

ROMPETROL RAFINARE SA

SEPARATE FINANCIAL STATEMENTS

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

31 DECEMBER 2025

ROMPETROL RAFINARE SA
Separate Financial Statements

Prepared in compliance with the Order of the Minister of Public Finance no. 2844/2016
as at 31 December 2025

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ROMPETROL RAFINARE SA
SEPARATE STATEMENT OF THE FINANCIAL POSITION
for the financial period ended 31 December 2025
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	December 31, 2025	December 31, 2024
Intangible assets	3	69,644,213	69,802,263
Goodwill	4	152,720	152,720
Property, plant and equipment	5	2,763,838,341	2,982,313,211
Rights of use assets	6	53,466,253	47,814,036
Investments in subsidiaries	8	3,651,530,174	3,741,084,832
Deferred tax asset	25	92,218,012	64,440,282
Long-term receivables	7	544,026,880	27,754,000
Total non current assets		7,174,876,593	6,933,361,344
Inventories	9	1,133,073,651	1,352,193,135
Trade and other receivables	10	1,893,394,531	1,315,421,500
Derivative Financial Instruments	32	65,383,334	-
Cash and cash equivalents	11	202,434,632	401,448,104
Total current assets		3,294,286,148	3,069,062,739
TOTAL ASSETS		10,469,162,741	10,002,424,083
Subscribed share capital	12	2,655,920,573	2,655,920,573
Share premium	12	232,637,107	232,637,107
Revaluation reserves, net of deferred tax impact	12	431,603,729	508,991,799
Other reserves	12	3,553,293,629	3,466,473,085
Accumulated losses		(5,317,487,722)	(4,909,342,958)
Profit/(loss) for the year		268,679,025	(470,813,809)
Total equity		1,824,646,341	1,483,865,797
Long-term borrowings from banks	16	1,192,198,656	1,317,919,120
Provisions	18	489,207,604	501,826,097
Lease liabilities	17	57,585,433	50,193,790
Other non-current liabilities	19	314,210,197	-
Total non-current liabilities		2,053,201,890	1,869,939,007
Trade and other payables	13	5,942,645,164	6,168,801,187
Contract liabilities	14	397,421,662	210,990,531
Lease liabilities	17	2,764,852	2,855,664
Derivatives	32	-	16,188,271
Short-term borrowings from related parties	15	30,818,507	30,820,089
Short-term borrowings from banks	15	205,873,083	218,963,537
Income tax payable	25	11,791,242	-
Total current liabilities		6,591,314,510	6,648,619,279
TOTAL LIABILITIES AND EQUITY		10,469,162,741	10,002,424,083

The separate 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

Financial Manager

SORIN GRAURE

General Manager

Prepared by, Alexandru Cornel Anton

Chief Accountant

ROMPETROL RAFINARE SA
SEPARATE INCOME STATEMENT
for the financial period ended 31 December 2025
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	Notes	December 31, 2025	December 31, 2024
Revenues from contracts with customers	20	17,313,621,919	15,014,243,836
Cost of sales	21	(16,579,085,732)	(14,413,354,318)
Gross profit		734,536,187	600,889,518
Selling, general and administrative expenses	22	(471,608,807)	(500,979,963)
Other operating expenses	23	(244,642,181)	(217,145,575)
Other operating income	23	267,758,250	151,769,016
Operating profit		286,043,449	34,532,996
Financial expenses	24	(592,555,097)	(539,245,395)
Financial income	24	150,266,985	323,057,464
Net foreign exchange gains / (losses)	24	422,847,459	(332,065,569)
Profit / (Loss) before income tax		266,602,797	(513,720,504)
Income tax credit	25	2,076,228	42,906,695
Net Profit / (Loss) for the year		268,679,025	(470,813,809)
Earnings per share (bani/share)			
Basic	28	1.01	(1.77)
Diluted	28	0.36	(1.77)

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YEDIL UTEKOV
Chairman of the Board of Directors

ALEXANDRU STAVARACHE
Financial Manager

SORIN GRAURE
General Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

ROMPETROL RAFINARE SA
SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
for the financial period ended 31 December 2025
(all amounts expressed in Lei ("RON"), unless otherwise specified)

	January - December 2025	January - December 2024
Net Profit / (Loss) for the year	268,679,025	(470,813,809)
Other comprehensive income	-	-
<i>Other comprehensive income to be reclassified to income statement in subsequent periods (net of tax):</i>	-	-
Net gain/(loss) on cash flow hedges	74,872,103	(11,094,849)
Total comprehensive income to be reclassified to income statement in subsequent periods (net of tax):	74,872,103	(11,094,849)
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):</i>		
Actuarial (losses) / gain relating on defined benefit plan	(2,770,585)	3,160,769
Total other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):	(2,770,585)	3,160,769
Total other comprehensive income/(loss) for the period, net of tax	72,101,519	(7,934,080)
Total comprehensive income/loss for the period, net of tax	340,780,544	(478,747,889)

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ALEXANDRU STAVARACHE
Financial Manager

SORIN GRAURE
General Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant

ROMPETROL RAFINARE SA
SEPARATE STATEMENT OF CASH FLOWS
For the financial period ended 31 December 2025
(all amounts expressed in Lei ("RON"), unless otherwise specified)

Notes	December 31, 2025	December 31, 2024
Profit / (Loss) before income tax	266,602,797	(513,720,504)
<i>Adjustments for:</i>		
Depreciation and amortization	21, 22 413,575,466	453,339,167
Provisions for inventories	23 5,633,675	(40,034,510)
Allowance for trade and other receivables	23 (29,300,738)	2,633,395
Impairment for property, plant and equipment	(16,159,691)	19,738,358
Fair value (gains)/losses on investments in subsidiaries	8 89,554,658	(209,186,340)
Provision for environmental liabilities and other liabilities	18 (16,414,411)	10,458,617
Retirement benefit provisions	18 293,827	1,471,112
Late payment interest	28,903,094	6,342,623
Unwinding of discount - lease	17 1,721,895	1,765,054
Unwinding of discount - environmental provision	18 731,509	(6,556,050)
Interest expenses and bank charges	405,303,048	477,646,981
Interest income	(51,188,549)	(47,382,731)
Income from dividends	(3,834,449)	(98,984)
Adjustments for (gain) / loss on disposals of property, plant and equipment	23 213,674	-
Inventories write-off	23 9,142,850	-
Unrealized foreign exchange (gain)/loss	24 (203,610,246)	251,857,391
Cash generated from operations before working capital changes	901,168,408	408,273,579
<i>Net working capital changes in:</i>		
Receivables and prepayments	(981,330,994)	189,112,109
Inventories	204,342,958	140,329,672
Adjustments for increase / (decrease) in trade and other payables and adjustments for increase / (decrease) in contract liabilities	(108,729,964)	(313,820,285)
Changes in working capital	(885,718,000)	15,621,496
Income tax paid	11,536,259	(141,346,991)
Net cash inflow from operating activities	26,986,667	282,548,084
Cash flows from investing activities		
Purchase of property, plant and equipment	(174,409,292)	(673,532,018)
Purchase of intangible assets	(1,186,908)	(1,666,052)
Dividends received	3,834,449	98,984
Proceeds from sale of property, plant and equipment	2,944	-
Interest received	51,188,549	47,382,731
	2ab)	
Cash flows used in/generated by cash pooling receivables	13 (119,997,108)	169,799,471
Net cash (outflow) from investing activities	(240,567,366)	(457,916,884)
Cash flows from financing activities		
	2ab)	
Cash flows used in/generated from cash pooling, payables	13 482,822,452	342,185,506
Short - term loans received from banks	-	400,655,519
Short - term loans paid to banks	(12,702,347)	(373,539,724)
Long - term loans received from banks	1,238,686,232	45,763,000
Long - term loans repaid to banks	(1,284,222,251)	-
Short - term loans received from shareholders and related parties	-	30,614,462
Lease repayments (principal and interest)	(4,713,811)	(4,736,590)
Interest and bank charges paid	(405,303,048)	(477,646,982)
Net cash inflow / (outflow) from financing activities	14,567,227	(36,704,809)
Increase / (Decrease) in cash and cash equivalents	(199,013,472)	(212,073,609)
Cash and cash equivalents at the beginning of period	401,448,104	613,521,713
Cash and cash equivalents at the end of the period	202,434,632	401,448,104

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YEDIL UTEKOV
Chairman of the Board of Directors

ALEXANDRU STAVARACHE
Financial Manager

SORIN GRAURE
General Manager

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Chief Accountant

ROMPETROL RAFINARE SA
SEPARATE STATEMENT OF CHANGES IN EQUITY
for the financial periods ended 31 December
(All amounts expressed in Lei ("RON"), unless otherwise specified)

	Share capital	Share premium	Accumulated losses	Revaluation reserves, net of deferred income tax related to revaluation, recognised in equity	Other reserves	Total equity
1st of January 2024	2,655,920,573	232,637,107	(5,048,861,112)	648,509,953	3,474,407,165	1,962,613,686
Net loss 2024	-	-	(470,813,809)	-	-	(470,813,809)
Actuarial gain/losses related on defined benefit plan	-	-	-	-	3,160,769	3,160,769
Net gain/(loss) on cash flow hedges	-	-	-	-	(11,094,849)	(11,094,849)
Total other comprehensive income 2024	-	-	-	-	(7,934,080)	(7,934,080)
Total comprehensive income 2024	-	-	(470,813,809)	-	(7,934,080)	(478,747,889)
Retained Earnings, net of deferred tax related to realized revaluation reserve transferred to Retained Earnings	-	-	139,518,154	(139,518,154)	-	-
1st of January 2025	2,655,920,573	232,637,107	(5,380,156,767)	508,991,799	3,466,473,085	1,483,865,797
Net profit 2025	-	-	268,679,025	-	-	268,679,025
Actuarial gain/losses related on defined benefit plan	-	-	-	-	(2,770,585)	(2,770,585)
Net gain/(loss) on cash flow hedges	-	-	-	-	74,872,103	74,872,103
Total other comprehensive income 2025	-	-	-	-	72,101,519	72,101,519
Total comprehensive income 2025	-	-	268,679,025	-	72,101,519	340,780,543
Retained Earnings, net of deferred tax related to realized revaluation reserve transferred to Retained Earnings	-	-	77,388,071	(77,388,071)	-	-
Transfer to legal reserves	-	-	(14,719,026)	-	14,719,026	-
31st of December 2025	2,655,920,573	232,637,107	(5,048,808,697)	431,603,729	3,553,293,629	1,824,646,341

The separate 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:

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Chief Accountant

Explanatory notes from 1 to 34 form an integral part of these financial statements.

ROMPETROL RAFINARE SA
NOTES TO SEPARATE FINANCIAL STATEMENTS
for the financial period ended 31 December 2025
(All amounts expressed in Lei ("RON"), unless otherwise specified)

1. GENERAL

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

Romp petrol Rafinare SA production facilities are located in Romania. The number of employees of the Company as at 31 December 2025 is 1,194, respectively 1,176 as at 31 December 2024.

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation and statement of compliance

The separate financial statements of the Company are prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting regulations in compliance with the International Financial Reporting Standards ("OMFP 2844/2016"), as subsequently amended and supplemented, applicable to the entities whose securities are admitted to trading on a regulated market. OMFP 2844/2016 superseded the former Order of the Minister of Public Finance no. 1286/2012, under which the Company first adopted IFRS as the basis for preparing its separate financial statements, effective for the financial year ended 31 December 2012.

These separate financial statements are compliant with the requirements of the International Financial Reporting Standards as adopted by the European Union, with the exception of IAS 21 *The Effects of Changes in Foreign Exchange Rates* in regards to the determination of the functional currency as described below.

For the purpose of preparing these Separate Financial Statements, in accordance with the requirements of the Romanian law, the Company is required to maintain its accounting records and prepare its financial statements in the national currency, the Romanian leu (RON). Consequently, as a derogation from the requirements of IAS 21, which would otherwise require an entity to determine its functional currency based on the primary economic environment in which it operates, the functional and presentation currency of the Company is deemed to be the Romanian leu (RON) by virtue of this regulatory requirement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The separate financial statements have been prepared based on the historical cost, except for the following items which are measured on an alternative basis at each reporting date: financial instruments and investments in subsidiaries which are classified and measured at the fair value through profit and loss; and property, plant and equipment which are measured at fair value, with changes recognized in other comprehensive income (revaluation surplus), respectively.

The separate financial statements are presented in Romanian lei (RON) and all the amounts are rounded to the nearest RON, unless otherwise stated.

b) The going concern

The financial statements of the Company are prepared on a going concern basis. As at 31 December 2025 and 31 December 2024, the Company's net assets amount to 1,825 million and RON 1,484 million, respectively. For the period ending 31 December 2025, the Company reported a profit of RON 269 million (31 December 2024: loss of RON 471). The result incurred during 2025 was comprised of operational profit RON 286 million (31 December 2024: profit of RON 35 million) and financial loss of RON 19 million (31 December 2024: loss of RON 548 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.

