,275,149</u></b>	<b><u>71,903,566</u></b>	<b><u>386,108,701</u></b>	<b><u>343,752,380</u></b>	<b><u>2,097,659,052</u></b>

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**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**34.11. Commodity price risk**

The Group is affected by the volatility of prices of crude oil and 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 a hedging program in Rompetrol Downstream was implemented.

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 Physical Trade and not to gain from the trading of these instruments.

The hedge program for 2025 includes: Rompetrol Rafinare Inventory and Cracks hedge, Rompetrol Downstream Inventory, Auction and Forex for excise hedge.

At Rompetrol Rafinare SA and Rompetrol Downstream SRL level, total 2025-year hedging (paper) result has been of USD -18.99 million, out of which USD -36.56 million Realized Result and USD +17.57 million Unrealized Result. Also, the Physical result has been USD +60.21 million.

The net impact of the commodity hedges was positive (Hedge Result + Physical Result), USD +26.49 million in 2025, mainly driven by the Cracks hedge (+USD 13.41 million) and Refinery margins hedge (+USD 23.24 million).

For Cracks hedge, Rompetrol Rafinare SA managed to hedge (sell paper) 1.089 KT (diesel, gasoline, jet and naphtha cracks) for 2025 at a strike/hedge price of 137.3\$/MT, with +12.3\$/MT better than the Budget of 125\$/MT. At the end of December 2025, the Market price for 2025 was 166.9\$/MT. European refining margins increased because fuel demand was strong in the first quarter, supply was tight from maintenance, and crude oil stayed cheap. In June, margins improved further as more people drove (gasoline demand grew) and increasing concerns about diesel supply disruptions from the Middle East because of the Israel-Iran war. Considering all of this, Rompetrol Rafinare SA has at the end of December 2025 the following results:

- Physical= +USD 45.67 million, because the Market price (166.9\$/MT) was higher than the Budget (125\$/MT), the Company saved +41.9\$/MT x 1.089KT.
- Paper= -USD 32.24 million, because the Market price (166.9\$/MT) was higher than the Hedge level (137.3\$/MT) and considering that the Company is protected against market decrease and lost -29.6\$/MT x 1.089KT.
- Net result = Physical + Paper = +USD 13.43 million (saving vs Budget)

Out of this, the Realized hedge impact booked in P&L for 2025 is USD -32.24 million.

For Refinery margins hedge, Rompetrol Rafinare SA managed to hedge (sell paper) overall 1.125 KT refinery margins for Jan-Sep 2026 at a strike/hedge price of 77.97\$/MT, with +33.75\$/MT better than the Budget of 44.22\$/MT. At the end of December 2025, the forward Market price for 2026 was 64.88\$/MT. Considering all of this, Rompetrol Rafinare SA has at the end of December 2025 the following results:

- Physical= +USD 23.23 million, because the Market price (64.88\$/MT) was higher than the Budget (44.22\$/MT), the Company managed to save +20.66\$/MT x 1.125KT.

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**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

**34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

- Paper= +USD14.73 million, because the Market price (64.88\$/MT) was lower than the Hedge level (77.97\$/MT) and considering that the Company is protected against market decrease, and gained -13.09\$/MT x 1.125KT.
- Net result = Physical + Paper = USD +37.97 million (saving vs Budget)

The Paper impact of +14.73mil USD was booked as Unrealized in Balance Sheet at the end of December 2025.

Overall, the total Realized hedge impact booked in P&L at the Group level in 2025 is +USD 36.56 million, including inventory (-2.43 million USD) and forex (-1.89 million USD).

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.

**34.12. 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 17% 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.

**35. SERVICES PROVIDED BY THE STATUTORY AUDITOR AND ITS ASSOCIATED FIRMS**

Fees paid or payable to the statutory auditor for the financial years ended 31 December 2025 and 31 December 2024 are as follows:

Type of service	2025 (EUR)	2024 (EUR)
Audit of statutory and consolidated financial statements of Rompetrol Rafinare SA	180,250	174,482
Audit of statutory financial statements for Rompetrol Rafinare's subsidiaries	194,000	171,115
Non-audit services	137,207	63,356
<b>Total</b>	<b>511,457</b>	<b>408,953</b>

*The amounts presented above are expressed in EUR, representing the contractual currency, and exclude VAT.*

For the financial year ended 31 December 2025, the statutory auditor of the Company is PricewaterhouseCoopers Audit S.R.L., while for the financial year ended 31 December 2024 the statutory auditor was Ernst & Young Assurance Services S.R.L. Comparative information reflects fees paid to the previous statutory auditor.

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**35. SERVICES PROVIDED BY THE STATUTORY AUDITOR AND ITS ASSOCIATED FIRMS**  
**(continued)**

During the financial year ended 31 December 2025, the statutory auditor and its affiliated firms provided certain non-audit services to Rompetrol Rafinare SA and its subsidiaries.

Any fees paid during 2026 were accrued as at 31 December 2025 and included in the amounts presented above.

All non-audit services and the related fees incurred up to the date of the audit opinion were reviewed by the Audit Committee and assessed as permissible under applicable regulations. The Company considers that these services do not impair the independence of the statutory auditor.

**36. SUBSEQUENT EVENTS**

The Group performed an assessment of the events subsequent to the balance sheet date through the date for the financial statements and determined there are no subsequent adjusting events that may require disclosure in the financial statements.

The consolidated financial statements have been endorsed by the Board of Directors on 25 March 2026 and will be submitted for approval by the Ordinary General Assembly of Shareholders on 29 April 2026 by:

**YEDIL UTEKOV**  
**CHAIRMAN of the BOARD of DIRECTORS**

**ALEXANDRU STAVARACHE**  
**FINANCE MANAGER**

**SORIN GRAURE**  
**GENERAL MANAGER**

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KMG INTERNATIONAL N.V.  
National Welfare Fund "Samruk Kazyna" JSC (67.42%), Ministry of Finance of Republic of Kazakhstan (20%),  
National Bank of the Republic of Kazakhstan Banca (9.58%) and other shareholders (3%)