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

On 16 March 2026, the Company received a letter of support from its main shareholder, KMG International NV, for the next 13 months from the date of approval of financial statements. The support letter provides confirmation that the shareholder will continue to support the Company in meeting its obligations as they fall due. As at 31 December 2025, the Company's statement of financial position includes intercompany liabilities of RON 5,466 million and intercompany receivables of RON 1,409 million. After excluding intercompany balances, the Company recorded net current assets of RON 760 million (2024: RON 1,423 million). Management believes that the support from KMG International NV is sufficient to enable the Company to continue its operations and settle its obligations in the ordinary course of business without substantial disposal of assets, externally forced, reversing of its operations or similar actions.

In assessing the Company'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 Company's refining operations primarily process crude oil supplied from Kazakhstan under commercial arrangements. As such, the Company does not have direct operational exposure to crude oil supplies originating from the areas currently affected by the geopolitical tensions. 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 separate financial statements, management concluded that these developments do not create material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern.

For climate related matters and impact on Company's financial statements please refer to Note 31.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Considering the Company's budget for 2026, its medium term development strategy, which assumes that the Company will continue its activity in the predictable future by increased margins and operating profits, will pay all its liabilities in the normal course of business, Company's Management considers that the preparation of the financial statements on a going concern basis is appropriate.

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

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 Company 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.

d) Standards issued but not yet effective and are 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 Company 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 Company 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;

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- 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 Company 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 Company 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 Company 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.

- **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 Company level from application of these amendments.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- **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 Company 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 Company 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 (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 Company level from application of these amendments.

e) Significant professional judgements, estimates and assumptions

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

- Presentation of excise duties

The Company 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 Company, 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 Company 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 Company 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 Company acts as an intermediary collection agent — The Company'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 Company 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 Company's pricing decisions — Excise duty rates are fixed by statute and are determined by reference to physical quantities, not by the Company's commercial pricing. The Company 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 Company has concluded that excise duties represent amounts collected on behalf of the State and do not constitute revenue of the Company. Revenue is therefore presented net of excise duties in the separate statement of profit or loss.

- Revaluation of property, plant and equipment

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

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 Company's revalued property, plant, and equipment.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The impairment test exercise for the two CGUs indicated that the recoverable amount was higher than the carrying value, and therefore no impairment adjustment was required. The recoverable amount (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 g), Note 5.

- Impairment of non-financial assets

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

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

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

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

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

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

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

- Fair value measurement of investments in subsidiaries

The company has investment in subsidiaries as of 31 December 2025 which are measured at fair value through profit or loss. The company assesses annually the fair value of the subsidiaries through external valuation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

Further details on investment in subsidiaries are disclosed and further explained in Note 7.

- Provision for environmental liability

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

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

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

Additional details on the provisions related to the environment-related obligations are set out in Note 18.

- Deferred tax assets

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

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

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

Further details on deferred tax assets and for those losses carried forward for which deferred tax assets has and has not been recognized are provided in Note 25.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Carrying value of trade and other receivables

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company 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 Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- Provision for litigations

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

Further details on the provisions relating to litigations are provided in Notes 18, 23, 30.

f) Financial instruments

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

a. Financial assets

Initial recognition and measurement

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

Financial assets at amortized cost

The Company 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 Company'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 company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets

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

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

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

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset in default 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 Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortised cost using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition

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

c. Offsetting of financial instruments

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

d. Impairment of financial assets

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

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

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

g) Property plant and equipment

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

h) Intangible assets

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

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

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.

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.

i) Investments in subsidiaries

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

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

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

j) Impairment of non-financial assets,

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

The recoverable amount is the higher of fair value less costs to sell and value in use. Management determines the recoverable amount as fair value less costs to sell.

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Provisions

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

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Additional comments on the following specific liabilities are:

Environmental provisions

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

The value of the environmental obligation is estimated on the basis of relevant environmental studies.

Liabilities for environmental remediation costs are recognized when there is a past event, such 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.

l) Leases

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

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

i. Right-of-use assets

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section j) Impairment of non-financial assets.

ii. Lease liabilities

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

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

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

A lessee shall determine the lease term as a non-cancellable period of a lease, together with both:

- Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- Period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Company's lease liabilities are included in Lease (see Note 17).

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

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

m) Inventories

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

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

n) Trade receivables

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

o) Cash and cash equivalents

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

p) 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 Company'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 Company 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 Company'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 Company'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 Company has a present right to payment.

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

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.

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.

Rents and other services

Revenue from rental income and other services is recognized over time as the services are rendered or as the customer obtains the benefit from the use of the leased asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Variable consideration

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

(ii) Volume rebates

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

(iii) Significant financing component

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is 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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

q) Borrowings costs

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

r) Retirement benefit costs

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

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

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

s) Taxes

- Current income tax

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

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

- Deferred tax

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

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

- 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.

t) Dividends

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

u) Operating lease income.

Where the Company 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 recognised 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.

v) Foreign Currency Transactions

As described in the Basis for the Preparation (Note a), for the purpose of preparing these Separate Financial Statements, in accordance with the provisions of OMFP 2844/2016, the Company's functional and presentation currency is the Romanian leu (RON), as a derogation from the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates" with respect to the determination of the functional currency.

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

Currency	31 December 2025	31 December 2024
RON / USD	4.3417	4.7768
RON / EUR	5.0985	4.9741

Transactions denominated in foreign currency are translated into RON currency by applying the exchange rate communicated by the National Bank of Romania prevailing at the date of transaction.

The balances denominated in foreign currency are revalued at the closing exchange rate communicated by the National Bank of Romania at the reporting date.

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

w) Derivative financial instruments

The Company enters into contracts to purchase and sell crude oil and oil at future delivery dates. These contracts expose the Company primarily to commodity risks of changes in fair value of crude oil and related oil products and volatility of the price for CO2 emissions rights. The Company also uses financial instruments (primarily Options, Swaps and forwards) to hedge its risks associated with fair value fluctuation relating to certain firm commitments and forecasted transactions.

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument.

Effectiveness should be recognized to the extent 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

Cash flow hedge is accounted as following:

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

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss (see Note 21).

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

x) Emission Rights

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

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

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

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

y) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

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

z) Current versus non-current classification

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

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

Or

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

The Company classifies all other liabilities as non-current.

The classification of a liability as current or non-current is based on the Company'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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

aa) Contingencies

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

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

ab) Changes in presentation of the statement of cash flows

During FY 2025, the Company revised the cash flow classification of cash pooling movements. For the year ended 31 December 2024, the Company presented in the 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 Rompetrol Rafinare 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 Company revised the presentation of the interest received in the Statement of Cash Flows. For the year ended 31 December 2024, the Company presented the interest received under the operational cash flow.

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

Amounts as at 31 December 2024- RON

Line of Cash Flow Impacted	Revised	Originally Reported	Adjustments
Net working capital changes/Receivables and prepayments	189,112,109	236,494,840	(47,382,731)
Change in working capital	<u>15,621,496</u>	<u>63,004,227</u>	<u>(47,382,731)</u>
Net cash inflow from operating activities	<u>282,548,084</u>	<u>329,930,815</u>	<u>(47,382,731)</u>
Cash flows from (used in) cash pooling, classified as financing activities	342,185,506	511,984,977	(169,799,471)
Net cash inflow (outflow) from financing activities	(36,704,809)	133,094,662	(169,799,471)
Cash flows used in cash pooling, classified as investing activities	169,799,471	-	169,799,471
Interest received	47,382,731	-	47,382,731
Net cash (outflow) from investing activities	<u>(457,916,884)</u>	<u>(675,099,086)</u>	<u>217,182,202</u>

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

ROMPETROL RAFINARE SA
NOTES TO SEPARATE FINANCIAL STATEMENTS
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(All amounts expressed in Lei ("RON"), unless otherwise specified)

3. INTANGIBLE ASSETS

	Software / Licenses	CO ₂ certificates and other intangibles	Intangibles in progress	Total
Cost				
Opening balance as of January 1, 2024	73,891,434	108,926,201	367,435	183,185,070
Additions	1,407,505	-	260,898	1,668,402
Disposals	-	(40,769,334)	-	(40,769,334)
Transfers*	-	-	(2,350)	(2,350)
Closing balance as of December 31, 2024	75,298,939	68,156,868	625,982	144,081,789
Additions	268,335	-	918,575	1,186,910
Closing balance as of December 31, 2025	75,567,274	68,156,868	1,544,557	145,268,698
Accumulated amortization				
Opening balance as of January 1, 2024	(67,649,058)	(4,197,345)	-	(71,846,403)
Charge for the year	(1,561,129)	(871,994)	-	(2,433,122)
Closing balance as of December 31, 2024	(69,210,187)	(5,069,339)	-	(74,279,526)
Charge for the year	(1,255,708)	(89,250)	-	(1,344,959)
Closing balance as of December 31, 2025	(70,465,895)	(5,158,590)	-	(75,624,484)
Net book value				
As of December 31, 2024	6,088,752	63,087,528	625,982	69,802,263
As of December 31, 2025	5,101,379	62,998,278	1,544,557	69,644,214

In September 2025, the Rompetrol Rafinare complied with its obligation for the 2024 CO₂ 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 CO₂ allowances, resulting in a disposal of RON 40.8 million, that were accounted for liability, in line with the accounting policy detailed in Note 2 z).

4. GOODWILL

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

ROMPETROL RAFINARE SA
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5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Furniture and others	Construction in progress	Total
As of January 1, 2024	207,096,153	895,138,892	1,385,121,151	5,263,978	297,881,722	2,790,501,896
Acquisitions	-	17,362	4,735,720	1,066,636	667,709,950	673,529,668
Transfers from CIP	-	30,814,264	714,071,059	27,715	(744,910,688)	2,350
As of December 31, 2024	207,096,153	925,970,518	2,103,927,930	6,358,328	220,680,984	3,464,033,914
Acquisitions	-	-	5,147,885	137,453	169,126,894	174,412,233
Transfers from CIP*	-	48,921,685	122,664,314	638,470	(172,227,410)	(2,941)
Disposals	-	-	(37,036,282)	-	-	(37,036,282)
Transfers and reclassifications**	-	181,210,824	(179,931,545)	74,066	-	1,353,345
As of December 31, 2025	207,096,153	1,156,103,026	2,014,772,302	7,208,318	217,580,468	3,602,760,268
Accumulated depreciation & Impairment						
As of January 1, 2024	-	-	-	-	(14,570,759)	(14,570,760)
Charge for the year	(6,107,665)	(125,679,275)	(314,645,872)	(978,773)	-	(447,411,585)
Impairment	-	(14,338,731)	(5,399,627)	-	-	(19,738,358)
As of December 31, 2024	(6,107,665)	(140,018,006)	(320,045,500)	(978,773)	(14,570,759)	(481,720,703)
Charge for the year	(4,123,019)	(154,437,350)	(249,524,143)	(745,668)	-	(408,830,179)
Accumulated depreciation of disposals	-	-	36,822,608	-	-	36,822,608
Impairment	-	14,338,731	5,399,627	-	(3,578,667)	16,159,691
Transfers and reclassifications**	-	-	(1,353,345)	-	-	(1,353,345)
As of December 31, 2025	(10,230,684)	(280,116,625)	(528,700,752)	(1,724,441)	(18,149,426)	(838,921,927)
Net book value as of December 31, 2024	200,988,487	785,952,512	1,783,882,431	5,379,555	206,110,225	2,982,313,211
Net book value as of December 31, 2025	196,865,469	875,986,402	1,486,071,550	5,483,877	199,431,042	2,763,838,340

*) Includes, transfer to / from property, plant and equipment to / from right of use assets and intangibles and other adjustments in amount of RON 1.35 million (2024: RON 0 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.

ROMPETROL RAFINARE SA
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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 million RON

	Additions during the year	Balance as at 31 December 2025
Out of which:	169.13	217.58
Expire authorization ISCIR	29.02	24.39
PEM Opex to CAPEX 2025-PEM	14.65	0.00
Tank rehabilitation	22.63	17.88
Firefighting package	1.31	5.72
2024 Refinery General Turnaround-LLI	-0.28	11.74
Emergency restoring crude oil storage capacity, 100T7 tank repairment	4.45	4.50
Up-grade sample points in PEM Refinery units	1.11	4.41
Refinery Catalyst Replacement	0.00	4.58
Alarm system implementation according to the 2022	0.23	3.03
Swing HDPE to PP	0.00	3.18
2026 Catalyst Replacement Package (SD 2026)	13.64	12.63
LDPE – K102 hyper compressor rehabilitation	12.22	12.22
New HPE Synergy PEM 2025	6.27	6.27
RQC Laboratory Equipment – Compliance	5.28	5.14
Emergency CAPEX MHC shutdown 2025 CO Boiler	2.03	2.03
Co-polymer production in PP unit	1.77	1.77
BU Refining Shutdown 2026_PEM-LLI	6.37	6.37
Replacement of PEM strategic equipment (rotors)	0.00	6.09
Mounting of electrical equipment	0.03	7.89
Expertise of DGRS pipe racks lines DEA and MEA	3.44	3.44
Replacement static equipment for Refinery Platform	4.80	4.80
Slow Down 2025 – HB, FG, RC and CX Units Shut Down	7.18	0.69
Other projects	32.96	68.81

Construction in progress as at 31 December 2024

Amount in million RON

	Additions during the year	Balance as at 31 December 2024
Out of which:	667.71	220.68
Expire authorization ISCIR	98.60	10.51
Flue gas pipe support system expert.N-PG-138F-030	9.22	10.00
MHC Incident Petromidia 21 Jun 2023	33.12	5.19
Tank rehabilitation	1.92	7.09
Catalyst Replacement Package	31.97	9.47
Replace cut/drilling system DCU unit	50.20	57.53
Mounting of electrical equipment 306PP	4.49	4.79
2023 Firefighting package	0.09	4.41
Mild Hydrocracking Unit Reliability at 240 m3/h	0.00	4.23
Preparing to 2024 general repair and 2020 HPP Unit	0.00	7.50
Replacement of PEM strategic equipment (rotors)	0.00	20.47
Acquisition and Install of 2 new Reactors -125-DHT	51.19	0.00
Replace subassembly of reformer heater 352-H201	22.86	0.10
Transform CO Boiler from natural circulation boiler	11.97	0.58
2024 Refinery General Turnaround-LLI	287.56	15.80
Safety measures package for PEM Refinery hydrotrea	11.71	0.00
Replacement static equipment Refinery and Petrochemicals	7.51	0.00
New Traveling crane with clamshell bucket 12,5 t	4.60	6.65
Other projects	40.68	56.35

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- Disposal

In 2025 the Company recorded the disposal of used catalysts that were replaced during the 2024 Refinery General Turnaround and the disposals related to sales of old vehicles.

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

- Capitalization of borrowing costs

As of December 31, 2025 the capital projects were financed from Company's operating cash flow, therefore no borrowing cost directly attributable to the acquisition, construction or production of a qualifying assets was capitalized during 2025 (2024: RON nil).

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

- Specific impairment

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

At the beginning of May 2025, the Rompetrol Rafinare SA restarted the Low-Density Polyethylene (LDPE) plant. During April 2025, the plant underwent a general overhaul, the work consisting of checking the equipment and its reauthorization, according to the regulations in force. All functional and safety tests, preliminary stages to the restart, were successfully completed. As at December 31, 2025, the previously recorded impairment provision was reversed, following the reassessment of asset recoverability.

The Company 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 Company 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 5.

Subsequently, impairment tests were performed by the Company 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 5.1.

An impairment tests process was carried out as of December 31, 2025, for the Company'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 5.1).

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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:

million RON

At December 31, 2024	Land	Buildings	Plant and equipment	Furniture and others	Total
Cost	192	2,390	5,261	21	7,864
Accumulated depreciation and impairment	(37)	(1,632)	(3,407)	(14)	(5,089)
Net carrying amount	155	758	1,854	7	2,774

At December 31, 2025	Land	Buildings	Plant and equipment	Furniture and others	Total
Cost	192	2,620	5,171	22	8,005
Accumulated depreciation and impairment	(49)	(1,708)	(3,453)	(12)	(5,222)
Net carrying amount	144	912	1,718	10	2,784

- Pledged property, plant and equipment

As at December 31, 2025 the company pledged property, plant and equipment with a carrying value of of RON 624,444,807 (2024: RON 597,280,822) for securing banking facilities granted to the Company.

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 30).

5.1 IMPAIRMENT TEST

The Company performed impairment test as of 31 December 2025. Management assessed the financial performance of the Refining and Petrochemicals CGU and the future market conditions, including the acceleration of the pace of transition to a lower carbon economy and energy system, and concluded that that there are no indicators for impairment as of 31 December 2025.

Impairment tests have been performed by the Company as of 31 December 2025 on the following cash generating units ("CGUs"): Refining, Petrochemicals. 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 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 Company updated the impairment tests for all cash generating units ("CGUs") based on approved Business Plan covering 2026 – 2030.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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 - 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 Company'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 Company'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.

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.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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% (2023: 11.2%).

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6. RIGHTS OF USE ASSETS

	Land, building and special constructions	Plant and equipment	Vehicles and others	Total
Initial cost / revalued				
Opening balance at January 01, 2024	60,979,574	2,660,777	2,918,643	66,558,994
Re-measurement and other adjustments	-	867,562	-	867,562
Disposals	-	-	(166,898)	(166,898)
Closing balance at December 31, 2024	60,979,574	3,528,340	2,751,744	67,259,658
Additions	445,545	-	434,819	880,364
Re-measurement and other adjustments	8,065,306	106,873	-	8,172,179
Disposals	-	-	(1,513,573)	(1,513,573)
Closing balance at December 31, 2025	69,490,424	3,635,213	1,672,990	74,798,627
Opening balance at January 01, 2024	(11,798,585)	(2,446,167)	(1,873,308)	(16,118,060)
Charge for the year	(2,422,301)	(490,449)	(581,709)	(3,494,459)
Accumulated depreciation of ceased rights of use assets	-	-	166,898	166,898
Closing balance at December 31, 2024	(14,220,886)	(2,936,616)	(2,288,120)	(19,445,622)
Charge for the year	(2,433,249)	(487,208)	(479,869)	(3,400,326)
Accumulated depreciation of ceased rights of use assets	-	-	1,513,573	1,513,573
Closing balance at December 31, 2025	(16,654,135)	(3,423,824)	(1,254,415)	(21,332,374)
Net book value as of December 31, 2024	46,758,688	591,724	463,625	47,814,036
Net book value as of December 31, 2025	52,836,289	211,389	418,575	53,466,253

The additions during the period represent mainly contracts concluded by the Company for car fleet rental. The Company recognized right of use assets for the following main categories of operational lease.

Land, buildings and special construction category includes mainly:

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

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

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

7. LONG-TERM RECEIVABLES

Details of the long-term receivables at 31 December 2025 and 31 December 2024 are as follows:

	December 31, 2025	December 31, 2024
Collateral cash - long term receivable	542,389,751	27,754,000
Prepayments long-term	1,637,129	-
Total	544,026,880	27,754,000

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 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 Decision to amend the deferral of tax payment in the total amount of RON 505.6 million for a period of 58 months,
- other collateral deposits open at Banca Comerciala Romana S.A. (BCR) to guarantee obligations towards third parties for long term period in amount of RON 35.1 million (2024: RON 27.8 million).

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8. INVESTMENT IN SUBSIDIARIES

	31 December 2025	31 December 2024
Investments in subsidiaries	3,651,530,174	3,741,084,832
Total	3,651,530,174	3,741,084,832

Rompetrol Rafinare SA applies IFRS and the investments in subsidiaries are measured at fair value through profit or loss (FVTPL).

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

	Range of activity	Ownership at		Balance at	Balance at
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
Rompetrol Downstream SRL	Retail Trade of Fuels and Lubricants	99.99%	99.99%	2,777,473,786	2,878,531,671
Rompetrol Petrochemicals SRL	Petrochemicals	100.00%	100.00%	479,676,404	441,850,561
Rom Oil SA	Wholesale of Fuels; fuel storage	99.99%	99.99%	58,990,106	142,730,866
Rompetrol Logistics SRL	Fuels Transportation	66.19%	66.19%	301,926,117	250,955,974
Rompetrol Quality Control SRL	Quality Control Services	70.91%	70.91%	33,463,761	27,015,760
Total investments				3,651,530,174	3,741,084,832

**Note: all subsidiaries are Romanian companies. The Company holds an indirect participation of 66.2% in Rompetrol Gas SRL through Rompetrol Logistics SRL who owns 100% of Rompetrol Gas SRL share capital and also indirect participation in Global Security Sistem S.A. and Global Security Systems Fire Services S.R.L through Rompetrol Logistics SRL*

As at the date of revaluation on 31 December 2025, the investments' fair values are based on valuations performed by Ernst & Young Service SRL, an accredited independent valuer who has valuation experience for similar properties. The fair values of the non-listed equity investments have been estimated using a DCF model in case of Rompetrol Downstream SRL, Rom Oil SA and Rompetrol Quality Control SRL, while for Rompetrol Petrochemicals SRL and Rompetrol Logistics SRL the fair values were estimated using net asset approach. The indirect participation held in Rompetrol Gas SRL was estimated using a DCF model also. The valuation using DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments. Considering that techniques used for the fair value of investments in subsidiaries are not based on observable market data, the fair values are classified as Level 3.

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8. INVESTMENTS IN SUBSIDIARIES (continued)

Description of significant unobservable inputs to valuation:

Non-Listed equity investment	Valuation Technique	Significant unobservable inputs	Scenario*	Key drivers variance (%)	Key drivers value (%)	Equity value (thousand RON)	Equity value variation (%)	
Rompetro Downstream SRL	DCF Method	Quantity sold	Base case	0%	100.00%	2,777,474	0	
			Low case	-1%	99%	2,601,944	-6.3%	
			High case	1%	101%	2,953,004	6.3%	
			Gross margin	Base case	0%	100.00%	2,777,474	0
				Low case	-2%	98.00%	2,562,131	-7.8%
				High case	2%	102.00%	2,992,817	7.8%
			Cost of capital	Base case	0%	10.90%	2,777,474	0
				Low case	0.5%	11.40%	2,699,277	-2.8%
				High case	-0.5%	10.40%	2,862,747	3.1%
			Perpetuity growth rate	Base case	0%	0.5%	2,777,474	0
				Low case	-0.5%	0.0%	2,717,706	-2.2%
				High case	0.5%	1.0%	2,843,017	2.4%
			General expenses	Base case	0%	100.00%	2,777,474	0
				Low case	2.5%	102.50%	2,638,964	-5.0%
				High case	-2.5%	97.50%	2,915,983	5.0%
Rom Oil S.A.	DCF Method	EBITDA margin	Base case	0%	100.00%	58,990	0	
			Low case	-5%	95%	51,480	-12.7%	
			High case	5%	105%	66,922	13.4%	
			CAPEX	Base case	0%	100%	58,990	0
				Low case	10%	10%	55,761	-5.5%
				High case	-10%	90%	62,220	5.5%
			Perpetuity growth rate	Base case	0%	2.2%	58,990	0
				Low case	-1.0%	1.2%	51,173	-13.3%
				High case	1.0%	3.2%	69,003	17.0%
			Cost of capital	Base case	0%	10.3%	58,990	0
				Low case	1.0%	11.3%	48,799	-17.3%
				High case	-1.0%	9.3%	72,084	22.2%
	Rompetro Quality Control SRL	DCF Method	Cost of capital	Base case	0%	10.9%	33,464	0
				Low case	0.5%	11.4%	31,970	-4.5%
				High case	-0.5%	10.4%	35,141	5.0%
			CAPEX	Base case	0%	100.00%	33,464	0
				Low case	10.0%	110.00%	31,854	-4.8%
				High case	-10.0%	90.00%	35,073	4.8%
			Gross margin	Base case	0%	100.00%	33,464	0
				Low case	-0.5%	99.50%	31,390	-6.2%
				High case	0.5%	100.50%	35,538	6.2%
			Perpetuity growth rate	Base case	0%	2.2%	33,464	0
				Low case	-0.5%	1.7%	32,490	-2.9%
				High case	0.5%	2.7%	34,557	3.3%

*The table presents the sensitivity of the equity value for each investment to the changes of the significant unobservable inputs.

The net asset approach was used for two entities, Rompetrol Logistics SRL and Rompetrol Petrochemicals SRL. These companies no longer have a significant activity following the restructurings carried out in previous years, and their value being to a large extent determined by participations held in other group companies, which were evaluated using income approach.

8. INVESTMENTS IN SUBSIDIARIES (continued)

The main steps in this approach are:

- Estimating the market value / fair value of the assets and liabilities related to the analyzed company, using appropriate valuation approaches and methods;
- Summarizing the values of component assets and deducting debts to obtain the value of the company's equity.

For Rompetrol Logistics SRL adjustments were applied to tangible fixed assets (which were revalued at fair value separately) and financial assets represented by investments in other subsidiaries of the Company (which were revalued separately).

Reconciliation of total unrealised gains or losses recognized in profit or loss

As at 1 January 2024	<u>3,531,898,492</u>
Total unrealised gains / (losses) for the period recognised in profit or loss	209,186,340
As at 1 January 2024	<u>3,741,084,832</u>
Total unrealised gains / (losses) for the period recognised in profit or loss	(89,554,658)
As at 31 December 2025	<u><u>3,651,530,174</u></u>

Total unrealized losses for the period recognized in profit or loss in amount of 89,554,658 refers mainly to fair value losses related to the Company's investment in Rompetrol Downstream SRL in amount of RON 101 million, Rom Oil SA in amount of RON 84 million, offset by the fair value gains related to Company's investment in Rompetrol Petrochemicals SRL in amount of RON 38 million RON, Rompetrol Logistics SRL in amount of RON 51 million and Rompetrol Quality Control SRL in amount of RON 7 million.

The unrealized losses recognized in profit or loss related to the Company's investment in Rompetrol Downstream in amount of RON 101 million are generated by the exchange rate effect of recognizing the fair value in RON at the official exchange rate (published by National Bank of Romania) valid for the closing period at December 31, 2025. The valued amount at December 31, 2025, is USD 640 million recognized at USD/RON 4.3417 exchange rate (2024: USD 603 million at USD/RON 4.7768 exchange rate).

The unrealized gains or losses recognized in profit or loss related to the Company's investment in Rom Oil SA (RON 84 million loss) and Rompetrol Quality Control SRL (RON 7 million gain) is the effect of the companies business plans assumptions and certain financial indicators estimates.

The unrealized gains for the period recognized in profit or loss in amount of RON 38 million related to the investment in Rompetrol Petrochemicals SRL and RON 51 million related to Rompetrol Logistics SRL is generated by the participations held in other group companies, which were valued using income approach.

Considering no dividends are expected to be received in the foreseeable future from subsidiaries and that fact that it is not able to control the timing of the reversal of temporary differences associated with investments in subsidiaries, no deferred tax liability was recognized.

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9. INVENTORIES

	December 31, 2025	December 31, 2024
Crude oil and other feedstock materials	727,526,355	693,476,850
Finished products	255,662,795	402,595,869
Work in progress	104,172,401	210,434,698
Spare parts	14,929,957	16,557,135
Other consumables	25,631,091	22,327,634
Merchandises	40,665	39,076
Other inventories	5,110,387	6,761,873
Total	1,133,073,651	1,352,193,135

As of December 31, 2025, crude oil inventory increased primarily driven by an increase in physical volumes (from 242 kt in 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 the decrease in physical quantities, from 109 ktonnes to 85 ktonnes. 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.

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 and old spare parts.

The movement in inventory write-down allowance to net realizable value during the years ended 31 December 2025 and 31 December 2024 is presented below:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	(135,777,469)	(175,811,979)
Write-downs recognised during the year	(122,049,719)	(98,018,065)
Reversals of write-downs during the year	116,416,044	138,052,575
Balance at the end of the period	(141,411,144)	(135,777,469)

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 Company has pledged inventories in gross amount of RON 1,170 million (2024: RON 1,397 million) to secure banking facilities.

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10. TRADE AND OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Financial assets:		
Trade receivables	1,500,711,378	1,186,286,531
Sundry debtors	45,697,162	27,841,936
Other receivables	357,675,334	156,579,014
Less: Allowance for expected credit losses	<u>(45,584,826)</u>	<u>(74,959,713)</u>
Subtotal – Financial assets	1,858,499,048	1,295,747,768
Non financial assets:		
Advances to suppliers	24,074,680	19,569,887
VAT to be recovered	<u>10,820,803</u>	<u>103,845</u>
Subtotal – non financial assets	34,895,483	19,673,732
Total	1,893,394,531	1,315,421,500

Sundry Debtors

Included in Sundry debtors in 2025 is an amount of RON 43 mil. (2024: RON zero) in respect of Omniasig Vienna Insurance Group for insurance claim related to 21st of June 2023 incident occurred at 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: RON 25.1 million), as the litigation was finally resolved during 2025 and the related provision was fully reversed.

Other Receivables

Out of the total balance for other receivables of RON 357.7 million (2024: RON 156.6 million), an amount of RON 155.4 million (2024: RON 35 million) relates to cash pooling receivables. Also, in other receivables an amount of RON 165.8 million (2024: RON 72.2 million) refers to excise receivables.

Cash pooling receivables represent balances arising from the Company's participation in the intra-group cash pooling arrangement within the KMG International Group treasury system. At the reporting date, the Company's overall position within the cash pooling arrangement represents a net payable position, as the Company 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 balances with related parties are presented in Note 27.

Advances to Suppliers

At 31 December 2025, out of the total amount of RON 24.1 million (2024: RON 19.6 million) representing advances to suppliers, RON 21.0 million (2024: RON 18.8 million) are in respect of other raw materials, utilities, investment projects and others.

Allowance for Expected Credit Losses

The allowance for expected credit losses relates exclusively to the financial assets presented above and is determined in accordance with the ECL model under IFRS 9. The movement in the allowance is presented in Note 23.

The allocation of the allowance across the financial asset categories is as follows:

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10. TRADE AND OTHER RECEIVABLES (continued)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade receivables		
Gross carrying amount	1,500,711,378	1,186,286,531
Allowance for expected credit losses	(38,824,070)	(43,057,917)
Net trade receivables	1,461,887,308	1,143,228,614
Sundry debtors and other receivables		
Sundry debtors	45,697,162	27,841,936
Other receivables	357,675,334	156,579,014
Allowance for sundry debtors and other receivables	(6,760,756)	(31,901,797)
Net sundry debtors and other receivables	396,611,740	152,519,153
Total allowance for expected credit losses	(45,584,826)	(74,959,713)

Out of the total amount of other receivables and sundry debtors of RON 403.4 million (2024: RON 184.4 million) an amount of RON 6.8 million (2024: RON 31.9 million) is provisioned.

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, 2025</u>	<u>December 31, 2024</u>
Balance at the beginning of the year	(74,959,713)	(72,278,300)
Increase of impairment for the year	(1,552,381)	(7,190,813)
Reversals	30,853,119	4,557,418
Exchange rate differences	74,149	(48,019)
Balance at the end of the period	(45,584,826)	(74,959,713)

Ageing Analysis of Trade Receivables and Expected Credit Losses

The Company 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.

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

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10. TRADE AND OTHER RECEIVABLES (continued)

31 December 2025	Trade receivables						
	Total	Days past due					
		Current	1 - 30 days	30 - 60 days	60 - 90 days	90 - 120 days	> 120 days
Expected credit loss rate	2.59%	0.00%	7.97%	0.03%	0.08%	0.12%	69.81%
Estimated total gross carrying amount at default	1,500,699,086	1,365,903,985	38,728,611	18,242,123	13,068,400	13,609,846	51,146,122
Expected credit loss	38,824,070	-	3,085,226	5,408	10,552	15,852	35,707,032

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

At 31 December 2025, the trade receivables at the initial value of RON 38.8 million (2024: RON 43.1 million) have been considered uncertain and adjusted for impairment.

As at 31 December 2025, a recoverability analysis was performed for trade receivables balance that resulted in an amount of RON 38.82 million (2024: RON 43.06 million). See below for the movements in the allowance for impairment of trade receivables.

	Collectively impaired
At January 1, 2024	(40,376,503)
Value adjustments for impairment of receivables	(7,190,813)
Reversals	4,557,418
Exchange rate difference	(48,019)
At December 31, 2024	(43,057,917)
Value adjustments for impairment of receivables	(1,552,103)
Reversals	5,711,800
Exchange rate difference	74,149
At December 31, 2025	(38,824,070)

Trade Receivables – Past Due but Not Credit-Impaired

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10. TRADE AND OTHER RECEIVABLES (continued)

The following table presents the ageing of trade receivables that are past due at the reporting date but for which no credit impairment has been identified on an individual basis (i.e., net of credit-impaired receivables):

	Total	Past due but not impaired					
		Neither past due not impaired	1 – 30 days	30 – 60 days	60 – 90 days	90 - 120 days	>120 days
31 December 2025	1,461,875,015	1,365,903,985	35,643,384	18,236,715	13,057,847	13,593,994	15,439,090
31 December 2024	1,143,216,322	1,031,398,155	64,096,230	28,648,212	12,142,728	5,752,868	1,178,129

The majority of trade receivables are neither past due nor credit-impaired at the reporting dates. For receivables past due by more than 120 days that are not individually credit-impaired, management has assessed the recoverability based on the specific circumstances of each debtor, including payment history, ongoing commercial relationship and available collateral or guarantees.

Pledged Trade Receivables

Trade receivables totaling RON 256 million as at 31 December 2025 and RON 213 million as at 31 December 2024 are pledged as collateral to secure the Company's credit facilities. Further details regarding the related borrowing arrangements are disclosed in Note 15.

11. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash at bank	202,169,523	400,812,616
Cash on hand	1,445	1,362
Transitory amounts	-	265,094
Other cash equivalents	263,664	369,032
Total	202,434,632	401,448,104

Other cash equivalents represent in the greatest part cheques and promissory notes in 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.

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12. EQUITY

12.1 SHARE CAPITAL

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

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

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

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

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

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

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

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

12.2 SHARE PREMIUM

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

12.3 REVALUATION RESERVES

At 31 December 2025, the Revaluation reserves amounted to RON 432 million (2024: RON 509 million). The balance is presented net of the deferred tax recognized on the revaluation surplus and net of the transfers to retained earnings representing the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the assets.

12. EQUITY (continued)

The revaluation surplus included in the revaluation reserves is realized gradually through transfers to retained earnings as the asset is used or upon disposal of the asset, to the extent that transfers have not already been made during the assets' useful life.

Thus, as of 31 December 2025 the realized revaluation reserve is in 2025 in amount of RON 92.1 million, for which a reduction of previously recognized deferred tax liability in amount of RON 14.7 million was recorded.

12.4 OTHER RESERVES

Hybrid Loan

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

In 2012, USD 800 million of the total outstanding balance of the loan payable to KMG International NV was converted into an unsecured hybrid loan, repayable after 51 years. During 2013, an additional USD 150 million were converted, the hybrid loan amounting to USD 950 million. The loan is 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 for that year;
- the company will distribute dividends.

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.

Hedging reserves

During 2025 unrealized derivative gains / (losses) was recorded and also gains / (losses) related to retirement benefits were booked in Other Reserves as follows:

	2025	2024
Actuarial (losses) / gain related to retirement benefits	(2,770,585)	3,160,769
Gains / (losses) related to derivative financial instruments	74,872,103	(11,094,849)
Total	72,101,519	(7,934,080)

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13. TRADE AND OTHER PAYABLES

	December 31, 2025	December 31, 2024
Financial liabilities:		
Trade payables	3,123,479,216	4,148,248,411
Cash pooling payables (intra-group)	2,245,591,928	1,759,881,756
Other liabilities	<u>71,265,024</u>	<u>11,231,089</u>
Subtotal – Financial liabilities	5,440,336,168	5,919,361,256
Non financial liabilities:		
VAT payable	405,735,864	177,860,992
Special fund tax for oil products	27,560,632	27,560,632
Taxes payable	30,299,721	20,880,477
Employees and social security obligations	<u>38,712,779</u>	<u>23,137,830</u>
Subtotal – Non-financial liabilities	502,308,996	249,439,931
Total trade and other payables	5,942,645,164	6,168,801,187

Trade Payables

Trade payables line include payables in relation to KazMunayGas Trading AG in amount of RON 2,646 million as of 31 December 2025 (2024: RON 3,752 million) which represents the liability for the acquisition of crude oil. This balance constitutes the most significant component of the trade payables balance, representing approximately 85% of total trade payables at the reporting date (2024: approximately 90%).

Further details regarding the terms, interest rates and penalty provisions under this arrangement are disclosed in Note 24.

Cash Pooling Payables

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

The cash pooling debt amounts to RON 2,245.59 million (2024: RON 1,759.88 million) and is recognised in "Other liabilities". The corresponding gross receivable positions of the Company within the same arrangement are disclosed in Note 10 – Trade and Other Receivables.

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13. TRADE AND OTHER PAYABLES (continued)

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 RON	At 1 January 2025	Cash movements in cash pooling	Interest accrual non-cash	Cash Interest received/paid	Exchange rate impact (non-cash)	At 31 December 2025
Cash pooling receivable	34,929,140	119,997,108	-	-	330,759	155,257,008
Interest receivable	104,046	-	11,934,786	(11,569,000)	251	470,083
Cash pooling payable	(1,747,422,134)	(482,822,452)	-	-	379,723	(2,229,864,862)
Interest payable	(12,459,622)	-	(175,580,299)	172,310,396	2,459	(15,727,066)

Amounts in RON	At 1 January 2024	Cash movements in cash pooling	Interest accrual non-cash	Cash Interest received/paid	Exchange rate impact (non-cash)	At 31 December 2024
Cash pooling receivable	204,930,770	(169,799,471)	-	-	(202,159)	34,929,140
Interest receivable	855,473	-	19,028,613	(19,779,991)	(48)	104,046
Cash pooling payable	(1,404,214,294)	(342,185,505)	-	-	(1,022,335)	(1,747,422,134)
Interest payable	(9,038,687)	-	(148,068,716)	144,657,145	(9,366)	(12,459,622)

14. CONTRACT LIABILITIES

	December 31, 2025	December 31, 2024
Short-term advances from other customers	397,421,663	210,990,531
Total short-term advances	397,421,663	210,990,531

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

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

14. CONTRACT LIABILITIES (continued)

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, 2025</u>	<u>December 31, 2024</u>
Contract liabilities at 1 January	210,990,531	274,823,341
Advances received from customers during the year for petroleum products	3,217,158,664	2,882,966,407
Advances received from customers during the year for excises	6,757,325,378	4,555,146,808
Revenue recognised that was included in the opening balance of contract liabilities (note (a))	(183,996,556)	(271,419,880)
Revenue recognised from advances received and fulfilled within the same reporting period	(2,940,270,587)	(2,633,599,636)
Clearing of advances received from customers for excises	(6,663,785,768)	(4,596,926,509)
Contract liabilities at 31 December	397,421,662	210,990,531

The contract liability balance at 31 December 2025 increased by RON 186.4 million (88%) compared to 31 December 2024, from RON 211.0 million to RON 397.4 million. This increase is primarily attributable to a single significant advance payment received by Rompetrol Rafinare S.A. from a counterparty close to the year-end under a commercial arrangement requiring prepayment before product delivery. The corresponding petroleum products had not yet been delivered as at 31 December 2025, and accordingly the advance remained recognized as a contract liability at the reporting date.

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

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15. SHORT-TERM BORROWINGS

Short-term loan from related parties:

	31 December 2025	31 December 2024
Romp petrol Gas SRL	30,614,462	30,614,462
Loans of RON 30.6 million for the purpose of covering the funds necessary to pay the turnover tax for the 1 st quarter and 2 nd quarter of 2024. Maturity of the loan is for a period of 12 months.		
Interest due	204,045	205,627
TOTAL	30,818,507	30,820,089

Short-term loan from banks:

	31 December 2025	31 December 2024
Banca Transilvania	128,983,487	123,277,339
Revolving credit ceiling on short term credit facility of up to EUR 30 million, for working capital purposes, for issue of letters of credit and letters of guarantee. Maturity date is July 26, 2026; guarantee on the credit balances of all current accounts; Corporate unconditional and irrevocable guarantee issued by KMG International; mortgage on the delayed coking unit; pledge on machinery and equipment; mortgage on real estate land area of 30,380.96 m ² ; assignment of rights from insurance compensation.		
Banca Transilvania	42,038,112	40,237,652
Short-term credit facility type cash and non-cash amounting to EUR 27,961,890 for the current activity, issuing letters of credit and letters of guarantee, due on July 26, 2026; guarantee on the credit balances of all current accounts; Corporate unconditional and irrevocable guarantee issued by KMG I; assignment of rights from insurance compensation; bank mortgage on installations: HDV = EUR 9.3 million; DAV = EUR 14,3 million; DGRS = EUR 7.3 million; AFPE = EUR 16.08 million; GA (G1 + G3) = EUR 5.2 million; ON202 = EUR 5.7 million; warranty on land and buildings - EUR 181,000; warranty on the equipment; pledge on movable production assets EUR 10.9 million.		
Interest due	130,844	518,951
	171,152,443	164,033,943
Syndicated loan – auxiliary component representing overdraft loan granted by Garanti Bank	21,708,107	7,161,595
Syndicated loan – auxiliary component representing overdraft loan granted by Banca Comerciala Intesa Sanpaolo Romania	13,012,532	47,768,000
TOTAL	205,873,083	218,963,537

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16. LONG-TERM BORROWINGS

Long-term loan from banks

	<u>31 December 2025</u>	<u>31 December 2024</u>
Loan facility – through BCR (Banca Comerciala Romana) as payer agent		
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. Facility granted by a consortium of banks, namely Banca Comerciala Romana S.A. (BCR), ING Bank N.V Amsterdam – Bucharest Branch, Raiffeisen Bank S.A., UniCredit Bank S.A., Garanti Bank S.A., Banca Transilvania S.A. (takeover from OTP Bank Romania S.A.) and Intesa Sanpaolo Group through its subsidiaries Banca Comerciala Intesa Sanpaolo Romania and VUB A.S. 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.	1,192,198,656	1,317,919,120
TOTAL	<u>1,192,198,656</u>	<u>1,317,919,120</u>

The bank borrowings of RON 1,192.2 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 Company that are subject to these covenant requirements are as follows:

Short-term borrowings subject to covenants	34,720,639	54,929,595
Long-term borrowings subject to covenants	<u>1,192,198,656</u>	<u>1,317,919,120</u>
Total borrowings subject to covenants	<u>1,226,919,295</u>	<u>1,372,848,715</u>

The loans bearing guarantees are secured with pledges on inventories of RON 1,170 million (31 December 2024: RON 1,397 million) and trade receivables of RON: 256.1 million (2024: RON 212.9 million).

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16. LONG-TERM BORROWINGS (continued)

The movement of loans in 2025 is presented below:

	At January 01, 2025	Drawings	Repayments	Interest accrual	Reclass between short- term and long- term	Exchange rate impact	At December 31, 2025
Long-term borrowings from banks	1,317,919,120	1,238,686,232	(1,284,222,251)	-	-	(80,184,445)	1,192,198,656
Short-term borrowings from banks	218,444,586	99,481,649	(112,183,996)	-	-	-	205,742,239
Short-term borrowings from shareholders and related parties	30,614,462	-	-	-	-	-	30,614,462
Interest Short-term borrowings from banks	518,951	-	(75,485,867)	75,098,975	-	(1,215)	130,844
Interest short-term borrowings from shareholders and related parties	205,627	-	(2,508,719)	2,507,137	-	-	204,045
Total	1,567,702,746	1,338,167,881	(1,474,400,834)	77,606,112	-	(80,185,659)	1,428,890,246

The movement of loans in 2024 is presented below:

	At January 01, 2024	Drawings	Repayments	Interest accrual	Reclass between short-term and long-term	Exchange rate impact	At December 31, 2024
Long-term borrowings from banks	1,195,433,220	45,763,000	-	-	-	76,722,900	1,317,919,120
Short-term borrowings from banks	191,328,791	400,655,519	(373,539,724)	-	-	-	218,444,586
Short-term borrowings from shareholders and related parties	-	30,614,462	-	-	-	-	30,614,462
Interest Short-term borrowings from banks	1,345,850	-	(114,838,631)	114,010,461	-	1,271	518,951
Interest short-term borrowings from shareholders and related parties	-	-	(1,198,890)	1,404,517	-	-	205,627
Total	1,388,107,861	477,032,981	(489,577,245)	115,414,978	-	76,724,171	1,567,702,746

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17. OBLIGATION UNDER LEASE AGREEMENTS

	2025	2024
Opening balance at 01 January	53,049,454	55,123,588
Additions	873,987	-
Re-measurement	8,172,179	867,562
Payments	(4,713,811)	(4,736,590)
Interest accrued	1,721,895	1,765,053
Exchange rate impact	1,246,580	29,841
As at 31 December	60,350,284	53,049,454
Non-current	57,585,433	50,193,790
Current	2,764,852	2,855,664

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

The amount related to additions of RON 0.87 million in 2025 refers to car fleet rental agreements.

18. PROVISIONS

The movement of the provisions is presented below:

	As at 1 January 2025	Other comprehensive income	Changes during the year	Unwinding of discount	As at 31 December 2025
Provision for litigations	3,600,000	-	-	-	3,600,000
Retirement benefit provision	44,931,128	2,770,584	293,827	-	47,995,539
Fiscal provision	-	-	14,009,737	-	14,009,737
Environmental provision	453,294,968	-	(30,424,148)	731,509	423,602,329
Total	501,826,097	2,770,584	(16,120,584)	731,509	489,207,606

Environmental provision

Vega lagoons

As of 31 December 2025, the Company recognized an environmental provision of RON 391.1 million (2024: RON 426.5 million) based on reassessment of the site restoration provision. Reassessment was performed considering the following change in assumptions as compared with previous period:

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

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18. PROVISIONS (continued)

- 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, increased 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 forecast as per Romanian National Institute of Statistics;
- extended timeline for the rehabilitation plan until the end of 2028.

The results of the reassessment lead to a net decrease of provision by RON 35.3 million, mainly triggered by updated computation due to change in assumptions and foreign exchange effect of RON 35.9 million, offset by an unwinding of discount effect of RON (0.6) million.

Vadu cassettes

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

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

At the end of 2025, the environmental provision was reassessed to reflect updated assumptions (discount rate, exchange rate, inflation). The reassessment resulted in a revised provision, with a net negative effect of RON 5.7 million, against the value recognized in 2024, RON 26.8 million.

Retirement benefit provision

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

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 65 years old and for women 63 years old.

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

	December 31, 2025	December 31, 2024
Interest on obligation	3,015,559	3,142,777
Service cost	3,574,103	3,825,735
Release related to benefits granted during the year	(6,295,835)	(5,497,400)
Total recognised in profit or loss	293,827	1,471,112

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18. PROVISIONS (continued)

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

	December 31, 2025	December 31, 2024
Opening balance	44,931,128	46,620,785
Interest on obligation	3,015,559	3,142,777
Service cost	3,574,103	3,825,735
Curtailment due to restructuring/retirement	(6,295,835)	(5,497,400)
Changes in assumptions (tax rate, salary increase, turnover)	2,770,584	(3,160,769)
Closing balance	47,995,539	44,931,128

Actuarial losses refer to change in assumption in amount of RON 2.8 million (2024: gain of RON 3.2 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 RON 0.3 million (2024: RON 1.5 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:

	Impact on defined benefit obligation	
	2025	2024
	RON	RON
	million	million
Discount rate assumptions:		
1% increase	(3.95)	(3.72)
1% decrease	4.53	4.24
	2025	2024
	RON	RON
	million	million
Salary sensitivity assumption:		
1% increase	4.75	4.40
1% decrease	(4.19)	(3.91)
	2025	2024
	RON	RON
	million	million
Longevity sensitivity assumption:		
1% increase	0.25	1.59

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

Other provisions

The Company 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.

19. OTHER NON-CURRENT LIABILITIES

As of December 31, 2025, other non-current liabilities of RON 314.2 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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20. NET REVENUES FROM CONTRACT WITH CUSTOMERS

	January - December 2025		TOTAL 2025	January - December 2024		TOTAL 2024
	Refining	Petrochemicals		Refining	Petrochemicals	
Gross revenues from the sale of finished oil products	23,497,273,712	426,083,359	23,923,357,070	19,164,475,660	330,965,802	19,495,441,462
Revenues from petrochemicals trading	-	-	-	-	23,143	23,143
Revenues from other merchandise sales	2,674,334	-	2,674,334	80,088,455	-	80,088,455
Revenues from utilities sold	32,547,694	650,983	33,198,677	18,548,477	2,953,345	21,501,822
Revenues from the sale other products	1,669,314	-	1,669,314	564,060	-	564,060
Revenues from other services	19,097,589	-	19,097,589	18,285,348	-	18,285,348
Gross Revenues	23,553,262,643	426,734,342	23,979,996,984	19,281,961,999	333,942,289	19,615,904,288
Less excise taxes	(6,666,375,066)	-	(6,666,375,066)	(4,601,660,452)	-	(4,601,660,452)
Total Revenues, net of excises	16,886,887,577	426,734,342	17,313,621,919	14,680,301,547	333,942,289	15,014,243,836

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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21. COST OF SALES

	January - December 2025	January - December 2024
Crude oil and other raw materials	14,369,630,524	13,098,926,105
Consumables and other materials	55,860,623	46,059,720
Utilities	799,987,196	673,206,936
Staff costs	234,449,644	156,780,419
Transportation	268,961	270,516
Maintenance	169,971,793	137,265,942
Insurance	23,385,835	18,960,671
Environmental expenses	79,341,754	21,961,360
Other	84,796,488	66,696,183
Cash production cost	15,817,692,818	14,220,127,853
Depreciation and amortization	377,526,154	355,181,825
Production costs	16,195,218,972	14,575,309,678
Less: Change in inventories	224,787,461	(72,785,184)
Less: Own production of property, plant & equipment	(1,937,181)	(23,061,153)
Cost of petrochemicals trading	-	36,879
Cost of other merchandise sales	695,507	79,059,474
Cost of utilities sold	30,541,199	19,318,094
Realised (gains)/losses on derivatives	129,779,773	(164,523,470)
Total	16,579,085,732	14,413,354,319

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:

- 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 Company starting with January 2025.
- Environmental costs: Up by approx. RON 79.3 million, due to CO₂ 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.

For Rompetrol Rafinare SA the cost of merchandise decreased against 2024 by RON 78 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.

21. COST OF SALES (continued)

Romp petrol Rafinare has an obligation to comply with the CO2 emission rights quota. Thus, Refinery CO2 emissions are offset with EUA certificates. In 2025 the actual emissions have exceeded the free allocated certificates and in this respect RON 47.9 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 RON 129.8 million, compared with a gain of RON 164.5 million in 2024. The negative result recorded in 2025 resulted mainly from the Rompetrol Rafinare cracks hedging program ((RON -141.15million). Additional impacts were generated by inventory hedging activities, including a gain of RON +11.37 million from Rompetrol Rafinare.

By comparison, during 2024 the positive Realized hedging impact of RON 164.5 million resulted mainly from Rompetrol Refinery cracks hedging program (RON 149.4 million). An additional positive impact resulted from inventory hedging program in amount of RON 15.1 million.

The change from a gain of RON 164.5 million in 2024 to a loss of RON 129.8 million million in 2025 is mainly explained by the following:

- a gain of RON +11.37 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 RON -141.15 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.

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

	January - December 2025	January - December 2024
Staff costs	32,131,322	73,058,553
Utilities	23,577,544	27,052,098
Transportation	90,527,252	63,894,003
Professional and consulting fees	80,361,615	49,386,028
Consumables	2,166,430	2,664,369
Marketing	272,180	350,151
Taxes	5,953,050	6,236,490
Communications	43,542	34,609
Insurance	4,250,959	6,466,622
IT related expenditures	6,102,519	9,286,287
Environmental expenses	33,738,676	3,501,511
Maintenance	18,105,272	34,570,411
Fees and penalties	48,397,138	31,890,813
Other expenses	89,931,999	94,430,676
Costs before depreciation	435,559,497	402,822,622
Depreciation and amortisation	36,049,311	98,157,341
Total	471,608,807	500,979,963

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).

23. OTHER OPERATING (INCOME) / EXPENSES, NET

	January - December 2025	January - December 2024
Gain from impairment of tangible assets	19.738.358	-
Provision for receivables and write-off	30.853.119	4.609.605
Provision for inventories	116.416.044	146.311.851
Gain from other provisions	35.905.674	-
Other	64.845.055	847.560
Other operating income	267.758.250	151.769.016
Loss on disposal of assets	(213.674)	-
Loss from impairment of tangible assets	(3.578.667)	(19.738.358)
Provision for receivables and write-off	(1.552.382)	(7.243.000)
Provision for inventories	(122.049.719)	(106.277.341)
Inventories write-off	(9.142.850)	(1.363.821)
Loss from other provisions	(19.491.262)	(10.458.617)
Turnover tax	(88.612.989)	(72.064.382)
Other	(638)	(55)
Other operating expenses	(244.642.181)	(217.145.575)
Other operating income / (expenses), net	23.116.070	(65.376.558)

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23. OTHER OPERATING (INCOME) / EXPENSES, NET (continued)

In 2025 the impairment related to specific equipment in amount of RON 19.7 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 RON 25.1 million was reversed, as the litigation was finally resolved during 2025.

For further details in net movement in provision see Note 18.

In 2024, a specific turnover tax has been introduced in addition to the profit tax for legal entities that conduct activities in the oil and natural gas sectors and that registered turnover over EUR 50 million in the previous year (Romp petrol Rafinare, Rom petrol Downstream, Rom petrol Gas). The amount registered in relation to this tax was RON 88.6 million (2024 RON 72.1 million).

In 2025 an amount of RON 64.5 million included in Other, net refers to the revenue from insurance claim recognized by Rom petrol Rafinare SA for the claim file related to the incident occurred at Petromidia refinery on June 21, 2023.

24. FINANCIAL COST, FINANCE INCOME AND FOREIGN EXCHANGE

	January - December 2025	January - December 2024
Finance cost		
Losses related to financial investments recognised at fair value	184,798,645	66,389,410
Interest expense	85,049,815	117,153,238
Interest expense shareholders and related parties	178,087,436	149,473,233
Unwinding of discount - lease	1,721,895	1,765,054
Unwinding of discount - environmental provision	731,509	(6,556,051)
Late payment interest on trade payables	134,320,124	203,503,968
Other financial expense	7,845,673	7,516,544
	592,555,097	539,245,395
Finance income		
Gains related to financial investments recognised at fair value	(95,243,987)	(275,575,750)
Interest income	(48,862,220)	(44,502,754)
Other financial income	(6,160,778)	(2,978,960)
	(150,266,985)	(323,057,464)
Finance cost / (income), net	442,288,112	216,187,931
Unrealized net foreign exchange losses/(gains)	(203,610,246)	251,857,391
Realized net foreign exchange losses/(gains)	(219,237,213)	80,208,178
Foreign exchange (gain)/loss, net	(422,847,459)	332,065,569
Total	19,440,652	548,253,500

In 2025 out of the total of RON 142.2 million (2024: RON 211.0 million) representing other financial expenses an amount of approximately RON 134.3 million (2024: RON 210.9 million) represents late payment interest charged by KMG Trading on outstanding commercial payables settled beyond the agreed contractual payment terms.

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25. INCOME TAX

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	RON	RON
Tax expense comprises:		
Current expense with income tax, out of which	25,701,502	-
<i>Current income tax</i>	<i>25,701,502</i>	-
Deferred tax expense / (income)	(27,777,730)	(42,906,695)
Total tax expense / (income)	(2,076,228)	(42,906,695)

The net effect of deferred tax in 2025 was in amount of RON 27.8 million (2024: RON 42.9 million).

Tax loss carry forwards

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

Entity	<u>Fiscal loss 2025</u>	<u>Fiscal loss 2024</u>
Rompetrol Rafinare SA	(137,444,249)	(542,347,619)

A breakdown of tax losses carry forward of the Company by year of origin and the corresponding expiry year is displayed below:

Year of origin	<u>2025</u>	2024	<u>Expiry year</u>
2021	<u>(69,198,025)</u>	(474,101,395)	2028
2024	<u>(68,246,224)</u>	(68,246,224)	2031
Total tax loss carry forward at 31 December	(137,444,249)	(542,347,619)	

The Company has unrecognised deferred tax assets in respect of unused tax loss carry forwards of RON 137,444,249 (2024: RON 542,347,619).

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25. INCOME TAX (continued)

Reconciliation of comprehensive income with tax result

Below there is a reconciliation between the current income tax recorded in the income statement and the whole expenses with the profit tax, based on the temporary differences and non-deductible items:

	December 31, 2025	December 31, 2024
<u>Tax reconciliation</u>	RON	RON
Profit before tax	266,602,797	(513,720,504)
Tax 16% * PBT	42,656,448	(82,195,281)
Non-deductible taxes (ICAS)	14,178,078	11,530,301
Non-deductible penalties	4,062,605	41,266
Non-deductible net (gain) / losses on financial instruments	14,328,745	(33,469,814)
Non-deductible expenses (protocol, vehicle use etc)	194,079	(328,943)
Income not subject to tax – dividends	(613,512)	(15,837)
Non-deductible tax provisions	2,241,558	-
Non-taxable income – reversal of allowances	(21,574,697)	(21,691,578)
<i>Tax effect of temporary differences for which no deferred tax is recognized:</i>		
<i>Non-deductible portion of Interest expense limitation (net unrecognized portion)</i>	11,109,300	82,664,078
Non-deductible depreciation for RoJA	544,052	559,114
<i>Tax effect of fiscal incentives and local regulations:</i>		
Non-taxable legal reserve deduction	(2,355,044)	-
Utilization of previously unrecognized tax losses	(64,784,539)	-
Tax credits and incentives:		
Sponsorship tax credits	(128,779)	-
Early payment bonus	(1,934,522)	-
TOTAL	(2,076,228)	(42,906,695)

In both 2022 and 2023 Rompetrol Rafinare was subject to the solidarity contribution regulated by Government Emergency Ordinance 186, issued December 28th, 2022, adopted by Law no. 119/2023, a measure grounded on the provisions of Council Regulation (EU) 2022/1854, Rompetrol Rafinare estimated a contribution for 2023 of RON 141 million (2022: RON 578 million).

Rompetrol Rafinare paid in June 2024 a contribution of RON 141 million.

In 2025 the following income was considered non-taxable when calculating tax loss:

- Tax provisions (income from reversal of provisions for which no deduction was allowed) in amount of RON 202.9 million;
- Non-taxable income from revaluations (RON 95.2 million).
- Revenues from deferred tax (RON 33.4 million)
- Revenues from dividends (RON 3.8 million)

The following were considered non-deductible expenses when determining tax loss:

- Expenses with accounting depreciation, amounting RON 413.6 million;
- Expenses with provisions amounting RON 147.4 million;
- Interests amounting RON 1,410.6 million;
- Losses from revaluations RON 184.8 million;
- Expenses with non-deductible penalties in the amount of RON 25.4 million;
- Specific turnover tax for oil & gas in the amount of RON 88.6 million;

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25. INCOME TAX (continued)

- Income tax in the amount of RON 25.7 million;
- Other non-deductible expenses amounting to RON 1.7 million.

b. The deferred tax assets and liabilities

	Balance at 1 January 2025	Charged to Profit & loss	Charged to Equity	Balance at 31 December 2025
Temporary differences				
Asset/Liability				
Property, plant and equipment	732,071,678	92,128,656	-	824,200,334
Provisions	(802,637,360)	81,482,154	-	(721,155,206)
Total temporary differences (Asset)/Liability	(70,565,682)	173,610,810	-	103,045,128
Property, plant and equipment	63,981,697	(14,740,585)	-	49,241,111
Provisions	(128,421,979)	(13,037,145)	-	(141,459,122)
Differed tax (assets)/liability recognized	(64,440,282)	(27,777,730)	-	(92,218,012)

The Company recognized deferred tax assets for the provision related to Vega and Vadu Environmental projects for which reassessment of the provisions as of 31 December 2025 (Note 17), lead to a increase of RON 4.8 million (2024 decrease of RON 0.6 million) in the related deferred tax asset.

Category	Carrying amount (RON)			Deferred tax (RON)	
	December 31, 2025	December 31, 2024	Tax rate	December 31, 2025	December 31, 2024
Right-of-use assets	53,466,253	47,814,036	16%	8,554,600	7,650,246
Lease liabilities (total)	60,350,284	53,049,454	16%	9,656,045	8,487,913
Net position				<u>1,101,445</u>	<u>837,667</u>

The Company 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 RON 8.6 million (right of use assets) and RON 9.7 million (lease liabilities) result in a net position of approximately RON 1.1 million (2024: RON 0.8 million).

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

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

The Company has RON 137.4 million (2024: RON 542.3 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 Company Management has considered that no deferred tax shall be recognized in addition to the elements already disclosed.

See also Note 23 a. for details for the income tax rate and other related matters.

25. INCOME TAX (continued)

c) 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 Company 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 Company 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 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.

25. INCOME TAX (continued)

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 Company 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 Company 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 Company 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. 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.

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25. INCOME TAX (continued)

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.

26. OPERATING SEGMENT INFORMATION

A. Operating segments

For management purposes, the company is organized in two segments - refining and petrochemicals.

2025 Income statement

	Refining	Petrochemicals	Unallocated amounts between the segments	Total
Net turnover	16,886,887,577	426,734,342	-	17,313,621,919
Cost of sales	(15,934,035,381)	(645,050,350)	-	(16,579,085,732)
Gross profit / (loss)	952,852,196	(218,316,009)	-	734,536,187
Selling, general and administrative expenses	(419,969,674)	(51,639,133)	-	(471,608,807)
Other operating revenues / expenses, net	5,094,126	18,021,943	-	23,116,070
Operating loss	537,976,648	(251,933,199)	-	286,043,449
Financial expenses	-	-	(592,555,097)	(592,555,097)
Financial revenues	-	-	150,266,985	150,266,985
Net foreign exchange gains / (losses)	-	-	422,847,459	422,847,459
Profit / (loss) before income tax	537,976,648	(251,933,199)	(19,440,652)	266,602,797
Income tax	-	-	2,076,228	2,076,228
Net Loss	537,976,648	(251,933,199)	(17,364,424)	268,679,025
Depreciation and amortization	(373,602,190)	(39,973,274)	-	(413,575,464)

2024 Income statement

	Refining	Petrochemicals	Unallocated amounts between the segments	Total
Net turnover	14,680,301,547	333,942,289	-	15,014,243,836
Cost of sales	(13,907,417,220)	(505,937,098)	-	(14,413,354,318)
Gross profit / (loss)	772,884,327	(171,994,809)	-	600,889,518
Selling, general and administrative expenses	(434,097,669)	(66,882,294)	-	(500,979,963)
Other operating revenues / expenses, net	(44,035,366)	(21,341,193)	-	(65,376,559)
Operating loss	294,751,292	(260,218,296)	-	34,532,996
Financial expenses	-	-	(539,245,395)	(539,245,395)
Financial revenues	-	-	323,057,464	323,057,464
Net foreign exchange gains / (losses)	-	-	(332,065,569)	(332,065,569)
Profit / (loss) before income tax	294,751,292	(260,218,296)	(548,253,500)	(513,720,504)
Income tax	-	-	42,906,695	42,906,695
Net Loss	294,751,292	(260,218,296)	(505,346,805)	(470,813,809)
Depreciation and amortization	(379,344,543)	(73,994,624)	-	(453,339,167)

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26. OPERATING SEGMENT INFORMATION (continued)

In 2025 turnover of the Company are included the clients KazMunayGas Trading AG and Rompetrol Downstream SRL, that generate more than 10% of the total sales, their value amounting to RON 10,145.5 million (2024: RON 9,521.1 million).

For the income statement, management analysis are made separately for the 2 segments: Refining and Petrochemicals.

Since many of the Petromidia refinery facilities are used jointly by refining and the petrochemicals segment 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.

B. Geographical markets

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

	December 31, 2025	December 31, 2024
Romania	10,694,784,025	9,805,451,133
Europe	6,323,254,846	5,140,934,011
Asia	295,583,048	67,858,692
Total	17,313,621,919	15,014,243,836

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27. RELATED PARTIES

The ultimate parents of the Company are the company National Welfare Fund "Samruk-Kazyna" Joint Stock Company (67.42%), Ministry of Finance of Republic of Kazakhstan (20%) and National Bank of Republic of Kazakhstan (9.58%), companies with its headquarters in Kazakhstan, entirely owned by the Kazakh State plus Other shareholders (3%) holding shares freely traded on the Kazakhstan Stock Exchange.

In accordance with IAS 24 'Related Party Disclosures', the Company applies the partial exemption from disclosure requirements for government-related entities. Consequently, the Company 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 the affiliated entity	Nature of the relation
KMG International N.V.	Majority shareholder
Oilfield Exploration Business Solutions SA	Company held by KMG International N.V
Rominserv SRL	Company held by KMG International N.V
KazMunayGas Trading AG	Company held by KMG International N.V
Rompetro Well Services SA	Company held by KMG International N.V
Rompetro Bulgaria JSC	Company held by KMG International N.V
Intreprinderea Mixta Rompetrol Moldova SA	Company held by KMG International N.V
Rompetro Georgia LTD	Company held by KMG International N.V
Midia Marine Terminal SRL	Company held by KMG International N.V
Rompetro Financial Group SRL	Company held by KMG International N.V
Dyneff SAS	A company of Rompetrol France group, where KMG International N.V. owns 49%
KMG Rompetrol SRL	Company held by KMG International N.V
Byron Shipping Ltd	Company held by KMG International N.V
Byron Shipping SRL	Company held by KMG International N.V
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	Company held by KMG International N.V (KMG International group holds: 43.42%)
Global Security Sistem SA	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 51%)
Global Security Systems Fire Services SRL	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 51%)
Rompetro Downstream SRL	Company affiliated to the Company
Rompetro Petrochemicals SRL	Company affiliated to the Company
Rom Oil SA	Company affiliated to the Company
Rompetro Logistics SRL	Company affiliated to the Company
Rompetro Quality Control SRL	Company affiliated to the Company
Rompetro Gas SRL	Company held by KMG International N.V
Rompetro France SAS	A company of Rompetrol France group, where KMG International N.V. owns 49%
TRG Petrol Ticaret AS	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 51%)
Rompetro Energy S.A.	Company held by KMG International N.V (KMG International owns: 99%)
KMG Rompetrol Services Center SRL	Company held by KMG International N.V
Rompetro Renewables SRL (former Rompetrol Drilling SRL)	Company held by KMG International N.V
Benon Rompetrol LLC	Company held by KMG International N.V (indirect ownership by KMG International N.V.: 40%)
The Romanian State and the Romanian Authorities	Significant shareholder
Fondul de Investitii in Energie Kazah-Roman SA	Company held by KMG International N.V
KMG Rompetrol Development SRL	Company held by KMG International N.V

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27. RELATED PARTIES (continued)

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

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

	Receivables and other assets	
	December 31, 2025	December 31, 2024
KazMunayGas Trading AG	148,866,013	191,393,723
Rompetrol Downstream S.R.L.	856,275,440	595,113,264
Rompetrol Petrochemicals S.R.L.	481	481
KMG International N.V.	970,353	672,666
Rompetrol Gas SRL	44,432,097	3,489,482
Rompetrol Moldova ICS	91,181,758	61,461,741
Rompetrol Bulgaria JSC	223,999	23,425,368
Rominserv S.R.L.	1,469,055	23,178,020
Rompetrol Quality Control S.R.L.	180,230	179,554
Rompetrol Logistics S.R.L.	2,650	1,988
Midia Marine Terminal S.R.L.	2,116,505	1,442,885
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	274,985	274,985
KMG Rompetrol SRL	154,373,958	36,327,732
Global Security Systems S.A.	607,509	610,005
Rompetrol Energy S.A.	104,858,715	69,322,732
Byron Shipping Ltd.	2,535	2,759
Oilfield Exploration Business Solutions S.A.	3,063,285	2,990,454
Rompetrol Financial Group SRL	11,352	11,321
KMG Rompetrol Services Center SRL	43,857	47,455
KMG Rompetrol Development SRL	-	485,655
Total	1,408,954,778	1,010,432,270

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27. RELATED PARTIES (continued)

	Payables, loans and other liabilities	
	December 31, 2025	December 31, 2024
KazMunayGas Trading AG	2,687,602,343	3,789,357,013
Rompetrol Downstream S.R.L	90,741,232	50,200,971
Rompetrol Petrochemicals S.R.L.	6,981,531	6,981,531
Rompetrol Gas SRL	35,346,942	35,864,103
Rompetrol Moldova ICS	115,727,810	128,591,613
Rominserv S.R.L.	84,528,059	194,641,119
Rompetrol Quality Control S.R.L.	10,067,538	1,086,136
Rompetrol Logistics S.R.L	63,305,788	-
Midia Marine Terminal S.R.L.-trade debts	12,611,416	5,779,277
Midia Green Energy SA (former Uzina Termoelectrica Midia SA)	415	415
KMG Rompetrol SRL- debt cash pooling	2,229,864,862	1,746,434,350
KMG Rompetrol SRL-interest cash pooling	15,727,066	12,450,257
KMG Rompetrol SRL-trade debts	25,521,769	8,735,344
Global Security Systems S.A.	1,348,557	1,348,557
Global Security Systems Fire Services S.R.L.	1,859,020	1,859,020
KMG Rompetrol Development	2,204,829	-
Rompetrol Energy S.A.	79,611,196	28,502,064
KMG Rompetrol Services Center SRL	2,753,633	1,007,948
Rompetrol Bulgaria JSC	209,394	-
TRG Petrol Ticaret Anonim Sirketi	10,346	10,346
Total	5,466,023,747	6,012,850,064

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 10 and 15.

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27. 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, sales / purchases	Sales		Purchases	
		January - December 2025	January - December 2024	January - December 2025	January - December 2024
KazMunayGas Trading AG	Raw materials / Petroleum products	3,433,425,632	2,708,629,877	13,692,289,346	12,449,060,662
Rompetrol Downstream S.R.L.	Petroleum products, rent, utilities and other	6,713,482,661	6,814,592,802	2,530,632	2,813,050
KMG International N.V.	Loan interest, management services	-	-	9,147,742	5,451,337
Rompetrol Gas SRL	Platform operation, propane / Petroleum products, rent, loan interest, other	479,489,589	391,390,270	2,554,393	1,870,918
Rompetrol Moldova ICS	Sales intermediary services	1,828,864,761	1,577,451,211	2,375	-
Rompetrol Bulgaria JSC	Sales intermediary services	4,749,932	51,616,082	-	-
Rominserv S.R.L.	Acquisition and maintenance of fixed assets	2,930,992	3,073,675	305,909,211	773,427,000
Rompetrol Quality Control S.R.L.	Laboratory analysis/Rent, utilities, other services, dividends	1,931,126	1,680,474	55,778,962	49,510,942
Rompetrol Logistics S.R.L.	Transport, rent/Rent, utilities	23,038	55,877	168,215	164,324
Midia Marine Terminal S.R.L.	Handling services/ Rent,utilities, re invoicing, others	2,314,971	1,667,182	99,873,348	83,694,588
Rompetrol Well Services S.A.	Others	-	-	504	218
Rompetrol Energy S.A.	Acquisition of utilities	157,956,323	157,424,374	367,999,201	285,305,046
KMG Rompetrol S.R.L.	Loan interest, management services	12,060,178	19,158,503	253,132,753	204,363,332
Global Security Systems S.A.	Security and protection services	1,478	1,657	12,726,835	12,351,235
Global Security Systems Fire Services SRL	Security and protection services	-	-	11,060,618	10,927,674
Oilfield Exploration Business Solutions S.A.	Others	1,509	-	-	-
Byron Shipping S.R.L.	Demurrage /Rent, reinvoices of other services	24,347	24,103	-	-
Romoil S.A.	Reinvoicing bank loan fees	-	96,905	-	10,245
KMG Rompetrol Services Center SRL	Shared services	446,397	462,617	14,351,844	12,978,751
		12,637,702,934	11,727,325,609	14,827,525,980	13,891,929,322

27. RELATED PARTIES (continued)

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

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

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

The amount of remuneration for key management personnel and Board of Directors for 2025 was of RON 3,871,668 (2024: RON 3,558,357), including short-term benefits and bonuses. No member of Board of Directors is entitled to any benefits upon termination of his employment. The Company does not provide loans either to members of the Board of Directors or to members of Company 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.

28. EARNINGS PER SHARE

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Profit/(Loss) for the year attributable to ordinary equity holders of the parent entity	268,679,025	(470,813,808)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share (see Note 12)	26,559,205,726	26,559,205,726
Weighted average number of shares for the purpose of diluted earnings per share	74,126,448,244	26,559,205,726
Earnings per share (RON/share)		
Basis	1.01	(1.77)
Diluted	0.36	(1.77)

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 Company's shareholding structure. The conversion of the hybrid instrument is subject to agreement between the parties and the approval of the relevant corporate bodies, including the General Meeting of Shareholders.

29. CONTINGENT LIABILITIES

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 Rompetrol Rafinare S.A., at the option of the Company.

In accordance with the above mentioned deed, Rompetrol Rafinare S.A. performed several steps by increasing the share capital in June 2010 with USD 100m, redeemed 2,160,000 Bonds for EUR 54m in August 2010 and converted into shares the remaining 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 Rompetrol Rafinare S.A. and its affiliates as well as on all movable and immovable assets of Rompetrol Rafinare S.A. except inventories.

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

The Memorandum of Understanding includes also the following aspects:

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

Following conclusion of MOU, Rompetrol Rafinare submitted to the Romanian authorities a requirement for the annulment of the seizure. On 9 May 2016, Rompetrol Rafinare SA was notified that it was included as a civil responsible party in a file under investigation by DIICOT (see Note 30 - *Litigation with the State involving criminal charges - Case 225*) and at that date, the movable and immovable assets of Rompetrol Rafinare SA, as well as all the investments in subsidiaries, were subject to asset freeze.

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

Further on, according to the said MOU and given the final decision issued in 2020 by the Supreme Court in file no. 225 / D / P / 2006, Rompetrol Rafinare submitted to the Romanian authorities a request for the annulment of the precautionary seizure.

29. CONTINGENT LIABILITIES (continued)

On 20 December 2021, a decision was issued in favor of the company by releasing the seizure. The decision was appealed by ANAF to the Supreme Court and on 22 June 2023, the Court cancelled the first decision and sent back the file to be re-settled by the Constanta Court of Appeal. The next hearing was scheduled on 5 February 2024, when the Court admitted the claim and lifted seizure to which ANAF made another appeal, and the case was pending to the Supreme Court. The first appeal hearing was scheduled for January 31, 2025, when the Supreme Court rejected the appeals and confirmed the first court resolution by which ANAF should issue a decision to cancel the enforcement order and lift the precautionary seizure. On 3 March 2025 ANAF started the appropriate formalities to lift the seizure from 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.

30. LEGAL MATTERS

Litigation with the State involving criminal charges

I. Criminal case

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

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

On July 2020 the Supreme Court rejected all the complaints against the closing of the file and on October 14, 2022 the remaining criminal seizure was dismissed by the Court. The Company lifted the criminal precautionary seizure from the Land Book, 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 \$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 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 \$55m as principal (\$118m including penalties). The Company submitted its reply, pointing out that before any step forward Faber should pay the stamp fee according to the law and, on top of it, previous decisions the Bucharest Court issued before on the same matter. The next hearing is scheduled for April 7, 2026.

30. LEGAL MATTERS (continued)

B. On the other hand, as Case 225 was finally closed in 2019, Faber resumed several civil cases which were suspended back in 2005 - 2007 due to the 225-criminal case and by which Faber challenged the Rompetrol Rafinare corporate documents approved within the privatization process (2001 - 2006) to meet the terms and conditions of the privatization contract.

Until now all claims of Faber either have been withdrawn by Faber or have been dismissed by the Court (for couple of them a final and irrevocably decision being issued).

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

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

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

The next hearing is scheduled for April 7, 2026.

Considering the allegations, each company is facing, a maximum exposure of approximately RON 3.6 million.

Regarding this legal matter Rompetrol Rafinare booked a provision in amount of RON 3.6 million.

Litigation on Tax Assessments received by Rompetrol Rafinare SA in 2017

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

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

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

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

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

30. LEGAL MATTERS (continued)

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

Regarding this legal matter Rompetrol Rafinare recognized a provision in amount of RON 25.1 million that was reversed by the end of 2025, following the case closure.

Criminal case concerning Petromidia Refinery incident on July 2nd 2021

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

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

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

DIICOT Criminal Investigation File in connection with Vega lagoons greening Project

During the investigation carried out by the Directorate for the Investigation of Organized Crime and Terrorism ("DIICOT"), investigation which is the subject of criminal case 279 / D / P / 2020, to 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 as of the date of the current financial situations. The suspicions of the criminal investigation bodies concern the alleged fictitious character of some services for which the Company would have unjustifiably paid the amount of approximately 10 million RON. On 23.02.2022, DIICOT informed 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 Company's employees but lifting the interdiction for leaving the country. On March 9, 2023, the court finally lifted also the judicial control. On September 12, 2024, the last hearing was held. On October 16, 2024, the court rejected the complaints against the indictment but a challenge against this decision was submitted timely and a first hearing in appeal is scheduled on March 20, 2025, and a decision 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.

30. LEGAL MATTERS (continued)

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

On May 13, 2023, an incident occurred in the PP plant in the Petromidia refinery, as a result of which 2 company employees died. Criminal investigations are carried out by the Prosecutor's Office of Constanta Court (Tribunal). In the criminal case, the company has no quality, until this moment a series of hearings have been conducted of the employees involved in the event or present at the workplace in the installation. At the same time, the work accident is being investigated by the Territorial Labor Inspectorate according to the legislation on work incidents. On July 16, 2025, the Territorial Labour Inspectorate issued the Report on the incident. According to the conclusions of the Report the individuals responsible are indicated as being the victims involved in the accident – main cause minimizing the risks of injury by voluntarily entering a confined space. 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 Constanța Court (Judecatorie). The company, as the injured party, formulated and submitted in the file a criminal complaint with the object of destruction. Also, at the request of both the Company and the Prosecutor's Office next to the Constanta Court, INCD INSEMEX Petroșani 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 Labor Inspectorate.

Windfall tax litigation

Case for 2022 windfall tax

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

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

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

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

30. LEGAL MATTERS (continued)

Case for 2023 windfall tax

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

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

Turnover tax litigation

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 RON 51.4 million in turnover tax for the first 3 quarters of 2024.

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

The next hearing date in front of the Constitutional Court has not yet been set.

Vega Refinery (wastewater treatment supply services)

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

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

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

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

A main claim was submitted on June 17, 2024.

30. LEGAL MATTERS (continued)

On January 23, 2025, exception of material incompetence of the Ploiesti Court (Judecatoria Ploiesti) was invoked, the court postponed the decision for 2 weeks. The first instance declined its jurisdiction, the file will be sent to the higher instance - Tribunalul Ploiesti; also, the Company concluded a service contract relating wastewater generated from Vega refinery with the defendant, a request to waive the claim was filed to the court, relating to which Tribunalul Ploiesti will decide. The hearing is scheduled for May 6, 2026.

Lawsuit Ilias Kuldzhanov vs. 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 KazMunayGasTrading AG, 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 is going to submit the statement of defence, and the court will set the first trial term.

31. COMMITMENTS

Environmental risks and obligation

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

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

As of 31 December 2025, the Company reassessed environmental provision considering changes in assumptions as compared with previous period as mentioned in Note 18.

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

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

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.

31. COMMITMENTS (continued)

KMGI Group recognizes the critical importance of climate issues and remains committed to supporting European commitments under the Paris Agreement. The Company 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 Company'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 Company. 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 Company's long-term sustainability framework.

In 2025 the Company 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 Company 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 CO₂ emissions reductions, supporting longer-term decarbonization goals while bolstering operational sustainability.

2025 marked the completion and launch of the large investment project of the Company, 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 Company upholds a balanced, pragmatic approach to sustainability and decarbonization through high-value, targeted projects that align with realistic timelines and external developments.

War and conflict risks

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.

31. COMMITMENTS (continued)

The Company is closely monitoring the evolution of these geopolitical developments, including sanctions regimes and potential impacts on international trade and energy markets. The Company 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 Company does not have direct exposure to related parties and/or key customers or suppliers from Russia or Ukraine. The Company's crude oil supply is primarily sourced from Kazakhstan under established commercial arrangements, and the Company 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 Company'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 Company. The risks are not only technical but also business related and may lead to operational disruptions, fraud or theft of sensitive information.

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

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

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

Work safety and safe operations

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

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

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31. COMMITMENTS (continued)

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, RON equivalent 358.5 million (2024: USD 20.4 million, RON equivalent 97.4 million) and Vega refinery of USD 7.93 million, RON equivalent 34.4 million (2024: USD 0.68 million, RON equivalent 3.2 million).

Sale and purchase commitments

As of 31 December 2025, the main commitments relate to Rompetrol Rafinare S.A. for purchases of raw materials and utilities of USD 3,451.36 million, RON equivalent 14,985 million (2024: USD 3,498.23 million, RON equivalent 16,710 million) and for sales of petroleum, petrochemicals products and utilities sales of USD 2,617.54 million, RON equivalent 11,365 million (2024: USD 2,212.10 million, RON equivalent 10,567 million).

32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS

A. CAPITAL RISK

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of bank debt and shareholder loans (see Notes 15 and 16), lease liabilities (Note 17), cash and cash equivalents (Note 11) and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the "Statement of Changes in the Shareholders' Equity".

B. GEARING RATIO

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

	December 31, 2025	December 31, 2024
Debt (bank loans)	1,398,071,739	1,536,882,657
Cash and cash equivalents	(202,434,632)	(401,448,104)
Net Borrowings	1,195,637,107	1,135,434,553
Equity (including shareholder and related parties loans)	1,855,464,848	1,514,685,886
Gearing ratio	64.4%	75.0%

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

	December 31, 2025	December 31, 2024
Long-term borrowings	1,192,198,656	1,317,919,120
Total equity	1,824,646,341	1,483,865,797
Gearing ratio	65.34%	88.82%

32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

Both ratios improved year-on-year, reflecting the strengthening of the Company's capital position through equity growth and debt reduction.

C. FINANCIAL INSTRUMENTS

	31 December 2025	31 December 2024
Financial assets		
Investments in subsidiaries	3,651,530,174	3,741,084,832
Trade receivables and other receivables	1,858,499,048	1,295,747,768
Long-term receivables	544,026,880	27,754,000
Derivatives	65,383,334	-
Cash and bank accounts	202,434,632	401,448,104
TOTAL FINANCIAL ASSETS	<u>6,321,874,069</u>	<u>5,466,034,704</u>
Financial liabilities		
Short term borrowings from shareholders and related parties	30,818,507	30,820,089
Derivatives	-	16,188,271
Commercial liabilities and other liabilities	5,440,336,168	5,919,361,256
Short term loans	205,873,083	218,963,537
Long term borrowings from banks	1,192,198,656	1,317,919,120
Lease debts	60,350,285	53,049,454
TOTAL FINANCIAL LIABILITIES	<u>6,929,576,699</u>	<u>7,556,301,727</u>

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

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

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

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

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

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

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;

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32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

- Fair value of unquoted equity instruments designated at FVOCI is estimated using appropriate valuation techniques;
- The Company 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 recognised at fair value.

Fair value hierarchy

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

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

	31 December 2025	Level 1	Level 2	Level 3
Financial assets				
Investments in subsidiaries	3,651,530,174	-	-	3,651,530,174
Trade receivables and other receivables	1,858,499,048	-	1,858,499,048	-
Long-term receivables	544,026,880	-	544,026,880	-
Derivates	65,383,334	-	65,383,334	-
Cash and bank accounts	202,434,632	-	202,434,632	-
TOTAL FINANCIAL ASSETS	<u>6,321,874,069</u>	-	<u>2,670,343,894</u>	<u>3,651,530,174</u>
Financial liabilities				
Short term borrowings from shareholders and related parties	30,818,507	-	30,818,507	-
Commercial liabilities and other liabilities	5,440,336,168	-	5,440,336,168	-
Short term loans	205,873,083	-	205,873,083	-
Long term borrowings from banks	1,192,198,656	-	1,192,198,656	-
Lease debts	60,350,285	-	60,350,285	-
TOTAL FINANCIAL LIABILITIES	<u>6,929,576,699</u>	-	<u>6,929,576,699</u>	-
	31 December 2024	Level 1	Level 2	Level 3
Financial assets				
Investments in subsidiaries	3,741,084,832	-	-	3,741,084,832
Trade receivables and other receivables	1,295,747,768	-	1,295,747,768	-
Long-term receivables	27,754,000	-	27,754,000	-
Cash and bank accounts	401,448,104	-	401,448,104	-
TOTAL FINANCIAL ASSETS	<u>5,466,034,704</u>	-	<u>1,724,949,872</u>	<u>3,741,084,832</u>
Financial liabilities				
Short term borrowings from shareholders and related parties	30,820,089	-	30,820,089	-
Derivates	16,188,271	-	16,188,271	-
Commercial liabilities and other liabilities	5,919,361,256	-	5,919,361,256	-
Short term loans	218,963,537	-	218,963,537	-
Long term borrowings from banks	1,317,919,120	-	1,317,919,120	-
Lease debts	53,049,454	-	53,049,454	-
TOTAL FINANCIAL LIABILITIES	<u>7,556,301,727</u>	-	<u>7,556,301,727</u>	-

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32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

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.

A. DERIVATIVE FINANCIAL INSTRUMENTS

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

Statement of financial position:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Derivative financial asset	65,383,334	-
Derivative financial liability	-	(16,188,271)
Net position - asset/(liability)	65,383,334	(16,188,271)

Income Statement:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Realised (gains)/losses - net	129,779,773	(164,523,470)
Total position - loss/(gain) - in Cost of sales	129,779,773	(164,523,470)

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Derivative asset/(liability) 2024	(16,188,271)	-
Variance in Fair Value Hedge posted on inventory	6,699,503	(5,093,421)
Reserves	74,872,103	(11,094,850)
Derivative asset/(liability) 2025	65,383,334	(16,188,271)

Amounts under settlement for closed hedging positions:

Opening balance	(10,988,782)
PL impact (hedge cogs & forex impact)	(129,779,773)
PL impact- hedge commission	(4,488,857)
Payments/encashments (including for hedge commission)	106,437,985
Closing balance	(38,819,427)

The Company is exposed to fluctuations in market prices. The table below presents the sensitivity of the Company'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:

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32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

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 21.

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

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

The Company 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.

D. MARKET RISK

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

E. FOREIGN CURRENCY RISK MANAGEMENT

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

32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

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

F. FOREIGN CURRENCY SENSITIVITY ANALYSIS

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

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

	USD		EUR	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
RON				
5%	(144,258,038)	(283,399,686)	(67,675,484)	(301,003)
(5%)	144,258,038	283,399,686	67,675,484	301,003

G. INTEREST RATE RISK MANAGEMENT

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Company has long-term debt and short-term debt that incur interest at fixed and variable interest rates that exposes the Company to both fair value and cash flow risk.

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

If the interest rates had varied by + / - 50 points and all the other variables had remained constant, the net result of the Company as at 31 December 2025 would decrease / increase by RON 26.8 million (2024: decrease / increase by RON 31.0 million).

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32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

I. LIQUIDITY RISK

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

Balance as at December 31, 2025	Less than 1 month or current	<3 months	3-12 months	1-5 years	>5 years	Total
Trade and other payables	4,066,739,386	1,366,121,581	7,475,202	-	-	5,440,336,168
Derivatives	-	-	-	-	-	-
Short term borrowings from related parties	-	592,390	31,248,450	-	-	31,840,840
Short term borrowings from banks	853,549	2,168,101	207,973,400	-	-	210,995,050
Long term borrowings from banks	-	11,808,728	35,426,183	1,204,007,384	-	1,251,242,295
Lease debts	388,550	777,099	3,496,947	16,843,616	59,660,159	81,166,372
	4,067,981,484	1,381,467,899	285,620,182	1,220,851,000	59,660,159	7,015,580,725

Balance as at December 31, 2024	Less than 1 month or current	<3 months	3-12 months	1-5 years	>5 years	Total
Trade and other payables	5,630,161,196	288,224,701	975,359	-	-	5,919,361,256
Derivatives	-	16,188,271	-	-	-	16,188,271
Short term borrowings from related parties	-	596,982	31,253,365	-	-	31,850,347
Short term borrowings from banks	1,763,623	3,734,016	222,171,428	-	-	227,669,067
Long term borrowings from banks	-	23,350,232	70,050,696	1,349,052,763	-	1,442,453,691
Lease debts	377,052	754,104	3,393,468	14,007,805	53,744,309	72,276,737
	5,632,301,871	332,848,307	327,844,316	1,363,060,568	53,744,309	7,709,799,369

32. FINANCIAL AND RISK MANAGEMENT INSTRUMENTS (continued)

J. COMMODITY PRICE RISK

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

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

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

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

The hedge program for 2025 includes: Rompetrol Rafinare Inventory and Cracks hedge.

At Rompetrol Rafinare SA level, total 2025-year hedging (paper) result has been of USD -13.41 million, out of which USD -29.58 million Realized Result and USD +16.17 million Unrealized Result. Also, the Physical result has been USD +62.29 million.

The net impact of the commodity hedges was positive (Hedge Result + Physical Result), USD +34.15 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 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.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 manage to save +20.66\$/MT x 1.125KT.
- 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 37.97million (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 Rompetrol Rafinare SA level in 2025 is -USD 29.58 million, including inventory (+2.66 mil USD) and refinery margins (-32.24 mil USD).

The Company'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 Company, hedge operations will be carried on.

K. CREDIT RISK

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

Trade receivables

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

Cash pooling and bank deposits

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

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33. 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
Total	511,457	408,953

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.

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.

34.SUBSEQUENT EVENTS

The Company 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 separate 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
Financial Manager

SORIN GRAURE
General Manager

Prepared by, Alexandru Cornel Anton
Chief Accountant